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ELIN ELECTRONICS LIMITED

CORPORATE IDENTITY NUMBER: U29304WB1982PLC034725

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
143, Cotton Street, Kolkata – 700 007, West Bengal, India	4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110002, India	Lata Rani Pawa, Company Secretary and Compliance Officer	Tel: + 011 43000400 Email: cs@elinindia.com	www.elinindia.com

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

DETAILS OF THE OFFER

TYPE	FRESH ISSUE SIZE	OFFER FOR SALE SIZE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATION
Fresh Issue and an Offer for Sale	Fresh issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million	Offer for sale of up to [●] Equity Shares aggregating up to ₹ 3,000 million	Up to ₹ 4,750 million	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For details in relation to share reservation among QIBs, NIIs and RIIs, see “Offer Structure” on page 354.

OFFER FOR SALE

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION [^] (IN ₹)
Kamal Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 171.82 million	0.94
Suman Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 305.16 million	0.75
Kishore Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 280.88 million	1.27
Vasudha Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 83.30 million	2.66
Gaurav Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 253.76 million	0.12
Vinay Kumar Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 49.61 million	1.55
Sumit Sethia	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 66.62 million	1.07
Dhani Devi Sethia Trust	Other Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 8.09 million	0.00
Kamal Sethia & Sons HUF	Other Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 20.52 million	0.66
Vijay Singh Sethia	Other Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹ 76.29 million	1.17

[^]As per the certificate dated December 12, 2022 issued by Oswal Sunil & Company, Chartered Accountants

For more details of our Promoters Selling Shareholders and Other Selling Shareholders, see “List of Selling Shareholders” on page 14.

RISKS IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 5.00 per Equity Share. The Floor Price, the Cap Price and the Offer Price (as determined by our Company and the Selling Shareholders, in consultation with the BRLMs), on the basis of the assessment of market demand for the Equity Shares by way of the book building process, as stated in “Basis for Offer Price” on page 109, should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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 have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 26.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholders, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholders assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or the other Selling Shareholders, in this Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE and NSE. For the purposes of the Offer, BSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

Name of Book Running Lead Manager and logo	Contact Person	Email and Telephone
 Axis Capital Limited	Simran Gadh/Pavan Naik	Telephone: +91 22 4325 2183 E-mail: elin.ipo@axiscap.in
 JM Financial Limited	Prachee Dhuri	Tel: +91 22 6630 3030 Email: elin.ipo@jmfl.com

REGISTRAR TO THE OFFER

Name of Registrar	Contact Person	Email and Telephone
KFin Technologies Limited	M. Murali Krishna	Tel: +91 40 6716 2222 E-mail: elinindia.ipo@kfintech.com

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD	BID/OFFER OPENS ON	BID/OFFER CLOSING ON
Monday, December 19, 2022*	Tuesday, December 20, 2022*	Thursday, December 22, 2022

* Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e., Monday, December 19, 2022.



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 into a public 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.

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 Lal Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit 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, COMPRISING UP TO [●] EQUITY SHARES BY KAMAL SETHIA AGGREGATING UP TO ₹ 171.82 MILLION, UP TO [●] EQUITY SHARES BY KISHORE SETHIA AGGREGATING UP TO ₹ 280.88 MILLION, UP TO [●] EQUITY SHARES BY GAURAV SETHIA AGGREGATING UP TO ₹ 253.76 MILLION, UP TO [●] EQUITY SHARES BY SUMIT SETHIA AGGREGATING UP TO ₹ 66.62 MILLION, UP TO [●] EQUITY SHARES BY SUMAN SETHIA AGGREGATING UP TO ₹ 305.16 MILLION, UP TO [●] EQUITY SHARES BY VASUDHA SETHIA AGGREGATING UP TO ₹ 83.30 MILLION, UP TO [●] EQUITY SHARES BY VINAY KUMAR SETHIA AGGREGATING UP TO ₹ 49.61 MILLION (THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,788.85 MILLION BY THE PERSONS LISTED IN THIS RED HERRING PROSPECTUS (THE "OTHER SELLING SHAREHOLDERS" AS DEFINED BELOW) (THE PROMOTER SELLING SHAREHOLDERS AND THE OTHER SELLING SHAREHOLDERS COLLECTIVELY, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER").

THE FACE VALUE OF EQUITY SHARES IS ₹ 5 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN ALL PUBLISHED EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER THE FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER JANSATTA AND KOLKATA EDITION OF THE BENGALI NEWSPAPER ARTHIK LIPI (BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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 will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, of 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 sub-category 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.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 5 each. The Floor Price, the Offer Price or the Price Band (determined by our Company in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 109), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

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 Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 26.

OUR COMPANY'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accepts responsibility for, and confirms, that the statements made or confirmed by him in this Red Herring Prospectus to the extent that the statements and information specifically pertain to him and the Equity Shares offered by him under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through this Red Herring Prospectus 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 this Red Herring Prospectus 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 this Red Herring Prospectus until the Bid / Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 393.

BOOK RUNNING LEAD MANAGER

REGISTRAR TO THE OFFER



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

KFin Technologies Limited
 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@kfinitech.com
Investor grievance e-mail: einward.ris@kfinitech.com
Website: www.kfinitech.com
Contact person: M Murali Krishna
SEBI registration number: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON

Tuesday, December 20, 2022*

BID/OFFER CLOSES ON

Thursday, December 22, 2022

* Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e., Monday, December 19, 2022.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Industry Overview”, Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Information”, “Basis for Offer Price”, “Outstanding Litigation and Other Material Developments”, “Restriction on Foreign Ownership of Indian Securities” and “Description of Equity Shares and Terms of Articles of Association”, on pages 128, 204, 121, 239, 109, 332, 375 and 376, respectively, will have the meaning ascribed to such terms in those respective sections.

Company and Selling Shareholders Related Terms

Term	Description
“our Company”, “the Company” or “the Issuer”	Elin Electronics Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 143, Cotton Street, Kolkata – 700 007, West Bengal, India
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiary
“Articles” or “Articles of Association” or “AoA”	The articles of association of our Company, as amended
“Audit Committee”	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in “Our Management” on page 213
“Board” or “Board of Directors”	The board of directors of our Company, as constituted from time to time
“Chief Financial Officer”	The chief financial officer of our Company, being Raj Karan Chhajer
“Company Secretary and Compliance Officer”	Company secretary and compliance officer of our Company, being Lata Rani Pawa
“Corporate Social Responsibility Committee”	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in “Our Management” on page 213
“Corporate Office”	The corporate office of our Company situated at 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110002
“Director(s)”	Director(s) on the Board of our Company, as appointed from time to time
“Equity Shares”	Equity shares of our Company of face value of ₹ 5 each
“Executive Directors”	Executive director(s) of our Company. For further details of the Executive Directors, see “Our Management” on page 213
Frost & Sullivan	Frost & Sullivan (India) Private Limited
F&S Report	Report titled “Assessment of Electronics Manufacturing Services (EMS) Industry In India” dated November 2022 prepared by Frost & Sullivan
“Group Companies”	Our group companies as disclosed in the section “Group Companies” on page 236
“IPO Committee”	The IPO committee of our Board constituted vide resolution of the Board dated October 9, 2021
“Independent Director”	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see “Our Management” on page 213
“KMP” or “Key Managerial Personnel”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as disclosed in “Our Management” on page 213
“Managing Director”	The managing director of our Company, being Kamal Sethia
“Material Subsidiary” or “Subsidiary”	The material subsidiary of our Company, being Elin Appliances Private Limited
“Materiality Policy”	The materiality policy of our Company adopted pursuant to a resolution of our Board dated November 12, 2022, for identification of the material (a) outstanding litigation proceedings;

Term	Description
	(b) group companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations
“Memorandum” or “Memorandum of Association” or “MoA”	The memorandum of association of our Company, as amended
“Nomination and Remuneration Committee”	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in “ <i>Our Management</i> ” on page 213
“Non – executive Director(s)”	A Director, not being an Executive Director
“Promoters”	Promoters of our Company namely, Mangi Lall Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vasudha Sethia and Vinay Kumar Sethia. For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 229
“Promoter Selling Shareholders”	Collectively, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vasudha Sethia and Vinay Kumar Sethia
“Promoter Group”	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 229
“Registered Office”	The registered office of our Company situated at 143, Cotton Street, Kolkata – 700 007, West Bengal, India.
“Registrar of Companies” or “RoC”	Registrar of Companies, West Bengal at Kolkata
“Restated Consolidated Financial Statements” or “Restated Consolidated Financial Information”	The restated consolidated financial statements of the Company and its subsidiary, which comprises of the restated consolidated statement of assets and liabilities as at the six months period ended September 30, 2022 and financial year ended March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the six months period ended September 30, 2022, and financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the summary of significant accounting policies and explanatory notes and notes to restated consolidated financial statements prepared in accordance with IND AS and restated in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time read with the SEBI communication dated October 28, 2021.
“Scheme of Amalgamation”	Scheme of amalgamation of Asian Magnetic Devices Private Limited and Rosebud Holding Private Limited with our Company approved by National Company Law Tribunal, Division Bench, Kolkata, by its order dated September 26, 2019
“Selling Shareholders”	Collectively, the Promoter Selling Shareholders and Other Selling Shareholders as set out in the section “ <i>List of Selling Shareholders</i> ” on page 14
“Shareholder(s)”	The holders of the Equity Shares from time to time
“Stakeholders’ Relationship Committee”	The stakeholders’ relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in “ <i>Our Management</i> ” on page 213
“Statutory Auditor”	The statutory auditor of our Company, being Oswal Sunil & Company, Chartered Accountants
“Whole-time Director(s)”	Wholetime directors of our Company Mangi Lall Sethia, Sanjeev Sethia and Sumit Sethia. For further details of our Whole-time Directors, see “ <i>Our Management</i> ” on page 213

Offer Related Terms

Term	Description
“Abridged Prospectus”	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
“Acknowledgement Slip”	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
“Allotment”, “Allot” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders

Term	Description
“Allotment Advice”	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
“Allottee”	A successful Bidder to whom the Equity Shares are Allotted
“Anchor Investor”	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
“Anchor Investor Allocation Price”	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of this Red Herring Prospectus and the Prospectus which will be decided by our Company, in consultation with the BRLMs
“Anchor Investor Application Form”	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
“Anchor Investor Bidding Date”	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
“Anchor Investor Offer Price”	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs
“Anchor Investor Pay – in Date”	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
“Anchor Investor Portion”	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Applications Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by UPI Bidders using UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
“ASBA Account”	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an UPI Bidders, which will be blocked in relation to a Bid by a UPI Bidders through the UPI Mechanism
“ASBA Bidders”	All Bidders except Anchor Investors
“ASBA Form”	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
“Axis”	Axis Capital Limited
“Banker(s) to the Offer”	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 357
“Bid”	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly
“Bidder”	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
“Bid Amount”	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum

Term	Description
	Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable
“Bidding Centres”	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
“Bid cum Application Form”	Anchor Investor Application Form or the ASBA Form, as the context requires
“Bid Lot”	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
“Bid/Offer Closing Date”	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being December 22, 2022, which shall be published in all editions of the English daily national newspaper The Financial Express, all editions of the Hindi national daily newspaper Jansatta and Kolkata edition of the Bengali newspaper Arthik Lipi (Bengali being the regional language of West Bengal, where our Registered Office is located).</p> <p>In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as required under the SEBI ICDR Regulations.</p> <p>In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
“Bid/Offer Opening Date”	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being December 20, 2022, which shall also be published in all editions of the English daily national newspaper the Financial Express, all editions of the Hindi national daily newspaper Jansatta and Kolkata edition of the Bengali newspaper Arthik Lipi (Bengali being the regional language of West Bengal, where our Registered Office is located).
“Bid/Offer Period”	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
“Book Building Process”	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer, namely Axis Capital Limited and JM Financial Limited
“Broker Centre”	Broker centres notified by the Stock Exchanges where Bidders (other than Anchor Investors) can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
“CAN” or “Confirmation of Allocation Note”	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
“Cap Price”	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price
“Cash Escrow and Sponsor Bank Agreement”	The agreement dated December 9, 2022 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, inter alia, the for appointment of the Sponsor Bank(s) in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof

Term	Description
“Circular on Streamlining of Public Issues”/ “UPI Circular”	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021./2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard
“Client ID”	Client identification number maintained with one of the Depositories in relation to the Bidder’s beneficiary account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
“Cut-off Price”	The Offer Price, as finalised by our Company, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
“Demographic Details”	Details of the Bidders including the Bidder’s address, name of the Bidder’s father/husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
“Designated Branches”	SCSB Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
“Designated Locations”	CDP Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
“Designated Date”	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the offer
“Designated Intermediaries”	In relation to ASBA Forms submitted by RIBs and HNI Bidding with an application size of up to ₹ 0.5 million (not using the UPI Mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs
“Designated Locations”	RTA Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time

Term	Description
“Designated Stock Exchange”	BSE
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated November 17, 2021, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer
“Eligible FPIs”	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
“Eligible NRIs”	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
“Escrow Account(s)”	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
“Escrow Collection Bank(s)”	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited
“First Bidder”	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
“Floor Price”	The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted
“Fresh Issue”	The fresh issue component of the Offer comprising an issuance of up to [●] Equity Shares aggregating up to ₹ 1,750 million by our Company
“General Information Document” or “GID”	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
“Gross Proceeds”	The Offer proceeds from the Fresh Issue
“JM”	JM Financial Limited
“June 2021 Circular”	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
“March 2021 Circular”	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
“Minimum NIB Application Size”	Bid amount of more than ₹ 200,000 in the specified Bid Lot size
“Monitoring Agency”	Axis Bank Limited
“Monitoring Agency Agreement”	Agreement dated November 2, 2022 entered into between our Company and the Monitoring Agency
“Mutual Fund”	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“Mutual Fund Portion”	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
“Net Proceeds”	The Gross Proceeds less our Company’s share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see “ <i>Objects of the Offer</i> ” on page 99
“Net QIB Portion”	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
“Non-Institutional Investors” or “NII(s)” or “Non-Institutional Bidders” or “NIB(s)”	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
“Non-Institutional Portion”	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price, of which (a) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (b) two third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more

Term	Description
	than ₹ 1,000,000, provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
“Non-Resident” or “NR”	A person resident outside India, as defined under FEMA
“Offer”	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of [●] per Equity Share) aggregating up to ₹ 4,750 million consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to 1,750 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to 3,000 by the Selling Shareholders
“Offer Agreement”	The agreement dated November 17, 2021 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
“OFS” or “Offer for Sale”	The Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 3,000 million by the Selling Shareholders.
“Offer Price”	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of this Red Herring Prospectus
“Offered Shares”	Up to [●] Equity Shares aggregating up to ₹ 3,000 million being offered for sale by the Selling Shareholders in the Offer for Sale
“Price Band”	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Size. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and will be advertised in all editions of the English daily national newspaper the Financial Express, all editions of the Hindi national daily newspaper Jansatta and Kolkata edition of the Bengali newspaper Arthik Lipi (each of which are widely circulated English, Hindi and Bengali newspapers, respectively, Bengali being the regional language of West Bengal, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
“Pricing Date”	The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
“Prospectus”	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
“Public Offer Account Bank(s)”	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited
“Public Offer Account(s)”	Bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
“QIB Portion”	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
“Qualified Institutional Buyers” or “QIBs”	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
“Red Herring Prospectus” or “RHP”	This red herring prospectus dated December 12, 2022, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which does not have complete particulars of the

Term	Description
	price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto.
“Refund Account(s)”	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
“Refund Bank(s)”	The Banker(s) to the Offer with whom the Refund Account(s) is opened, in this case being Axis Bank Limited
“Registered Broker”	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
“Registrar Agreement”	The agreement dated November 17, 2021 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available in the website of BSE and NSE, and the UPI Circulars
“Registrar” or “Registrar to the Offer”	KFin Technologies Limited
“Resident Indian”	A person resident in India, as defined under FEMA
“Retail Individual Bidders” or “RIB(s)” or “Retail Individual Investors” or “RII(s)”	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
“Retail Portion”	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
“Revision Form”	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
“Self Certified Syndicate Bank(s)” or “SCSB(s)”	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 , or such other website as may be prescribed by SEBI from time to time In accordance with SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, UPI Bidders using UPI Mechanism may apply through the SCSBs and mobile applications (apps) whose name appears on the SEBI website. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 , as updated from time to time
“Specified Locations”	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
“Share Escrow Agent”	KFin Technologies Limited
“Share Escrow Agreement”	The agreement dated March 9, 2022 entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.

Term	Description
“Sponsor Bank(s)”	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being Axis Bank Limited and ICICI Bank Limited
“Stock Exchanges”	Collectively, BSE Limited and National Stock Exchange of India Limited
“Syndicate Agreement”	Agreement dated December 12, 2022 entered into among our Company, the Selling Shareholders, the BRLMs, Registrar and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
“Syndicate Members”	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, JM Financial Services Limited
“Syndicate” or “members of the Syndicate”	Together, the BRLMs and the Syndicate Members
“Systemically Important Non-Banking Financial Company” or “NBFC-SI”	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
“Underwriters”	[●]
“Underwriting Agreement”	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus
“UPI”	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
“UPI Bidders”	Collectively, individual investors applying as (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, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
“UPI ID”	ID created on UPI for single-window mobile payment system developed by the NPCI
“UPI Mandate Request”	A request (intimating the UPI Bidders by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
“UPI Mechanism”	The Bidding mechanism that may be used by an UPI Bidders to make a Bid in the Offer in accordance with the UPI Circulars
“UPI PIN”	Password to authenticate UPI transaction
“Wilful Defaulter” or “Fraudulent Borrower”	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
“Working Day”	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day

Term	Description
	shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
“AC”	Alternating Current
“AS”	Accounting Standards
“Asset turnover ratio”	Asset turnover ratio is computed as Revenue from Operations to Total Assets
“BIS”	Bureau of Indian Standards
“CAGR”	Compound Annual Growth Rate
“CEA”	Consumer Electronics and Appliances
“CFL”	Compact Fluorescent Lamp
“CPH”	Component per hour
“DC”	Direct Current
“Debt to equity ratio”	Debt to equity ratio is computed as net debts over net worth
“DGFT”	Directorate General of Foreign Trade
“DNA”	Deoxyribonucleic acid
“DSIR”	Department of Scientific and Industrial Research
“EBITDA”	Earnings before Interest, Tax, Depreciation, Amortization. It is calculated as Restated profit before tax plus finance costs, depreciation and amortization expense
“EBITDA (%)”	EBITDA (%) is the percentage of EBITDA divided by revenue from operations
“EDP”	Electronic Data Processing
“EESL”	Energy Efficiency Services Limited
“EMC”	Electronics Manufacturing Clusters
“EMC 2.0”	Modified Electronics Manufacturing Clusters Scheme
“EMS”	Electronic Manufacturing Services
“ERP”	Enterprise resource planning
“ESCOs”	Energy Service Companies
“ESDM”	Electronic System Design and Manufacturing
“FHP”	Fractional Horsepower Motors
“GDP”	Gross Domestic Product
“HR”	Human Resources
“ICs”	Integrated Circuits
“Interest coverage ratio”	Interest coverage ratio is computed as Earnings before Interest & Taxes (EBIT) to Finance Cost
“IoT”	Internet of Things
“IP”	Intellectual Property
“ISO”	International Organisation for Standardisation
“IT”	Information Technology
“LAN”	Local Area Network
“LED”	Light Emitting Diode
“LMS”	Light Management Systems
“MEIS”	Merchandise Exports from India Scheme
“MeitY”	Minister of Electronics and Information Technology
“MIS”	Management Information System
“MRNA”	Messenger Ribonucleic acid
“Net worth”	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 in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations
“Net working capital days”	Net working capital days is computed as Working Capital over Revenue from Operations over a period of year/six months period

Term	Description
“NITI”	National Institution for Transforming India
“NMZ”	National Manufacturing Zones
“NPE”	National Policy on Electronics
“NSO”	National Statistical Office
“ODM”	Original Design Manufacturer
“OEM”	Original Equipment Manufacturer
“PAT”	The profit / loss made for the financial year or during a given period
“PAT Margin”	The profit after tax as a % of total income
“PCB”	Printed Circuit Boards
“PCBA”	Printed Circuit Board Assembly
“PFCE”	Private Final Consumption Expenditure
“PLI”	Production Linked Incentive
“R&D”	Research and Development
“RAC”	Room air conditioner
“RERA”	Real Estate (Regulation and Development) Act
“ROCE”	Return on Capital Employed and 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
“ROE”	Return on Equity and is calculated as PAT over total average equity
“ROI”	Return on Investment
“RPM”	Rotation Per Minute
“SLNP”	Street Lighting National Programme
“SMEs”	Small and Medium-sized Enterprises
“SMT”	Surface Mount Technology
“SPECS”	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
“UJALA”	Unnat Jyoti by Affordable LEDs for All

Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
“AIFs”	Alternative investment funds as defined in and registered under the AIF Regulations
“AS”	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
“BSE”	BSE Limited
“BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“CAGR”	Compounded Annual Growth Rate
“Calendar Year” or “year”	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
“Category I AIF”	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
“Category II AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category I FPIs”	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category II FPIs”	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“Companies Act, 1956”	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder
“Companies Act” / “Companies Act, 2013”	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force
“COVID – 19”	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
“Cr.P.C.”	Code of Criminal Procedure, 1973

Term	Description
“CSR”	Corporate social responsibility
“Demat”	Dematerialised
“Depositories Act”	Depositories Act, 1996
“Depository” or “Depositories”	NSDL and CDSL
“DIN”	Director Identification Number
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
“DP ID”	Depository Participant’s Identification Number
“EPS”	Earnings per share
“FDI”	Foreign direct investment
“FDI Policy”	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
“FEMA”	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
“Financial Year”, “Fiscal”, “FY” or “F.Y.”	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
“FIR”	First information report
“FPI(s)”	Foreign Portfolio Investor, as defined under the FPI Regulations
“FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“Fugitive Economic Offender”	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
“FVCI”	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
“FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
“GDP”	Gross domestic product
“GoI” or “Government” or “Central Government”	Government of India
“GST”	Goods and services tax
“HUF”	Hindu undivided family
“IAS Rules”	Companies (Indian Accounting Standards) Rules, 2015, as amended
“ICAI”	The Institute of Chartered Accountants of India
“ICSI”	The Institute of Company Secretaries of India
“ICWAI”	The Institute of Cost & Works Accountants of India
“ICDS”	Income Computation and Disclosure Standards
“IFRS”	International Financial Reporting Standards of the International Accounting Standards Board
“India”	Republic of India
“Ind AS” or “Indian Accounting Standards”	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
“India AS 24”	Indian Accounting Standard 24, “Related Party Disclosures”, notified by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 read with IAS Rules
“IGAAP” or “Indian GAAP”	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
“IPC”	The Indian Penal Code, 1860
“IPR”	Intellectual property rights
“IPO”	Initial public offer
“IST”	Indian standard time
“IT Act”	The Income Tax Act, 1961
“IT”	Information technology
“MCA”	Ministry of Corporate Affairs, Government of India
“Mn” or “mn”	Million
“N.A.”	Not applicable
“NACH”	National Automated Clearing House
“NAV”	Net asset value
“NBFC”	Non-Banking Financial Company

Term	Description
“NEFT”	National electronic fund transfer
“NPCI”	National Payments Corporation of India
“NRE Account”	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
“NRI” or “Non-Resident Indian”	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
“NRO Account”	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“OCB” or “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
“P/E Ratio”	Price/earnings ratio
“PAN”	Permanent account number allotted under the Income Tax Act, 1961
“RBI”	Reserve Bank of India
“Regulation S”	Regulation S under the U.S. Securities Act
“RTGS”	Real time gross settlement
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
“SEBI Listing Regulations” or “Listing Regulation”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999
“SEBI SBEB Regulations 2021”	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
“SEBI VCF Regulations”	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
“STT”	Securities Transaction Tax
“State Government”	Government of a State of India
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“U.S.A”/ “U.S.”/ “United States”	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia
“USD” or “US\$”	United States Dollars
“U.S. GAAP”	Generally Accepted Accounting Principles in the United States of America
“U.S. Securities Act”	United States Securities Act of 1933, as amended
“VAT”	Value added tax
“VCFs”	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

LIST OF SELLING SHAREHOLDERS

S. No.	Name of Selling Shareholders*	Number of Equity Shares held as on the date of RHP	Number of Equity Shares offered in the Offer for Sale	Offered Shares aggregating up to (in ₹ million)	Average cost of acquisition of Equity Shares^	Weighted average cost of acquisition of Equity Shares acquired in the last year^
Promoter Selling Shareholders						
1.	Kamal Sethia	2,229,618	[●]	171.82	0.94	Nil
2.	Suman Sethia	3,960,000	[●]	305.16	0.75	Nil
3.	Kishore Sethia	3,644,928	[●]	280.88	1.27	Nil
4.	Vasudha Sethia	1,080,900	[●]	83.30	2.66	Nil
5.	Gaurav Sethia	3,143,004	[●]	253.76	0.12	Nil
6.	Vinay Kumar Sethia	633,300	[●]	49.61	1.55	Nil
7.	Sumit Sethia	864,450	[●]	66.62	1.07	Nil
Other Selling Shareholders						
8.	Dhani Devi Sethia Trust	105,000	[●]	8.09	0.00	Nil
9.	Kamal Sethia & Sons HUF	266,250	[●]	20.52	0.66	Nil
10.	Vijay Singh Sethia	688,200	[●]	76.29	1.17	Nil
11.	Vijay Singh Sethia & Sons HUF	135,000	[●]	29.15	1.33	Nil
12.	Kanchan Sethia	1,177,500	[●]	119.30	0.93	Nil
13.	Santosh Sethia	815,250	[●]	62.82	0.33	Nil
14.	Deepak Sethia	815,250	[●]	62.82	0.51	Nil
15.	Deepak Sethia & Sons HUF	21,000	[●]	1.62	6.67	Nil
16.	Madhulika Sethia	195,000	[●]	15.03	0.38	Nil
17.	Nikhil Sethia	213,000	[●]	16.41	2.96	Nil
18.	Yugesh Sethia	213,000	[●]	16.41	2.25	Nil
19.	Ashok Sethia	481,800	[●]	61.08	1.58	Nil
20.	Nita Sethia	159,000	[●]	37.20	0.85	Nil
21.	Nitisha Sethia	60,000	[●]	14.04	6.67	Nil
22.	Alok Sethia	829,800	[●]	63.95	1.22	Nil
23.	Alok Sethia HUF	25,500	[●]	1.97	6.67	Nil
24.	Namrata Sethia	381,300	[●]	29.39	0.75	Nil
25.	Akash Sethia	161,000	[●]	12.41	26.89	85.00
26.	Anant Sethia	111,000	[●]	8.55	0.72	Nil
27.	Sushil Kumar Sethia	468,900 [#]	[●]	36.13	1.42	Nil
28.	Sushil Kumar Sethia & Sons HUF	12,000	[●]	0.93	6.67	Nil
29.	Shweta Sethia	112,500	[●]	8.67	0.33	Nil
30.	Keshari Sethia HUF	92,250	[●]	7.11	4.07	Nil
31.	Manju Sethia	1,365,600	[●]	105.24	0.35	Nil
32.	Bridhi Chand Sethia & Sons HUF	307,800	[●]	23.72	1.05	Nil
33.	Dilip Sethia	661,500	[●]	50.98	1.93	Nil
34.	Madhuri Sethia	195,000	[●]	15.03	0.77	Nil
35.	Rishabh Sethia	778,500	[●]	59.99	0.44	Nil
36.	Pradeep Sethia	973,500	[●]	75.02	1.52	Nil
37.	Prem Lata Sethia	2,802,000	[●]	233.77	0.47	Nil
38.	Priyanka Sethia	1,826,100 ^{##}	[●]	140.72	5.43	Nil
39.	Sajjan Sethia	517,800	[●]	39.90	2.35	Nil
40.	Rakesh Sethia	1,278,450	[●]	98.52	1.62	Nil
41.	Raghav Sethia	1,021,500	[●]	78.72	0.01	Nil
42.	Ravi Sethia	1,365,450	[●]	105.22	1.72	Nil
43.	Raveena Sethia	350,250	[●]	26.99	0.18	Nil
44.	Shivina Kumari Sethia	323,250	[●]	24.91	0.17	Nil
45.	Shlok Sethia	3,000	[●]	0.23	0.33	Nil

*The consent from all the Selling Shareholders has been received on December 7, 2022.

^As per the certificate dated December 12, 2022 issued by Oswal Sunil & Company, Chartered Accountants

303,900 shares were transferred from Parth Sethia by way of gift.

13,32,300 shares were transmitted by way of transmission from Late Shri Sharad Sethia.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references to “India” in this Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references in this Red Herring Prospectus to “India” are to the Republic of India and all references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Time

All references to time in this Red Herring Prospectus are to Indian Standard Time.

Financial Data

Unless stated otherwise, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Consolidated Financial Statements. For further information, see “*Financial Information*” beginning on page 239. In this Red Herring Prospectus, figures for the six months period ended September 30, 2022, Fiscals 2022, 2021 and 2020 have been presented.

We have prepared financials for the six months period ending September 30, 2022, for the purposes of this Red Herring Prospectus. The Company will prepare financials statements in accordance with requirements of applicable laws post listing.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references in this Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year. Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Red Herring Prospectus are to a calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 26, 179 and 300, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Statements.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial information with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP which may be consider material to investors’ assessment of our financial condition.*” on page 53. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures such as EBITDA, Return on Capital Employed, Return on Equity, PAT margin, total borrowings and debt to equity ratio, Enterprise Value on EBIDTA, Enterprise Value on Net Sales, Net Worth and Return on Net Worth and net asset value per equity share (“**Non-GAAP Measures**”) presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our

operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company’s operating performance.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” or “U.S. Dollar” are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

Currency	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	81.55	75.80	73.5	75.39

Source: www.fbiil.org.in

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the report titled “Assessment of Electronics Manufacturing Services (EMS) Industry in India” dated November 2022, prepared by Frost & Sullivan which was commissioned and paid for by our Company, exclusively for the purposes of the Offer for an agreed fee. Further it is clarified that Frost & Sullivan is not related to our Company, our Promoters or our Directors. For risks in relation to commissioned reports, see “*Risk Factors – Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks*” on page 48. F&S Report is also available on the website of our Company at <https://www.elinindia.com/investors/> from date the of this Red Herring Prospectus until the Bid/ Offer Closing Date.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. The data used in these sources may have been reclassified by us for the

purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Accordingly, no investment decision should be made solely on the basis of such information, although we believe that the industry and market data used in this Red Herring Prospectus is reliable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors*” on page 26.

In accordance with the SEBI ICDR Regulations, “*Basis for Offer Price*” on page 109 includes information relating to our listed peer group companies. Accordingly, no investment decision should be made solely on the basis of such information.

Disclaimer of Frost & Sullivan

This Red Herring Prospectus contains certain data and statistics from the F&S Report, which is subject to the following disclaimer:

“Assessment of Electronics Manufacturing Services (EMS) Industry in India” has been prepared for the proposed initial public offering of equity shares by Elin Electronics Limited (the “Company”).

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“Frost & Sullivan”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.”

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Red Herring Prospectus that are not statements of historical fact constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “may”, “seek to”, “shall”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue”, “can”, “could”, “goal”, “should” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward looking statements. All forward-looking statements whether made by us or any third parties in this Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry in which we have businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.
- Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. Any negative impact on growth, performance and reputation of our key customers may also have an adverse effect on our business.
- 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.
- The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition and results of operations.
- We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate.

Certain information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 128, 179 and 300, respectively, of this Red Herring Prospectus have been obtained from the report titled “*Assessment of Electronics Manufacturing Services (EMS) Industry In India*” dated November 2022 by Frost & Sullivan, which has been commissioned and paid for by our Company.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 26, 179 and 300, respectively. By their nature, certain market risk disclosures are only estimates, and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Promoters, our Directors, the Selling Shareholders, the BRLMs, the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings made by them

in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, the Selling Shareholders shall ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholders in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including “Risk Factors”, “Objects of the Offer”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Offer Procedure” and “Description of Equity Shares and Terms of Articles of Association” on pages 26, 99, 179, 128, 72, 57, 239, 332, 357 and 376, respectively of this Red Herring Prospectus.

Summary of the primary business of the Company	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. (Source: F&S Report) We manufacture and assemble a wide array of products and provide end-to-end product solutions. Our product portfolio includes LED lighting, fans and switches; small appliances; fractional horsepower motors; medical diagnostic cartridges; plastic moulded and sheet metal parts and components; and other miscellaneous products such as terminal block, stainless steel blade, die casting and radio sets.								
Summary of the Industry	<p>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) in Fiscal 2026. (Source: F&S Report)</p> <p>Contribution of EMS companies for goods made in India grew at CAGR of 22.7% from ₹ 384 billion in Fiscal 2016 to ₹ 1,069 billion in Fiscal 2021.</p> <p>The expansion of India’s EMS industry is fuelled by a variety of factors, including an increase in consumer electronics and appliances consumption as well as lighting segment. Other significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers. EMS companies are better positioned to adapt to frequent technology changes, and economies of scale allow for stringer pricing negotiations with raw material suppliers. (Source: F&S Report)</p> <p>We continue to compete with international and domestic manufacturers engaged in the manufacture and supply of lighting products, small appliances and fractional horsepower motors as well as from players in the unorganized sector. Set forth below are our key competitors in each of our product verticals: (Source: F&S Report)</p> <ul style="list-style-type: none"> a) Small appliances: Smile Electronics, PG Electroplast and Indic. b) Fractional horsepower motors: Marathon and Amber (PICL). c) LED lighting and flashlights: Dixon and RK Lighting. d) Fans: Yash Electronics, Tiberwala and KKG Industries. e) Sheet metal: JBM Auto, Panse Auto, Autoline Stamping, SM Auto and Delco Industries. f) Plastic moulding: Varroc Engineering, Plastic Opium, Motherson Sumi, Magna Styr, Prakash Plastics, Affy India, SSI Moulds, BDI Group, Multitek and Ashuman Auto. 								
Name of Promoters	Mangi Lall Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vinay Kumar Sethia and Vasudha Sethia								
Offer size	<p>The following table summarizes the details of the Offer size:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Offer of Equity Shares^{(1)(2)#}</td> <td>Up to [●] Equity Shares aggregating up to ₹ 4,750 million</td> </tr> <tr> <td>of which:</td> <td></td> </tr> <tr> <td>(i) Fresh Issue⁽¹⁾</td> <td>Up to [●] Equity Shares aggregating up to ₹ 1,750 million</td> </tr> <tr> <td>(ii) Offer for Sale⁽²⁾</td> <td>Up to [●] Equity Shares aggregating up to ₹ 3,000 million</td> </tr> </table> <p>⁽¹⁾The Offer has been authorised by our Board pursuant to resolution passed on September 6, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a resolution passed on September 30, 2021.</p> <p>⁽²⁾ The Selling Shareholders has specifically confirmed that the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of the Selling Shareholders in relation to the Offered Shares, see “Other Regulatory and Statutory Disclosures” beginning on page 339.</p> <p>The Offer shall constitute [●]% of the post Offer paid up Equity Share capital of our Company.</p> <p>For further details, see “Offer Structure” and “The Offer” beginning on pages 354 and 57.</p>	Offer of Equity Shares ^{(1)(2)#}	Up to [●] Equity Shares aggregating up to ₹ 4,750 million	of which:		(i) Fresh Issue ⁽¹⁾	Up to [●] Equity Shares aggregating up to ₹ 1,750 million	(ii) Offer for Sale ⁽²⁾	Up to [●] Equity Shares aggregating up to ₹ 3,000 million
Offer of Equity Shares ^{(1)(2)#}	Up to [●] Equity Shares aggregating up to ₹ 4,750 million								
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(ii) Offer for Sale ⁽²⁾	Up to [●] Equity Shares aggregating up to ₹ 3,000 million								

Objects of the Offer	The objects for which the Net Proceeds shall be utilised are as follows:		
	Particulars		Amount (in ₹ million)
	Repayment/ prepayment, in full or part, of certain borrowings availed by our Company		880.00
	Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa		375.89
	General corporate purposes ⁽¹⁾		●
Net Proceeds		●	
(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.			
For further details see “Objects of the Offer” on page 99.			
Aggregate pre- Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital	The aggregate pre- Offer shareholding of our Promoters and Promoter Group as a percentage of the pre- Offer paid-up Equity Share capital of the Company is set out below:		
	Name	No. of pre- Offer Equity Shares held	Percentage of the pre- Offer paid-up Equity Share Capital (%)
	Promoters		
	Kamal Sethia	2,229,618	5.24
	Kishore Sethia	3,644,928	8.56
	Gaurav Sethia	3,143,004	7.38
	Sanjeev Sethia	915,600	2.15
	Sumit Sethia	864,450	2.03
	Suman Sethia	3,960,000	9.30
	Vinay Kumar Sethia	633,300	1.49
	Vasudha Sethia	1,080,900	2.54
	Total (A)	16,471,800	38.69
	Promoter Group		
	Kanika Sethia	150,000	0.35
	Santosh Sethia	815,250	1.92
	Vijay Singh Sethia	688,200	1.62
	Kanchan Sethia	1,177,500	2.77
	Sushil Sethia	468,900 [#]	1.10
	Deepak Sethia	815,250	1.91
	Sweta Sethia	112,500	0.26
	Dhani Devi Sethia Trust	105,000	0.25
	Kamal Sethia & Sons HUF	266,250	0.63
	Vijay Singh Sethia & Sons HUF	135,000	0.31
	Vinay Kumar Sethia & Sons HUF	10,500	0.03
	Deepak Sethia & Sons HUF	21,000	0.05
	Sushil Kumar Sethia & Sons HUF	12,000	0.03
	Elin Appliances Private Limited	1,734,000	4.07
Total (B)	6,511,350	15.29	
Total (C=A+B)	22,983,150	53.98	
[#] 303,900 shares were transferred from Parth Sethia by way of gift.			
(a) The aggregate pre- Offer shareholding of the Selling Shareholders as a percentage of the pre- Offer paid-up Equity Share capital of the Company is set out below:			
Name	No. of pre- Offer Equity Shares held	Percentage of the pre- Offer Equity Share Capital (%)	
Promoter Selling Shareholders			
Kamal Sethia	2,229,618	5.24	
Kishore Sethia	3,644,928	8.56	
Gaurav Sethia	3,143,004	7.38	
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Summary of Selected Financial Information	<p>(a) The details of our share capital, total equity, net asset value per Equity Share and total borrowings as at and for the six months ended September 30, 2022 and years ended March 31, 2022, March 31, 2021, and March 31, 2020 and derived from the Restated Consolidated Financial Statements are as follows:</p> <p style="text-align: right;">(₹ in million, except per share data)</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">As at and for the six months ended September 30, 2022</th> <th colspan="3">As at March 31,</th> </tr> <tr> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>(A) Equity share capital</td> <td>204.20</td> <td>204.20</td> <td>68.07</td> <td>68.07</td> </tr> <tr> <td>(B) Total Equity</td> <td>3,201.49</td> <td>3,030.70</td> <td>2,622.54</td> <td>2,277.52</td> </tr> <tr> <td>(C) Net asset value per Equity Share*</td> <td>78.39</td> <td>74.21</td> <td>64.21</td> <td>55.77</td> </tr> <tr> <td>(D) Total Borrowings</td> <td>1,027.71</td> <td>1,023.32</td> <td>1,137.66</td> <td>698.93</td> </tr> </tbody> </table> <p>* Net asset value (per Equity Share) means total equity as restated divided by number of Equity Shares outstanding at the end of the year adjusted for the impact of bonus and split issue after the end of the year but before the date of filing of this Red Herring Prospectus</p> <p>(b) The details of our total income, profit for the year and earnings per Equity Share (basic and diluted) for the six months ended September 30, 2022 and Fiscals 2022, 2021, and 2020 derived from Restated Consolidated Financial Statements are as follows:</p> <p style="text-align: right;">(₹ in million, except per share data)</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th rowspan="2">As at and for the six months ended September 30, 2022</th> <th colspan="3">For the year ending March 31,</th> </tr> <tr> <th>2022</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>6,047.42</td> <td>10,946.68</td> <td>8,649.02</td> <td>7,863.72</td> </tr> <tr> <td>Profit for the period</td> <td>206.68</td> <td>391.47</td> <td>348.57</td> <td>274.87</td> </tr> <tr> <td>Earnings per share</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>- Basic</td> <td>5.06*</td> <td>9.59</td> <td>8.53</td> <td>6.73</td> </tr> <tr> <td>- Diluted</td> <td>5.06*</td> <td>9.59</td> <td>8.53</td> <td>6.73</td> </tr> </tbody> </table> <p>* Not annualized For details, see "Financial Information" on page 239.</p>	Particulars	As at and for the six months ended September 30, 2022	As at March 31,			2022	2021	2020	(A) Equity share capital	204.20	204.20	68.07	68.07	(B) Total Equity	3,201.49	3,030.70	2,622.54	2,277.52	(C) Net asset value per Equity Share*	78.39	74.21	64.21	55.77	(D) Total Borrowings	1,027.71	1,023.32	1,137.66	698.93	Particulars	As at and for the six months ended September 30, 2022	For the year ending March 31,			2022	2021	2020	Total Income	6,047.42	10,946.68	8,649.02	7,863.72	Profit for the period	206.68	391.47	348.57	274.87	Earnings per share					- Basic	5.06*	9.59	8.53	6.73	- Diluted	5.06*	9.59	8.53	6.73
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Auditor's qualifications which have not been given effect to in the Restated Consolidated Financial Statements	There are no auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements.																																																													
Summary table of outstanding litigations	<p>A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiary, and Directors, as disclosed in "Outstanding Litigation and Other Material Developments" on page 332, in terms of the SEBI ICDR Regulations and the Materiality Policy approved by our Board pursuant to a resolution dated November 12, 2022, as of the date of this Red Herring Prospectus is provided below:</p> <p style="text-align: right;">(in ₹ million, unless otherwise specified)</p> <table border="1"> <thead> <tr> <th>Name of Entity</th> <th>Criminal Proceedings</th> <th>Tax Proceedings</th> <th>Statutory or Regulatory proceedings</th> <th>Disclosures actions by the SEBI or stock Exchanges against our Promoters#</th> <th>Material Civil Litigations</th> <th>Aggregate amount involving (Rs. In million)*</th> </tr> </thead> <tbody> <tr> <td colspan="7">Our Company</td> </tr> <tr> <td>By our Company</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>N.A.</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Against our Company</td> <td>1</td> <td>23</td> <td>3</td> <td>N.A.</td> <td>Nil</td> <td>13.63</td> </tr> </tbody> </table>	Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory proceedings	Disclosures actions by the SEBI or stock Exchanges against our Promoters#	Material Civil Litigations	Aggregate amount involving (Rs. In million)*	Our Company							By our Company	Nil	Nil	Nil	N.A.	Nil	Nil	Against our Company	1	23	3	N.A.	Nil	13.63																																	
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	Directors						
	By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
	Against the Directors	Nil	Nil	Nil	N.A.	Nil	Nil
	Promoters						
	By Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
	Against Promoters	1	Nil	Nil	Nil	Nil	Not quantifiable
	Our Subsidiary						
	By Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
	Against Subsidiaries	Nil	5	Nil	N.A.	Nil	31.18
	# This is in the last five years, including outstanding action. * To the extent quantifiable						
As on the date of this Red Herring Prospectus, there are no outstanding litigation involving our Group Companies which has a material impact on our Company.							
For further details of the outstanding litigation proceedings, see “ <i>Outstanding Litigation and Other Material Developments</i> ” on page 332.							
Risk Factors	For details of the risks applicable to us, see “ <i>Risk Factors</i> ” on page 26.						
Summary table of contingent liabilities	The following is a summary table of our contingent liabilities:						
	(₹ in million)						
	Particulars	As on September 30, 2022	Fiscal 2022	Fiscal 2021	Fiscal 2020		
	Unexpired letter of credits	40.40	31.49	48.75	8.39		
	Outstanding Bank Guarantees issued by bank	13.74	12.40	3.50	2.43		
	Claims against group not acknowledged as debts	44.81	44.67	22.05	20.11		
	For details relating to contingent liabilities of our Company, see “ <i>Financial Statements</i> ” on page 239.						
Summary of related party transactions	Summary of the related party transactions derived from the Restated Consolidated Financial Statements, is as follows:						
	(₹ in million)						
	Particulars	Period ended September 30, 2022	For the year ended				
			March 31, 2022	March 31, 2021	March 31, 2020		
	Purchases/receiving of Goods & services						
	Elin Appliances Private Limited	0.55	2.23	3.33	1.47		
	Sales/rendering of Goods and Materials						
	Elin Appliances Private Limited*	286.62	537.78	493.42	384.11		
	Sethia Oil Industries Limited	-	0.01	0.01	0.02		
	Purchase of Property, Plant and Equipment						
	Magtronic Devices Private Limited	-	-	0.07	-		
	Income - Rent /Other income						
	Magtronic Devices Private Limited	0.18	0.36	0.36	0.36		
	Expenses - Rent /Other expenses						
	Kanchan Commercial Co. Private Limited	0.30	0.60	0.60	0.60		
	Elin Appliances Private Limited	1.92	3.84	3.84	3.84		
	Closing Balances of Receivables						
	Elin Appliances Private Limited*	148.93	44.10	56.48	73.40		
	Contribution towards Gratuity Liabilities						
	Elin Employees Group Gratuity Trust	6.00	4.03	11.07	5.50		
	Elin Appliances Private Limited Employees Gratuity Trust	0.20	0.90	3.30	3.10		

	Remuneration of Key Management Personnel and relatives				
	Mangi Lall Sethia	1.82	3.64	3.04	3.64
	Kamal Sethia	4.22	5.17	4.46	5.52
	Kishor Sethia	4.22	4.96	4.28	5.25
	Sanjeev Sethia	4.22	5.49	4.30	5.29
	Vinay Kumar Sethia	4.22	5.38	3.24	3.88
	Sumit Sethia	5.08	6.87	4.92	-
	Vikas Sethia	-	-	2.43	4.17
	Sharad Sethia	-	-	3.81	10.92
	Gaurav Sethia	4.22	4.38	4.15	-
	Pradeep Sethia	-	1.53	1.78	-
	Priyanka Sethia	-	3.04	1.31	-
	Khushboo Sethia	-	1.85	1.26	-
	Raj Karan Chhajjer	1.13	1.25	-	-
	Avinash Chandra Karwa	0.49	2.76	2.09	2.19
Lata Rani Pawa	0.34	-	-	-	
	* <i>Receivables to Sales as at September 30, 2022 increased substantially as compared to March 31, 2022, primarily due to higher sale of products to Elin Appliances Private Limited ("EAPL") in the six months ended September 30, 2022. Further, closing balance of receivables from EAPL of ₹ 148.93 million, was paid subsequently by EAPL as per the agreed terms.</i>				
	For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see " <i>Related Party Transactions</i> " on page 299.				
Details of all financing arrangements whereby the Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus	Our Promoters, members of our Promoter Group, our Directors, and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.				
Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year	For details of weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year, see " <i>List of Selling Shareholders</i> " on page 14.				

Weighted average cost of acquisition of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of this Red Herring Prospectus	Weighted average cost of acquisition of all Equity Shares transacted in the three years, eighteen months and one year preceding the date of this Red Herring Prospectus is set forth below:			
	Period	Weighted Average Cost of Acquisition (in ₹)*	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)*
	Last 1 year	85.29	[●]	85-100
	Last 18 months	85.29	[●]	85-100
	Last 3 years	2.67	[●]	0.33-100
	* As certified by Oswal Sunil & Company, Chartered Accountants by way of certificate dated December 12, 2022			
	Notes:			
	a) Weighted average cost of acquisition and the range of acquisition price have been calculated after making adjustments for split and bonus issuances. All the transfers through gift or transmission of Equity Shares have not been considered for the calculation of weighted average cost of acquisition and the range of acquisition price.			
	b) Acquisition cost of transfer of shares held by CRB Corporation Limited, (under liquidation) pursuant to under arbitral award by the National Company Law Tribunal, Kolkata on March 8, 2022 has not been considered.			
Details of pre-IPO placement	Our Company is not contemplating a pre-IPO placement.			
Average cost of acquisition of shares of our Promoters and the Selling Shareholders	For details on average cost of acquisition of shares of our Promoter and the Selling Shareholders, refer the section, "List of Selling Shareholders" beginning on page 14.			
Any issuance of Equity Shares in the last one year for consideration other than cash	Except for the Equity Shares issued pursuant to bonus issue, our Company has not issued any Equity Shares in the last one year from the date of this Red Herring Prospectus, for consideration other than cash. For details, see "Capital Structure" on page 72.			
Any split/consolidation of Equity Shares in the last one year	Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Other than this, our Company has not undertaken any split or consolidation of Equity Shares in one year preceding the date of this Red Herring Prospectus. For further details, see "Capital Structure" on page 72.			
Exemption from complying with any provisions of securities laws, if any, granted by SEBI	Our Company vide its letter dated November 17, 2021 has sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from providing specific information, confirmations and disclosures to be included in this Red Herring Prospectus (subsequently, the Prospectus in relation to the Offer) from Saroj Dugar, sister of Suman Sethia and sister in law of Kamal Sethia or other body corporates in which he is interested, as members of the 'promoter group' of our Company. Subsequently, SEBI vide its letter dated February 23, 2022 granted a one-time relaxation on the exemption sought by our Company.			

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See section titled “Forward-Looking Statements” beginning on page 18. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 179 and 300, respectively, as well as the other financial and statistical information contained in this Red Herring Prospectus.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could suffer, the price of the Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and risks involved. Investors should consult their tax, financial and legal advisors about particular consequences to them of an investment in the Offer.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

Unless otherwise specifically indicated the financial information in this section is derived from our Restated Consolidated Financial Statements. Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report, which has been commissioned by us in connection with the Offer. The F&S Report is available for inspection on the website of our Company at <https://www.elinindia.com/investors/>.

INTERNAL RISKS

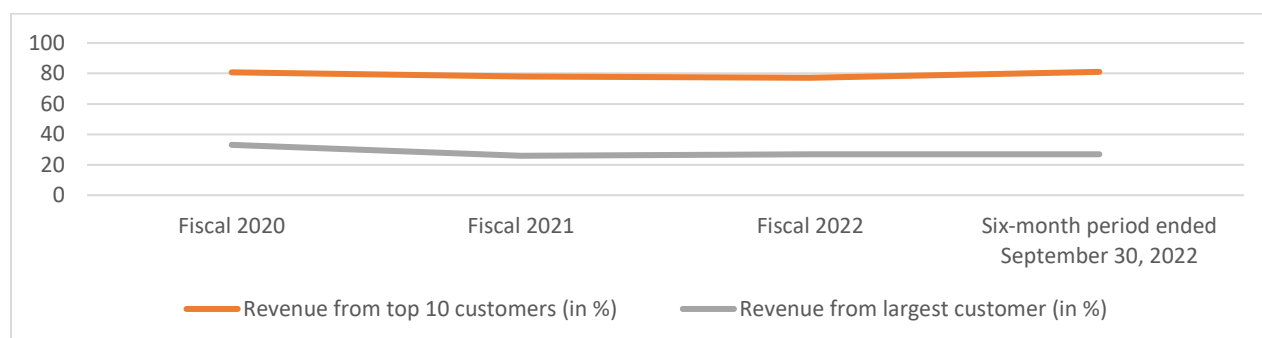
- 1. We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.***

We depend on certain customers who have contributed to a substantial portion of our total revenues.

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.

Our largest customer (across our product verticals) accounted for 33.10%, 25.93%, 27.01% and 26.87% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. There is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Set forth below is the chart indicating the revenue attributable to our top 10 customers and the largest customers as percentage of our revenue from operations for the period indicated:



While we catered to 297 customers as on October 31, 2022, reliance on a limited number of customers for significant revenue may generally involve several risks. These risks may include, but are not limited to, reduction, delay or

cancellation of orders from our significant customers, failure to renew contracts with one or more of our significant customers, failure to renegotiate favourable terms with our key customers, the loss of these customers entirely, our inability to meet the expectations to track the changing preferences of our customers or non-acceptance of our products by customers, all of which would have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company. In order to retain some of our existing customers we may also be required to offer terms to such customers which we may place restraints on our resources.

Maintaining strong relationships with our key customers is, therefore, essential to our business strategy and to the growth of our business. Some of these customers have been associated with us for over 20 years. Some of our customers may place demands on our resources or may require us to undertake additional obligations which have the effect of increasing our operating costs and therefore affect our profitability. Additionally, the loss of any key customer, may significantly affect our revenues, and we may have difficulty securing comparable levels of business from other customers to offset any consequent loss. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner.

In addition, we generate account receivables in connection with providing manufacturing services to our key customers. If one or more of our customers were to become insolvent or otherwise unable to pay for the products supplied by us, this could have an impact on our business as we may not be able to recoup the unpaid production costs and materials incurred for manufacturing purposes.

- 2. Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. Any negative impact on growth, performance and reputation of our key customers may also have an adverse effect on our business.***

Our inability to manage the expansion of our products range, customer base and manufacturing capacities, and execute our growth strategy in a timely manner or within budget estimates, or our inability to meet the expectations to track the changing preferences of our customers or other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion of our product range, including expanding operations in medical diagnostics equipment, customer base and manufacturing capacities to pursue existing and potential market opportunities.

Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including customer acceptance of products, development of new products and maintaining the quality of our products, general political and economic conditions in the geographies in which we operate, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials.

Our profitability depends on the growth and performance in business of our key customers. In the EMS manufacturing, our revenues are dependent on the sale of products by our customers under their own brand names. We rely on the success of our customers in marketing and selling of these products and therefore any negative impact on their reputation may also have an effect on our business. Accordingly, risks that could seriously harm our key customers could harm us as well, including, recession in the geography in which our key customers operate their businesses, our key customers' inability to effectively manage their operations or changes in laws and policies affecting our customers to operate profitably.

We have been allotted land measuring approximately 16,200 square meters and 3,600 square meters on 99 years and 90 years leases in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh), respectively. As on the date of this Red Herring Prospectus, these allotments of land in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh) are yet to be registered as leases. We may in the future undertake business activities at the land in Bhiwadi (Rajasthan). The establishment of new manufacturing facilities is complex, time-consuming, costly and involves business risk. We cannot assure you that we may be successful in meeting the desired cost-efficiencies and any consequent growth in our business. We may encounter unexpected delays in the commencement of operations at such new facilities.

If branded OEMs in electronics market do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions internally or because they use other providers of these services, our future growth could be limited and our sales and operating results may suffer. For details, see "*Risk Factors - If companies with products that we currently manufacture or may manufacture in the future do not continue to outsource manufacturing to electronics manufacturing companies in India, our sales could be adversely affected*" on page 31.

3. ***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.***

Our profit after tax for Fiscal 2022 and six-month period ended September 30, 2022 was ₹ 391.47 million and ₹ 206.68 million, respectively. Further, the net margin to sales ratio for Fiscal 2022 and six-month period ended September 30, 2022 was 3.58% and 3.42%, respectively.

Set forth below are the details of our profitability ratios and government securities for the periods indicated:

Particulars	Year/ Period ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 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 securities par yield (%) [*]	6.73% [#]	6.32% ^{##}	6.86% ^{###}	7.41% ^{####}

* 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

We have had low net margin to sales ratio in the past. This low profitability ratio is mainly because the business model in which our Company operates and we may not see any significant improvement to these ratios in future. We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate. This may severely impact our profitability and net worth.

Further, at the Cap Price, our market capitalisation is approximately [●] times our revenue from operations for Fiscal 2022, which may be higher or lower than other listed companies, including our peers.

4. ***The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition and results of operations.***

An outbreak of the COVID-19 was recognized as a pandemic by the World Health Organization (“WHO”), on March 11, 2020. In response to the COVID-19 pandemic, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Individuals’ ability to travel both within and outside of India have been curtailed through mandated travel restrictions and may be further limited. Since May 2020 some of these measures have been lifted and travel has been gradually permitted. These measures have impacted and may have a further impact on our workforce and our operations in the jurisdictions in which we operate, the business of our customers and suppliers.

Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways. For example, due to COVID-19 restrictions:

- Our manufacturing facilities at Ghaziabad (Uttar Pradesh) and Baddi (Himachal Pradesh) were shut down for a period of approximately 42 days and 34 days, respectively, from March 2020. However, manufacturing facility at Goa was operational to manufacture medical diagnostic cartridges, being an essential product.
- Post gradual easing of restriction, non-availability of labour for approximately one month also resulted in a slowdown in our operations.
- Certain of our customers delayed payments to us, which also resulted in increase in our trade receivables (net of provisions for doubtful debts) in Fiscal 2021.
- Revenues from operations was ₹ 7,855.84 million in Fiscal 2020 primarily due to lower sales of LED, fans and switches segment and small appliances segment which were impacted due COVID-19 related restrictions and the subsequent lock down with effect from March 2020.

- Travelling and conveyance expenses decreased by 27.50% from ₹ 24.87 million in Fiscal 2020 to ₹ 18.03 million in Fiscal 2021 primarily due to lock down restrictions imposed during COVID-19 pandemic.

While our operations had slowed down during early 2020 and we have almost resumed to full normalcy with requisite precautions, the actual impact of COVID-19 pandemic on our financial condition remains uncertain and is dependent on spread of COVID-19 and steps taken by the Government to mitigate the economic impact and may differ from our estimates. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, customers and work force. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Further, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “*Risk Factors*” section.

Our Statutory Auditor has included emphasis of matters in its examination report on our Restated Consolidated Financial Statements for the Fiscals 2020, 2021 and 2022, in relation to our operations, financial performance and position for the aforesaid financial periods. While no adjustments or modifications have been made to the Restated Consolidated Financial Statements, we will continue to closely monitor any material changes to future economic conditions, a definitive assessment of the impact of COVID-19 in the subsequent period is dependent upon the circumstances as they evolve. For details, see “*Financial Statements*” on page 239.

5. *We have incurred significant capital expenditure in the past and will continue to incur significant capital expenditure in the future, and such expenditure may not yield the benefits we anticipate.*

We may incur significant capital expenditure in the coming future in the ordinary course of business, which is typical to our industry. In Fiscals 2020, 2021 and 2022 and in six-month period ended September 30, 2022, our capital expenditure towards additions to fixed assets (property, plant and equipment including capital work in progress and intangible assets) were ₹ 326.24 million, ₹ 204.34 million, ₹ 423.97 million and ₹ 246.13 million, respectively. As on September 30, 2022, closing balance of ongoing capital work in progress at Ghaziabad (Uttar Pradesh) facility, was ₹ 17.96 million. Accordingly, 26% of ongoing capital work in progress at Ghaziabad (Uttar Pradesh) facility is completed as on September 30, 2022.

While there has been no instance of delay and overrun in Fiscals 2020, 2021 and 2022, and six-month period ended September 30, 2022 in relation to capital expenditure, our capital expenditure plans are subject to a number of variables, including possible cost overruns; accidents; construction and development delays or defects; construction being affected by adverse weather conditions; satisfactory and timely performance by construction contractors; receipt of any governmental or regulatory approvals and permits; political risk; availability of financing on acceptable terms; and changes in management’s views of the desirability of current plans, among others. We may also require additional financing in order to expand and upgrade our existing manufacturing facilities as well as to construct new facilities. However, we cannot assure you that our operations will be able to generate cash flows sufficient to cover such costs. Further, financing required for such investments may not be available to us on acceptable terms, or at all, and we may be restricted by the terms and conditions of our existing or future financing agreements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect financial measures such as our earnings per share. If we decide to raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Further, any inability to obtain sufficient financing could result in the delay, reduction or abandoning of our development and expansion plans. As a result, if adequate capital is not available, there could be an adverse effect on our business and results of operations. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather-related delays and technological changes.

Consequently, we cannot assure you that any expansion or improvement of our manufacturing facility, will be completed as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays in the implementation of our expansion plans or if there are significant cost overruns, the overall benefit of such plans to our revenues and profitability may decline. If the expenditure that we incur does not produce anticipated or desired results, our profitability, cash flows and financial condition will be adversely affected.

6. *We do not obtain firm and long-term volume purchase commitments from our customers. If our customers choose not to renew their agreements with us or continue to place orders with us, our business and results of operations will be adversely affected. Further, any breach of the conditions under the contracts with customers may adversely affect our business and results of operations.*

We typically enter into a general purchasing agreement for specific products with our customers which is valid for three years and renewed thereafter. Within this period, products are manufactured and sold on a purchase order basis. Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, project book, delivery schedule, warranties, supply of spare parts, supply chain security and pricing policy. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months.

There is no guarantee that despite having contractual arrangement with our customers, that we are assured of generating revenues in the future as they are not under any obligations to outsource their manufacturing requirements to us. Accordingly, we are not in a position to predict the extent of revenues that we can generate for each of the products manufactured by us in the future. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity.

Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than-expected quantity or may even cancel existing orders (including where deliveries were to be made in the future) or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Although our customers might be contractually obligated to purchase products on specific terms from us for particular orders placed with us, we may be unable to or may choose not to enforce our contractual rights if our customers choose to cancel existing or change or even terminate their orders with us. Cancellations, reductions or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer could adversely affect our results of operations due to reduced sales volume, as well as by possibly causing delay in our customers' paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. Lower utilization of our manufacturing facilities could also result in us realizing lower margins as we may not be able to undertake manufacturing in large numbers which is critical to our business. Consequently, there is no commitment on the part of the customer to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' preferences.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, personnel requirements and other resource requirements, based on our estimates of customer orders. The short-term nature of our customers' commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. The requirements of our customers are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules.

Further, the contracts with our customers, depending on the customer, may contain terms and conditions which include among others the nature and specification of products to be manufactured and supplied by us, details of vendors for raw materials that are approved by some of our customers, manner of inspection and testing of products manufactured, representation and warranties made by us in relation to our manufacturing capabilities, process to be followed in case of defects, steps to ensure compliance with applicable laws, quality of products, undertakings in relation to protection of intellectual property of our customers, indemnification of our customers due to our negligence or breach of any term of the agreement, defect warranties in relation to the products manufactured or assembled by us. At times we may have to agree with certain onerous terms laid down by our customers. Such onerous terms may have an effect on our future growth including expansion of customer base. While we consider all factors internally prior to entering into such contractual agreements, we cannot assure that we will not enter into such agreements in the future. This may result in potential loss of customers as we may not be able to be able to manufacture products for such customers in the future as we may not be willing to work with them. Additionally, non-compliance with the terms of the contractual arrangements may lead to, among others, damages or penalties, termination of the agreements and will also result in us being unable to attract further business in the future.

- 7. The success of our business and operations are dependent upon certain quality accreditations which are valid for a limited time period. An inability to renew such accreditations in a timely manner, or at all, may adversely affect our business and prospects. We are subject to quality requirements and strict technical specifications and audits by our customers.***

All of our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001:2015 and ISO 14001:2015. Our manufacturing facility in Ghaziabad (Uttar Pradesh) is also accredited with IATF 16949:2016, valid till 2024. We also have ISO 14001:2004 certification for 'Environment Management System Standard' and TS: 16949: 2016 quality certifications for automotive parts manufacture of injection moulded and sheet metal components and their sub-assemblies. Our R&D unit was recognised by DSIR in the year 1992 and recently such recognition was renewed until March 31, 2024.

Receipt of certifications and accreditations under the standards of quality is important for the success and wide acceptability of our products and also required to be maintained under certain purchasing agreements with our customers for specific products. If we fail to comply with the requirements for applicable quality standards, or if we are otherwise unable to obtain or renew such quality accreditations in the future, in a timely manner, or at all, our business and prospects may be adversely affected. Our Company is subject to safety and quality audits at periodical intervals by customers or certifying agencies. In the past, pursuant to such safety and quality audits on our manufacturing facilities, we have been recommended certain measures which we comply with on an ongoing basis. For example:

- EHS consultant in the occupational health and safety audit report issued in February 2021 on Ghaziabad (Uttar Pradesh) facility, had among others recommended for more safety training programme, developing safety inspection checklist for various equipment, preparation of safety manual for distribution to employees, defining assembly area etc.;
- Findings in November 2021 in relation to ISO 14001:2015, ISO 9001:2015, among others, included adherence of noise monitoring during night shifts;
- Continuous improvement report in 2021 included certain findings which among others include providing ease for employees to read and understand instructions on certain safety manuals; ease of visibility/access of fire fighting equipment not being visible to all employees.

In addition, we are subject to quality requirements and strict technical specifications and audits by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.

8. *If companies with products that we currently manufacture or may manufacture in the future do not continue to outsource manufacturing to electronics manufacturing companies in India, our sales could be adversely affected. Further, failure to maintain confidential information of our customers could adversely affect our reputation, business, financial condition and results of operations.*

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 vertical 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) Although the Indian electronic market, which is large, complex, and highly competitive, requires brands to be involved in all activities along the value chain, most brands focus on marketing and after-sales services, leaving manufacturing to EMS providers. Inclination of brands to outsource manufacturing instead of building their own infrastructure is the driving factor for the growth of EMS market. Tier-2 brands are increasingly focusing on product localization, innovative product design and R&D. However, the extensive financial costs involved in setting-up manufacturing, capacity additions/expansions, R&D, manpower, etc. influences them to leverage EMS services. (Source: F&S Report)

We believe that we have benefited from this outsourcing trend in large part due to our flexibility and ability to reduce costs in manufacturing these products. A customer’s decision to outsource is affected by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing. There can be no assurance that the customers will continue to outsource or increase the share of outsourcing. If branded OEMs in electronics market do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions internally or because they use other providers of these services, our future growth could be limited and our sales and operating results may suffer.

We typically agree to confidentiality terms with our customers for whom we undertake manufacturing. As per these agreements, we are required to keep confidential, the know-how and technical specifications provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers by us or our employees, these customers may terminate their engagements with us and/or initiate litigation for breach of

contract, seeking damages and compensation from us. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have an adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

9. *We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised.*

We intend to use the net proceeds of the Offer for the purposes described in the section titled “*Objects of the Offer*” on page 99. The objects of the Offer and our funding requirement is based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Offer. Based on the competitive nature of our industry, we may have to revise our business plan and/or management estimates from time to time and consequently our funding requirements may also change. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

Further, we have appointed a monitoring agency for monitoring the utilisation of Net Proceeds in accordance with Regulation 41 of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section “*Risk Factors*”, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business.

In addition, while we have received quotations, we have not yet placed orders for the machinery and equipment that we propose to purchase from the Net Proceeds of the Offer. The actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes.

10. *We have in the past entered into related party transactions and will continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.*

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. In Fiscals 2020, 2021 and 2022, and for six-month period ended September 30, 2022, the aggregate amount (net of elimination) of such related party transactions was ₹ 50.45 million, ₹ 56.48 million, ₹ 52.21 million and ₹ 36.63 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in the same periods was 0.64%, 0.65%, 0.48 and 0.61%, respectively. The related party transactions during such period included, among others, purchases/ receiving of goods and services from our Subsidiary, sales/ rendering of goods and materials to our Subsidiary, income-rent/other income, expenses-rent/other expenses, contribution towards gratuity liabilities, remuneration to key managerial personnel and relatives.

For details, see “*Related Party Transactions*” on page 299. While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Although all related party transactions that we may enter into post-listing, will be subject to board or shareholders’ approval, as necessary under the Companies Act and the Listing Regulations, we cannot assure you that such transactions in the future, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

11. *Our manufacturing facilities are critical to our business. Any disruption in the continuous operations of our manufacturing facilities would have a material adverse effect on our business, results of operations and financial condition.*

We have three manufacturing facilities which are located at Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). Presently, we manufacture our products at these manufacturing facilities, therefore, any disruption to our manufacturing facilities may result in production shutdowns. These facilities are subject to certain operating risks,

such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government and regulatory authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical for success of our business.

Further, our electricity requirements for our manufacturing facilities are directly sourced from local utilities. While we maintain power back-up in the form of diesel generator sets, we cannot assure you that we will successfully be able to prevent disruptions in our manufacturing processes in case of non-availability of adequate supply of power.

In particular, if operations at our manufacturing facilities were to be disrupted as a result of any significant workplace accident, equipment failure, natural disaster, power outage, fire, explosion, terrorism, adverse weather conditions, labour dispute or unrest, obsolescence or other reasons, our financial performance may be adversely affected as a result of our inability to meet customer demand or committed delivery schedules for our products. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, and we have not experienced any such material incidents in the past, there can be no assurance that we will not face such disruptions in the future. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

12. Our continued success is dependent on our senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our senior management may have an adverse effect on our business prospects.

Our experienced senior management has significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. However, certain of our Promoters, namely, Suman Sethia and Vasudha Sethia do not have experience in the EMS industry. Further, an inability to retain any key personnel may have an adverse effect on our operations. Our ability to execute orders and to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be able to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our executive directors or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

As at October 31, 2022, we had 4,617 of manpower, including (a) 1,682 contractual labour aggregating to 36.43% of total manpower; and (b) 2,935 permanent employees aggregating to 63.57% of total manpower. Set forth below are the details of gross and net attrition rates of our permanent employees for the periods indicated:

Particulars	For Fiscal 2020	For Fiscal 2021	For Fiscal 2022	For seven-month period ended October 31, 2022
Gross attrition rate (%)	22.89%	18.02%	20.67%	12.59%
Net attrition rate (%)	-	-	-	0.24%

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel, including engineers, designers and other corporate management professionals who have the required experience and expertise. From time to time, it may be difficult to attract and retain qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our services because of our inability to successfully hire and retain qualified personnel. Such skilled personnel may also not be easily available in the market. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

13. Our operating results may fluctuate from period to period or be subject to seasonality which may affect our business and financial condition.

There is a risk that our operating results may fluctuate. Some of the principal factors affecting our operating results include:

- our customers' sales and future business prospect, purchasing patterns and inventory adjustments;
- terms and conditions of the contractual arrangements entered into with customers;
- the mix of the types of products we supply to our customers;
- our effectiveness in managing manufacturing processes, inventory management, making optimal use of available manufacturing capacity;
- breakdown, failure, or substandard performance of equipment and our ability to repair them thereby reducing the impact on manufacturing process;
- changes in demand for our products;
- timing of new technology development and requirement of our qualification in this technology by our customers;
- new product introductions and delays in developing the capability to produce new products;
- our ability to manage the timing of our component purchases so that components are available when needed for production, while avoiding the risks of purchasing such components in excess of immediate production needs;
- our ability to obtain financing in a timely manner; and
- local conditions and events that may affect our production volumes, such as labour conditions and political instability.

The occurrence of any such or other problems could materially and adversely affect our business, financial condition, and results of operation. Thus, it is possible that in some future period our operating results or growth rate may be below the expectations of investors. In addition, sales of consumer-related products may be subject to seasonality. We generally experience seasonal peaks during the third quarter of the year, primarily as a result of increased demand for small appliances and consumer electronics from the holiday season sales. We expect that our ongoing operations will continue to be materially affected by seasonality in our results of operations.

14. *We may not be able to optimally utilise our backward integration to enhance and support our business which may affect our operations, reputation and profitability.*

We strive to provide end-to-end solutions to our customers, in manufacturing, from solution suite which includes global sourcing, fabrication of component and parts, captive manufacturing and assembly, quality testing, packaging and logistics support. We have substantial backward integration of our manufacturing facilities to enable us to be cost efficient, reduce dependency on third party suppliers (providing components) and control quality of components used in the manufacture of products. Among others, we have in-house manufacturing of components and sub-assemblies which supports all our product verticals. We rely on our backward integration for timely and quality manufacturing of our products to fulfil our customers' demands.

Should there be any disruptions or malfunctions at any of our facilities as a result of which the components required for manufacturing the end products are not available on time, we may have to procure such components from third party suppliers which may not be available at short notice in the volume required by us, within the timelines required by us or at the rates favourable to us which may have an adverse effect on our profitability and results of operations. Such failure to procure quality components on time may also harm our reputation and cause our customers to terminate our agreements.

15. *Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, cash flows and financial condition.*

Our operations generate pollutants and waste, some of which may be hazardous and therefore, we are subject to various laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, disposal of bio-medical waste, storage, transport, handling, disposal, employee exposure to hazardous substances and other aspects of our manufacturing operations. Improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We obtain the requisite registrations and approvals from time to time and aim to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other prescribed safety measures. The occurrence of any such event in the future could have an adverse effect on our business, results of operations, cash flows and financial condition.

We may be impleaded in any environmental legal proceedings in the course of our business due to non-compliances with terms and conditions of regulatory approvals or authorizations. For example, our Company was issued a closure letter in 2018 by the Regional Office of the U.P. Pollution Control Board, Ghaziabad (the "**Board**") pursuant to a report by the National Green Tribunal dated July 6, 2018 listing out 119 industries that were found to be non-compliant with the effluent discharge standards, including our unit at BS Road, Industrial Area, Ghaziabad and demanding the stoppage of discharge of effluents from all units concerned. Subsequently, the Board also filed a complaint against our

Company and one of our Promoters, Mr. Kishore Sethia before the Special Court of Judicial Magistrate (Water & Air Pollution Control), Lucknow under section 43 of the Water (Prevention & Control of Pollution) Act, 1974. Subsequently, our Company filed a criminal miscellaneous petition dated September 16, 2019 before the High Court of Allahabad at Lucknow (the “**Court**”) under section 482 of the Code of Criminal Procedure, 1973 seeking quashing of the proceedings under the Complaint pending before the Magistrate and challenged the summoning order dated April 20, 2019. The Court passed an order on November 6, 2019 granting a stay in the proceedings in the Complaint and proceedings of order dated April 20, 2019. This matter is currently pending. While our Company is contending the matters, there can be no assurance that the matters will be adjudicated favourably, and consequently affect our business, prospects, reputation, financial position, cash flows and results of operation.

In the past, our manufacturing facility at Ghaziabad (Uttar Pradesh) was directed to be closed by Commission for Air Quality Management in National Capital Region and Adjoining Areas (“**Commission**”) pursuant to the closure direction dated December 8, 2021 as our Company had operated the diesel generator set for twelve days in November 2021, which was found to be in violation of the directions issued by the Commission. Further, pursuant to the order dated December 14, 2021, the Commission permitted our Company to resume the operations at our manufacturing facility at Ghaziabad (Uttar Pradesh), subject to our Company providing an undertaking to ensure all corrective actions. While we have resumed our operations, there can be no assurance that any such matters will be decided favourably in future, and may consequently affect our business, prospects, reputation, financial position, cash flows and results of operation.

Amendments to labour laws could adversely affect our business, operating costs and margins. For instance, with the advent of Labour Code, 2020 and Code of Wages, 2020, the Indian labour laws have undergone an amendment. Due to the change in the labour laws, we may have to incur additional compliance cost or increase payment of employee benefits which could increase our expenses and impact our operating margins and financial results. Further, in the event we are unable to comply with the labour laws and regulations in an effective manner, we may be subject to regulatory action from a regulatory body or court which may have an adverse effect on our business, results of operations and financial condition. In the event such situation occurs, we may get involved in litigations or other proceedings, or be held liable in any litigation or proceedings, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our business operations, any of which could adversely affect our business and results of operations. Further, even though we comply with the laws and obtain all necessary approvals as required under the statutes there can be no assurance that we may continue to hold such permits, licenses or approvals. In the event of cancellation or non-renewal of our approvals it may cause an interruption of our operations and may adversely affect our business, financial condition and future results of operations.

In addition, environmental laws and regulations in India have increasingly become more stringent. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects.

16. Our success also depends to an extent on our research and development capabilities and failure to derive the desired benefits from our product research and development efforts may hurt our competitiveness and profitability.

Our success is dependent on our ability to maintain quality specifications of our customers and continue to work on and improve production capabilities in both OEM and ODM models. Through our focus on R&D and developing products with our customers, we strive to continually innovate and refresh our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. With our R&D centre, we are able to focus on all aspects of OEM and ODM including concept sketching, design refinement, generating optional features and testing.

During Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, expenditure on research and product development including capital expenditure was ₹ 65.70 million, ₹ 60.46 million, ₹ 61.02 million and ₹ 31.14 million, respectively, which accounted for 0.84%, 0.70%, 0.56% and 0.52% of revenue from operations for the respective period.

We cannot assure you that our quality maintenance, product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our products will achieve wide market acceptance from our customers or end-users of our products. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner. Additionally, there can be no guarantee that the time and effort that we spend in research and development would be beneficial to us. There can be no assurance that costs incurred by us towards research and development may reduce the costs incurred by us towards production of these products.

In addition, we cannot assure you that our existing or potential competitors will not manufacture products which are similar or superior to our capabilities. It is often difficult to project the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product launching efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

17. Some of our corporate records relating to allotments made by our Company, and transfers and acquisitions of Equity Shares made by our Promoters, are not traceable.

Our Company has not been able to trace certain corporate records such as RoC form filings and share transfer forms. Kesh Kumari Verma and Akshat Garg & Associates, independent practicing company secretaries have also conducted searches for these records with the RoC and at the Corporate Office of our Company, respectively, and issued certificates each dated November 16, 2021. Such independent practicing secretaries have not been able to retrieve these records. The non-traceable records, among others, include:

- Form 2 for the allotment of equity shares on February 25, 1991, August 26, 1995 and March 27, 1996;
- Share transfer forms for the following transfers/gifts:

Date of transaction	Name of the Transferor	Name of the Transferee	Number of equity shares Transferred
November 4, 1993	Anand P. Vaghani	Mangi Lall Sethia	7,500
November 4, 1993	Ram Niwas Sawalkha	Mangi Lall Sethia	10,000
April 6, 1994	Dhan Raj Sethia	Vasudha Sethia	7,500
April 6, 1994	Subhash Khajanchi	Vasudha Sethia	22,500
April 6, 1994	Naveen Khajanchi	Sanjeev Sethia	5,000
April 6, 1994	Hemraj Khajanchi	Sanjeev Sethia	2,000
April 22, 1994	Karan Singh Baid	Vinay Sethia	7,000
August 20, 1996	Kamal Sethia	Nidhi Shyamsukha	22,500
August 20, 1996	Kamal Sethia	Tripiti Sethia	22,500
August 20, 1996	Kishore Sethia	Gaurav Sethia	22,500
August 20, 1996	Kishore Sethia	Kanika Sethia	22,500
August 20, 1996	Vinay Sethia	Vikas Sethia	22,000

We cannot assure you that the filings were made in a timely manner or at all. Further, we cannot assure you that we will not be subject to any penalties imposed by the competent regulatory authority in connection with these corporate record or filings. While no disputes or regulatory action has arisen in connection with these filings until date, we cannot assure you that no such action will be initiated in the future.

18. We may be affected by strikes, work stoppages or increased wage demands by our employees that could interfere with our operations.

As at October 31, 2022, we had 4,617 of manpower, including 1,682 contractual labour out of which 39 workmen were members of trade union in Goa. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. We cannot assure you that our relations with our employees shall remain cordial at all times and that employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Further, there is no assurance that we will be able to negotiate a favourable wage settlement agreement from time to time, in respect of unionised employees. Furthermore, we cannot assure you that our other employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. Any labour disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

In the event, we are unable to source adequate numbers of labourers or if we are exposed to an increased expense due to the surge in the wages of labourers we cannot assure you that it will not impact our business operations and financial condition. Due to the increase in the wages charged by the labourers, we may have to increase the cost of our services which would directly impact our customers.

19. We engage contract labour for carrying out certain functions of our business operations. Any default on payments to them by the agencies could lead to disruption of the manufacturing facilities and our business operations.

We engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units and at our offices, such as cleaning and security. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by their respective independent contractors. Any requirement to fund such defaulted wage requirements may have an adverse impact on our results of operations and our financial condition.

20. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale.

In addition to the Fresh Issue from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholders. The Selling Shareholders include Promoter Selling Shareholders and Other Selling Shareholders, including members of Promoter Group. The Selling Shareholders will receive the entire proceeds from the Offer for Sale (after deducting applicable Offer Expenses) and our Company will not receive any part of such proceeds. For further details, see “*Capital Structure*” and “*Objects of the Offer*” on pages 72 and 99, respectively.

21. As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholders pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of his demat account is not available.

As on the date of this Red Herring Prospectus, our Company has one Shareholder who holds 1,000 Equity Shares in physical form, which have not been dematerialised. Further, 2,000 Equity Shares issued to the abovementioned one Shareholder pursuant to a bonus issue on September 30, 2021 (the “**Bonus Issue**”) have not been credited to his demat account, as the details of the demat account of such Shareholder have not been provided by such Shareholder and are not available with our Company.

While our Company has made multiple attempts, we have been unable to establish contact with the above Shareholder, as he is either untraceable or non-responsive. Our Company had also made further attempts to establish contact by issuing public notices in *Financial Express*, *Jansatta* and *Arthik Lipi* newspapers on November 10, 2021 informing the Shareholders of, among others, the sub-division of the face value of the equity shares of our Company from ₹ 10 each to ₹ 5 on September 30, 2021, and the Bonus Issue.

In respect of three Shareholders, we had credited the equity shares resultant from the Bonus Issue of Equity Shares (as adjusted for sub-division) to a demat suspense account “*Elin Electronics Limited – Unclaimed Suspense Account*”. The equity shares credited to the demat suspense account “*Elin Electronics Limited – Unclaimed Suspense Account*” shall be subject to lock-in for a period of six months from the date of Allotment. Out of such three Shareholders:

- (i). *Shareholder 1*: As set out above, our Company has one Shareholder who holds 1,000 Equity Shares in physical form, which have not been dematerialised. Further, 2,000 Equity Shares issued to the abovementioned one Shareholder pursuant to Bonus Issue have not been credited to his demat account, as the details of the demat account of such Shareholder have not been provided by such Shareholder and are not available with our Company.
- (ii). *Shareholder 2*: 3,000 Equity Shares have been credited to demat account of Pushpa Devi Bokaria pursuant to necessary corporate action relating to transmission and dematerialisation.
- (iii). *Shareholders 3*: Pursuant to its order dated March 8, 2022, the National Company Law Tribunal, Kolkata directed our Company to transfer/ record the ownership of 1,920,000 Equity Shares in the name of Saroj Kabra. Accordingly, our Company has credited 1,920,000 Equity Shares to Saroj Kabra.

22. We source our raw material from suppliers primarily on purchase order basis. Any increase in the cost of our raw material or components, delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

Our production depends on obtaining adequate supplies of input components on a timely basis. In Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, cost of material consumed was ₹ 5,538.01 million, ₹ 6,246.91 million, ₹ 8,156.75 million and ₹ 4,513.06 million, respectively, which accounted for 70.50%, 72.44%, 74.58% and 74.66% of our revenue from operations for respective period. We source our raw materials from both domestic and international markets. Whether domestic or import based, our raw material suppliers are assigned by our customers or independently sourced by us. We typically purchase raw material on purchase order basis.

We also do not have control over the schedules of the suppliers and hence there can be delays in us receiving the raw materials. Similarly, in cases where we import the raw materials, we are also exposed to exchange fluctuations, and we may not be able to control any sudden escalation in prices during the production cycle.

We typically pass-on fluctuation in price of raw material to our customers on a monthly or quarterly basis. We may not be able to pass-on such fluctuation for various reasons which include non-compliance terms and conditions of general purchase agreements with our customers relating to, among others, monitoring quality of raw material and sourcing raw material from suppliers with quality certifications.

In some cases, pursuant to our contractual arrangements and requirements therein, we are required to procure components from certain identified suppliers which are set out by our customers in the agreements that we enter into with them. Therefore, we place reliance on these suppliers, and this generally involves several risks, including a shortage of components, increases in component costs and reduced control over delivery schedules. Also, the capacity of certain of these suppliers may not be equipped to cope with increase in orders on short notice or may prefer other customers to make supplies to over us.

Therefore, irrespective of the mode of our manufacturing activity we are exposed to the risk that we may be unable to acquire necessary raw materials and components for our business on time. At various times, supplies of some of the raw materials and electronic components that we use, have been scarce as a result of strong demand for those input components or problems experienced by suppliers. We may face similar situations or shortages in the future. In addition, in certain circumstances, we are required to source certain key components from suppliers on approved vendor lists, who have been qualified by our customers and we may not be able to obtain alternative sources of supply should such qualified suppliers be unable to supply our requirements in the future.

Shortages of raw materials and components at prices unfavourable to us could result in reduced production or delays in production, which may restrict our capacity to fulfil large orders at short notice or prevent us from making scheduled shipments to customers. Any future inability to accept high volume orders at short notice or make scheduled shipments could cause us to experience a reduction in our sales and could adversely affect our relationship with existing customers as well as prospective customers. Component shortages may also increase our costs of goods sold because we may be required to pay higher prices for components in short supply and redesign or reconfigure products to accommodate substitute components. As a result, component shortages could adversely affect our operating results for a particular period due to the resulting revenue shortfall and increased manufacturing or component costs.

23. *We may be subject to financial and reputational risks due to product quality and liability issues which may have an adverse effect on our business, financial condition and results of our operations.*

The contracts we enter into with our customers typically include warranties that the products we deliver will be free from defects and perform in accordance with specifications agreed with the customers. We have not made any provisions towards these warranties. To the extent that products shipped by us to our customers do not, or are not deemed to, satisfy such warranties, we could be responsible for repairing or replacing any defective products, or, in certain circumstances, for the cost of effecting a recall of all products which might contain a similar defect, as well as for consequential damages. We are also subject to claims from our customers if end products sold by our customers fail to perform or cause injury, death or damage due to problems in our products due to defects attributable to us. If any of the products sold by us fail to comply with applicable quality standards, it may result in customer dissatisfaction, which may have an adverse effect on our business, sales and results of operations. From time to time, due to human or operational error, orders may not meet the specifications required by those customers and may therefore be rejected by customers. Any ongoing issues with products not meeting required specifications could reduce our revenue and negatively impact our reputation and financial performance.

While we undertake sample-based testing of our products in accordance with the agreements entered into with customers and adjust prices of our products where we provide warranties, the possibility of future product failures could cause us to incur substantial expense to replace defective products, provide refunds or resolve disputes with our customers through litigation, arbitration or other means. There can be no assurance that we will be able to recover any losses incurred as a result of product liability in the future from any third party, or that defects in the products sold by us, regardless of whether we are responsible for such defects, would not adversely affect our standing and reputation in the marketplace and customer relationships, result in monetary losses and have a material adverse effect on our business, financial condition and results of operations.

24. *We as well as our customers operate in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.*

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.

Set forth below are our key competitors in each of our product verticals: (*Source: F&S Report*)

- *Small appliances*: Smile Electronics, PG Electroplast and Indic.
- *Fractional horsepower motors*: Marathon and Amber (PICL).
- *LED lighting and flashlights*: Dixon and RK Lighting.
- *Fans*: Yash Electronics, Tiberwala and KKG Industries.
- *Sheet metal*: JBM Auto, Panse Auto, Autoline Stamping, SM Auto and Delco Industries.
- *Plastic moulding*: Varroc Engineering, Plastic Opium, Motherson Sumi, Magna Styr, Prakash Plastics, Affy India, SSI Moulds, BDI Group, Multitek and Ashuman Auto.

Further, for details in relation to our listed industry peers, see “*Basis for Offer Price - Comparison of Accounting Ratios with Listed Industry Peers*” on page 114.

Further, OEMs continuously seek to reduce cost. Therefore, our ability to be cost efficient is a critical factor in being preferred by our customers. In addition, major OEMs typically outsource the same type of products to at least two or three outsourcing partners in order to diversify their supply risks. The competitive nature of the industry may result in substantial price competition. The industry could become even more competitive if OEMs fail to significantly increase their overall levels of outsourcing or start manufacturing in-house. This would result in an increasingly competitive market with a smaller market share for the existing players. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which would have a material adverse effect on our business, financial condition, and results of operations.

Our customers may opt to transact with our competitors instead of with us or if we fail to develop and provide the technology, quality and skills required by our customers at a rate comparable to our competitors. There can be no assurance that we will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to establish a compelling advantage over our competitors.

25. *Our Statutory Auditor have included certain emphasis of matters/ other matters paragraphs and other observations in the audit reports, including pursuant to the Companies (Auditor’s Reports) Order, 2016.*

Our Statutory Auditor has included emphasis of matters/ other matters paragraphs in the audit reports on the audited consolidated financial statements of our Company, (i) for Fiscals 2022, 2021 and 2020, in relation to COVID-19 drawing attention to management’s assessment of impact of outbreak of COVID-19 pandemic on its business operations financial results. Our Statutory Auditor’s opinion was not modified in respect of these matters; and (ii) for Fiscal 2020, drawing attention to consolidated financial statements which describe the Scheme of Amalgamation becoming effective on November 2, 2019, the appointed date being April 1, 2018. Further, audited consolidated financial statements state that pursuant to the Scheme of Amalgamation and consequential effects thereof, the audited consolidated financial statements of the previous year ended March 31, 2019 issued on June 14, 2019 have been restated to give effect to the Scheme of Amalgamation. Our Statutory Auditor’s opinion was not modified in respect of these matters. In our Statutory Auditor’s opinion such financial statements were not material to our Company. For details, see “*Financial Statements – Annexure VII – Statement of Adjustments to the Restated Consolidated Financial information*” on page 293.

Further, our Statutory Auditor’s has included observations in the audit reports on our audited financial statements, pursuant to the Companies (Auditor’s Reports) Order, 2016/ 2020: (i) for Fiscals 2020 and 2021, in relation to disputed statutory dues outstanding over six months as at March 31 of respective Fiscal aggregating to ₹ 3.50 million (Net of advance) that have not been deposited on account of disputed matters pending before appropriate authorities. Such disputed statutory dues pertain to provident fund dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 for period from October 1995 to September 2011; and (ii) for Fiscal 2022, in relation to statutory dues aggregating to ₹ 4.24 million (net of advance) which have not been deposited on account of disputes as on March 31, 2022. Such disputed statutory dues pertain to provident fund dues under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 for period from October 1995 to September 2011, value added tax under the Goa Value Added Tax, 2005 for 2017-18 and customs duty under the Customs Duty Act, 1962 for 2019. For details, see “*Financial Statements – Annexure VII – Statement of Adjustments to the Restated Consolidated Financial information*”

on page 293. There can be no assurance that our statutory auditors will not in the future make any modifications, reservations, qualifications, adverse observations or matters of emphasis in our audited financial statements in this regard.

26. We may not be able to successfully develop new production processes and adopt new ODM capabilities if we are unable to identify emerging trends and are not able to predict user preferences.

The EMS industry is characterized by rapidly changing technology, evolving industry standards, new service and product introductions and changing customer demands. Our ability to anticipate changes in technology and to successfully adopt ODM capabilities on a timely basis is a significant factor in our ability to remain competitive. We evaluate our production processes and ODM capabilities on a regular basis. We believe that our future success will depend in part upon our ability to develop new production processes and enhance ODM capabilities which meet evolving customers' needs and successfully anticipate or respond to technological changes in production processes in a cost-effective manner and on a timely basis.

There can be no assurance that we will be able to secure the necessary technological knowledge or will be successful in developing new manufacturing processes and adopt new ODM capabilities that will allow us to adapt to the changing customer requirements and consumer preferences. If we are unable to develop these in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

We cannot assure you that we will be able to install and commission the equipment needed to manufacture products for our customers or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production capacity or other operational efficiency measures at our facilities. As a result, we may incur capital expenditures to develop products to meet customer demands. Our failure to successfully manufacture new products, enhance ODM capabilities, or a failure by our customers to successfully launch new products, could materially adversely affect our results of operations.

27. Inability to obtain approvals, in time or at all, in relation to the proposed construction of building and lift installation at our Ghaziabad (Uttar Pradesh) facility may adversely affect our business, growth and prospects and, in turn, results of operations.

We propose to utilise portion of Net Proceeds for construction of building and installation of lift at our Ghaziabad (Uttar Pradesh) facility. The construction is for the purpose of creating space for capacity enhancement at Ghaziabad (Uttar Pradesh) facility. Our Company will apply for approvals in relation to construction prior to commencement of the construction, in the ordinary course and in accordance with applicable laws, including in relation to building layout and lift installation.

Inability to obtain approvals, in time or at all, in relation to the proposed construction of building and lift installation may adversely affect our business, growth and prospects and, in turn, results of operations. Further, in the event we do not receive such approvals, we may have to vary the Objects of the Offer which requires approval of the Shareholders by way of a special resolution and exit opportunity to the dissenting Shareholders in terms of the Companies Act, 2013.

28. We may be subject to penalty for prepayment for borrowings pursuant to utilisation of Net Proceeds of Fresh Issue.

We intend to use the net proceeds of the Offer for the purposes described in the section titled “Objects of the Offer” on page 99. Accordingly, among other objects of the Fresh Issue, our Company proposes to utilise an estimated amount of ₹ 880.00 million from the Net Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by our Company, and the interest accrued therein. Towards this object of the Fresh Issue, we propose to utilise the Net Proceeds in accordance with the estimated schedule of utilisation of funds set forth in the table below:

S. No.	Particulars	Total estimated cost/ Estimated utilisation from Net Proceeds	Estimated Utilisation of Net Proceeds (₹ in million)		
			Fiscal 2023	Fiscal 2024	Fiscal 2025
1.	Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	880.00	295.88	176.00	408.12

We may be subject to prepayment penalty aggregating to ₹ 5.30 million at the rate of 2% p.a. on the proposed prepayment of term loans aggregating to ₹ 265.24 million in Fiscal 2025, pursuant to utilisation of the Net Proceeds. There is no assurance that we will be able to negotiate waiver of such penalty for prepayment of borrowings.

29. *Our production capacity may not correspond precisely to its production demand which may affect our results of operations.*

We typically enter into a general purchasing agreement for specific products with our customers which is valid for three years and renewed thereafter. Within this period, products are manufacture and sold on a purchase order basis. While depending upon capacity, we decide to accept the purchase orders, on occasion, however, customers may require rapid increases in production beyond our production capacity, and we may not have sufficient capacity or manpower at any given time to meet sharp increases in these requirements. On the other hand, at times there is also a risk of the underutilization of the production line, which may result in lower profit margins. We closely coordinate with customers to have in place regular capacity reports and action plans for common reference and future capacity utilizations. While we closely collaborate with our customers to understand the required technology roadmaps, anticipate changes in technological requirements, and discuss possible future solutions, any mismatch in production demand and our production capacity can adversely affect our profitability or results of operations.

30. *The markets in which our customers compete are characterized by consumers and their rapidly changing preferences and other related factors including lower manufacturing costs and therefore as a result we may be affected by any disruptions in the industry.*

A significant portion of our revenue is attributed to sales of the products in EMS verticals. The market in which we and our customers operate is characterized by rapidly changing technology, evolving industry standards, changing consumer preferences and demand for features, and constant product innovation. These conditions may also result in short product life cycles. Some of the customers for whom we manufacture products may also chose not to continue operations in India for many reasons which can also include customer preferences, among others.

If the end-user demand is low for our customers' products, there may be significant changes in the orders from our customers and we may experience greater pricing pressures. Therefore, risks that could harm the customers of our industry could, as a result, adversely affect us as well. Our success is therefore dependent on the success achieved by our customers in developing and marketing their products. If our customers' technologies become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales to such customers, operating margins depending on the nature of the product, and all of these combined may gradually result in a loss of customers including key ones. However, there can be uncertainty regarding the development and production of these products as planned and failure to anticipate or respond rapidly to advances in technology can have a material adverse effect on our financial condition, results of operations and prospects.

Additionally, industry-wide competition for market share of various products can result in aggressive pricing practices by our customers and therefore our customers may also choose to import some of these products which provide them better cost benefits as compared to us or source the products from our competitors. This price-pressure from our customers may adversely affect the prices of the products which we supply, which may lead to reduced revenues, lower profit margins or loss of market share etc., any of which would have a material adverse effect on our business, financial condition and results of operations. We cannot assure you that our other customers would take similar actions such as cease to have operations in India which may affect our business.

31. *We operate our manufacturing facilities on land parcels that are held by us on a leasehold as well as a free hold basis.*

We operate our manufacturing facilities on parcels of land that are held by us on a leasehold as well as freehold basis. We have also been allotted land measuring approximately 16,200 square meters and 3,600 square meters on 99 years and 90 years leases in Bhiwadi and Noida, respectively. As on the date of this Red Herring Prospectus, these allotments of land in Bhiwadi and Noida are yet to be registered as leases. For details of the period of our leases, see "*Our Business – Properties*" on page 202.

We cannot assure you that we will be able to renew or register our leases on commercially acceptable terms, or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing facilities, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

32. *Our inability to manage our diversified operations may have an adverse effect on our business, results of operations and financial condition.*

A significant portion of our revenue is attributed to sales of the products in EMS verticals. Our product vertical wise revenue for the last three Fiscals and six-month period ended September 30, 2022 is set out below:

Particulars	Period/ fiscal ended							
	March 31, 2020		March 31, 2021		March 31, 2022		September 30, 2022	
	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations	Amount (₹ in million)	% of revenue from operations
EMS	6,358.94	80.95%	6,631.85	76.90%	8,555.48	78.22%	4,694.72	77.67%
- LED lighting, fans and switches	2,928.05	37.27%	2,557.82	29.66%	3,326.12	30.41%	1,888.20	31.24%
- Small appliances	1,939.00	24.68%	1,933.71	22.42%	2,550.89	23.32%	1,491.65	24.68%
- Fractional horsepower motors	1,190.51	15.15%	1,843.97	21.38%	2,369.03	21.66%	1,136.18	18.80%
- Other EMS products	301.38	3.84%	296.35	3.44%	309.44	2.83%	178.70	2.96%
Medical diagnostic cartridges	42.32	0.54%	420.95	4.88%	167.32	1.53%	80.67	1.33%
Moulded and sheet metal parts and components	1,097.18	13.97%	1,232.96	14.30%	1,635.31	14.95%	1,054.55	17.45%

Our management requires considerable expertise and skill to manage and allocate an appropriate amount of time and attention to our diverse product verticals. Operating such a diverse product portfolio also makes forecasting future revenue and operating results difficult, which may impair our operations and your ability to assess our prospects. In addition, our cost controls, internal controls, and accounting and reporting systems must be integrated and upgraded on a continual basis to support our diversified business. In order to manage and integrate our business effectively, we will be required to, among other things, maintain customer relationship, implement and continue to improve our operational, financial and management systems, develop the management skills of our managers and continue to train, motivate and manage our employees. If we are unable to manage our diversified operations, our business, results of operations and financial condition may be adversely affected. Further, demand for products is affected by, among other things, changes in technology and user preferences. If such demand were to decrease, our results of operations could be materially adversely affected.

33. We are subject to certain restrictive covenants in our financing arrangements which may limit our operational and financial flexibility, and our future results of operations and financial condition may be adversely affected if we fail to comply with these covenants.

Some of our financing agreements set limits on us or require us to obtain lender consents before, among other things, undertaking certain projects, issuing new securities, changing our business, merging, consolidating, selling significant assets or making certain acquisitions or investments. Further, as per our financing arrangements with some of our lenders we have to obtain their prior written consent before changing or altering our capital structure. In addition, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. For further information, see “*Financial Indebtedness*” on page 330.

We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. Defaults under one or more of our Company’s financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. Such restrictive covenants may restrict our flexibility in managing our business and could in turn adversely affect our business and prospects.

Under these financing agreements, consents from the respective lenders are required for and in connection with the Offer. As on the date of this Red Herring Prospectus, our Company has received all required consents from the relevant lenders in relation to the Offer. Our Company may be unable to obtain the consents from our lenders for any other corporate action or business plan, in a timely manner, or at all. For example, in the past, our Company was unable to obtain consent from State Bank of India for undertaking the Offer in a timely manner. Committee of State Bank of India operates within a prescribed procedural manner and deliberates decision on consent basis several factors, and such process may become time consuming as the meetings of committee are held at fixed periodicity. Therefore, such consent was not procured within the timelines expected by our Company. Any failure to obtain requisite consent in the future in a timely manner, or at all, may adversely affect business and growth prospects, and may trigger cross-default.

We believe that our relationships with our lenders are good, and we have in the past obtained consents from them to undertake various actions and have informed them of our corporate activities from time to time. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. We cannot assure that the budgeting of our working capital requirements for a particular year will be accurate. There may be situations where we may under-budget for our working capital requirements, in which case there may be delays in arranging the additional working capital requirements, which may delay the execution of orders leading to loss of reputation and an adverse effect on the cash flows. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

Certain of our Promoters have provided personal guarantees in relation to certain of our loan facilities and may continue to provide such guarantees after the listing of the Equity Shares pursuant to the Offer. In the event that any of these guarantees are revoked or invoked, the lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities, as applicable. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result, may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all. Any such failure to raise additional capital could adversely affect our operations and our financial condition. For further details, see “*Financial Indebtedness*” on page 330.

34. *The activities carried out at our manufacturing facilities can cause injury to people or property in certain circumstances.*

The activities carried out at our manufacturing facilities may be potentially dangerous to our employees. While we employ safety procedures in the operation of our manufacturing facilities and maintain what we believe to be adequate insurance, there is a risk that an accident may occur at any of our manufacturing facilities. An accident may result in personal injury to our employees, or the labour deployed at our facilities, destruction of property or equipment, manufacturing or delivery delays, environmental damage, or may lead to suspension of our operations and/or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations, cash flows and prospects.

Our Company is subject to safety and quality audits at periodical intervals by customers or certifying agencies. In the past, pursuant to such safety and quality audits on our manufacturing facilities, we have been recommended certain measures which we comply with on an ongoing basis. For example:

- EHS consultant in the occupational health and safety audit report issued in February 2021 on Ghaziabad (Uttar Pradesh) facility, had among others recommended for more safety training programme, developing safety inspection checklist for various equipment, preparation of safety manual for distribution to employees, defining assembly area etc.;
- Findings in November 2021 in relation to ISO 14001:2015, ISO 9001:2015, among others, included adherence of noise monitoring during night shifts;

- Continuous improvement report in 2021 included certain findings which among others include providing ease for employees to read and understand instructions on certain safety manuals; ease of visibility/access of fire fighting equipment not being visible to all employees.

35. If we fail to keep our technical knowledge and process know-how confidential, we may suffer a loss of our competitive advantage.

We possess extensive technical knowledge about our products and such technical knowledge has been developed through our own experiences. Our technical knowledge is an independent asset of ours, which may not be adequately protected by intellectual property rights such as patent registration or design registration. Some of our technical knowledge is protected only by secrecy. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked (either inadvertently or wilfully), at various stages of the manufacturing process. The potential damage from such disclosure is increased as our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the electronics manufacturing sector could be compromised. If a competitor is able to reproduce or otherwise capitalise on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

36. We had negative cash flows in the past, details of which are given below. Sustained negative cash flow could impact our growth and business.

We have experienced negative cash flows in the past which have been set out below:

Particulars	Fiscal			Six-month period ended September 30, 2022
	2020	2021	2022	
Net cash inflow from / (used in) operating activities	768.14	(336.43)	512.82	314.26
Net Cash flow from / (used in) investing activities	(424.17)	(49.48)	(278.04)	(240.34)
Net Cash flow from/ (used in) financing activities	(284.41)	341.94	(241.40)	(110.59)
Net increase/(decrease) in cash & cash equivalents	59.56	(43.97)	(6.62)	(36.66)

(₹ in million)

Cash flows of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For details, see “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 239 and 300, respectively.

37. Any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on our cash flows, results of operations and financial condition.

We are exposed to credit risk from our operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. Our total trade receivables (net of provisions for doubtful debts) as of March 31, 2020, March 31, 2021, March 31, 2022 and September 30, 2022, were ₹ 908.21 million, ₹ 1,826.32 million, ₹ 1,773.73 million and ₹ 2,134.99 million, respectively, which were 11.56%, 21.18%, 16.22% and 35.32% of the revenue from operations for the respective financial periods.

Total trade receivables (net of provisions for doubtful debts) has increased from ₹ 908.21 million as of March 31, 2020 to ₹ 1,826.32 million as of March 31, 2021 primarily due to (a) delay in payment by certain of the customers of the Company on account of COVID-19 restrictions; (b) higher demand of fractional horsepower motors wherein the Company typically extends average credit of 60 days to its customers. The total trade receivables (net of provisions for doubtful debts) as of March 31, 2022 and September 30, 2022 were ₹ 1,773.73 million and ₹ 2,134.99 million,

respectively, primarily due to higher demand of fractional horsepower motors wherein our Company typically extends average credit of 60 days to its customers.

Any default or delays in payment of receivables by our customers may have adverse effect on cash flows, results of operations and financial condition.

38. *Our business requires us to obtain and renew certain licenses and permits from government, regulatory authorities and the failure to obtain or renew them in a timely manner may adversely affect our business operations.*

Our business requires us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and for which we have either made or are in the process of making an application for obtaining the approval or its renewal. In particular, we require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by authorities such as the Government of India, the State Governments and certain other regulatory and government authorities, for operating our business activities that are subject to numerous conditions.

Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations. For further details, see “*Government and Other Approvals*” on page 336. In the event that we are unable to obtain such approvals in a timely manner or at all, our business operations may be adversely affected.

We may be impleaded in any environmental legal proceedings in the course of our business due to non-compliances with terms and conditions of regulatory approvals or authorizations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future, which could divert management time and attention, and consume financial resources in defence or prosecution of such legal proceedings or cause delays in the production, development or commencement of operations of our operations or products. No assurance can be given that we will be successful in all, or any, of such proceedings. Further, clean-up and remediation costs, as well as damages, other liabilities and related litigation, could adversely affect our business, financial condition and results of operations.

39. *We may be subject to significant risks and hazards when operating and maintaining our manufacturing facilities, for which our insurance coverage might not be adequate.*

We generally perform scheduled and unscheduled maintenance and operating and other asset management services. Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, and we have not experienced any such material incidents in the past, there can be no assurance that we will not face such disruptions in the future.

During the manufacturing process, we may be exposed to various risks which we may not be able to foresee or may not have adequate insurance coverage. Our insurance coverage may not be adequate to cover such loss or damage to life and property, and any consequential losses arising due to such events will affect our operations and financial condition. Further, in addition to the above, any such fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect our business, availability of insurance coverage in the future and our results of operations. The occurrence of any one of the above events may result in us being named as a defendant in lawsuits asserting claims for substantial damages, including for personal injury and property damage and fines and/or penalties.

Our Company has obtained coverage under insurance policies against certain risks. We maintain ongoing insurance policies in order to manage the risk of losses from potentially harmful events, including: (i) fire and perils policies

covering, among other, building superstructure, plinth and foundation; plant, machinery and accessories; furniture, fittings, fixtures and other contents; stocks and stocks in process; and (ii) broad form liability insurance. As on September 30, 2022, carrying value of property plant and equipment (including capital work in progress) and inventories is ₹ 3297.03 million constituting 56.02% of the total assets, of which we have an insurance coverage of 166.38% of the carrying value of such assets. As on September 30, 2022, 43.98% of the total assets is uninsured.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

40. *We may not be able to adequately protect or continue to use our intellectual property.*

We have registered certain trademarks in India, and may apply for other intellectual property registrations in the future. We manufacture and sell fractional horsepower motors in our own brand name “Elin”. We have registered the “Elin” trademark under various classes with the Registrar of Trademarks in India under the Trademarks Act, 1999. The other registered trademarks we have are “Asian” and “Ventis”. Our Company has obtained a copyright for its artistic work and 10 trademark registrations under the Trademarks Act, 1999.

The registration of intellectual property including trademarks is a time-consuming process and there can be no assurance that any registration applications we may pursue will be successful and that such registration will be granted to us. If we fail to register the appropriate intellectual property, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to our brand and proprietary property could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

In particular, the use of similar trade names by third parties may result in confusion among our customers, and we are exposed to the risk that entities in India and elsewhere could pass off their products as our products, including imitation products, which may adversely affect sale of our products, resulting in a decrease in market share due to a decrease in demand for our products. Such imitation products may not only result in loss of sales but also adversely affect our reputation and consequently our future sales and results of operations. In the event of such unauthorized use, we may be compelled to pursue legal action for the protection of our brand and intellectual property, which may divert our attention and resources thereby affecting our business operations. However, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be adequate to compensate us for the harm suffered. Additionally, we may provoke third parties to assert counterclaims against us. Any litigation, whether or not it is resolved in our favour, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business operations or financial results. For any of these reasons, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

Our efforts to protect our intellectual property may not be adequate. Unauthorized parties may infringe upon or misappropriate our services or proprietary information. In addition, despite our efforts to comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our manufacturing processes, obtain additional licenses or cease parts of our operations. We may also be susceptible to claims from third-parties asserting infringement and other related claims. Regardless of their merits, such claims could materially and adversely affect our relationships with current or future customers, result in costly litigation, delay or disrupt supply of products, divert management’s attention and resources, subject us to significant liabilities, or require us to cease certain activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and cash flows.

41. *There are outstanding litigations against our Company, Promoter and Subsidiary. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition, results of operations and cash flows.*

As on the date of this Red Herring Prospectus, we are involved in certain tax, regulatory and criminal legal proceedings which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant adverse effect on our business, financial condition, results of operations and cash

flows. In relation to tax proceedings, in the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of pending material civil, tax and criminal proceedings involving our Company, Promoters, Directors, and Subsidiary, as identified by our Company pursuant to the materiality policy adopted by our Board is provided below:

(in ₹ million, unless otherwise specified)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory proceedings	Disclosures actions by the SEBI or stock Exchanges against our Promoters#	Material Civil Litigations	Aggregate amount involving (Rs. In million)*
Our Company						
By our Company	Nil	Nil	Nil	N.A.	Nil	Nil
Against our Company	1	23	3	N.A.	Nil	13.63
Directors						
By our Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Against the Directors	Nil	Nil	Nil	N.A.	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	N.A.	Nil	Nil
Against Promoters	1	Nil	Nil	Nil	Nil	Not quantifiable
Our Subsidiary						
By Subsidiaries	Nil	Nil	Nil	N.A.	Nil	Nil
Against Subsidiaries	Nil	5	Nil	N.A.	Nil	31.18

This is in the last five years, including outstanding action.

* To the extent quantifiable

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long-term liabilities or reduce our cash and bank balance. For details, see “*Outstanding Litigation and Other Material Developments*” on page 332.

42. We have certain contingent liabilities not provided for, and our cash flows, financial condition and profitability may be adversely affected if any of these liabilities materialise.

As of September 30, 2022, the following contingent liabilities, on a consolidated basis, were not provided for in our Restated Consolidated Financial Statements:

S. No.	Particulars	As of September 30, 2022 (₹ in million)
1.	Unexpired Letters of Credit	40.40
2.	Guarantees given by banks on behalf of the Group	13.74
3.	Claims against the Group towards sales tax, provident fund, GST, income tax and others in dispute not acknowledged as debt	44.81

If any of these liabilities materialize, we may have to fulfil our payment obligations, which may have an adverse impact on our cash flows, financial conditions and results of operations. For details, see “*Financial Statements*” on page 239.

43. Our business prospects and continued growth depends on our ability to access financing at competitive rates and competitive terms, which amongst other factors is dependent on our credit rating. Any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. We had been last rated by CRISIL Ratings Limited (a subsidiary of CRISIL Limited), and CRISIL Ratings Limited assigned ‘CRISIL A/Stable’ as long term rating, and ‘CRISIL A1’ as short term rating. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect

our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

44. *Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business and results of operations.*

Our operations depend on the timely transport of raw materials to our manufacturing facilities and of our products to our customers. We use land transport for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including weather, strikes or civil disruptions. We typically rely on third party transportation providers to supply most of our raw materials and to deliver products to our customers. Any failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have an adverse effect on our business and results of operations.

45. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

Our operations may be subject to incidents of theft or damage to inventory. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While we have not experienced any such instance in the past, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, losses due to theft, fire, breakage or damage caused by other casualties, could adversely affect our results of operations and financial condition.

46. *Our Promoters and Promoter Group will continue to retain significant shareholding in our Company after the Offer, which will allow them to exercise significant influence over us.*

After the completion of the Offer, our Promoters and Promoter Group will hold approximately [●]% of our outstanding Equity Shares. Accordingly, our Promoters and Promoter Group will continue to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. The interests of our Promoters and Promoter Group, as our Company's significant shareholders, could be different from the interests of our other Shareholders and their influence may result in change of management or control of our Company, even if such a transaction may not be beneficial to our other Shareholders.

47. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

For details of declaration of dividend by our Company in current Fiscal and Fiscals 2020, 2021 and 2022, see "*Dividend Policy*" on page 238. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. For further information, see "*Dividend Policy*" on page 238. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

48. *Our Promoters, Managing Director and certain Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.*

Our Promoters, Managing Director and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Also, see "*Capital Structure*" and "*Our Management*" on pages 72 and 213, respectively.

49. *Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*

Pursuant to being engaged by us, Frost & Sullivan, prepared the F&S Report. Certain sections of this Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report. All such information in this Red Herring Prospectus indicates the F&S Report as its source. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely amongst different industry sources. Furthermore, such assumptions may change based on various factors. We cannot assure that the F&S Report assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Furthermore, the commissioned report is not a recommendation to invest or disinvest in our Company and shall not be construed as an expert advice or investment advice. Prospective investors are advised not to unduly rely on the F&S Report or extracts thereof as included in this Red Herring Prospectus, when making their investment decisions.

50. *Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Red Herring Prospectus is based on various assumptions and estimates and our future production and capacity may vary.*

For details of our installed capacity and utilisation capacity for various product verticals, see “*Our Business – Our Manufacturing facilities*” on page 189. Information relating to the historical installed capacity and estimated capacity utilization of our manufacturing facilities included in this Red Herring Prospectus is based on various assumptions, estimates and production measures and formula used in calculating such measures of our management, and by Er. B.P. Singh, independent chartered engineer certifying the installed capacity and capacity utilisation vide certificate dated November 18, 2022. Such production measures and formula thereof relate to cycle time estimation, hourly production, daily line capacity, production capacity and machine/ line utilization. Actual production volumes and capacity utilization rates may differ from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Red Herring Prospectus.

EXTERNAL RISKS

51. *Political, economic or any other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business primarily in India. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. These external risks include:

- increase in interest rates may adversely affect our access to capital and increase our borrowing costs, which may constrain our ability to grow our business and operate profitably;
- political instability, resulting from a change in government or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- strikes, lock-outs, work stoppages or increased wage demands by employees, suppliers or other service providers;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or war;
- India has experienced natural calamities such as earthquakes, tsunamis, floods and drought in recent years, instability in the financial markets and volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- epidemics or any other public health emergency in India or in countries in the region or globally, including in India’s various neighbouring countries;
- decline in India’s foreign exchange reserves which may affect liquidity in the Indian economy;

- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- downgrading of India's sovereign debt rating by rating agencies; and
- international business practices that may conflict with other customs or legal requirements to which we are subject to, including anti-bribery and anti-corruption laws; being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

If such events should impact the national or any regional economies it may have a material adverse impact on our business, financial condition, results of operations and prospects.

52. *Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Additionally, the Government of India has recently introduced (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, the implementation of such laws could increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by the Ministry of Finance, GoI, effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Further, the GoI has announced the union budget for Fiscal 2023, pursuant to which the Finance Act, 2022 ("**Finance Act**"), has introduced various amendments. We cannot predict whether any amendments made pursuant to the Finance Act, 2022, would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. For further discussion on capital gains tax, see "*— External Risks - You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares*" on page 54.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

53. *Our business may be adversely affected by competition laws in India.*

The Competition Act, 2002, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the “**Combination Regulation Provisions**”) with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the Competition Commission of India (“**CCI**”). In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may have a material adverse impact on our business, financial condition, results of operations and prospects.

54. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

55. *A slowdown in economic growth in India or political instability could adversely affect our business.*

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices,

adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns and economic volatility and uncertainty could have a material adverse impact on our business, financial condition, results of operations and prospects.

56. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have a material adverse effect on the trading price of, and returns on, our Equity Shares, independent of our operating results.*

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend foreign investors receive. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have a material adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

57. *Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.*

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

RISKS RELATING TO THE OFFER AND INVESTMENTS IN OUR EQUITY SHARES

58. *An investment in the Equity Shares is subject to general risks related to investments in Indian companies.*

We are incorporated in India and all of our assets and employees are located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

59. *The trading volume and market price of the Equity Shares may be volatile following the Offer.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;

- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

60. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.

Our Restated Consolidated Financial Statements included in this Red Herring Prospectus have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013, to the extent applicable. For further details, see “Financial Statements” on page 239.

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Red Herring Prospectus. In addition, our Restated Consolidated Financial Statements may be subject to change if new or amended Ind AS accounting standards are issued in the future or if we revise our elections or selected exemptions in respect of the relevant regulations for the implementation of Ind AS.

61. Any future issuance of our Equity Shares may dilute prospective investors' shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity that we issue, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

62. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their bids (in terms of quantity of Equity Shares or the bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their bids after bid/offer closing date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the bid amount on submission of the bid and are not permitted to withdraw or lower their bids (in terms of quantity of equity shares or the bid amount) at any stage after submitting a bid. Similarly, Retail Individual Bidders can revise or withdraw their bids at any time during the bid/offer period and until the bid/offer closing date, but not thereafter. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise at any stage after the submission of their bids.

63. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional equity interests in us may be reduced.

64. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under

Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

65. Investors may have difficulty enforcing foreign judgments in India against us or our management.

Substantially all of our directors and executive officers are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process on us or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities on us or such directors and executive officers under laws other than Indian Law.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom; however, no reciprocity has been established with the United States. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “**Civil Code**”). The Civil Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

66. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares cannot be ensured. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in the Stock Exchanges, securities markets in other jurisdictions and changes in economic, legal and other regulatory factors. There is no assurance that investors in the Equity Shares will be able to resell their Equity Shares at or above the Offer Price.

67. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax (“**STT**”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity

shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, among others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2023 and the Finance Act, 2022 has introduced various amendments. There is no certainty on the impact that the Finance Act, 2022, may have on our business and operations or in the industry we operate in.

68. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT as consolidated in the FDI Policy with effect from October 15, 2020, and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which share a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India. Any such approval(s) would be subject to the discretion of the regulatory authorities. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives. We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. Further, if our Company ceases to be "owned and controlled" by resident Indian entities, we will be subject to additional investment and exit restrictions under the FDI Policy and the FEMA.

69. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Red Herring Prospectus.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, other than India. As such, the Equity Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. We, our representatives and our

agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

70. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

SECTION III – INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer of Equity Shares ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹ 4,750 million
<i>of which:</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares, aggregating up to ₹ 1,750 million
Offer for Sale ⁽²⁾	Up to [●] Equity Shares, aggregating up to ₹ 3,000 million by the Selling Shareholders
The Offer consists of^:	
QIB Portion ⁽³⁾⁽⁴⁾	Not more than [●] Equity Shares aggregating up to ₹ [●] million
<i>of which:</i>	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
a) Mutual Fund Portion (5% of the Net QIB Portion)	[●] Equity Shares
b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion ⁽⁵⁾⁽⁶⁾	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Retail Portion ⁽⁷⁾	Not less than [●] Equity Shares aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Red Herring Prospectus)	42,574,200 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See “ <i>Objects of the Offer</i> ” on page 99 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

⁽¹⁾ The Offer has been authorised by our Board of Directors and the Fresh Issue has been authorised by our Shareholders pursuant to the resolutions passed at their meetings each dated September 6, 2021 and September 30, 2021 respectively. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated November 8, 2021. Furthermore, our Board has taken on record the approval for the revised Offer for Sale by the Selling Shareholders, pursuant to its resolutions dated November 18, 2022 and December 7, 2022.

⁽²⁾ Each of the Selling Shareholder, severally and not jointly, confirms that the respective portion of the Offered Shares have been held by them for a period of at least one year prior to the filing of this Red Herring Prospectus, and are accordingly eligible for being offered for sale in the Offer as required under Regulation 8 of the SEBI ICDR Regulations. For more details, see “List of Selling Shareholders” beginning on page 14.

⁽³⁾ Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 357.

⁽⁴⁾ Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by Selling Shareholders, and thereafter, towards the balance Fresh Issue For details, see “Offer Structure” on page 354.

⁽⁵⁾ Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 200,000 and up to ₹ 1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Non-Institutional Bidders with a Bid size of more than ₹ 1,000,000 and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Non-Institutional Bidders in the other sub-category of Non-Institutional Portion.

⁽⁶⁾ Allocation to Bidders in all categories, except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, of any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each Non-Institutional Investor shall not be less than Minimum NIB Application

Size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 357.

⁽⁷⁾ *Allocation to Bidders in all categories, except the Anchor Investor Portion and the Retail Portion, of any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 357.*

For details, including in relation to grounds for rejection of Bids, see “Offer Structure” and “Offer Procedure” on pages 354 and 357, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 349.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 239 and 300, respectively.

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Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

Particulars	As at			
	Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Assets				
Non-current Assets				
(a) Property, Plant and Equipment	2,014.26	1,875.47	1,605.15	1,544.22
(b) Capital work-in-progress	17.96	0.24	0.56	0.28
(c) Right-of-use-assets	0.74	0.75	0.76	0.78
(d) Intangible assets (other than Goodwill)	6.98	4.15	6.73	0.94
(e) Financial Assets				
(i) Investments	0.66	0.58	0.58	0.51
(ii) Other Financial Assets	19.56	18.67	25.00	18.04
(f) Other non-current assets	206.94	205.67	188.23	150.33
Total Non Current Assets	2,267.09	2,105.54	1,827.02	1,715.10
Current Assets				
(a) Inventories	1,264.81	1,197.15	1,149.93	799.00
(b) Financial Assets				
(i) Investments	11.64	11.55	135.61	250.80
(ii) Trade receivables	2,134.99	1,773.73	1,826.32	908.21
(iii) Cash and cash equivalents	3.47	40.14	46.76	90.73
(iv) Bank balances other than (iii) above	12.12	9.21	7.03	12.42
(v) Loans	-	-	-	-
(vi) Other Financial Assets	10.45	9.72	10.22	10.36
(c) Current Tax Assets (net)	7.98	7.49	6.10	5.55
(d) Other current assets	179.86	171.60	73.92	83.96
Total Current Assets	3,625.33	3,220.59	3,255.87	2,161.03
Total Assets	5,892.42	5,326.13	5,082.90	3,876.13
Equity and Liabilities				
Equity				
(a) Equity Share Capital	204.20	204.20	68.07	68.07
(b) Other Equity	2,997.29	2,826.50	2,554.47	2,209.45
Total Equity	3,201.49	3,030.70	2,622.54	2,277.52
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	501.73	339.64	371.45	400.66
(ii) Lease liabilities	1.99	1.91	1.93	1.95
(b) Provisions	7.76	9.05	8.69	5.46
(c) Deferred tax liabilities (Net)	96.60	92.22	77.63	55.59
Total Non Current Liabilities	608.08	442.83	459.69	463.66
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	525.99	683.67	766.21	298.27
(ii) Lease Liabilities	0.06	0.05	0.05	0.05
(iii) Trade payables				
- total outstanding dues of micro and small enterprises	283.97	221.08	194.94	102.63
- total outstanding dues to other than micro and small enterprises	1,029.01	771.30	850.86	578.97
(iv) Other financial liabilities	106.19	93.78	99.46	92.48
(b) Current Tax liabilities (Net)	41.90	22.69	40.63	6.22
(c) Other current liabilities	87.55	51.15	40.91	48.25
(d) Provisions	8.20	8.87	7.60	8.08
Total Current Liabilities	2,082.86	1,852.60	2,000.66	1,134.94
Total Liabilities	2,690.93	2,295.42	2,460.36	1,598.61
Total Equity and Liabilities	5,892.42	5,326.13	5,082.90	3,876.13

Restated Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the period ended Sept. 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
I INCOME				
Revenue from operations	6,044.57	10,937.54	8,623.78	7,855.84
Other Income	2.86	9.14	25.23	7.88
Total Income (I)	6,047.42	10,946.68	8,649.02	7,863.72
II EXPENSE				
Cost of Material Consumed	4,476.12	7,924.07	6,168.18	5,425.68
Purchases of stock-in trade	53.42	282.97	119.07	167.89
Change in inventories of finished goods, work-in progress and stock-in trade	(16.47)	(50.30)	(40.34)	(55.55)
Employee benefits expense	670.78	1,252.44	1,080.23	1,062.93
Finance Costs	74.22	127.04	96.76	117.04
Depreciation Impairment & amortization expenses	83.65	143.53	118.35	94.34
Other Expenses	429.94	738.19	631.85	700.35
Total Expenses (II)	5,771.64	10,417.95	8,174.10	7,512.67
III Profit before tax (I - II)	275.78	528.73	474.92	351.05
IV Tax expenses				
- Current tax	66.35	128.28	109.90	54.40
- Deferred Tax	2.75	8.98	16.45	21.78
	69.10	137.26	126.35	76.18
V Profit for the period/year (III-IV)	206.68	391.47	348.57	274.87
VI Other comprehensive Income (OCI):				
Items that will not be reclassified to profit or loss				
(i) Remeasurements of defined benefit plans	6.50	22.30	(4.83)	16.72
(ii) Income tax on above item	(1.64)	(5.61)	1.22	(4.21)
(iii) Gain/(Loss) on Equity Instruments designated through OCI	0.08	-	0.07	0.09
Total Other comprehensive income/(loss) for the period/year	4.95	16.69	(3.55)	12.61
VII Total comprehensive income for the period/year (V + VI)	211.63	408.16	345.02	287.48
VIII Earnings per share from continuing and total operations attributable to the equity holders of the Group [face value of INR 5/- each] (Not Annualised for the period ended Sept 30, 2022)				
- Basic and diluted (amount in INR)	5.06	9.59	8.53	6.73

Restated Consolidated Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the period ended Sept. 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
I. Cash flow from Operating Activities :				
Net Profit before taxes	275.78	528.73	474.92	351.05
Adjustments for :				
Depreciation, Impairment and Amortization expenses	83.65	143.53	118.35	94.34
(Gain)/Loss on disposal of property, plant and equipment	(2.13)	(1.40)	3.01	(0.36)
Fair value (gain)/loss on investments	(0.08)	(5.87)	(20.30)	0.41
Impairment loss, Bad Debts, advances and miscellaneous balances written off	0.30	(0.42)	(0.62)	53.82
Dividend and interest income classified as investing cash flows	(0.42)	(1.51)	(2.97)	(7.30)
Finance costs (net)	74.22	127.04	96.76	117.04
	155.53	261.37	194.23	257.94
Change in operating assets and liabilities :				
(Increase)/ Decrease in Trade and other receivables	(361.57)	53.01	(919.10)	466.46
(Increase)/ Decrease in Inventories	(67.66)	(47.22)	(350.93)	19.08
Increase/ (Decrease) in Trade payables	320.60	(53.43)	365.81	(292.75)
(Increase)/ Decrease in other financial assets	(4.58)	4.58	(1.82)	6.21
(Increase)/ Decrease in other non-current assets	(1.28)	(17.43)	(37.91)	34.69
(Increase)/ Decrease in other current assets	(8.27)	(97.68)	10.05	(24.59)
Increase/ (Decrease) in provisions	4.54	23.94	(2.08)	16.63
Increase/ (Decrease) in other current liabilities	48.81	4.57	(0.36)	(2.94)
	(69.41)	(129.67)	(936.34)	222.79
Cash generated from operations	361.89	660.43	(267.20)	831.79
Income taxes paid/refund (net)	(47.63)	(147.61)	(69.24)	(63.64)
Net cash inflow from / (used in) operating activities	314.26	512.82	(336.43)	768.14
II. Cash flow from Investing activities				
(Payments) for property, plant and equipment including CWIP	(241.73)	(423.97)	(196.79)	(326.24)
(Payments) for Intangible Assets	(4.40)	0.00	(7.55)	-
Proceeds from sale of property, plant and equipment	5.30	14.43	16.00	12.92
Proceeds/(Payments) from sale of Investment (net)	0.00	129.92	135.50	(117.63)
Dividends received	0.04	0.27	1.07	3.60
Interest received	0.45	1.30	2.30	3.18
Net Cash flow from / (used in) investing activities	(240.34)	(278.04)	(49.48)	(424.17)
III. Cash flow from Financing Activities				
Proceeds from borrowings	84.12	16.23	603.15	(72.00)
(Repayment) of borrowings	(79.72)	(130.57)	(164.42)	(95.51)
Dividend paid	(40.84)	-	-	-
(Repayment) of lease liabilities	-	(0.17)	(0.17)	-
	(36.44)	(114.51)	438.56	(167.51)
Less: Finance Costs paid	(74.14)	(126.89)	(96.62)	(116.90)
Net Cash flow from/ (used in) financing activities	(110.59)	(241.40)	341.94	(284.41)
IV. Net increase/(decrease) in cash & cash equivalents (I + II + III)	(36.66)	(6.62)	(43.97)	59.56
V. Cash and cash equivalents at the beginning of the financial year	40.14	46.76	90.73	31.17
VI. Cash and cash equivalents at end of the year/period	3.47	40.14	46.76	90.73

GENERAL INFORMATION

Our Company 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 RoC. Subsequently, the name of our Company was changed to 'Elin Electronics Limited' upon conversion of our Company into a public 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 relating to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 208.

Registered Office of our Company

Elin Electronics Limited

143, Cotton Street

Kolkata – 700 007

West Bengal, India

Website: www.elinindia.com

Corporate identity number: U29304WB1982PLC034725

Registration number: 034725

Corporate Office of our Company

Elin Electronics Limited

4771, Bharat Ram Road

23, Daryaganj,

New Delhi – 110 002

The Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata, which is situated at the following address:

Nizam Palace

2nd MSO Building

2nd Floor, 234/4, A.J.C.B. Road

Kolkata - 700 020

West Bengal

Board of Directors

The following table sets out the brief details of our Board as on the date of this Red Herring Prospectus:

Name of Director	Designation	DIN	Address
Mangi Lal Sethia	Chairman and Wholetime Director	00081367	House no. 4771, Bharat Ram Road, Near Hindi Park, 23, Daryaganj, New Delhi-110002
Kamal Sethia	Managing Director	00081116	House no. 4771, Bharat Ram Road, Near Hindi Park 23, Daryaganj, New Delhi-110002
Sanjeev Sethia	Wholetime Director	00354700	B-141, behind NMC Hospital, Sector 30, Noida, Gautam Buddha Nagar, Uttar Pradesh -201303
Sumit Sethia	Wholetime Director	00831799	Plot No 9, Sagar Co-Operative Housing Socitey, Dona Paula, North Goa - 403004
Kamal Singh Baid	Independent Director	07149567	BQ-48, 2nd Floor, Shalimar Bagh, Delhi-110088
Shilpa Baid	Independent Director	08538622	House no W-151, Second Floor, Greater Kailash Part-2, South Delhi, Delhi 110048
Shanti Lal Sarnot	Independent Director	01899198	Near Mother's International School, B-66,2nd Floor, Sarvodaya Enclave, New Delhi- 110 017

Name of Director	Designation	DIN	Address
Ashis Chandra Guha	Independent Director	09352987	Flat D-1806, Prateek Wisteria, Plot No GH-001, Sector-77, Gautam Buddha Nagar, Noida-201301

For further details of our Board of Directors, see “*Our Management - Board of Directors*” on page 213.

Company Secretary and Compliance Officer

Lata Rani Pawa is the Company Secretary and Compliance Officer our Company. Her contact details are as follows:

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

Book Running Lead Managers

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
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Simran Gadh/Pavan Naik
SEBI registration no.: INM000012029

JM Financial Limited

7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai – 400 025
Maharashtra, India
Telephone: +91 22 6630 3030
E-mail: elin.ipo@jmfl.com
Investor grievance e-mail: Grievance.ibd@jmfl.com
Contact person: Prachee Dhuri
Website: www.jmfl.com
SEBI registration no.: INM000010361

Syndicate Member

JM Financial Services Limited

2, 3 & 4, Kamanwala Chambers,
Ground Floor, Fort, Mumbai – 400001,
Maharashtra, India
Telephone: 022-6136 3400
E-mail: tn.kumar@jmfl.com; sona.verghese@jmfl.com
Website: www.jmfinancialservices.in
Contact Person: T N Kumar/ Sona Verghese
SEBI Registration Number: INZ 000195834

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No	Activities	Responsibility	Coordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, this red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities.	Axis, JM	Axis
2.	Drafting and approval of all statutory advertisement.	Axis, JM	Axis

Sr. No	Activities	Responsibility	Coordination
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including media monitoring, corporate advertising, brochure, etc. and filing of media compliance report.	Axis, JM	JM
4.	Appointment of intermediaries – Bankers to the Offer, Registrar to the Offer, advertising agency, printers to the Offer including co-ordination for agreements	Axis, JM	Axis
5.	Preparation of roadshow presentation and investor frequently asked questions	Axis, JM	JM
6.	Domestic Institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy preparation of publicity budget; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule. These will be done in consultation with & approval of the management and selling shareholders	Axis, JM	Axis
7.	Retail marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Formulating marketing strategies, preparation of publicity budget; • Finalise ad media and public relation strategy; • Finalising centers for holding conferences for stock brokers, investors, etc; • Finalising collection centers as per Schedule III of the SEBI ICDR Regulations; and • Follow-up on distribution of publicity and Offer material including application form, red herring prospectus, prospectus and brochure and deciding on the quantum of the Offer material. 	Axis, JM	Axis
8.	Non-institutional marketing of the Issue, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non – Institutional Investors 	Axis, JM	JM
9.	International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule 	Axis, JM	JM
10.	Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation and coordination with stock exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to DSE.	Axis, JM	JM
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders.	Axis, JM	JM
12.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, unblocking of application monies, intimation of allocation and dispatch of refund to bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.	Axis, JM	JM

Sr. No	Activities	Responsibility	Coordination
	<p>Payment of the applicable securities transaction tax (“STT”) on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.</p> <p>Co-ordination with SEBI and Stock Exchanges for Refund of 1% Security Deposit and Submission of all post Offer reports including the Initial and final Post Offer report to SEBI.</p>		

Legal Counsel to the Company and the Selling Shareholders as to Indian law

J. Sagar Associates

Sandstone Crest
Opposite Park Plaza Hotel
Sushant Lok Phase-I
Gurgaon 122 009, India
Telephone: +91 124 439 0600

Legal Counsel to the BRLMs as to Indian law

Trilegal

One World Centre
10th Floor, Tower 2A & 2B
Senapati Bapat Marg
Lower Parel (West)
Mumbai - 400 013
Telephone: +91 22 4079 1000

Special Purpose International Legal Counsel to the BRLMs

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321
Telephone: +65 6538 0900

Registrar to the Offer

KFin Technologies Limited

Selenium, Tower B,
Plot No. 31&32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi 500 032
Telangana, India
Telephone: +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 no: INR000000221

Banker(s) to the Company

Citibank, N.A.

9th Floor, DLF Square, M - Block,
Jacaranda Marg, DLF City,
Phase - 2, Gurgaon - 122 002
Telephone: + 91 124-4186908
Contact person: Amit Khanduri

Website: www.online.citibank.co.in

Email: amit.khanduri@citi.com

HDFC Bank Limited

Business Banking ops 3rd Floor Tower A,
31 Shivaji Marg, Najafgarh Road,
Industrial Area New Delhi 110015

Telephone: + 91 9560921293

Contact person: Ashita Chawla

Website: www.hdfcbank.com

Email: Ashita.Chawla@hdfcbank.com

The Hongkong and Shanghai Banking Corporation Limited

Institutional Area, Plot No. 68,
Sector-44, Gurgaon – 122002

Telephone: +91 987010 9199

Contact person: Nawal Goel

Website: www.hsbc.co.in

Email: nawalgoel@hsbc.co.in

DBS Bank India Limited

11th Floor, Office C,
Max Towers, Plot No. C-001/A/1,
Sector 16-B, Noida,

Uttar Pradesh - 201301

Telephone: +91 11 66211837

Contact person: Vikram Samvedi

Website: www.dbs.com

Email: vikramsamvedi@dbs.com

Banker(s) to the Offer

Escrow Collection Bank(s)/ Public Offer Account Bank/ Refund Bank

Axis Bank Limited

E-10 Ground Floor, Kalkaji, New Delhi - 110019

Telephone: 9999916509

E-mail: kalkaji2.branchhead@axisbank.com

Website: www.axisbank.com

Contact Person: Amit Kaushik

SEBI registration number: INBI00000017

Sponsor Bank(s)

Axis Bank Limited

E-10 Ground Floor, Kalkaji, New Delhi - 110019

Telephone: 9999916509

E-mail: kalkaji2.branchhead@axisbank.com

Website: www.axisbank.com

Contact Person: Amit Kaushik

SEBI registration number: INBI00000017

ICICI Bank Limited

Capital Market Division, 163, 5th Floor,
H.T. Parekh Marg, Backbay Reclamation,
Churchgate, Mumbai - 400020

Telephone: 022 66818911/23/24

Contact person: Sagar Welekar

Website: www.icicibank.com

Email: sagar.welekar@icicibank.com/ ipocmg@icicibank.com

SEBI Registration No.: INBI00000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks for UPI Mechanism and eligible mobile applications

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, UPI Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>, <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) and updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the CRTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/aspba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/aspba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 18, 2022 from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) their examination report dated November 12, 2022 on the Restated Consolidated Financial Statements; and (ii) the statement of

special tax benefits dated November 18, 2022 included in this Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.

Our Company has received written consent from Er. B.P. Singh, Independent Chartered Engineer dated November 18, 2022, in relation to (i) the details of our aggregate installed capacity and capacity utilisation; (ii) details of our R&D infrastructure; (iii) details of land area of our manufacturing facilities; (iv) details of power source and back-up at our Company's manufacturing facilities; (v) production capacity for medical diagnostics cartridges; (vi) details of SMT lines and capacity CPH, to include its name as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this RHP, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer with respect to the certificates issued by him and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Statutory Auditor to our Company

Oswal Sunil & Company
71, Daryaganj New Delhi-110002
Telephone: +91 11-43060999,23251582, 23262902
E-mail: oswalsunil.co@gmail.com
Firm registration no.: 016520N
Peer review no.: 012988

Changes in Auditors

There has been no change in the Statutory Auditors of our Company during the last three years

Grading of the Offer

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Monitoring Agency

Our Company, in compliance with Regulation 41 of the SEBI ICDR Regulations, has appointed a Monitoring Agency, prior to filing of this Red Herring Prospectus, for monitoring the utilization of the Net Proceeds. The details of Monitoring agency are as follows:

Axis Bank Limited
E-10 Ground Floor, Kalkaji, New Delhi - 110019
Telephone: 9999916509
E-mail: kalkaj12.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Amit Kaushik
SEBI registration number: INBI00000017

The For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 99.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustee

As the Offer is of Equity Shares, the appointment of a debenture trustee is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of the Draft Red Herring Prospectus was filed with the SEBI's online portal at <https://siportal.sebi.gov.in>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and pursuant to Regulation 25(8) of the SEBI ICDR Regulations. A copy of the Draft Red Herring Prospectus has also been filed with SEBI at Corporation Finance Department, Division of Issues and SEBI Bhavan, Plot No. C4 A, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051, Maharashtra, India.

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act has been filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and Minimum Bid Lot will be decided by our Company, in consultation with the BRLMs, and if not disclosed in this Red Herring Prospectus, will be advertised in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Kolkata edition of Arthik Lipi, a Bengali newspaper, Bengali being the regional language of West Bengal, where our Registered Office is located, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors (subject to the Bid Amount being up to ₹ 200,000) can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Investors, Non-Institutional Investors and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. For further details, see "Terms of the Offer" and "Offer Procedure" on pages 349 and 357, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to (i) filing the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see "Offer Procedure" on page 357.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after the determination of the Offer Price but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, address, telephone and e-mail of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below.

(In ₹, except share data)

Sr. No.	Particulars	Aggregate value at face value (₹)	Aggregate value at Offer Price*
A.	AUTHORIZED SHARE CAPITAL ⁽¹⁾		
	100,000,000 Equity Shares of face value ₹ 5 each	500,000,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	42,574,200 Equity Shares of face value ₹ 5 each ^{#@}	212,871,000	-
C.	PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS		
	Offer of up to [●] Equity Shares of face value ₹ 5 aggregating to up to ₹ 4,750 million ⁽²⁾	[●]	-
	<i>which includes</i>		
	Fresh Issue of up to [●] Equity Shares of face value ₹ 5 aggregating to up to ₹ 1,750 million ⁽²⁾	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value ₹ 5 aggregating to up to ₹ 3,000 million ⁽²⁾⁽³⁾	[●]	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	[●] Equity Shares of face value ₹ 5 each*	[●]	-
E.	SECURITIES PREMIUM ACCOUNT		
	Before the Offer <i>(as on the date of this Red Herring Prospectus)</i>		59,554,000
	After the Offer		[●]

*To be included upon finalization of Offer Price.

@ As on the date of this Red Herring Prospectus, 1,734,000 Equity Shares are held by Elin Appliances Private Limited, our Subsidiary.

As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholder pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of the demat accounts of such Shareholder is not available. For details, see "Risk Factors – As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholders pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of his demat account is not available." on page 37.

- (1) For details in relation to changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 208.
- (2) The Offer has been authorized by our Board pursuant to the resolution passed at the board meeting dated September 6, 2021 and by our Shareholders pursuant to their resolution dated September 30, 2021.
- (3) Each Selling Shareholder, severally and not jointly, confirms that their respective portion of the Offered Shares have been held by such Selling Shareholders for a period of at least one year prior to filing of this Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details on the confirmation and authorization of each of the Selling Shareholders for their participation in the Offer of Sale, see "The List of Selling Shareholders" on page 14.

Notes to the Capital Structure

1. Share Capital History of our Company.

a. History of Equity Share capital

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Name of allottees	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
March 26, 1982	300	10	10	Cash	Initial subscription to the MoA	Bahadurmal Sethia was allotted 100 equity shares, Bridhi Chand Sethia was allotted 100 equity shares and Vinay Kumar Sethia was allotted 100 equity shares	300	3,000
June 18, 1987	9700	10	10	Cash	Further Issue	Refer foot note (1)	10,000	100,000
February 25, 1991 [^]	2,400,000	10	Not Applicable	Other than cash	Allotment pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	Refer foot note (2)	2,410,000	24,100,000
June 12, 1992	400,000	10	10	Cash	Further Issue	Refer foot note (3)	2,810,000	28,100,000
March 10, 1993	500,000	10	10	Cash	Further Issue	Refer foot note (4)	3,310,000	33,100,000
August 26, 1995 [^]	2,078,600	10	30	Cash	Further Issue	Refer foot note (5)	5,388,600	53,886,000
March 27, 1996 [^]	400,000	10	30	Cash	Further Issue	Rosebud Holding Private Limited was allotted 400,000 equity shares	5,788,600	57,886,000
September 1, 1999	211,600	10	30	Cash	Further Issue	Shinwa Industries (HK) Limited was allotted 211,600 equity shares	6,000,200	60,002,000
November 1, 2000	229,800	10	30	Cash	Further Issue	Shinwa Industries (HK) Limited was allotted 229,800 equity shares	6,230,000	62,300,000
June 30, 2003	57,700	10	30	Cash	Further Issue	Shinwa Industries (HK) Limited was allotted 57,700 equity shares	6,287,700	62,877,000
January 22, 2020	(1,042,000)	10	Not Applicable	Not Applicable	Cancelled pursuant to the Scheme of Amalgamation	603,600 equity shares held by Asian Magnetic Devices Private Limited and	5,245,700	52,457,000

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Name of allottees	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)	
						438,400 equity shares held by Rosebud Holding Private Limited were cancelled pursuant to the Scheme of Amalgamation. For more details, please see "History and Certain Corporate Matters – Scheme of Amalgamation" on page 211.			
January 22, 2020	1,850,000	10	Not Applicable	Other than cash	Allotment pursuant to the Scheme of Amalgamation	Refer foot note (6)	7,095,700	70,957,000	
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each.									
September 30, 2021 ^{^^}	28,382,800	5	Not applicable	Not applicable	Bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held as on September 24, 2021	Refer foot note (7)	42,574,200	212,871,000	
Total								42,574,200	212,871,000

[^] The secretarial record, Forms 2 (return of allotment) filed with the RoC in connection with allotment of equity shares on February 25, 1991, August 26, 1995 and March 27, 1996 are untraceable. For further details, see "Risk Factors – Some of our corporate records relating to allotments made by our Company, and transfers and acquisitions of Equity Shares made by our Promoters, are not traceable." on page 36.

^{^^} As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholder pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of the demat account of such Shareholder is not available. For details, see "Risk Factors - As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholders pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of his demat account is not available." on page 37.

(1) List of allottees who were allotted equity shares is as follows:

Sr. No.	Name of the allottee	Number of equity shares allotted
1.	Bahadurmal Sethia	1,300
2.	Bhikamchand Sethia	1,200
3.	Bridhichand Sethia	1,200
4.	Budh Singh Sethia	1,200
5.	Mangi Lall Sethia	1,200
6.	Sushil Kumar Sethia	1,200
7.	Vijay Singh Sethia	1,200
8.	Vinay Kumar Sethia	1,200

(2) List of allottees who were allotted equity shares pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company

Sr. No.	Name of the allottee	Number of equity shares allotted
1.	Bahadurmal Sethia	36,000
2.	Bridhichand Sethia	30,000
3.	Mangi Lall Sethia	150,000
4.	Budh Singh Sethia	78,000
5.	Vinay Kumar Sethia	30,000
6.	Sushil Kumar Sethia	30,000
7.	Bhikamchand Sethia	60,000
8.	Vijay Singh Sethia	42,000
9.	Jatan Sethia	30,000
10.	Jhinkar Devi Sethia	150,000
11.	Pradip Sethia	30,000
12.	Alok Sethia	51,000
13.	Ashok Sethia	51,000
14.	Sanjeev Sethia	48,000
15.	Sumermal Sethia	30,000
16.	Rakesh Sethia	60,000
17.	Sajjan Sethia	60,000
18.	Madhuri Sethia	30,000
19.	Vasudha Sethia	150,000
20.	Kamal Sethia	150,000
21.	Premlata Sethia	72,000
22.	Ratni Devi Sethia	72,000
23.	Dilip Sethia	30,000
24.	Suman Sethia	150,000
25.	Indu Devi Sethia	30,000
26.	Deepak Sethia	30,000
27.	Santosh Devi Sethia	30,000
28.	Madhulika Sethia	30,000
29.	Kanchan Sethia	48,000
30.	Motilal Sethia	78,000
31.	Ravi Sethia	60,000
32.	Rajeev Sethia	42,000
33.	Kishore Sethia	150,000
34.	Bhanwarlal Sethia	30,000
35.	Amrao Devi Sethia	30,000
36.	Pukhraj Devi Sethia	30,000
37.	Raikanwari Sethia	36,000
38.	Namrata Sethia	6,000
39.	Manju Sethia	30,000
40.	Keshari Sethia	30,000
41.	Bharati Sethia	60,000
42.	Anuja Sethia	30,000

(3) List of allottees who were allotted equity shares is as follows:

Sr. No.	Name of the allottee	Number of equity shares allotted
1.	Kamal Sethia	75,000
2.	Kishore Sethia	75,000
3.	Dilip Sethia	12,000
4.	Motilal Sethia	20,000
5.	Sanjeev Sethia	7,000
6.	Rajeev Sethia	5,000
7.	Bahadurmal Sethia	12,000
8.	Bhikamchand Sethia	27,500
9.	Keshri Sethia	12,000
10.	Vinay Kumar Sethia	15,000
11.	Deepak Sethia	7,500
12.	Deepak Sethia	7,500
13.	Bhanwarlal Sethia	6,000
14.	Bridhichand Sethia	18,000
15.	Vijay Singh Sethia	18,000
16.	Ashok Sethia	9,000
17.	Alok Sethia	9,000
18.	Rakesh Sethia	22,500
19.	Sushil Kumar Sethia	12,000

Sr. No.	Name of the allottee	Number of equity shares allotted
20.	Budh Singh Sethia	10,000
21.	Ritu Sethia	20,000

(4) List of allottees who were allotted equity shares is as follows:

Sr. No.	Name of the allottee	Number of equity shares allotted
1.	Chater Singh Baid	50,000
2.	Karan Singh Baid	10,000
3.	Anand Baid	10,000
4.	Karan Singh Baid	10,000
5.	Virendra Kumar Nahata	12,500
6.	Tolaram Nahata	9,000
7.	Virendra Kumar Nahata	7,500
8.	Kiran Nahata	15,000
9.	Virendra Kumar Nahata	6,000
10.	Ajay Properties and Investments	20,000
11.	P.C. Dhariwal	11,000
12.	B.L. Srimal	15,500
13.	Pradip Baid	10,000
14.	Pradip Baid	10,000
15.	Ram Niwas Sawalka	5,000
16.	Ram Niwas Sawalka	17,500
17.	Ram Niwas Sawalka	7,500
18.	Ashish Khajanchi	5,000
19.	Naveen Khajanchi	5,000
20.	Sushila Devi Khajanchi	10,000
21.	Anand P Vaghani	50,000
22.	Bharti R. Vaghani	20,000
23.	Hemraj Khajanchi	2,000
24.	Shakuntala Devi	2,500
25.	Prakash Chand Nahata	13,000
26.	Kailash Chand Bhutoria	10,000
27.	Navratan Mal Babbhawat	12,500
28.	Subhas Kumar Bhutoria	10,000
29.	Prakash Chand Nahata	9,000
30.	Prakash Chand Nahata	8,000
31.	Kailash Chand Bhutoria	10,000
32.	Dhan Raj Sethia	10,000
33.	Subhaskumar Khajanchi	10,000
34.	Renu Chaudhari	5,000
35.	Bahadurmal Sethia	2,000
36.	Subhas Kumar Khajanchi	2,500
37.	Rajesh Chaudhari	5,000
38.	Jagat Singh Baid	20,000
39.	RNT Fiancne Ltd.	40,000
40.	Subhas Kumar Khajanchi	10,000
41.	Bahadurmal Sethia	2,000

(5) List of allottees who were allotted equity shares is as follows:

Sr. No.	Name of the allottee	Number of Equity Shares Allotted
1.	CRB Capital Market Limited	10,70,000
2.	CRB Corporation Limited	3,20,000
3.	CRB Mutual Fund	3,00,000
4.	Shree Bhikshu Foundation Limited	1,70,000
5.	R.K. Credit Co. Pvt. Ltd.	1,70,000
6.	Puranmal Prajapat	100
7.	Sarita Prajapat	100
8.	Lila Prajapat	100
9.	Bajrang Lal Bokaria	500
10.	Pushpa Devi Bokaria	500
11.	Pawan Kumar Bokaria	500
12.	Chanda Chhajer	300
13.	Raj Karan Chhajer	200
14.	Prem Golcha	500

15.	<i>Prabha Baid</i>	500
16.	<i>Prakash Chand Nahata</i>	500
17.	<i>Naveen Khajanchi</i>	500
18.	<i>Manju Baid</i>	500
19.	<i>Madhu Nahata</i>	500
20.	<i>Sonu Sharma</i>	100
21.	<i>Pallavi Agarwal</i>	200
22.	<i>K.N. Tandan</i>	300
23.	<i>Sanjay Yadav</i>	200
24.	<i>Rajendra Yadav</i>	200
25.	<i>Ankush Agarwal and Kumkum Agarwal</i>	200
26.	<i>Pooja Agarwal</i>	200
27.	<i>Kumkum Agarwal</i>	200
28.	<i>Rajendra Prakash Agarwal</i>	200
29.	<i>Sukhbir Singh Choudhary</i>	100
30.	<i>V.P. Tyagi</i>	100
31.	<i>Shalini Gupta</i>	100
32.	<i>Adesh Tomar</i>	500
33.	<i>Harimohan Nandi</i>	100
34.	<i>Prahalad Roy Depura</i>	500
35.	<i>Bimal Kumar Bhansali</i>	500
36.	<i>Girish Datta Bhardwaj</i>	400
37.	<i>Chandra Prakash Sharma</i>	400
38.	<i>Lalit Jain</i>	100
39.	<i>Rajni Kakkar</i>	100
40.	<i>Anju Tandon</i>	200
41.	<i>Motilal Banthia</i>	500
42.	<i>Sudhir Kr. Tandan</i>	200
43.	<i>Bina Malhotra</i>	400
44.	<i>Soni Mehrotra and Aashish Mehrotra</i>	300
45.	<i>Baboolal Baid</i>	100
46.	<i>Pawan Jain</i>	100
47.	<i>Jitendar Banthia</i>	500
48.	<i>Suman Depura</i>	500
49.	<i>Kanhiyalal Jain</i>	500
50.	<i>Kanhiyalal Bhansali</i>	500
51.	<i>Rahul Jain</i>	500
52.	<i>Rajneesh Bhansali</i>	500
53.	<i>Prabha Bothra</i>	500
54.	<i>Rahul Bothra</i>	500
55.	<i>Ranjeet Kr. Bothra</i>	500
56.	<i>Punam Kr. Golchha</i>	500
57.	<i>Kamal Kr. Golchha</i>	500
58.	<i>Shanti Devi Golchha</i>	500
59.	<i>Binod Jain</i>	500
60.	<i>Mamta Sancheti</i>	500
61.	<i>Ashok Kr. Sancheti</i>	500
62.	<i>Krishna Sharma and Virendra Pal Sharma</i>	300
63.	<i>Sunderaram Ramnathan Iyer</i>	200
64.	<i>Hansraj Begani</i>	500
65.	<i>Piyush Bengani</i>	500
66.	<i>Suman Bengani</i>	500
67.	<i>Vinita Singhal and Sharad Singhal</i>	500
68.	<i>Sheoraj Singh Yadav and Kailash Yadav</i>	100
69.	<i>Dileep Kochar</i>	500
70.	<i>Shantilal Baid</i>	500
71.	<i>Gaurav Iyer</i>	200
72.	<i>Anita Ramnathan Iyer</i>	300
73.	<i>Chandra Kala Devi Bhutoria</i>	500
74.	<i>Suman Devi Bhutoria</i>	500
75.	<i>Kanchan Dhand</i>	100
76.	<i>Tara Mani Doshi</i>	500
77.	<i>Paras Mal Doshi</i>	500
78.	<i>Mukesh Kwatra</i>	500

79.	Raju Kwtra	500
80.	Mohinder Kour	500
81.	Shaloo Kaur	500
82.	Ashok Kr. Bhutoria	500
83.	Narendra Singh Surana	500
84.	Sunil Surana	500
85.	Kamal Pat Surana	500
86.	Sanju Devi Surana	500
87.	Kamal Banthia	500
88.	Askaran Banthia	500
89.	Hemraj Breja	500
90.	Daya Rani Breja	500
91.	Neeta Breja	500
92.	Prakash Bhutoria	500
93.	Pradeep Kr. Garg	100
94.	Ranjana Kochar	500
95.	Chandrakala Surana	500
96.	Pushpa Devi Surana	500
97.	Jitendra Jain	500
98.	Sharmila Jain	500
99.	Pushpa Bhutoria	500
100.	Ranjit Mal Chhajer	500
101.	Prem Borar	500
102.	Panchi Jain	500
103.	Rajkumar Sethia	100
104.	Ram Dayal	100
105.	Prithvi Pal Singh, Dashmesh Chawla and Sudesh Chawla	500
106.	Utam Singh Chawla	500
107.	Dashmesh Chawla	500
108.	Sudesh Chawla	500
109.	Manoj Chawla	500
110.	Keshari Chand Bhansali	200
111.	Kamal Singh Baid	500
112.	Jain Sukh Bhutoria	500
113.	Renwat Mal Bhutoria	500
114.	Jyoti Ahuja	500
115.	Ajay Kr. Gupta	500
116.	Laxmi Devi Choraria	500
117.	Fateh Chand Choraria	200
118.	Chandra Pal Singh	100
119.	Birdhichand Chhajer	200
120.	Alok Kr. Banthia	200
121.	B.D. Satija	500
122.	Prakash Bengani	500
123.	Prakash Kochar	200
124.	Vijay Bhanwar Borar	500
125.	Ashok Kr. Jain	100
126.	Sampat Surana	500
127.	Sanjay Surana	500
128.	Paras Mal Surana	500
129.	Prithvi Raj Jain	200
130.	Rajeev Jain	200
131.	Poonam Chand Bothra	200
132.	Rahul Chhajer	500

- (6) 1,850,000 equity shares of face value ₹ 10 each were allotted to the shareholders of Asian Magnetic Devices Private Limited (“**Asian Magnetic**”) in the ratio of 5:1 (five equity shares of ₹ 10 each of our Company for every one equity share of ₹ 10 each held by Asian Magnetic shareholder) and Rosebud Holding Private Limited (“**Rosebud**”) in the ratio 1:4 (one equity shares of ₹ 10 each of our Company for every four equity shares held by Rosebud shareholder) in the following manner:

Sr. No.	Name of shareholder of Asian Magnetic	Number of equity shares allotted
1.	Pradeep Sethia	37,500
2.	Suman Sethia	393,750
3.	Vasudha Sethia	38,000
4.	Sushil Kumar Sethia	18,750

Sr. No.	Name of shareholder of Asian Magnetic	Number of equity shares allotted
5.	Manju Sethia	56,250
6.	Sweta Sethia	18,750
7.	Gaurav Sethia	130,750
8.	Dilip Sethia	37,500
9.	Alok Sethia	56,250
10.	Ashnit Sethia	56,250
11.	Rishabh Sethia	37,500
12.	Deepak Sethia	56,250
13.	Premlata Sethia	150,500
14.	Rakesh Sethia	76,000
15.	Sajjan Sethia	28,000
16.	Kanchan Sethia	112,500
17.	Parth Sethia	18,750
18.	Raveena Sethia	31,875
19.	Shivina Sethia	27,375
20.	Miss Rhea Sethia (Minor) through F&N/G Ravi Sethia	20,000
21.	Mast.Shlok Sethia (Minor) through F&N/G Ravi Sethia	500
22.	Sharad Sethia	37,000
23.	Raghav Sethia	3,750
24.	Santosh Devi Sethia	56,250
Total (A)		1,500,000
Sr. No.	Name of shareholder of Rosebud	Number of equity shares allotted
1.	Mangilall Sethia	28,750
2.	Kamal Sethia	20,000
3.	Suman Sethia	18,750
4.	Kishore Sethia	25,000
5.	Vasudha Sethia	8,750
6.	Gaurav Sethia	2,500
7.	Deepak Sethia & Sons (HUF)	3,500
8.	Nikhil Sethia	3,500
9.	Yugesh Sethia	3,500
10.	Alok Sethia (HUF)	4,250
11.	Namrata Sethia	3,750
12.	Akash Sethia	2,000
13.	Nitisha Sethia	10,000
14.	Anant Sethia	2,000
15.	Alok Sethia	1,250
16.	Ashnit Sethia	3,000
17.	Sushil Kumar Sethia	8,750
18.	Sumit Sethia	2,375
19.	Manju Sethia	3,750
20.	Dilip Sethia	6,250
21.	Pradeep Sethia	8,750
22.	Rishabh Sethia	6,750
23.	Deepak Sethia	2,625
24.	Sajjan Sethia	14,600
25.	Ravi Sethia	14,575
26.	Rakesh Sethia	14,575
27.	Kundan Mal Mangi Lall Sethia (HUF)	16,250
28.	Kamal Sethia & Sons (HUF)	4,375
29.	Kishor Sethia & Sons (HUF)	4,375
30.	Kanika Sethia	2,500
31.	Vinay Kumar Sethia & Sons (HUF)	1,750
32.	Vinay Kumar Sethia	4,250
33.	Vikash Sethia	4,500
34.	Sushil Kumar Sethia & Sons	2,000
35.	Keshari Sethia HUF	9,375
36.	Bridhi Chand Sethia & Sons	2,000
37.	Madhuri Sethia	2,500
38.	Vijay Singh Sethia & Sons & HUF	4,500
39.	Vijay Singh Sethia	13,500
40.	Kanchan Sethia	3,750
41.	Sanjeev Sethia	4,500

Sr. No.	Name of shareholder of Asian Magnetic	Number of equity shares allotted
42.	Santosh Devi Sethia	2,625
43.	Priyanka Sethia	43,750
	Total (B)	350,000
	Total (A+B)	1,850,000

(7) List of allottees who were allotted Equity Shares is as follows:

Sr. No.	Name of the allottee	Number of Equity Shares allotted
1.	Sajjan Sethia	345,200
2.	Raghav Sethia	681,000
3.	Rakesh Sethia	852,300
4.	Ravi Sethia	830,300
5.	Bridhi Chand Sethia & Sons HUF	205,200
6.	Rhea Sethia	80,000 [#]
7.	Shlok Sethia	2,000
8.	Shivina Kumari Sethia	215,500
9.	Raveena Sethia	233,500
10.	Sumit Sethia	566,800
11.	Nikhil Sethia	142,000
12.	Madhulika Sethia	130,000
13.	Deepak Sethia	543,500
14.	Yugesh Sethia	142,000
15.	Deepak Sethia & Sons HUF	14,000
16.	Prem Lata Sethia	1,868,000
17.	Sharad Sethia	888,200
18.	Priyanka Sethia	329,200
19.	Kanika Sethia	100,000
20.	Vinay Kumar Sethia & Sons HUF	7,000
21.	Motilal Sethia & Sons HUF	154,400
22.	Manju Sethia	910,400
23.	Manju Baid	2,000
24.	Keshari Sethia HUF	61,500
25.	Poonam Chand Bothra	800
26.	Kishore Sethia	2,429,952
27.	Suman Sethia	2,640,000
28.	Gaurav Sethia	2,095,336
29.	Kamal Sethia	1,486,412
30.	Vasudha Sethia	720,600
31.	Sanjeev Sethia	610,400
32.	Shweta Sethia	75,000
33.	Kamal Sethia & Sons HUF	177,500
34.	Sushil Kumar Sethia	110,000
35.	Sushik Kumar Sethia & Sons HUF	8,000
36.	Akash Sethia	74,000
37.	Pradeep Sethia	649,000
38.	Sumit Sethia	9,500
39.	Kanchan Sethia	785,000
40.	Rishabh Sethia	519,000
41.	Vijay Singh Sethia	458,800
42.	Dilip Sethia	441,000
43.	Madhuri Sethia	130,000
44.	Vijay Singh Sethia & Sons HUF	90,000
45.	Elin Appliances Private Limited [®]	1,156,000
46.	Dhani Devi Sethia Trust (Trustee being Mangi Lall Sethia, Kamal Sethia and Kishore Sethia)	70,000
47.	Vinay Kumar Sethia	422,200
48.	Santosh Sethia	543,500
49.	Ashok Sethia	321,200
50.	Nita Sethia	106,000
51.	Nitisha Sethia	40,000
52.	Ashmit Sethia	504,600
53.	Alok Sethia HUF	17,000
54.	Namrata Sethia	254,200
55.	Alok Sethia	553,200
56.	Anant Sethia	74,000

57.	Suman Depura	2,000
58.	Prahalad Ray Depura	2,000
59.	CRB Corporation Limited	1,280,000
60.	Bajrang Lal Bokaria	2,000
61.	Pushpa Devi Bokaria	2,000
62.	Pawan Kumar Bokaria	2,000
63.	Naveen Khajanchi	2,000
64.	Madhu Nahata	2,000
65.	V.P. Tyagi	400
66.	Adesh Tomar	2,000
67.	Bimal Kumar Bhansali	2,000
68.	Narendra Singh Surana	2,000
69.	Pushpa Devi Surana	2,000
70.	Prithviraj Jain	800
71.	Rajeev Jain	800
72.	Parth Sethia	202,600

80,000 Equity Shares were inadvertently credited to the demat account of Ravi Sethia, instead of to the demat account of Rhea Sethia. This inadvertent credit has been rectified now.

@ Set out below are the details of acquisition of equity shares by Elin Appliances Private Limited:

Date of Allotment/ Acquisition	Number of equity shares	Face value	Nature of consideration	Nature of allotment/ acquisition	Relationship of EAPL with our Company
November 12, 2011	200	10	Cash	Acquisition	Associate
November 12, 2011	200	10	Cash	Acquisition	Associate
November 12, 2011	200	10	Cash	Acquisition	Associate
November 12, 2011	200	10	Cash	Acquisition	Associate
November 12, 2011	200	10	Cash	Acquisition	Associate
January 30, 2012	2,29,800	10	Cash	Acquisition	Associate
June 19, 2012	500	10	Cash	Acquisition	Associate
November 9, 2013	57,700	10	Cash	Acquisition	Associate
September 30, 2021	1,156,000	5	Not applicable	Bonus issue of Equity Shares in the ratio of two Equity Shares for every one Equity Share held as on September 24, 2021	Subsidiary of our Company*

* Our Company acquired balance 62.5% equity share capital of EAPL pursuant to the Scheme of Amalgamation of Asian Magnetic Devices Private Limited and Rosebud Holding Private Limited with our Company approved by National Company Law Tribunal, Division Bench, Kolkata, by its order dated September 26, 2019. Consequently, EAPL became wholly-owned Subsidiary of our Company.

b. History of Preference Share capital

Our Company does not have any preference share capital as on the date of this Red Herring Prospectus.

c. Shares issued for consideration other than cash or out of revaluation of reserves

Except for the allotment of Equity Shares as set forth above in “– Notes to capital structure – Share capital history of our Company”, our Company has not issued any Equity Shares out of revaluation of reserves or for consideration other than cash since its incorporation.

d. Shares issued under any scheme of arrangement

Except for the allotment of Equity Shares as set forth above in “– Notes to capital structure – Share capital history of our Company” and “History and Certain Corporate Matters – Scheme of Amalgamation” on page 211, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.

e. Issue of Shares at a price lower than the Offer Price in preceding one year from date of this Red Herring Prospectus

Except as disclosed below, our Company has not issued any Equity Shares in the last one year immediately preceding the date of this Red Herring Prospectus, at a price which may be lower than the Offer Price.

Date of allotment	Number of Shares	Face value per Share	Issue price per Share	Reasons for allotment	Part of the Promoter	Nature of consideration
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	allotted	(₹)	(₹)		Group (Yes/No)	
September 30, 2021 [^]	28,382,800	5	Not Applicable	Bonus Issue	Yes, to the extent of the shares allotted to Promoters pursuant to Bonus Issue.	Not Applicable

[^] As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholder pursuant to a bonus issue on September 30, 2021 has not been credited to his demat accounts, as the details of the demat accounts of such Shareholder is not available. For details, see "Risk Factors - As on date of this Red Herring Prospectus, 1,000 Equity Shares are held in physical form by one Shareholder of our Company. Further, 2,000 Equity Shares issued to such Shareholders pursuant to a bonus issue on September 30, 2021 has not been credited to his demat account, as the details of his demat account is not available." on page 37.

f. History of the share capital held by our Promoters

As on the date of this Red Herring Prospectus, our Promoters hold, in the aggregate 16,471,800 Equity Shares, which constitutes 38.69% of the issued, subscribed and paid-up Equity Share capital of our Company.

g. Build-up of the shareholding of our Promoters in our Company

The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
(A) Mangi Lal Sethia							
June 18, 1987	Further Issuance	1,200	Cash	10	10	Negligible	[•]
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	150,000	Other than Cash	10	Not Applicable	0.35	[•]
November 4, 1993	Transfer from Ram Niwas Sawlkha [^]	10,000	Cash	10	10	0.02	[•]
November 4, 1993	Transfer from Anand P Vaghani [^]	7,500	Cash	10	10	0.02	[•]
August 20, 1996	Gift to Dhani Devi Sethia Trust	(17,500)	Not Applicable	10	Not Applicable	(0.04)	[•]
January 15, 2007	Transfer from Bhikshu Education & Healthcare Limited	129,200	Cash	10	20	0.30	[•]
March 29, 2007	Transfer from Bhikshu Education & Healthcare Limited	30,000	Cash	10	20	0.07	[•]
March 3, 2014	Transmission From Jhinkar Devi Sethia	282,500	Not Applicable	10	Not Applicable	0.66	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	28,750	Other than Cash	10	Not Applicable	0.07	[•]
January 18, 2021	Gift to Kishore Sethia,	(288,713)	Not Applicable	10	Not Applicable	(0.68)	[•]
January 18, 2021	Gift to Gaurav Sethia	(180,834)	Not Applicable	10	Not Applicable	(0.42)	[•]
January 18, 2021	Gift to Kamal Sethia	(152,103)	Not Applicable	10	Not Applicable	(0.35)	[•]
Total		0				0.00	[•]
(B) Kamal Sethia							

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	150,000	Other than Cash	10	Not Applicable	0.35	[●]
June 12, 1992	Further Issuance	75,000	Cash	10	10	0.18	[●]
November 4, 1993	Transfer from Ram Niwas Sawalkha	10,000	Cash	10	10	0.02	[●]
August 20, 1996	Gift to Kamal Sethia & Sons HUF	(40,000)	Not Applicable	10	Not Applicable	(0.09)	[●]
August 20, 1996	Gift to Nidhi Sethia^	(22,500)	Not Applicable	10	Not Applicable	(0.05)	[●]
August 20, 1996	Gift to Tripti Chordia^	(22,500)	Not Applicable	10	Not Applicable	(0.05)	[●]
January 6, 2007	Transfer from Shri Bhikshu Foundation Limited	10,000	Cash	10	20	0.02	[●]
November 3, 2008	Gift from Vasudha Sethia	17,000	Not Applicable	10	Not Applicable	0.04	[●]
July 23, 2018	Gift from Nidhi Shyamsukha	22,500	Not Applicable	10	Not Applicable	0.05	[●]
January 22, 2020	Pursuant to the Scheme of Amalgamation	20,000	Other than Cash	10	Not Applicable	0.05	[●]
January 18, 2021	Gift from Mangi Lall Sethia	152,103	Not Applicable	10	Not Applicable	0.36	[●]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Kamal Sethia, one of our Promoter consequently held 743,206 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	1,486,412	Not Applicable	5	Not Applicable	3.49	[●]
Total		2,229,618				5.23	[●]
(C) Kishore Sethia							
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	150,000	Other than Cash	10	Not Applicable	0.35	[●]
June 12, 1992	Further Issuance	75,000	Cash	10	10	0.18	[●]
November 3, 1993	Transfer from Ram Niwas Sawalkha	10,000	Cash	10	10	0.02	[●]
August 20, 1996	Gift to Kishore Sethia & Sons HUF	(40,000)	Not Applicable	10	Not Applicable	(0.09)	[●]
August 20, 1996	Gift to Gaurav Sethi^	(22,500)	Not Applicable	10	Not Applicable	(0.05)	[●]
August 20, 1996	Gift to Kanika Sethia^	(22,500)	Not Applicable	10	Not Applicable	(0.05)	[●]
January 15, 2007	Transfer from Shree Bhikshu Foundation Limited	10,000	Cash	10	20	0.02	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
January 15, 2007	Transfer from Shree Bhikshu Education Healthcare Limited	60,000	Cash	10	20	0.14	[•]
March 29, 2007	Transfer from Shree Bhikshu Education Healthcare Limited	15,800	Cash	10	20	0.04	[•]
November 3, 2008	Gift from Vasudha Sethia	13,600	Not Applicable	10	Not Applicable	0.03	[•]
November 3, 2008	Transfer from Kishore Sethia & Sons HUF	40,000	Cash	10	20	0.09	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	25,000	Other than Cash	10	Not Applicable	0.06	[•]
January 18, 2021	Gift from Mangi Lall Sethia	288,713	Not Applicable	10	Not Applicable	0.68	[•]
January 25, 2021	Shares received on partition of Kishore Sethia & Sons HUF	4,375	Other than Cash	10	Not Applicable	0.01	[•]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Kishore Sethia, one of our Promoter consequently held 1,214,976 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	2,429,952	Not Applicable	5	Not Applicable	5.71	[•]
Total		3,644,928				8.56	[•]
(D) Gaurav Sethia							
August 20, 1996	Gift from Kishore Sethia	22,500	Not Applicable	10	Not Applicable	0.05	[•]
November 3, 2008	Gift from Vasudha Sethia	111,000	Not Applicable	10	Not Applicable	0.26	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	133,250	Other than Cash	10	Not Applicable	0.31	[•]
January 18, 2021	Gift from Mangi Lall Sethia	180,834	Not Applicable	10	Not Applicable	0.42	[•]
January 21, 2021	Shares received on partition of Kundan Mal Mangi Lall Sethia (HUF)	76,250	Other than Cash	10	Not Applicable	0.18	[•]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Gaurav Sethia, one of our Promoter consequently held 1,047,668 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	2,095,336	Not Applicable	5	Not Applicable	4.92	[•]
Total		3,143,004				7.38	[•]
(E) Sanjeev Sethia							
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	48,000	Other than Cash	10	Not Applicable	0.11	[•]
June 12, 1992	Further Issuance	7,000	Cash	10	10	0.02	[•]
April 6, 1994	Transfer from Tola Ram Nahata	9,000	Cash	10	10	0.02	[•]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital	% of post-Offer capital
April 6, 1994	Transfer from Naveen Khajanchi [^]	5,000	Cash	10	10	0.01	[•]
April 6, 1994	Transfer from Hemraj Khajanchi [^]	2,000	Cash	10	10	0.01	[•]
April 6, 1994	Transfer from Rajesh Chaudhari	5,000	Cash	10	10	0.01	[•]
April 6, 1994	Transfer from Renu Chaudhari	5,000	Cash	10	10	0.01	[•]
October 23, 2009	Transfer from Sethia Oil Industries Ltd	67,100	Cash	10	20	0.16	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	4,500	Other than Cash	10	Not Applicable	0.01	[•]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Sanjeev Sethia, one of our Promoter consequently held 3,05,200 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	610,400	Not Applicable	5	Not Applicable	1.43	[•]
Total		915,600				2.15	[•]
(F) Suman Sethia							
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	150,000	Other than Cash	10	Not Applicable	0.35	[•]
April 6, 1994	Transfer from Arun Kumar Nahata	13,000	Cash	10	10	0.03	[•]
April 6, 1994	Transfer from Pankaj Kumar Nahata	9,000	Cash	10	10	0.02	[•]
April 6, 1994	Transfer from Priyanka Nahata	8,000	Cash	10	10	0.02	[•]
January 15, 2007	Transfer from Shree Bhikshu Foundation Ltd	45,000	Cash	10	20	0.10	[•]
August 31, 2013	Gift from Tripti Sethia	22,500	Not Applicable	10	Not Applicable	0.05	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	412,500	Other than Cash	10	Not Applicable	0.97	[•]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Suman Sethia, one of our Promoter consequently held 1,320,000 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	2,640,000	Not Applicable	5	Not Applicable	6.20	[•]
Total		3,960,000				9.30	[•]
(G) Sumit Sethia							
March 30, 2002	Gift from Shivangi Sethia	12,000	Not Applicable	10	Not Applicable	0.03	[•]
March 30, 2002	Transmission from Bhanwar Lal Sethia	25,000	Not Applicable	10	Not Applicable	0.06	[•]
October 4, 2004	Gift from Sushil Kumar Sethia	33,200	Not Applicable	10	Not Applicable	0.08	[•]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre- Offer capital	% of post- Offer capital
October 4, 2004	Gift from Pukhraj Devi Sethia	30,000	Not Applicable	10	Not Applicable	0.07	[●]
January 15, 2007	Transfer from R.K.Credit Co. Private Limited	8,000	Cash	10	20	0.02	[●]
October 23, 2009	Transfer from Sethia Oil Industries Limited	33,500	Cash	10	20	0.08	[●]
January 22, 2020	Pursuant to the Scheme of Amalgamation	2,375	Other than Cash	10	Not Applicable	0.01	[●]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Sumit Sethia, one of our Promoter consequently held 288,150 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	576,300	Not Applicable	5	Not Applicable	1.35	[●]
Total		864,450				2.03	[●]
(H) Vasudha Sethia							
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	150,000	Other than Cash	10	Not Applicable	0.35	[●]
April 6, 1994	Transfer from Dhan Raj Sethia^	7,500	Cash	10	10	0.02	[●]
April 6, 1994	Transfer from Subhash Khajanchi^	22,500	Cash	10	10	0.05	[●]
January 15, 2007	Transfer from Shree Bhikshu Foundation Limited	45,000	Cash	10	20	0.11	[●]
January 15, 2007	Transfer from Bhikshu Education & Healthcare Ltd	50,000	Cash	10	20	0.12	[●]
November 3, 2008	Gift to Gaurav Sethia	(111,000)	Not Applicable	10	Not Applicable	(0.26)	[●]
November 3, 2008	Gift to Kamal Sethia	(17,000)	Not Applicable	10	Not Applicable	(0.04)	[●]
November 3, 2008	Gift to Kishore Sethia	(13,600)	Not Applicable	10	Not Applicable	(0.03)	[●]
January 22, 2020	Pursuant to the Scheme of Amalgamation	46,750	Other than Cash	10	Not Applicable	0.11	[●]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Vasudha Sethia, one of our Promoter consequently held 360,300 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	720,600	Not Applicable	5	Not Applicable	1.69	[●]
Total		1,080,900				2.54	[●]
(I) Vinay Kumar Sethia							
March 26, 1982	Initial subscription to the MoA	100	Cash	10	10	Negligible	[●]
June 18, 1987	Further Issuance	1,200	Cash	10	10	Negligible	[●]

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre- Offer capital	% of post- Offer capital
February 25, 1991	Pursuant to the scheme of amalgamation of Elin Audio Component Private Limited and the Company	30,000	Other than Cash	10	Not Applicable	0.07	[•]
June 12, 1992	Further Issuance	15,000	Cash	10	10	0.04	[•]
April 22, 1994	Transfer from Karan Singh Baid^	7,000	Cash	10	10	0.02	[•]
August 20, 1996	Gift to Vikas Sethia^	(22,000)	Not Applicable	10	Not Applicable	(0.05)	[•]
January 15, 2007	Transfer from R.K. Credit Co. Pvt Ltd	10,000	Cash	10	20	0.02	[•]
October 23, 2009	Transfer from Sethia Oil Industries Ltd	16,500	Cash	10	20	0.04	[•]
January 22, 2020	Pursuant to the Scheme of Amalgamation	4,250	Other than Cash	10	Not Applicable	0.01	[•]
January 22, 2021	Gift From Vikash Sethia	43,500	Not Applicable	10	Not Applicable	0.10	[•]
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each. Pursuant to the sub-division, Vasudha Sethia, one of our Promoter consequently held 211,100 Equity Shares of face value of ₹ 5 each.							
September 30, 2021	Pursuant to bonus issuance of Equity Shares	422,200	Not Applicable	5	Not Applicable	0.99	[•]
Total		633,300				1.49	[•]

^ The share transfer forms in connection with transfer of equity shares are untraceable. For further details, see "Risk Factors – Some of our corporate records relating to allotments made by our Company, and transfers and acquisitions of Equity Shares made by our Promoters, are not traceable." on page 36.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares.

h. Shareholding of our Promoters and Promoter Group

Except as disclosed below, the members of the Promoter Group (other than our Promoter) do not hold any Equity Shares as on the date of this Red Herring Prospectus:

S No.	Name of shareholder	Number of Equity Shares	% of the pre- Offer capital
<i>Promoter Group</i>			
1.	Kanika Sethia	150,000	0.35
2.	Santosh Sethia	815,250	1.92
3.	Vijay Singh Sethia	688,200	1.62
4.	Kanchan Sethia	1,177,500	2.77
5.	Sushil Sethia	468,900 [#]	1.10
6.	Deepak Sethia	815,250	1.91
7.	Sweta Sethia	112,500	0.26
8.	Dhani Devi Sethia Trust	105,000	0.25
9.	Kamal Sethia & Sons HUF	266,250	0.63
10.	Vijay Singh Sethia & Sons HUF	135,000	0.31
11.	Vinay Kumar Sethia & Sons HUF	10,500	0.03
12.	Deepak Sethia & Sons HUF	21,000	0.05
13.	Sushil Kumar Sethia & Sons HUF	12,000	0.03
14.	Elin Appliances Private Limited	1,734,000	4.07
Total		6,511,350	15.29

[#] 303,900 shares were transferred from Parth Sethia by way of gift.

Except as disclosed above in the "– Build-up of the shareholding of our Promoters in our Company" given on page 82,

none of the members of the Promoter Group, our Directors and their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

2. *Details of Promoters' contribution and lock-in*

- (i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of eighteen months as minimum promoter's contribution from the date of Allotment ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.
- (ii) Details of the Equity Shares to be locked-in for eighteen months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table* below:

Name of Promoters	Number of Equity Shares locked-in	Date of allotment / transfer of Equity Shares	Date of transaction when fully paid up	Nature of allotment	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total	[•]						[•]	[•]	[•]

* To be updated prior to filing of the Prospectus with the RoC

- (iii) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:
- (a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets and have not been issued against Equity Shares which are otherwise ineligible for computation of Minimum Promoter's Contribution, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;
- (b) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;
- (d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge; and
- (e) All the Equity Shares held by our Promoters are held in dematerialised form.

a. *Details of Equity Shares locked-in for six months*

In addition to the Minimum Promoter's Contribution, which will be locked in for eighteen months as specified above, the entire pre-Offer Equity Share capital held by persons (including those Equity Shares held by our Promoters in excess of the Promoter's contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except Offered Shares and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares would also be locked-in as required under Regulation 17 of the SEBI ICDR Regulations.

b. *Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following

manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

c. *Other lock-in requirements:*

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a housing finance company, subject to the following:

- (i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and
- (ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be transferred to and amongst the members of our Promoter Group or to any new promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations. However, it should be noted that the Offered Shares which will be transferred by the respective Selling Shareholders in the Offer for Sale shall not be subject to lock-in.

d. *Recording on non-transferability of Equity Shares locked-in*

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

3. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	22	22,983,150	-	-	22,983,150	53.98	21,249,150*	-	21,249,150*	52.03*	-	53.98	-	-	-	-	22,983,150
(B)	Public	47	19,591,050	-	-	19,591,050	46.02	19,591,050	-	19,591,050	47.97	-	46.02	-	-	-	-	19,590,050
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	69	42,574,200	-	-	42,574,200	100	40,840,200	-	40,840,200	100	-	100	-	-	-	-	42,573,200

* In terms of section 19 of the Companies Act, 2013, Elin Appliances Private Limited, our Material Subsidiary does not have a right to vote in respect of 1,734,000 Equity Shares held by it in our Company.

4. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

5. **Shareholding of our Directors and Key Managerial Personnel in our Company**

Sl. No.	Name	No. of Equity Shares	% of pre-Offer capital [^]	% of post-Offer capital
<i>Director(s)</i>				
1.	Kamal Sethia	2,229,618	5.24	[●]
2.	Sanjeev Sethia	915,600	2.15	[●]
3.	Sumit Sethia	864,450	2.03	[●]
	Total	4,009,668	9.42	[●]
<i>Key Managerial Personnel (other than Executive Director)</i>				
1.	Kishore Sethia	3,644,928	8.56	[●]
	Total	3,644,928	8.56	[●]

[^]Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of our Company

6. **Details of equity shareholding of the major equity Shareholders of our Company**

- (a) As on the date of this Red Herring Prospectus, our Company has 69 shareholders.
- (b) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares of face value of ₹ 5 each*	% of Equity Share capital
1.	Suman Sethia	3,960,000	9.30
2.	Kishore Sethia	3,644,928	8.56
3.	Gaurav Sethia	3,143,004	7.38
4.	Prem Lata Sethia	2,802,000	6.58
5.	Kamal Sethia	2,229,618	5.24
6.	Priyanka Sethia	1,826,100	4.29
7.	Elin Appliances Private Limited	1,734,000	4.07
8.	Saroj Kabra*	1,770,000	4.16
9.	Manju Sethia	1,365,600	3.21
10.	Rakesh Sethia	1,278,450	3.00
11.	Ravi Sethia	1,365,450	3.21
12.	Kanchan Sethia	1,177,500	2.77
13.	Vasudha Sethia	1,080,900	2.54
14.	Raghav Sethia	1,021,500	2.40
15.	Pradeep Sethia	973,500	2.29
16.	Sanjeev Sethia	915,600	2.15
17.	Sumit Sethia	864,450	2.03
18.	Alok Sethia	829,800	1.95
19.	Santosh Sethia	815,250	1.91
20.	Deepak Sethia	815,250	1.91
21.	Rishabh Sethia	778,500	1.83
22.	Ashnit Sethia	756,900	1.78
23.	Vijay Singh Sethia	688,200	1.62
24.	Dilip Sethia	661,500	1.55
25.	Vinay Kumar Sethia	633,300	1.49
26.	Sajjan Sethia	517,800	1.22
27.	Ashok Sethia	481,800	1.13

S. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares of face value of ₹ 5 each*	% of Equity Share capital
28.	Sushil Sethia	468,900	1.10
	Total	38,599,800	90.66

* Pursuant to NCLT order dated March 8, 2022, Saroj Kabra is the Shareholder.

- (c) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on 10 days prior to the date of filing of this Red Herring Prospectus:

S. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares of face value of ₹ 5 each *	% of Equity Share capital
1.	Suman Sethia	3,960,000	9.30
2.	Kishore Sethia	3,644,928	8.56
3.	Gaurav Sethia	3,143,004	7.38
4.	Prem Lata Sethia	2,802,000	6.58
5.	Kamal Sethia	2,229,618	5.24
6.	Priyanka Sethia	1,826,100	4.29
7.	Elin Appliances Private Limited	1,734,000	4.07
8.	Saroj Kabra*	1,770,000	4.16
9.	Manju Sethia	1,365,600	3.21
10.	Rakesh Sethia	1,278,450	3.00
11.	Ravi Sethia	1,365,450	3.21
12.	Kanchan Sethia	1,177,500	2.77
13.	Vasudha Sethia	1,080,900	2.54
14.	Raghav Sethia	1,021,500	2.40
15.	Pradeep Sethia	973,500	2.29
16.	Sanjeev Sethia	915,600	2.15
17.	Sumit Sethia	864,450	2.03
18.	Alok Sethia	829,800	1.95
19.	Santosh Sethia	815,250	1.91
20.	Deepak Sethia	815,250	1.91
21.	Rishabh Sethia	778,500	1.83
22.	Ashnit Sethia	756,900	1.78
23.	Vijay Singh Sethia	688,200	1.62
24.	Dilip Sethia	661,500	1.55
25.	Vinay Kumar Sethia	633,300	1.49
26.	Sajjan Sethia	517,800	1.22
27.	Ashok Sethia	481,800	1.13
28.	Sushil Sethia	468,900	1.10
	Total	38,599,800	90.66

* Pursuant to NCLT order dated March 8, 2022, Saroj Kabra is the Shareholder.

- (d) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date one year prior to the date of filing of this Red Herring Prospectus:

Sl. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares of face value of ₹ 5 each	% of Equity Share capital
1.	Sajjan Sethia	517,800	1.22
2.	Raghav Sethia	1,021,500	2.40
3.	Rakesh Sethia	1,278,450	3.00
4.	Ravi Sethia	1,365,450	3.21
5.	Sumit Sethia	864,450	2.03
6.	Deepak Sethia	815,250	1.91
7.	Prem Lata Sethia	2,802,000	6.58
8.	Late Sharad Sethia	1,332,300	3.13
9.	Priyanka Sethia	493,800	1.16
10.	Manju Sethia	1,365,600	3.21
11.	Kishor Sethia	3,644,928	8.56
12.	Suman Sethia	3,960,000	9.30
13.	Gaurav Sethia	3,143,004	7.38
14.	Kamal Sethia	2,229,618	5.24

Sl. No.	Name of Shareholder	Pre-Offer	
		No. of Equity Shares of face value of ₹ 5 each	% of Equity Share capital
15.	Vasudha Sethia	1,080,900	2.54
16.	Sanjeev Sethia	915,600	2.15
17.	Pradeep Sethia	973,500	2.29
18.	Kanchan Sethia	1,177,500	2.77
19.	Rishabh Sethia	778,500	1.83
20.	Vijay Singh Sethia	688,200	1.62
21.	Dilip Sethia	661,500	1.55
22.	Elin Appliances Private Limited	1,734,000	4.07
23.	Vinay Kumar Sethia	633,300	1.49
24.	Santosh Sethia	815,250	1.91
25.	Ashok Sethia	481,800	1.13
26.	Ashnit Sethia	756,900	1.78
27.	Alok Sethia	829,800	1.95
28.	CRB Corporation Limited	1,920,000	4.51
	Total	38,280,900	89.92

- (e) Set forth below are details of shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date two years prior to the date of filing of this Red Herring Prospectus:

Sl. No.	Name of Shareholder	Pre-Offer	
		No. of equity shares of face value of ₹ 10 each	% of Equity Share capital
1.	Sajjan Sethia	129,300	1.82
2.	Raghav Sethia	79,250	1.12
3.	Rakesh Sethia	261,075	3.68
4.	Ravi Sethia	207,575	2.93
5.	Sumit Sethia	144,075	2.03
6.	Deepak Sethia	135,875	1.91
7.	Prem Lata Sethia	467,000	6.58
8.	Sharad Sethia	222,050	3.13
9.	Priyanka Sethia	82,300	1.16
10.	Manju Sethia	227,600	3.21
11.	Kishor Sethia	314,400	4.43
12.	Suman Sethia	660,000	9.30
13.	Gaurav Sethia	266,750	3.76
14.	Kamal Sethia	219,500	3.09
15.	Mangilall Sethia	621,650	8.76
16.	Vasudha Sethia	180,150	2.54
17.	Sanjeev Sethia	152,600	2.15
18.	Pradeep Sethia	162,250	2.29
19.	Kanchan Sethia	196,250	2.77
20.	Rishabh Sethia	129,750	1.83
21.	Vijay Singh Sethia	114,700	1.62
22.	Dilip Sethia	110,250	1.55
23.	Kundanmal Mangilal Sethia HUF	76,250	1.07
24.	Elin Appliances Private Limited	289,000	4.07
25.	Santosh Sethia	135,875	1.91
26.	Ashok Sethia	80,300	1.13
27.	Ashnit Sethia	126,150	1.78
28.	Alok Sethia	138,300	1.95
29.	CRB Corporation Limited	320,000	4.51
	Total	6,250,225	88.08

7. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, during a period of six months immediately preceding the date of filing of this Red Herring Prospectus.
8. Our Company, Promoters, Directors, and the BRLMs have not entered into any buy-back arrangement or any other similar arrangements for the purchase of Equity Shares.

9. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
10. As on the date of this Red Herring Prospectus, our Company does not have any active employee stock option plan.
11. No person connected with the Offer, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
12. None of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered as on the date of this Red Herring Prospectus. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Red Herring Prospectus.
13. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
14. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.
15. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.
16. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
17. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.
18. Our Promoters and the members of our Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale by the Selling Shareholders.
19. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of the Draft Red Herring Prospectus with the Registrar of Companies and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
20. 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 QIBs, 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, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the 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 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 (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, of 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 sub-category 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 ASBA process 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 SCSBs) or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of 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.

21. Except as disclosed in “Capital Structure – Share capital history of our Company – History of Equity Share capital” on page 72, our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.
22. Set forth below is the price at which equity shares were acquired in the last three years, by each of the Promoters, Promoter Group and Selling Shareholders:

Sr. No.	Date of acquisition	Name of the acquirer	Acquisition price per equity share	Number of shares acquired
1.	January 22, 2020	Priyanka Sethia	40	43,750
2.	January 22, 2020	Mangilal Sethia	40	28,750
3.	January 22, 2020	Kishor Sethia	40	25,000
4.	January 22, 2020	Kamal Sethia	40	20,000
5.	January 22, 2020	Suman Sethia	2	393,750
6.	January 22, 2020	Suman Sethia	40	18,750
7.	January 22, 2020	Kundan Mal Mangi Lall Sethia (HUF)	40	16,250
8.	January 22, 2020	Sajjan Devi Sethia	40	14,600
9.	January 22, 2020	Rakesh Sethia	40	14,575
10.	January 22, 2020	Ravi Sethia	40	14,575
11.	January 22, 2020	Vijay Singh Sethia	40	13,500
12.	January 22, 2020	Nitisha Sethia	40	10,000
13.	January 22, 2020	Keshari Sethia HUF	40	9,375
14.	January 22, 2020	Pradeep Sethia	40	8,750
15.	January 22, 2020	Sushil Kumar Sethia	40	8,750
16.	January 22, 2020	Vasudha Sethia	40	8,750
17.	January 22, 2020	Premlata Sethia	2	150,500
18.	January 22, 2020	Rishabh Sethia	40	6,750
19.	January 22, 2020	Gaurav Sethia	2	130,750
20.	January 22, 2020	Dilip Sethia	40	6,250
21.	January 22, 2020	Kanchan Sethia	2	112,500
22.	January 22, 2020	Sanjeev Sethia	40	4,500
23.	January 22, 2020	Vijay Singh Sethia & Sons HUF	40	4,500
24.	January 22, 2020	Vikas Sethia	40	4,500
25.	January 22, 2020	Kamal Sethia & Sons HUF	40	4,375
26.	January 22, 2020	Kishor Sethia & Sons HUF	40	4,375
27.	January 22, 2020	Alok Sethia (HUF)	40	4,250
28.	January 22, 2020	Vinay Kumar Sethia	40	4,250
29.	January 22, 2020	Rakesh Sethia	2	76,000
30.	January 22, 2020	Kanchan Sethia	40	3,750
31.	January 22, 2020	Manju Sethia	40	3,750
32.	January 22, 2020	Namrata Sethia	40	3,750
33.	January 22, 2020	Deepak Sethia & Sons (HUF)	40	3,500
34.	January 22, 2020	Nikhil Sethia	40	3,500
35.	January 22, 2020	Yugesh Sethia	40	3,500
36.	January 22, 2020	Alok Sethia	2	56,250
37.	January 22, 2020	Deepak Sethia	2	56,250
38.	January 22, 2020	Manju Sethia	2	56,250
39.	January 22, 2020	Santosh Devi Sethia	2	56,250
40.	January 22, 2020	Deepak Sethia	40	2,625
41.	January 22, 2020	Santosh Devi Sethia	40	2,625
42.	January 22, 2020	Gaurav Sethia	40	2,500

Sr. No.	Date of acquisition	Name of the acquirer	Acquisition price per equity share	Number of shares acquired
43.	January 22, 2020	Kanika Sethia	40	2,500
44.	January 22, 2020	Madhuri Sethia	40	2,500
45.	January 22, 2020	Sumit Sethia	40	2,375
46.	January 22, 2020	Akash Sethia	40	2,000
47.	January 22, 2020	Anant Sethia	40	2,000
48.	January 22, 2020	Bridhichand Sethia & Sons	40	2,000
49.	January 22, 2020	Sushil Kumar Sethia & Sons	40	2,000
50.	January 22, 2020	Vasudha Sethia	2	38,000
51.	January 22, 2020	Dilip Sethia	2	37,500
52.	January 22, 2020	Pradeep Sethia	2	37,500
53.	January 22, 2020	Rishabh Sethia	2	37,500
54.	January 22, 2020	Sharad Sethia	2	37,000
55.	January 22, 2020	Vinay Kumar Sethia & Sons HUF	40	1,750
56.	January 22, 2020	Raveena Sethia	2	31,875
57.	January 22, 2020	Sajjan Devi Sethia	2	28,000
58.	January 22, 2020	Shivina Sethia	2	27,375
59.	January 22, 2020	Alok Sethia	40	1,250
60.	January 22, 2020	Rhea Sethia	2	20,000
61.	January 22, 2020	Parth Sethia	2	18,750
62.	January 22, 2020	Shweta Sethia	2	18,750
63.	January 22, 2020	Sushil Kumar Sethia	2	18,750
64.	January 22, 2020	Raghav Sethia	2	3,750
65.	January 22, 2020	Shlok Sethia	2	500
66.	January 22, 2020	Premlata Sethia	Not Applicable	1,200
67.	January 22, 2020	Premlata Sethia	Not Applicable	37,800
68.	January 22, 2020	Premlata Sethia	Not Applicable	78,000
69.	January 22, 2020	Premlata Sethia	Not Applicable	10,200
70.	January 22, 2020	Premlata Sethia	Not Applicable	25,000
71.	January 22, 2020	Premlata Sethia	Not Applicable	15,000
72.	January 22, 2020	Premlata Sethia	Not Applicable	6,300
73.	January 22, 2020	Premlata Sethia	Not Applicable	1,000
74.	January 22, 2020	Premlata Sethia	Not Applicable	25,000
75.	January 22, 2020	Sharad Sethia	Not Applicable	72,000
76.	January 22, 2020	Sharad Sethia	Not Applicable	15,000
77.	January 22, 2020	Sharad Sethia	Not Applicable	20,000
78.	January 18, 2021	Gaurav Sethia	Not Applicable	180,834
79.	January 18, 2021	Kamal Sethia	Not Applicable	152,103
80.	January 18, 2021	Kishor Sethia	Not Applicable	288,713
81.	January 21, 2021	Gaurav Sethia	Not Applicable	76,250
82.	January 22, 2021	Vinay Sethia	Not Applicable	43,500
83.	January 25, 2021	Kishor Sethia	Not Applicable	4,375
84.	February 24, 2021	Raghav Sethia	Not Applicable	48,000
85.	July 13, 2021	Raghav Sethia	Not Applicable	43,000
Pursuant to a resolution of our Board dated September 6, 2021 and Shareholders' resolution dated September 30, 2021, equity shares of face value of ₹ 10 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 7,095,700 equity shares of face value of ₹ 10 each was sub-divided into 14,191,400 equity shares of face value of ₹ 5 each				
86.	September 30, 2021	Sajjan Sethia	Not Applicable	345,200
87.	September 30, 2021	Raghav Sethia	Not Applicable	681,000
88.	September 30, 2021	Rakesh Sethia	Not Applicable	852,300
89.	September 30, 2021	Ravi Sethia	Not Applicable	830,300
90.	September 30, 2021	Bridhi Chand Sethia & Sons HUF	Not Applicable	205,200
91.	September 30, 2021	Shlok Sethia	Not Applicable	2,000
92.	September 30, 2021	Shivina Kumari Sethia	Not Applicable	215,500
93.	September 30, 2021	Raveena Sethia	Not Applicable	233,500

<i>Sr. No.</i>	<i>Date of acquisition</i>	<i>Name of the acquirer</i>	<i>Acquisition price per equity share</i>	<i>Number of shares acquired</i>
94.	September 30, 2021	Sumit Sethia	Not Applicable	566,800
95.	September 30, 2021	Nikhil Sethia	Not Applicable	142,000
96.	September 30, 2021	Madhulika Sethia	Not Applicable	130,000
97.	September 30, 2021	Deepak Sethia	Not Applicable	543,500
98.	September 30, 2021	Yugesh Sethia	Not Applicable	142,000
99.	September 30, 2021	Deepak Sethia & Sons HUF	Not Applicable	14,000
100.	September 30, 2021	Prem Lata Sethia	Not Applicable	1,868,000
101.	September 30, 2021	Priyanka Sethia	Not Applicable	329,200
102.	September 30, 2021	Kanika Sethia	Not Applicable	100,000
103.	September 30, 2021	Parth Sethia	Not Applicable	202,600
104.	September 30, 2021	Vinay Kumar Sethia & Sons HUF	Not Applicable	7,000
105.	September 30, 2021	Manju Sethia	Not Applicable	910,400
106.	September 30, 2021	Keshari Sethia HUF	Not Applicable	61,500
107.	September 30, 2021	Kishore Sethia	Not Applicable	2,429,952
108.	September 30, 2021	Suman Sethia	Not Applicable	2,640,000
109.	September 30, 2021	Gaurav Sethia	Not Applicable	2,095,336
110.	September 30, 2021	Kamal Sethia	Not Applicable	1,486,412
111.	September 30, 2021	Vasudha Sethia	Not Applicable	720,600
112.	September 30, 2021	Sanjeev Sethia	Not Applicable	610,400
113.	September 30, 2021	Shweta Sethia	Not Applicable	75,000
114.	September 30, 2021	Kamal Sethia & Sons HUF	Not Applicable	177,500
115.	September 30, 2021	Sushil Kumar Sethia	Not Applicable	110,000
116.	September 30, 2021	Sushil Kumar Sethia & Sons HUF	Not Applicable	8,000
117.	September 30, 2021	Akash Sethia	Not Applicable	74,000
118.	September 30, 2021	Pradeep Sethia	Not Applicable	649,000
119.	September 30, 2021	Sumit Sethia	Not Applicable	9,500
120.	September 30, 2021	Kanchan Sethia	Not Applicable	785,000
121.	September 30, 2021	Rishabh Sethia	Not Applicable	519,000
122.	September 30, 2021	Vijay Singh Sethia	Not Applicable	458,800
123.	September 30, 2021	Dilip Sethia	Not Applicable	441,000
124.	September 30, 2021	Madhuri Sethia	Not Applicable	130,000
125.	September 30, 2021	Vijay Singh Sethia & Sons HUF	Not Applicable	90,000
126.	September 30, 2021	Elin Appliances Private Limited	Not Applicable	1,156,000

<i>Sr. No.</i>	<i>Date of acquisition</i>	<i>Name of the acquirer</i>	<i>Acquisition price per equity share</i>	<i>Number of shares acquired</i>
127.	September 30, 2021	Dhani Devi Sethia Trust (Trustee being Mangi Lall Sethia, Kamal Sethia and Kishore Sethia)	Not Applicable	70,000
128.	September 30, 2021	Vinay Kumar Sethia	Not Applicable	422,200
129.	September 30, 2021	Santosh Sethia	Not Applicable	543,500
130.	September 30, 2021	Ashok Sethia	Not Applicable	321,200
131.	September 30, 2021	Nita Sethia	Not Applicable	106,000
132.	September 30, 2021	Nitisha Sethia	Not Applicable	40,000
133.	September 30, 2021	Alok Sethia HUF	Not Applicable	17,000
134.	September 30, 2021	Namrata Sethia	Not Applicable	254,200
135.	September 30, 2021	Alok Sethia	Not Applicable	553,200
136.	September 30, 2021	Anant Sethia	Not Applicable	74,000
137.	September 30, 2021	Rhea Sethia	Not Applicable	80,000
138.	October 11, 2021	Ravi Sethia*	Not Applicable	40,000
139.	January 28, 2022	Priyanka Sethia	Not Applicable	1,332,300
140.	February 3, 2022	Sushil Sethia	Not Applicable	303,900
141.	June 24, 2022	Ravi Sethia	Not Applicable	80,000
142.	September 15, 2022	Akash Sethia	85	50,000

* Acquisition of shares after allotment of split and bonus but before the date of corporate action.

23. There are no Shareholders who are entitled to nominate Directors or have any other special rights.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Appraising agency

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, bank or financial institution.

Offer for Sale

The Selling Shareholders will be entitled to their respective portion of the proceeds of the Offer for Sale after deducting its proportion of Offer expenses and relevant taxes thereon. All fees and expenses in relation to the Offer shall be shared amongst our Company and the Selling Shareholders, pursuant to the Offer and in accordance with applicable laws. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the net proceeds, *i.e.*, gross proceeds of the Fresh Issue less the Offer related expenses applicable to the Fresh Issue (“**Net Proceeds**”).

For further details, see “*Objects of the Offer - Offer Expenses*” on page 106.

Fresh Issue

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Amount
Gross proceeds from the Fresh Issue	1,750.00
(Less) Offer related expenses in relation to the Fresh Issue ⁽¹⁾	●
Net Proceeds	●

(₹ in million)

⁽¹⁾ To be finalised upon determination of the Offer Price and will be updated in the Prospectus prior to filing with the RoC.

Requirement of funds

Our Company proposes to utilise the Net Proceeds of the Fresh Issue towards funding the following objects:

1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company;
2. Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa; and
3. General corporate purposes (collectively, referred to herein as the “**Objects**”).

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s visibility and brand image and creation of a public market for our Equity Shares in India.

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to utilise the Net Proceeds for the following Objects in accordance with the estimated schedule of utilisation of funds set forth in the table below:

S. No.	Particulars	Total estimated cost/ Estimated utilisation from Net Proceeds	Estimated Utilisation of Net Proceeds		
			Fiscal 2023	Fiscal 2024	Fiscal 2025
2.	Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company	880.00	295.88	176.00	408.12
3.	Funding capital expenditure towards upgrading and expanding	375.89	-	170.83	205.06

(₹ in million)

S. No.	Particulars	Total estimated cost/ Estimated utilisation from Net Proceeds	Estimated Utilisation of Net Proceeds		
			Fiscal 2023	Fiscal 2024	Fiscal 2025
	our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa				
4.	General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The schedule of implementation set out above is based on our internal management estimates, valid quotations received from third parties, current circumstances of our business and market conditions, and other commercial and technical factors and has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors including changes in the price of equipment due to variation in commodity prices, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from our planned allocation at the discretion of our management, subject to compliance with applicable laws. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal due to any reason, the same would be utilised (in part or full) in the next Fiscal/ subsequent period, as may be determined by our Company, in accordance with applicable law. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our Company, subject to compliance with applicable law. For details, see “*Risk Factors – We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised.*” on page 32.

If the actual utilisation towards any of the Objects, as set out above, is lower than the proposed deployment, such balance will be used towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds, in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals, any additional equity or debt arrangements or both. We believe that such alternate arrangements would be available with our Company to fund any such shortfalls.

Means of finance

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

Details of the Objects of the Fresh Issue

1. Repayment/ prepayment, in full or part, of certain borrowings availed by our Company

Our Company has entered into various financial arrangements from time to time, with banks, financial institutions and other entities. The outstanding loan facilities entered into by our Company include borrowing in the form of, *inter alia*, term loans and working capital facilities. For further details, see “*Financial Indebtedness*” on page 330. Our Company proposes to utilise an estimated amount of ₹ 880.00 million from the Net Proceeds towards part or full repayment and/or pre-payment of certain borrowings availed by our Company, and the interest accrued therein. Our Company may avail further loans after the date of this Red Herring Prospectus.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of the existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part or full prepayment of any such refinanced facilities or repayment of any additional facilities obtained by our Company. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full, of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 880.00 million. In light of the above, at the time of filing the Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be.

We believe that such repayment and/or pre-payment will reduce our outstanding indebtedness, debt servicing costs, improve our debt to equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the increased leverage capacity of our Company will improve our ability to raise

further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides the details of outstanding borrowings availed of by our Company, which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

S. No.	Name of the Lender	Nature of borrowings	Date of Commencement [^]	Purpose	Amount sanctioned as on October 31, 2022 (₹ in million)	Amount outstanding as on October 31, 2022 (₹ in million)	Amount proposed to be repaid/prepaid (₹ in million)	Repayment Schedule	Interest Rate (%) (p.a.)	Pre-payment clause
1.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (overdraft)	September 22, 2022	Working capital requirements	160.00	114.46	114.46	Repayable on demand	Overnight MCLR + 0.15%	-
2.	HDFC Bank Limited	Fund based limits (cash credit)	February 7, 2022	Working capital requirements	200.00	87.42	87.42	Repayable on demand	1 year MCLR + 0.10%	-
3.	Citi Bank N.A.	Fund based limits (cash credit)	June 9, 2022	Working capital requirements	200.00	40.90	40.90	Repayable on demand	8.00%	-
4.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (term loan)	October 27, 2017	Capital expenditure	150.00	11.92	8.62	Monthly instalment of ₹ 2.50 million	Quarterly MCLR + 0.15%	Prepayment will be subject to funding penalties at the bank's discretion
5.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (term loan)	February 25, 2020	Capital expenditure	75.00	38.16	36.84	Monthly instalment of ₹ 1.30 million	Quarterly MCLR + 0.15%	Prepayment will be subject to funding penalties at the bank's discretion
6.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (term loan)	January 5, 2021	Capital expenditure	220.00	188.85	186.03	Monthly instalment of ₹ 2.40 million	Overnight MCLR + 0.15%	Prepayment will be subject to funding penalties at the bank's discretion
7.	HDFC Bank Limited	Fund Based limits (term loan)	August 28, 2020	Capital expenditure	150.00	94.78	91.24	Monthly instalment of ₹ 2.49 million	7.30% p.a.	Borrower is liable to be charged 2% of the total limits sanctioned in case the facilities are taken over by another Bank during the tenor of the loan.
8.	Citi Bank N.A.	Fund Based limits (term loan)	October 26, 2018	Capital expenditure	225.00	69.73	64.49	Monthly instalment of ₹ 4.72 million	For term loan of ₹150 million: 1 month T-bill + 2.5% For term loan of 75	Prepayment penalty at the rate of 2% of principal outstanding, at the discretion of Citibank N.A.

S. No.	Name of the Lender	Nature of borrowings	Date of Commencement [^]	Purpose	Amount sanctioned as on October 31, 2022 (₹ in million)	Amount outstanding as on October 31, 2022 (₹ in million)	Amount proposed to be repaid/prepaid (₹ in million)	Repayment Schedule	Interest Rate (%) (p.a.)	Pre-payment clause
									million: 12 months T-bill + 2.88%	
9.	Citi Bank N.A.	Fund Based limits (term loan)	June 9, 2022*	Capital expenditure	250.00	250.00	250.00	Monthly instalment of ₹ 4.99 million	For term loan of ₹190 million: 3 months T-bill + 2.34%	Prepayment penalty at the rate of 2% of principal outstanding, at the discretion of Citibank N.A.
Total					1,820.00	896.21	880.00		For term loan of 60 million: 3 months T-bill + 2.36%	

[^] Date of original sanction letter in case of term loans and the latest renewal letters in case of working capital loans.

* The tenor includes a one-year moratorium.

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has obtained a certificate dated November 18, 2022 from the Statutory Auditor certifying the utilization of loan for the purpose availed.

Our Company will approach the lenders after completion of this Offer for repayment/prepayment of the above borrowings. The amounts under the borrowing facilities may be dependent on various factors and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under the borrowing facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing borrowing facilities. In such event, we may utilise the Net Proceeds towards repayment/prepayment of any existing or additional indebtedness which will be selected based on various commercial considerations including, among others, the interest / coupon rate on the borrowing facility, the amount of the borrowing outstanding and the remaining tenor of the borrowing, any conditions attached to the borrowings restricting the ability to pre-pay/repay/redeem the borrowings, receipt of consents for prepayment from the respective lenders terms and conditions of consents and waivers, presence of onerous terms and conditions under the facility, other commercial considerations and applicable law governing such borrowings.

Our Company may be required to obtain the prior consent of or notify certain of the lenders prior to the repayment/prepayment. Further, our Company may be subject to the levy of prepayment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. Payment of prepayment penalty or premium, if any, shall be made from the Net Proceeds to be utilised for general corporate purpose or internal accruals. If the Net Proceeds are insufficient to the extent required for making payments for such prepayment penalties or premiums, such excessive amount shall be met from our internal accruals.

2. Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa

We have three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines and full power backup for 100% capacity that enable us to meet the quality requirements of our customers in a timely manner.

Our Company proposes to utilise ₹ 375.89 million for capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa. Our Board pursuant to its resolution dated November 12, 2022 sets out its proposal for such capital expenditure from the Net Proceeds.

Details of our manufacturing facilities at Ghaziabad, Uttar Pradesh and Verna, Goa are set out below:

S. No.	Location	Land area (in square meter)	Freehold/ leasehold	Products manufactured	Key machinery/ equipment
1.	Ghaziabad, Uttar Pradesh	19,868.89	Leasehold	Fractional horsepower motors, LED lighting, fans and switches, plastic moulded parts and sheet metal components	Tool manufacturing machinery, plastic moulding machinery, sheet metal fabrication machinery, product assembly lines, PCB manufacturing SMT lines
2.	Verna, Goa	7,500.00	Leasehold	Medical diagnostic cartridges, plastic moulded parts and sheet metal components	Tool manufacturing machinery, plastic moulding machinery, product assembly lines

For further details, see “*Our Business – Our Manufacturing Facilities*” on page 189.

Accordingly, we intend to use the Net Proceeds allocated for this Object as set out below:

S. No.	Expense category	Estimated cost (₹ million)
Manufacturing facility at Ghaziabad, Uttar Pradesh		
A)	Construction⁽¹⁾	
1.	Construction of building (2 nd phase)	68.14
2.	Lift well and electricals	2.66
Total (A)		70.80
B)	Equipment and machinery (Domestic)⁽¹⁾	
1.	Moulding Machine 100 Ton	52.56
2.	Moulding Machine 60 Ton	25.49
Total (B)		78.05
C)	Equipment and machinery (Imported)⁽²⁾	
1.	Servo Feeder + Straighter + Decoiler 300mm	1.76
2.	Servo Feeder + Straighter + Decoiler 800mm	2.89
3.	125 Ton High Speed H-Frame Power Press With Accessories	47.36
4.	220 Ton High Speed H-Frame Power Press With Accessories	42.40
5.	Modular Moulder/Fine Pitch Placement Machine	26.42
6.	Hot Air Reflow Oven	6.16
7.	Precision Solder Paste Printer	9.14
8.	Inspection Conveyor	1.43
9.	Single Magazine Loader	1.32
10.	Single Magazine Un-Loader	1.61
Total (C)		140.49
Manufacturing facility at Verna, Goa		
C)	Equipment and machinery (Domestic)⁽¹⁾	
1.	Moulding Machine 200 T	40.35
2.	Moulding Machine 450 T	46.20
Total (D)		86.55
Total (A+B+C+D)		375.89

(1) Inclusive of applicable GST at the rate of 18%.

(2) For all imported equipment or machinery, our Company has assumed an exchange rate of USD 1 = ₹ 82 and SGD 1 = ₹ 59, as applicable. The estimated cost includes applicable customs duty at the rate of 11% and freight cost on the unit at the rate of 5%, and applicable GST at the rate of 18%.

Break-down of estimated expense

(i) Manufacturing facility at Ghaziabad, Uttar Pradesh

We are yet to place orders for upgradation of manufacturing facility at Ghaziabad, Uttar Pradesh pursuant to purchase of following equipment, machinery and other expenses and no payments have been made towards these items. The detailed break-down of these estimated costs for upgradation of manufacturing facility at Ghaziabad, Uttar Pradesh is as below:

Particulars	Quantity	Amount to be funded from Net Proceeds (₹ million)	Quotations received from	Date of quotations	Validity
Construction⁽¹⁾					
Construction of building (2 nd phase)	35,000 square feet of area	68.14	Pioneer Constructions Co.	November 1, 2022	6 months
Lift well and electricals	1	2.66	Pioneer Constructions Co.	November 1, 2022	6 months
Total (A)	-	70.80			
Equipment and machinery (Domestic)⁽¹⁾					
Moulding Machine 100 Ton	17	52.56	Shibaura Machine India Private Limited	November 12, 2022	180 days
Moulding Machine 60 Ton	10	25.49	Shibaura Machine India Private Limited	November 12, 2022	180 days
Total (B)	-	78.05			
Equipment and machinery (Imported)⁽²⁾					
Servo Feeder + Straighter + Decoiler 300mm	2	1.76	Chandra Engineers and Trading (Authorised channel partner of Ningbo Goanwin)	October 31, 2022	6 months
Servo Feeder + Straighter + Decoiler 800mm	2	2.89	Chandra Engineers and Trading (Authorised channel partner of Ningbo Goanwin)	October 31, 2022	6 months
125 Ton High Speed H-Frame Power Press With Accessories	3	47.36	Chandra Engineers and Trading (Authorised channel partner of Ningbo Goanwin)	November 12, 2022	6 months
220 Ton High Speed H-Frame Power Press With Accessories	2	42.40	Chandra Engineers and Trading (Authorised channel partner of Ningbo Goanwin)	November 12, 2022	6 months
Modular Moulder/Fine Pitch Placement Machine	4	26.42	Juki India Private Limited (On behalf of Juki Corporation)	November 10, 2022	180 days
Hot Air Reflow Oven	2	6.16	Accurex Technologies Pte. Ltd.	November 12, 2022	180 days
Precision Solder Paste Printer	2	9.14	PST Global Pte. Ltd.	November 12, 2022	180 days
Inspection Conveyor	8	1.43	Nutek Pte Ltd	November 11, 2022	180 days
Single Magazine Loader	2	1.32	Nutek Pte Ltd	November 11, 2022	180 days
Single Magazine Un-Loader	2	1.61	Nutek Pte Ltd	November 11, 2022	180 days
Total (C)		140.49			
Total (A+B+C)	-	289.34			

(1) Inclusive of applicable GST at the rate of 18%.

(2) For all imported equipment or machinery, our Company has assumed an exchange rate of USD 1 = ₹ 82 and SGD 1 = ₹ 59, as applicable. The estimated cost includes applicable customs duty at the rate of 11% and freight cost on the unit at the rate of 5%, and applicable GST at the rate of 18%.

Construction

The key aspects of this expense includes, among others, building material, labour, window and door fittings. We also require lift well and electricals in this regard. The construction is for the purpose of creating space for capacity enhancement Ghaziabad (Uttar Pradesh). Our Company will apply for approvals in relation to construction prior to commencement of the construction, in the ordinary course and in accordance with applicable laws, including in relation to building layout and lift installation.

Equipment and machinery (Domestic)

The equipment and machinery is proposed to be utilized primarily for the following purposes:

- Moulding Machine 100 Ton, Moulding Machine 60 Ton: Enhancement of moulding capacity.

Equipment and machinery (Imported)

The equipment and machinery is proposed to be utilized primarily for the following purposes:

- Servo Feeder + Straighter + Decoiler 300mm, and Servo Feeder + Straighter + Decoiler 800mm: Press machine sheet feeder.
- 125 Ton High Speed H-Frame Power Press with accessories, and 220 Ton High Speed H-Frame Power Press with accessories: Enhancement of production of metal parts.
- Modular Mounter/Fine Pitch Placement Machine, Hot Air Reflow Oven, Precision Solder Paste Printer, Inspection Conveyor, Single Magazine Loader and Single Magazine Un-Loader: Enhancement of production of LED lights.
- ***Manufacturing facility at Verna, Goa***

We are yet to place orders for upgradation of manufacturing facility at Verna, Goa pursuant to purchase of following equipment and machinery and no payments have been made towards these items. The detailed break-down of these estimated costs for upgradation of manufacturing facility at Verna, Goa is as below:

Particulars	Quantity	Amount to be funded from Net Proceeds (₹ million) ⁽¹⁾	Quotations received from	Date of quotations	Validity
Equipment and machinery (Domestic)⁽¹⁾					
Moulding Machine 200 Servo	9	40.35	Milacron India Private Limited	November 11, 2022	180 days
Moulding Machine 450 Servo	6	46.20	Milacron India Private Limited	November 11, 2022	180 days
Total		86.55			

⁽¹⁾ Inclusive of applicable GST at the rate of 18%.

The equipment and machinery is proposed to be utilized primarily for the following purposes:

- Moulding Machine 200 Servo and Moulding Machine 450 Servo: Enhancement of production of moulded parts.

In addition to estimated expenses mentioned above for the two manufacturing facilities, there may be revision in the final amounts payable towards these quotations pursuant to any other taxes or levies payable on such item.

With respect to the equipment and machinery and other expenses, we have not entered into definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment and machinery and other items or at the same costs. The quantity of equipment and machinery and other items to be purchased is based on the present estimates of our management. All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. If we engage someone other than the identified third-party vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the items listed above may differ from the current estimates. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

Our Company shall have the flexibility to deploy the equipment to replace any existing equipment or set up a new equipment in the newly expanded portion as proposed as per the internal estimates of our management and business requirements. This may vary depending on the demand for replacement in our existing equipment. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus. For further details, see "*Risk Factors – We have not entered into any definitive arrangements to utilize certain portions of the Net Proceeds of the Offer. Our funding requirements and deployment of the Net Proceeds of the Offer are based on management estimates and have not been independently appraised.*" on page 32.

3. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, business development initiatives, research and development, acquiring fixed assets, meeting any expense (including short-term working capital requirements) including salaries and wages, rent, administration, insurance, repairs

and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business, payment of prepayment penalty or premium, if any, on the borrowings proposed to be repaid/ prepaid, and towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any.

Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million. The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees, audit fees of the statutory auditors (other than to the extent attributable to the Offer) and expenses in relation to product or corporate advertisements of our Company, *i.e.*, any corporate advertisements consistent with the past practices of our Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer) which will be borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer shall be shared among our Company and the Selling Shareholders in accordance with applicable law. Any expenses paid by our Company on behalf of the Selling Shareholders in the first instance will be reimbursed to our Company, by the Selling Shareholders to the extent of their respective proportion of Offer related expenses. The Offer expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

The break-up for the estimated Offer expenses is set forth below:

Activity	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of the total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
(i) Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses.	[●]	[●]	[●]
(ii) Printing and stationery expenses	[●]	[●]	[●]
(iii) Advertising and marketing expenses	[●]	[●]	[●]
(iv) Fees payable to legal counsels	[●]	[●]	[●]
(v) Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.

(2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly

procured and uploaded by the SCSBs would be as follows.

Portion for RIIs*	0.35% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	0.20% of the Amount Allotted (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

- (3) No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for RIIs and NIIs (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows.

Portion for RIIs and NIIs*	Rs.10 per valid application (plus applicable taxes)
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* Processing fees payable to the SCSBs for capturing Syndicate Member/Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non-Institutional Investors and Qualified Institutional Bidders with bids above Rs. 0.5 million would be Rs. 10 plus applicable taxes, per valid application.

- (4) Selling commission on the portion for RIIs (up to Rs.0.2 million) and NIIs which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows.

Portion for RIIs	0.35% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors	0.20% of the Amount Allotted* (plus applicable taxes)

*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined (i) for RIIs and NIIs (up to Rs.0.5 million), on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member, and (ii) for NIIs (above Rs. 0.5 million), Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members) on the applications made using 3-in-1 accounts would be Rs. 10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and NIIs (excluding UPI Bids) which are procured by the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be Rs.10/- per valid application (plus applicable taxes).

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Selling commission / bidding charges payable to the Registered Brokers on the portion for RIIs and NIIs which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows.

Portion for RIIs and NIIs	Rs.10 per valid application (plus applicable taxes)
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Bidding charges / processing fees for applications made by UPI Bidders would be as under.

Members of the Syndicate / CRTAs / CDPs	Rs.30 per valid application (plus applicable taxes)
Axis Bank Limited	Rs.6.50/- per valid Bid cum Application Form (plus applicable taxes) Axis Bank Limited will also be entitled to a one time escrow management fee of Rs.NIL/-. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.
ICICI Bank Limited	Rs.8/- per valid Bid cum Application Form (plus applicable taxes) ICICI Bank Limited will also be entitled to a one time escrow management fee of Rs. NIL/-. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

Notwithstanding anything contained above the total uploading / bidding charges payable under this clause will not exceed Rs.15 million (plus applicable taxes) and in case if the total uploading / bidding charges exceeds Rs.15 million (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed Axis Bank Limited as monitoring agency for monitoring the utilisation of Net Proceeds, as the proposed Fresh Issue exceeds ₹ 1,000.00 million. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Fiscals as required under applicable law, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the Objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee. The Audit Committee will monitor the utilisation of the Net Proceeds till complete utilisation of the Net Proceeds.

Variation in Objects

Our Company shall not vary the Objects of the Offer, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Shareholders' Meeting Notice**") shall specify the prescribed details, provide Shareholders with the facility to vote by electronic means and shall be published in accordance with the Companies Act, 2013. The Shareholders' Meeting Notice shall simultaneously be published in the newspapers, one in English, one in Bengali (Bengali also being the regional language of the jurisdiction where our Registered Office is situated).

Our Company undertakes not to vary the deployment of funds towards Objects of the Offer solely due to delay in receipt of the mandatory governmental approvals as required in connection with the applicable Objects of the Offer.

Other confirmations

None of our Directors or Key Managerial Personnel will receive any portion of the Net Proceeds and there are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, members of Promoter Group, Directors and/or Key Managerial Personnel and Group Companies. Further, to the extent of being a Selling Shareholder, our Directors and Key Managerial Personnel will receive proceeds from their respective portion of the Offer for Sale.

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 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 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
- Consistent and strong track record of financial performance.

For further details, see “*Our Business – Competitive Strengths*” on page 182.

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.

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

1. 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 Accountants of India:

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

* Not annualised

(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 the Subsidiary:

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	-

#Post Split and Bonus Issue

* Not annualised

Notes:

(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 the year
- (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 (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS for Financial Year 2022	[●]	[●]
Based on Diluted EPS for Financial Year 2022	[●]	[●]

To be updated subsequently post listing

3. Enterprise Value / EBITDA

Particulars	Enterprise Value / EBITDA at the Floor Price (no. of times)	Enterprise Value / EBITDA at the Cap Price (no. of times)
Based on Fiscal Year 2022	[●]	[●]

Notes:

- 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	[●]	[●]

Notes:

- 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		

6. Average Return on Net Worth ("RoNW")

On a consolidated basis:

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%	-

*Not annualised

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%	-

*Not annualised

Notes:

- i) *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; 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 Requirements) Regulations, 2018, as amended.*

7. 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 calculated Net Worth & total equity shares prior to elimination of equity shares capital relating to shares held by the Subsidiary:

Financial Period	NAV per Equity Share (in ₹)
As on March 31, 2022	₹ 71.19
As on September 30, 2022	₹ 75.20

Notes:

- (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 Requirements) Regulations, 2018, as amended.*

8. 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.

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, 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 Requirements) 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 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 Company.

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.

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

Asset turnover ratio: 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 its assets to generate revenue from operations.

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 employ our installed capacity. Capacity utilisation is calculated as production as a percentage of installed capacity.

Product/Vertical	Aggregate annual installed capacity for the period (in units)#	Production during six-month period ended September 30, 2022 (in units)	Capacity utilisation (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%

Product/Vertical	Aggregate annual installed capacity for the period (in units) [#]	Production during six-month period ended September 30, 2022 (in units)	Capacity utilisation (annualised) (%)
Medical diagnostic cartridges	10,500,000	1,359,541	25.90%

[#] Calculated as on September 30, 2022.

Product/Vertical	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	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) [#]	Production during Fiscal 2022 (in units)	Capacity utilisation (%)
EMS									
LED lighting, fans and switches									
- LED fittings, fixture and solar device	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	64.71%
- 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	24.85%

[#] Calculated as on March 31 of respective Fiscal.

The key performance indicators disclosed in this Red Herring Prospectus (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 (₹ Per Share)	Closing price on November 11, 2022 (₹)	Revenue, for Fiscal 2022 (in ₹ million)	EPS (₹)		P/E	NAV (₹ per share)	RONW (%)
				Basic	Diluted			
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, Dixon Technologies (India) Limited is engaged in OEM and ODM of lighting 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.

Similar to our Company, Amber Enterprises India Limited is engaged in production of fractional horsepower (through its wholly owned subsidiary PICL (India) Private Limited) along 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 ended March 31, 2022 submitted to stock exchanges

Notes:

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
2. 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.

Comparison of Key Performance Indicators for Fiscal 2022 with Listed Industry Peers

Particulars	Elin Electronics Limited	Dixon Technologies (India) Limited	Amber Enterprises India Limited
	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:

1. **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.

2. **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.
7. **Asset turnover ratio:** Asset turnover ratio is computed as Revenue from Operations to Total Assets.
8. **Net working capital days:** Net working capital days are computed as Working Capital over Revenue from Operations over a period of year.
9. **Debt to equity ratio:** Debt to equity ratio is computed as net debts over net worth.
10. **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 Red Herring Prospectus.

Set forth below are details of last five[#] primary transactions and secondary transactions (secondary transactions where Promoters, Promoter Group entities or Selling Shareholders are a party to the transaction) during three years preceding the date of filing of this Red Herring Prospectus:

Primary transactions

S. No.	Name of Allottee	Date of Allotment	Nature of Allotment	Issue Price per Equity Share (in ₹)*	Number of Equity Shares allotted*
1.	Premlata Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	903,000
2.	Rakesh Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	456,000
3.	Sajjan Devi Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	168,000
4.	Kanchan Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	675,000
5.	Parth Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	112,500
6.	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	Allotment pursuant to the Scheme of Amalgamation	0.33	120,000

S. No.	Name of Allottee	Date of Allotment	Nature of Allotment	Issue Price per Equity Share (in ₹)*	Number of Equity Shares allotted*
9.	Shlok Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	3,000
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
13.	Sajjan Devi Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	87,600
14.	Ravi Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	87,450
15.	Rakesh Sethia	January 22, 2020	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	97,500
17.	Kamal Sethia & Sons HUF	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	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	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	10,500
21.	Vinay 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
23.	Sushil Kumar Sethia & Sons	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	12,000
24.	Keshari Sethia HUF	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	56,250
25.	Bridhichand Sethia & Sons	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	12,000
26.	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	6.67	27,000
28.	Vijay Singh Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	81,000
29.	Kanchan Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	22,500
30.	Sanjeev Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	27,000
31.	Santosh Devi Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	15,750
32.	Priyanka 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	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	7,500
36.	Alok Sethia (HUF)	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	25,500
37.	Anant Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	12,000
38.	Ashnit Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	337,500

S. No.	Name of Allottee	Date of Allotment	Nature of Allotment	Issue Price per Equity Share (in ₹)*	Number of Equity Shares allotted*
39.	Ashnit Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	18,000
40.	Deepak Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	337,500
41.	Deepak Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	15,750
42.	Deepak Sethia & Sons (HUF)	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	21,000
43.	Dilip Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	225,000
44.	Dilip Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	37,500
45.	Gaurav Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	784,500
46.	Gaurav Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	15,000
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	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	22,500
52.	Namrata Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	22,500
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	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	225,000
58.	Rishabh Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	40,500
59.	Suman Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	2,362,500
60.	Suman Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	112,500
61.	Sumit Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	14,250
62.	Sushil Kumar Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	112,500
63.	Sushil Kumar Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	6.67	52,500
64.	Shweta Sethia	January 22, 2020	Allotment pursuant to the Scheme of Amalgamation	0.33	112,500
65.	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
Weighted average cost of acquisition				1.53	

* 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

S. No.	Name of Acquirer	Date of Transaction	Nature of Transaction	Acquisition Price per Equity Share (in ₹)	Number of Equity Shares acquired
1.	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:

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (i.e., ₹ [●])	Cap Price (i.e., ₹ [●])
Weighted average cost of acquisition of primary transaction in last three years	1.53	[●] times	[●] times
Weighted average cost of acquisition of secondary transactions in last three years*	85.00	[●] times	[●] 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 [●] 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 [●] 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, 2022 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 due to decrease in sales turnover on total assets.
- *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.

STATEMENT OF SPECIAL TAX BENEFITS

Date: November 18, 2022

To,
The Board of Directors
Elin Electronics Limited
4771, Bharat Ram Road
23, Daryaganj
New Delhi – 110002

Statement of possible special tax benefits (under direct and indirect tax laws) available to Elin Electronics Limited (the “Company”) and its shareholders and its material subsidiary in accordance with the requirements under Schedule VI Part A- Clause (9) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

This Certificate is issued in accordance with the Engagement Letter dated September 30, 2021.

We, Oswal Sunil & Company, Chartered Accountants, the statutory auditors of the Company, hereby confirm that the enclosed statement is in connection with the special tax benefits available to the Company, the shareholders and material subsidiary (*as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*) of the Company under direct and indirect tax laws, including the Income-tax Act 1961 (the “Act”), Goods and Service Tax Act, 2017, Custom Act, 1962 and Foreign Trade Policy 2015-2020, each as amended, presently in force in India and applicable for financial year 2022-23, relevant to the assessment year 2023-24 presently in force in India as on the date of this certificate in the enclosed statement at **Annexure I** being prepared by the Company and initialled by us for identification purpose.

Following is the material subsidiary of the Company:

(a) Elin Appliances Private Limited

Limitations:

Several of these benefits are dependent on the Company or its shareholders or material subsidiary fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive nor conclusive. We were informed that this statement covers only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and is only intended to provide general information to the investors for the Offer and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

We confirm that **Annexure I** provide in all material respects the tax benefits available to the Company or its shareholders or material subsidiary in accordance with the applicable tax laws as on the date of this certificate. Further, the preparation of the enclosed Annexure I and its contents is the responsibility of the Management of the Company.

We do not express any opinion or provide any assurance as to whether:

- 1 The Company or its shareholders or material subsidiary will continue to obtain these benefits in future; or
- 2 The conditions prescribed for availing the benefits have been/ would be met with; or
- 3 The revenue authorities/courts will concur with the views expressed therein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ issued by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with ethical

requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This certificate may be relied upon by the Company, the Book Running Lead Managers, and the legal counsels appointed by the Company and the Book Running Lead Managers in relation to the Offer. We hereby consent to extracts of, or reference to, this certificate being used in the red herring prospectus and prospectus or any other documents in connection with the Offer (collectively, the “**Offer Documents**”). We also consent to the submission of this certificate as may be necessary, to any regulatory authority and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law.

We confirm that if the information made available to us by the Company subsequent to issue of this certificate results in change in the information stated above, we will immediately communicate such changes to the Book Running Lead Managers until the date when the Equity Shares allotted and transferred in the offer commence trading on the relevant stock exchanges.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Documents.

Yours faithfully

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

CA Nishant Bhansali
Partner
Membership No.: 532900
Place: New Delhi
UDIN: 22532900BDNVTB2371
Encl: Annexure I (Statement of tax benefits)

Annexure I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ELIN ELECTRONICS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company, its shareholders and its Material Subsidiary under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company, its shareholders and its Material Subsidiary fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders and its Material Subsidiary to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views expressed in this statement are based on the facts and assumptions as indicated above and in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue or to any third party relying on this statement.

I. TAXABILITY UNDER THE INCOME-TAX ACT, 1961 (HEREINAFTER REFERRED TO AS 'THE ACT')

1. *Special tax benefits available to the Company and Material Subsidiary*

There are no special tax benefits available to the Company under the Tax Laws.

2. *General tax benefits available to the Company and Material Subsidiary*

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

a) **Benefit of lower rate of tax under Section 115BAA of the Act**

Section 115BAA has been inserted in the Act by the Finance Act, w.e.f. AY 2020-21, which grants an option to all domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%). The said benefit is available subject to the condition that the Company does not claim the deductions/incentives as specified in sub-clause 2(i) of section 115BAA of the Act.

In case a company opts for section 115BAA of the Act, provisions of MAT under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off.

The option needs to be exercised on or before the due date of filing the tax return of a specific year. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year. The Company have opted for the lower tax regime under section 115BAA from FY 2020-21.

In view of the same, the tax rate for the company for FY 2022-23 shall be 25.168% as per the provisions of section 115BAA of the Act and MAT provisions specified in section 115JB of the Act would not apply to the Company.

b) **Deduction for additional employee cost**

As per the provisions of section 80JJAA of the Act, the Company is entitled to claim deduction of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of conditions prescribed in the Act.

c) Taxation on dividend income

According to the Finance Act, 2020 any income by way of dividends or income from equity shares are now taxable in the hands of shareholder at the applicable rate and the domestic company or specified company are not required to pay any dividend distribution tax (“DDT”) w.e.f. 01.04.2020.

d) Taxability of income from capital gains

As per section 2(42A) of the Act, if the period of holding of a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond is more than 12 months, it will be considered a long term capital asset as per section 2(29A) of the Act. With respect to immovable property (being land or building or both) and shares of a company not being listed on a recognized stock exchange, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset. With respect to other assets including a unit of a mutual fund other than equity oriented mutual fund or unit of a business trust, the determinative period of holding is more than 36 months for it to be regarded as long-term capital asset. Asset not considered as long-term capital asset shall be regarded as short-term capital assets

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero Coupon Bonds shall be the lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit; or
- b. 10% (plus applicable surcharge and cess) without indexation benefit

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short term capital loss arising during an year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

3. Special tax benefits available to the Shareholders

There are no special tax benefits available to the shareholders under the Tax Laws.

4. General tax benefits available to the Shareholders

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

4A. For resident shareholders

a) Exemption on Dividend Income received from Indian Company

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as to such shareholder. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the specified due date.

b) Taxability of gain/ loss arising from sale of shares of the Company:

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

i. Taxability under the head ‘capital gains’

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) arising from equity shares of the Company, if STT has been paid on both acquisition and transfer of such shares. The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:

- a. 20% (plus applicable surcharge and cess) with indexation benefit; or
- b. 10% (plus applicable surcharge and cess) without indexation benefit

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

ii. Taxability under the head ‘income from business and profession’:

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains from Business or Profession” and on such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act.

4B. For non-resident shareholders

As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial.

NOTES:

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **ELIN ELECTRONICS LIMITED**

Director

Place: New Delhi

Date: November 18, 2022

II. TAXABILITY UNDER THE INDIRECT TAXATION

Based on the various documents and the evidences produced before us and discussion with the Management, we would like to certify that the Company and its material subsidiary are not availing any special tax benefit or exemption from tax which is contingent upon fulfilment of conditions nor any other similar special tax benefits, other than stated below:

(i) Concession Custom Duty on Import

The Company is eligible for concessional import duty on import of certain components for use in manufacture of LED Lighting or fixture including LED lamps under the Customs (Import of Goods at Concessional Rate of Duty for manufacture of goods) Rules, 2017 read with Notification No 50/2017 – Customs dated 30-06-2017 substituted with Notification No 2/2021-Customs dated 01-02-2021.

S. No	Chapter or Heading	Description of Goods	Standard Rate	Integrated GST	Condition No.
471.	Any Chapter	All parts for use in the manufacture of LED lights or fixtures including LED Lamps	10%	-	9
472.	Any Chapter	All inputs for use in the manufacture of LED (Light Emitting Diode) driver or MCPCB (Metal Core Printed Circuit Board) for LED lights and fixtures or LED Lamps	10%	-	9

Vide Notification No 50/2017 – Customs dated 30-06-2017 substituted with Notification No 2/2021-Customs dated 01-02-2021

Condition No.	Condition
9.	If the importer follows the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.

Vide Notification No 50/2017 – Customs dated 30-06-2017

Procedure to be followed prescribed under Customs (Import of Goods at Concessional Rate of Duty for manufacture of goods) Rules, 2017:

- 1) The importer who intends to avail the benefit of an exemption notification shall provide information –
 - a) in duplicate, to the Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, the estimated quantity and value of the goods to be imported, particulars of the exemption notification applicable on such import and the port of import in respect of a particular consignment for a period not exceeding one year; and
 - b) in one set, to the Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs at the Custom Station of importation.
- 2) The importer who intends to avail the benefit of an exemption notification shall submit a continuity bond with such surety or security as deemed appropriate by the Deputy Commissioner of Customs or Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, with an undertaking to pay the amount equal to the difference between the duty leviable on inputs but for the exemption and that already paid, if any, at the time of importation, along with interest, at the rate fixed by notification issued under section 28AA of the Act, for the period starting from the date of importation of the goods on which the exemption was availed and ending with the date of actual payment of the entire amount of the difference of duty that he is liable to pay.
- 3) The Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs having jurisdiction over the premises where the imported goods shall be put to use for manufacture of goods or for rendering output service, shall forward one copy of information received from the importer to the Deputy Commissioner of Customs, or as the case may be, Assistant Commissioner of Customs at the Custom Station of importation.

- 4) On receipt of the copy of the information under clause (b) of sub-rule (1), the Deputy Commissioner of Customs or, as the case may be, Assistant Commissioner of Customs at the Custom Station of importation shall allow the benefit of the exemption notification to the importer who intends to avail the benefit of exemption notification.
- 5) Importer who intends to avail the benefit of an exemption notification to give information regarding receipt of imported goods and maintain records. - (1) The importer who intends to avail the benefit of an exemption notification shall provide the information of the receipt of the imported goods in his premises where goods shall be put to use for manufacture, within two days (excluding holidays, if any) of such receipt to the jurisdictional Customs Officer.

NOTES:

1. The above is as per the current indirect tax laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **ELIN ELECTRONICS LIMITED**

Director

Place: New Delhi

Date: November 18, 2022

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from the independent report titled “Assessment of Electronics Manufacturing Services (EMS) Industry in India” dated November 2022, prepared and released by Frost & Sullivan and commissioned and paid for by our Company. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. While preparing its report, Frost & Sullivan has also sourced information from publicly available sources, including our Company's financial information available publicly. However, financial information relating to our Company presented in other sections of this Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Red Herring Prospectus.

The F&S Report is available for inspection on the website of our Company at <https://www.elinindia.com/investors/>. For details, see “Material Contracts and Documents for Inspection” on page 393.

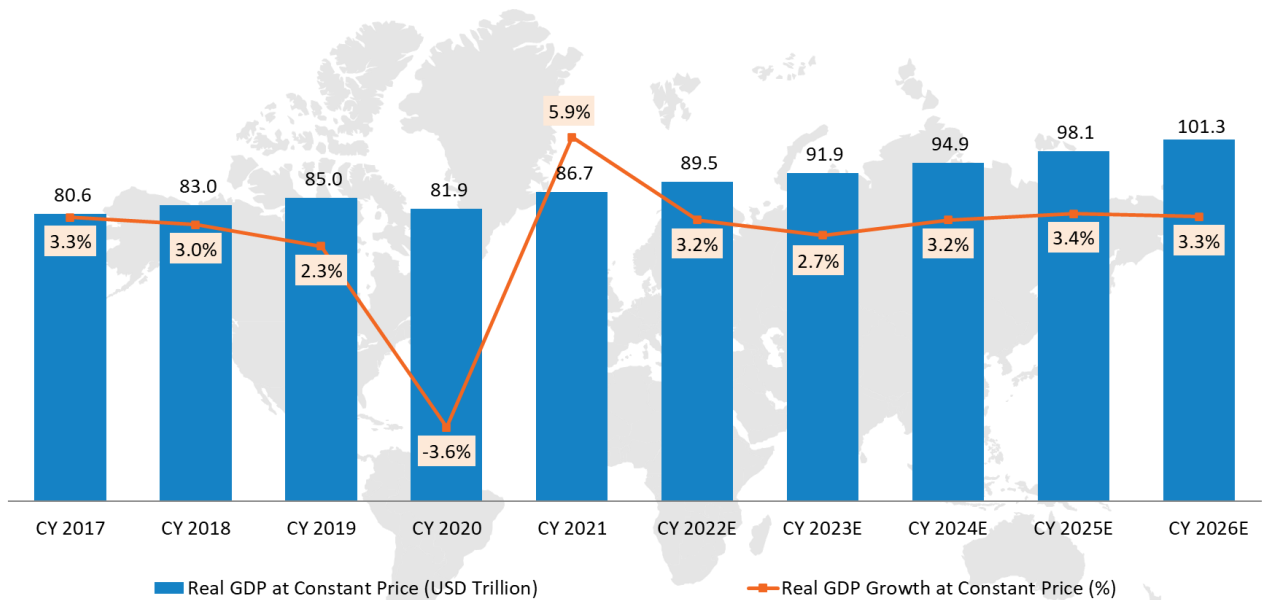
GLOBAL MACROECONOMIC OVERVIEW

Global Real GDP and Growth Outlook

The Global economy (real GDP), which is now in the path of steady recovery, has undergone significant stress in the last few years due to extended trade conflicts, slowdown in investments across the world and then a novel virus. Global economy was showing signs of slowdown since 2018 and then entered a recession in 2020 owing to the unprecedented crisis caused by COVID-19 pandemic. The pandemic started from China around December 2019 and then had spread across the continents with alarming speed, infecting millions, and bringing economic activity to near standstill in 2020 and to an extent in 2021, as many countries had to impose strict restrictions to curb the spread of the virus.

However, since the beginning of CY2022, the global economy has been in a reasonably strong position, and the major economies like—the United States, China, and India, have all managed to regain their pre-pandemic levels, while countries in Europe and South East Asia are in the trajectory of reaching their pre-pandemic levels. After gaining significant experience from the pandemic, all governments have taken the steps they need to deal with similar black swan events in the future. Pent up demand, caused by economic stagnation and relative improvement in the supply situation are now driving the recovery of the global economy which is poised to stage its most robust post-recession recovery. The global GDP is expected to grow at a CAGR of 3.2% by CY2026.

Real GDP and Real GDP Growth (Annual %age Change), Global, Value in USD Trillion, Growth in %, CY2017-CY2026E



Note: E refers to Estimate

Source: IMF, World Economic Outlook, October 2022; World Bank; Frost & Sullivan Analysis

The pandemic, in its peak, had created several issues for the manufacturing industries such as supply chain disruptions, labour issues, sluggish demand and fall in exports. In order to survive, companies across the globe had to adopt drastic measures such as employment and wage cuts. This had a circular effect on the global economy. Job losses coupled with salary reductions and delayed payments resulted into significant decline in consumer spending which in turn affected the economy and further job losses. Travel, hospitality, banking, construction, and manufacturing were among the worst-affected industries.

The situation has improved and been lot better since the beginning of 2021 and the global economy has made a strong bounce back after a catastrophic performance in CY2020. In CY 2021, the global economy grew by 5.9%, owing largely to the inherent strength of the major economies such as the United States, China, Japan, Germany, United Kingdom, and India.

However, Russia invaded Ukraine at the beginning of the CY2022, which led to a steep escalation of the conflict that has been going on between the two nations since 2014. It has been nearly eight months since the start of the war, which is continuing indefinitely and has a negative impact on the global economy. The war is expected to weigh on growth, causing recessions in Ukraine, Russia, and potentially nearby regions.

GLOBAL ELECTRONICS INDUSTRY OVERVIEW

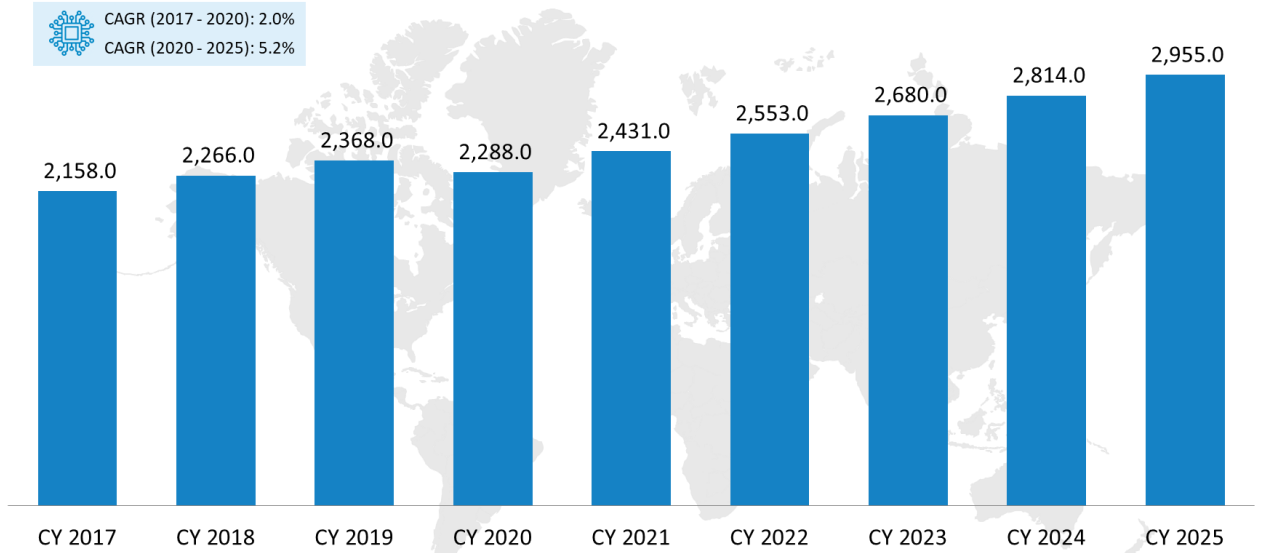
Global Electronics Industry

The global electronics industry has evolved tremendously over the last 60 years. Global demand for electronics industry is created by emerging and multiple disruptive technologies. The overall electronics market is inclusive of electronics products, electronics design, electronics components, and electronics manufacturing services. Traditionally a strong growth market however, the market contracted by 3.4 % in 2020, owing mostly to decline in private expenditure triggered by the COVID-19 pandemic.

The global electronics industry has been valued at USD 2,288 billion in 2020. As per Frost & Sullivan analysis, the industry is expected to grow at a CAGR of 5.2 % to reach USD 2,955 billion by 2025. Some of the critical factors driving this growth are increasing disposable income, improved acceptability of audio and video broadcasting, higher internet penetration, inclination of the youth towards next gen technologies, emergence of e-commerce etc.

Overall Electronics Industry, Global, Value in USD Billion, Growth in %, CY2017-CY2025E


 CAGR (2017 - 2020): 2.0%
 CAGR (2020 - 2025): 5.2%



Note: E refers to Estimate

Source: Frost & Sullivan Analysis

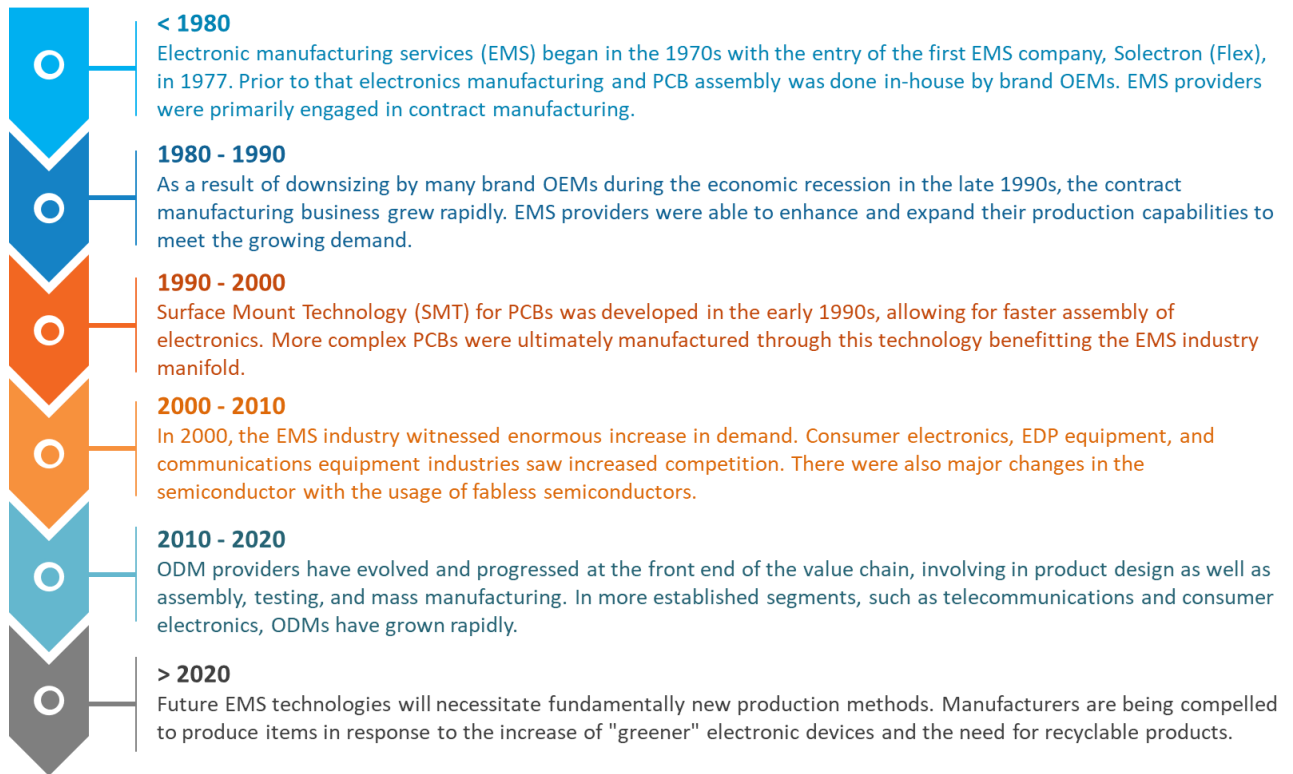
Introduction to Electronics Manufacturing Services (EMS) Industry

The global electronics manufacturing services market traditionally comprised of companies that manufacture electronic products, predominantly assembling components on Printed Circuit Boards (PCBs) and box builds for major brands. Today brands are seeing more value from EMS companies, leading to involvement beyond just manufacturing services to product design and developments, testing, aftersales services, such as repair, remanufacturing, marketing, and product lifecycle management.

Evolution of EMS Industry

The EMS market was established more than five decades ago to execute manufacturing designs from government, defence, and research institutions. As the years progressed, the EMS market grew to support the demand that exceeded manufacturing capacity of the Brands. By mid 1990s, the advantages of EMS concept became extremely evident and major brands started outsourcing PCB Assembly in large scale. By the end of 1990s and in early 2000s, several brand having own manufacturing facility sold their assembly plants to the EMS players, aggressively striving for the market share. A wave of partnerships followed as the more cash-rich EMS companies started buying the existing plants and the smaller EMS companies to consolidate their position in the global market.

Evolution of EMS Industry, 1980 to 2020



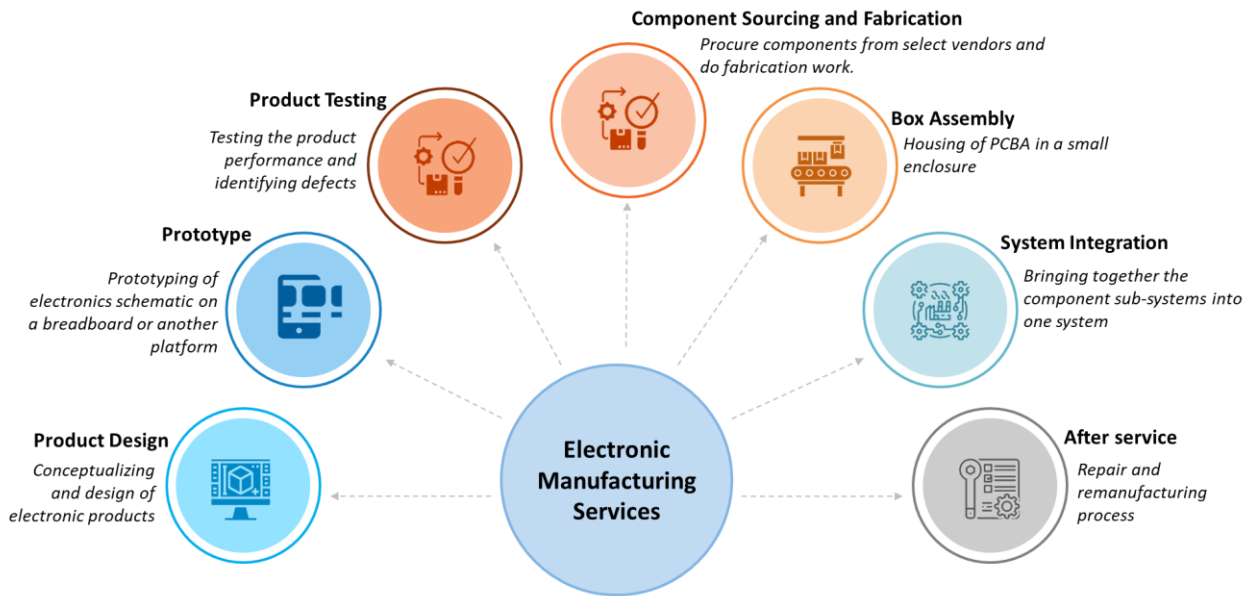
Source: Frost & Sullivan Analysis

As the technology advances, the size of the components and the circuits usually becomes smaller. With the demand for the novel features and products growing up in recent years, manufacturers are turning towards more state-of-the-art and sophisticated technical solutions to streamline their manufacturing processes. Electronics manufacturing is observing substantial traction in the adoption of the advanced robots, due to their capability to perform tasks at enhanced precision levels. Artificial intelligence is another transformative technology in the EMS segment, primarily changing the way the machines function and interconnect. Partnerships, mergers, agreements, and other types of strategic initiatives are becoming more and more prevalent among the Brands, EMS providers, OEMs, ODMs, and stakeholders as they work to familiarize to the speedy transitions in the manufacturing space.

Range of services offered by EMS companies globally

EMS companies are equipped to provide a gamut of services which include design, assembly, manufacturing, and testing of electronic components for brands. These companies can be contracted at different points in the manufacturing process. While large EMS companies have the capability to offer an entire range of services starting from design, sourcing of components, assembly, and testing (also known as ODM), small and mid-size EMS companies offer primarily assembly and testing services (referred as OEMs).

Range of Services offered by Electronic Manufacturing Service companies, Global, CY2020

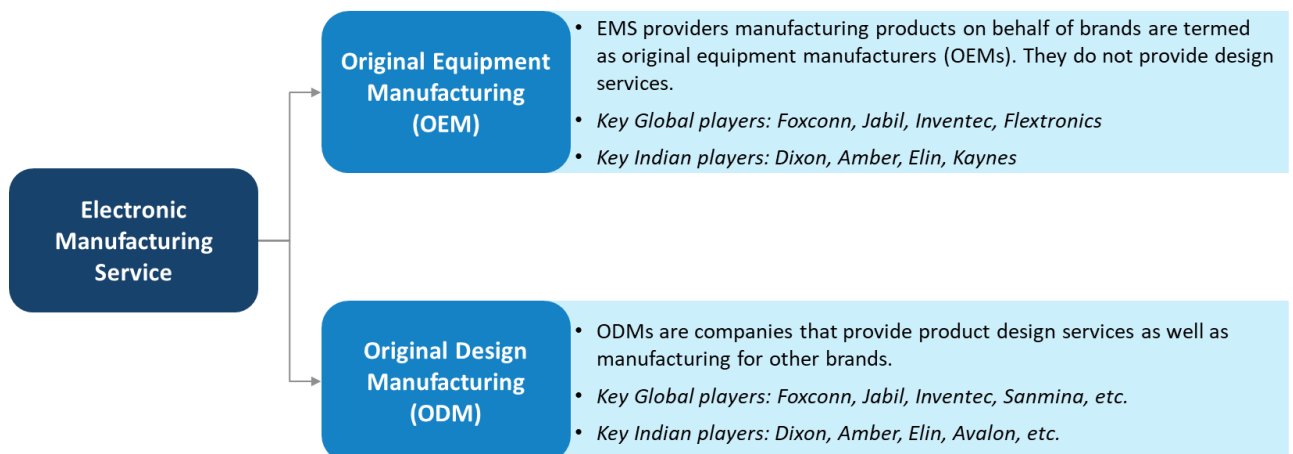


Electronic manufacturing contains different levels of automation, depending on the capability of the service providers and the projects they can deliver. Corporations that yield large runs of products, typically employ heavily automated manufacturing. Service providers who specialise in the small production or prototypes, runs manual assembly of Printed Circuit Boards to save time and cost. Electronics manufacturing services differ by the service providers and an EMS company can provide any combination of the following: product design, prototyping, sourcing of components, PCB assembly, cable assembly, electromechanical assembly, box assembly, testing and aftermarket services.

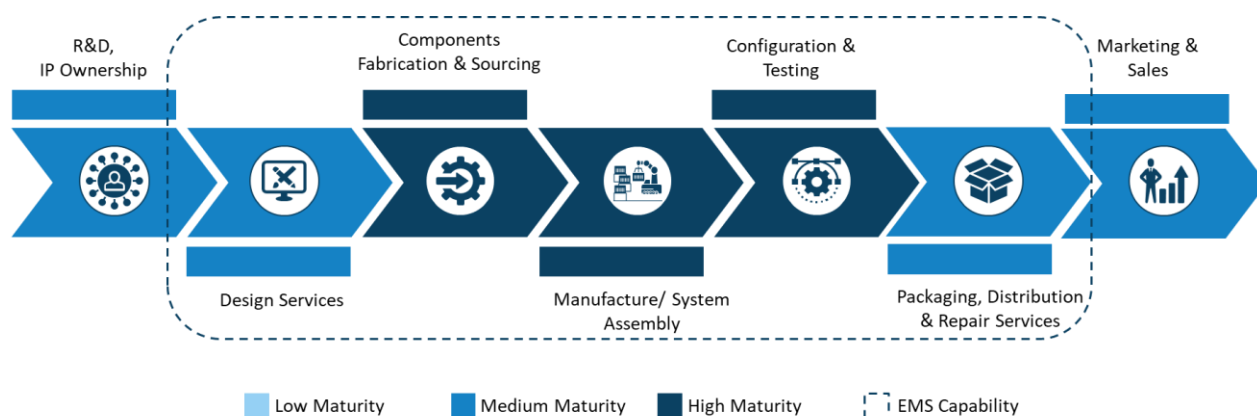
Manufacturing capabilities: EMS companies are engaged in manufacturing of diverse set of electronic and associated products some of which has been described below:

- **Printed circuit boards (PCBs):** are the flat boards that hold various types of active and passive components and considered as the heart of any electronics equipment.
- **Microelectronics:** deals with the production of small semiconductor components that contains flip chip and chip on board devices. Flip chips are integrated circuits that connect to the external circuitry using the solder bumps deposited on the chip.
- **Motors:** EMS providers also manufacture motors that power electronic products, particularly FHP motors and Induction motors. The EMS companies design custom motor products considering various aspects of applications and address the need of mass production with advanced technology.
- **Sheet Metal and Plastic Components:** Many EMS companies also manufacture sheet metal and plastic components using facilities such as stamping, injection moulding etc. The process involves various techniques from the initial design stage to the assembly and preparation of the final product.

Definition of OEM and ODM in EMS industry



Value Chain of EMS Industry, Global, CY 2020



Source: Frost & Sullivan

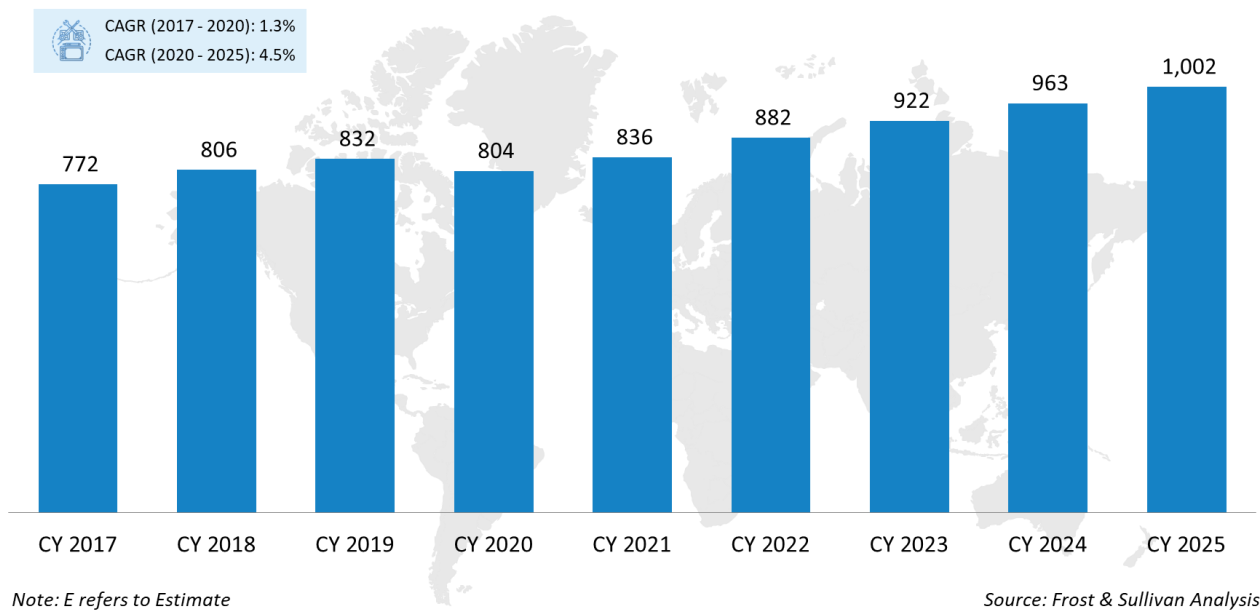
Globally the EMS market is well established, and most service providers have high maturity levels in component fabrication, system assembly and testing. In the last few decades, the market has expanded to offer design and development services and after sales services such as repair and remanufacture, marketing, and product lifecycle management. Recently, some market participants have even started offering software solutions due to the increased penetration of digitization in the end markets they serve.

Size of Global Electronics Manufacturing Services (EMS) Industry and Outlook

The global EMS market witnessed a period of steady growth till 2018, riding on the wave of increased outsourcing activities from brand manufacturers and increasing electronics content. However, in 2019, the opportunities started stagnating due to multitude of factors. Firstly, decline of global automotive sales and saturation of consumer electronic sales. Secondly, supply chain restriction due to heightened trade tensions between US and China.

While the industry was still coming to terms with the above setbacks, a bigger blow was waiting for the industry in the form of the COVID-19 pandemic. The pandemic-induced lockdown produced an even more complicated environment for the industry affecting demand, supply, and manufacturing activities. Despite growing demand in the Q4, EMS industry recorded a 3.4 % decline in 2020. Impact on the industry was expected to be higher, however certain factors worked in favour of the industry. These are – a. the pent-up demand created by the need for life-sustaining medical devices; b. the work-from-home economy, which created demand for smartphones, tablets, and laptops; and c. the push for climate change, which created demand for Digitalization or Digital softwares/products/solutions that can track, monitor, measure and verify sustainability initiatives.

Electronics Manufacturing Services (EMS) Industry, Global, Value in USD Billion, CY2017-CY2025E



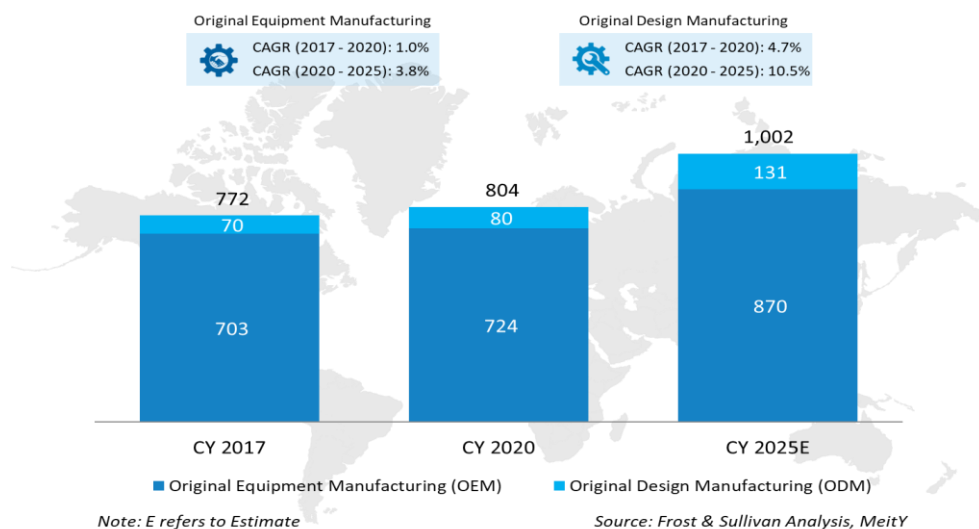
Moving ahead, the EMS industry is anticipated to grow rapidly over the following years, surpassing pre-COVID-19 revenue level by 2021 or 2022. According to Frost & Sullivan analysis, the EMS market will face challenges with supply chain in 2021, which will have a medium restraining effect. The issue is expected to be resolved by the end of 2021 through various measures including part localization. Additionally, as the electronics content increases, the demand for electronic components will increase in future which will drive the EMS market. EMS providers are increasing their focus on the design aspects which would also add into their revenue stream going ahead. According to market participants, technological expertise would add to the competitive advantage of EMS providers and will increase their revenue opportunities.

Global EMS Market Splits

1. By ODM vs. OEM

Large EMS companies who have mastered the art of manufacturing and assembly, are now trying to move up in the value chain and planning to offer additional services such as Design, Testing and Sourcing of components - In short, the industry is moving from Original Equipment Manufacturing (OEM) to Original Design Manufacturing (ODM). The share of ODM business is likely to increase from 10% in 2020 to 13% in 2025.

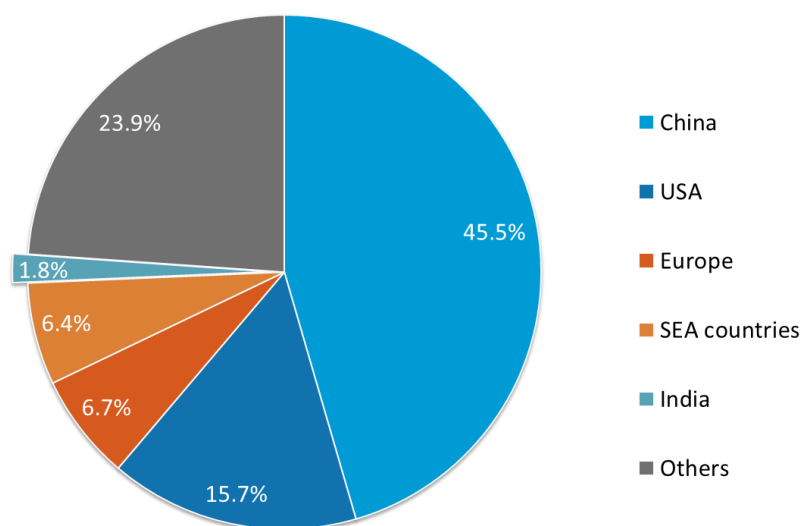
EMS Market break-up by OEM and ODM, Global, Value in USD Billion, CY2017, CY2020 and CY2025E



2. By Geography

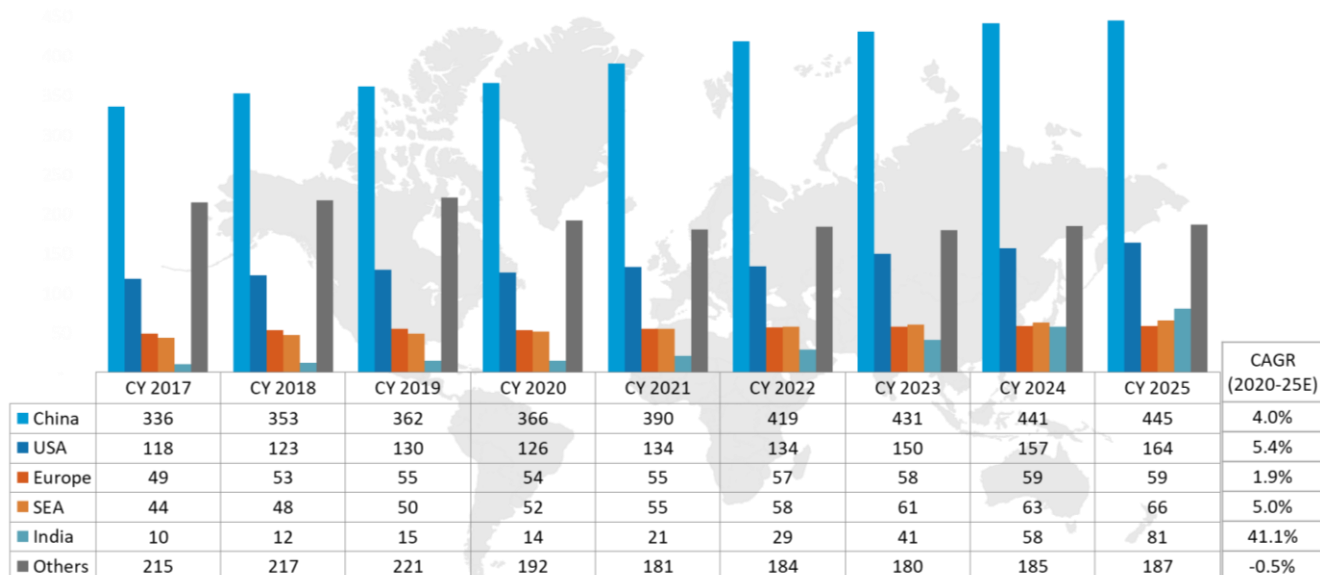
China leads the global EMS business with almost 48% share. Its dominance in the global market is attributed to a blend of cost effectiveness and technological leadership in electronics manufacturing. It is a high growth region due to operational cost benefits, availability of a large number of highly skilled personnel, infrastructure, logistical advantages, and proximity to the largest end-user base across all end-user verticals. However, post Covid-19 pandemic, many global electronics manufacturers are contemplating on China + 1 strategy and looking for alternate manufacturing locations for exports business. This is creating tremendous investment potential for countries like Vietnam, India, and Philippines etc. India contributes to approximately 1.8 % of the global EMS market in 2020. However, there is a strong push from the Govt. to make India an ideal location for Electronics manufacturing in the region. Under the National Policy on Electronics (NPE), India announced various programmes in 2019, including EMC 2.0, to enhance the infrastructure of electronics manufacturing and offer incentives to manufacture more products that promote EMS in India. The PLI programme, which benefited electronics manufacturing firms, was introduced in 2020. In the southern state of Tamil Nadu, in Chennai, an EMS corridor is being built. The EMC Smart City investment in Greater Noida is planned at USD 162.7 million. Jabil, Dixon, Flextronics, SFO, Elin Electronics, Rangsons, Kaynes, and Centum are among the companies that have invested in manufacturing capacity as a result of Make in India policy efforts.

EMS Market break-up by select countries, Global, Value in USD Billion, CY2020



Source: Frost & Sullivan Analysis

EMS Market break-up by select countries, Global, Value in USD Billion, CY2017-CY2025E



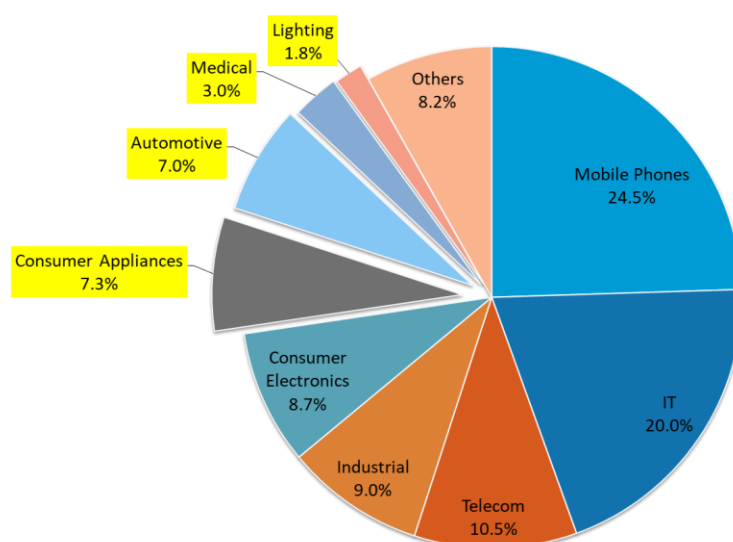
* Others include: Rest of Asia, Latin America (LATAM), Middle East & Africa (MEA)

Note: E refers to Estimate

Source: Frost & Sullivan Analysis

3. By End-User segments

EMS Market break-up by Industry Applications, Global, Value in USD Billion, CY2020



Segments highlighted in yellow are the key business segments for Elin

* Others include: Aerospace & Defence, Energy, etc.

Source: Frost & Sullivan Analysis

Products included under each industry application:

- **Mobile Phones:** Smart Phones and Feature Phones
- **IT:** Computer, Laptops, Tablets, Printers, etc.
- **Telecom:** BTS, GPON, modems, routers, servers, etc.
- **Industrial:** Energy meters, HMS, PLC, SCADA, Inverter, etc.
- **Consumer Electronics:** Television, Air Conditioning, Washing Machine, etc.
- **Consumer Appliances:** Small appliances (Fans, Water Heater, etc.) and Kitchen appliances (Mixer-Grinder, Hand-blender, etc.)
- **Automotive:** ABS, AMT, Body Control Modules, Engine Control Unit, etc.
- **Medical:** All related medical electronic equipment
- **Lighting:** CFL, LED and LCU
- **Others:** Aerospace & Defence, Data centre & Cloud Storage, Energy, etc.

Consumer appliances have had a consistent performance in the last few years, which is aided by growth in advanced economies and developing countries. EMS manufacturers have also profited from rising consumer spending and technological improvements. Rising demand for smart solutions will fuel future growth. Furthermore, Brand and EMS manufacturers are progressively supplying both premium and mid-range appliances in order to meet the growing demand for both product categories and increase revenue.

LED lighting has grown from strength to strength over the last decade driven by energy efficiency regulations, widespread manufacturing, and reduced prices of LED light sources. Smart LED lights have rapidly entered the residential market and widespread commercial adoption. Leading manufacturers are looking to add new applications into their portfolio by partnering with niche application providers.

Automotive is one of the key growth opportunity verticals for EMS providers in the next 5 years, due to the technology transformation currently underway with autonomous cars development and electric car commercialization activities. Moreover, the rapidly growing electronics content will accelerate the growth of EMS revenue from this vertical.

Medical devices electronics manufacturing services are a key revenue opportunity in the others segment. Though the COVID-19 pandemic has created a surge in demand for EMS in this vertical, it is important to carefully assess the demand level for the mid and long terms.

Government incentives and programs to support Electronics industry (Focus on India)

Across nations, there is a strong government push to broaden the operations and revenue from the electronics industry. Some of the key initiatives by the Indian Govt. have been highlighted below:

The government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The GOI has launched numerous policies over the last few years to increase the innovation, protect the intellectual property, and develop the best-in-class electronics manufacturing set-up to build a favourable environment and invite the investment in the electronics hardware manufacturing. India's electronics production has more than doubled in the past five years from INR 3.2 Trillion in FY16 to INR 7.8 Trillion in FY21 depending on such favourable incentive schemes. Some of the key schemes/ policies include:

- **Product Linked Incentive (PLI) Scheme:** The scheme was announced in the years 2019 by the Government of India considering the incremental investment and sales of manufactured goods. Initially introduced for Mobile Phones, later on expanded to IT Hardware and White goods (Air Conditioners and LED Lighting).
- **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS):** The aim is to strengthen the manufacturing ecosystem of electronic components and semiconductors. Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition and promote employment opportunities in this sector. Incentives of up to INR 32.85 Billion will be awarded under the Scheme over a period of 8 years.
- **Modified Electronics Manufacturing Clusters Scheme (EMC 2.0):** It is aimed to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The scheme provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to INR 37.62 Billion will be disbursed over a period of 8 years.
- **Merchandise Exports from India Scheme (MEIS):** The scheme falls under foreign trade policy of India, replacing five other similar incentive schemes in the past. As per this scheme the government of India provides benefits up to 4 % depending on the country of exports and the products. Rewards under the scheme are payable as %age of realized free-on-board value

The incentive schemes within National Policy on Electronics 2019 include Scheme for Promotion of Manufacturing of Electronic Components & Semiconductors (SPECS), Production Linked Incentive (PLI) Scheme and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0), which stand to help a varied range of electronics manufacturing enterprises.

Geopolitical situation and their positive impact on the Indian EMS industry

US-China Trade War: Beginning in the early 2017, the Trump government began making threats of tariffs on the Chinese imports. In the month of March of 2018, the administration endorsed its first of three rounds of tariffs which ultimately covered a varied range of Chinese exports comprising many manufactured by the country's 4,500+ EMS companies. The imports are transferred to other countries due to the trade war between these 2 major economies. Asian countries especially India, Vietnam, and Indonesia, are likely to benefit more than the rest of the world due to lower wages and their geographical proximity to China.

Rising labour cost in China: The aspiration level of Chinese workers has increased, and they are focusing on high-tech jobs, leaving gaps in the low end of manufacturing value chain. This has led to scarcity of the labour and a higher cost due to lack of availability of the manpower. The average cost of manufacturing labour per day is USD 6.2 in India and USD 28.2 in China, which make manufacturers to move out of China.

Threat on EMS industry in China: Over the past few years, China has realized its stake of challenges, and what some individuals recognize as the potential threats to China's current position as the world's biggest EMS host country. Trade tensions, allegations of currency manipulation, and a resurrection of economic patriotism in the US, UK and some other western nations have all formed a new level of emphasis and scrutiny on the China's EMS business. On top of these challenging concerns, none of which have been fully resolved, the Covid-19 pandemic has caused major supply disruptions around the world. All the above issues have been exacerbated by allegations and blame games, resulting in a perfect storm for China's EMS industry. OEMs' need to diversify their supply chain to reduce risk has fuelled the expansion of the EMS industry in countries like India, Vietnam, and Mexico. Mobile phones from brands such as Apple, Xiaomi, Vivo, Oppo etc., which were earlier imported from China, are now manufactured in India. EMS partners of these companies such as Foxconn, Wistron, Pegatron, etc. have all invested in manufacturing facilities in India which have given huge boost to the Indian EMS industry.

Covid-19 driven disruption in supply chain: The COVID-19 pandemic has disrupted the manufacturing supply chain and curtailed the commodity demand. Although manufacturing of mobile phones is boosted through 'Make in India' initiative, India is heavily dependent on China for supply of raw materials, components, and accessories. Such high dependency on imports with some critical components being produced in China is expected to have significant impact in

the future if there is reoccurrence of any similar outbreak. Hence, OEMs based out of India are planning to develop local supply chain in order to follow ‘China + 1’ strategy and become ‘Atmanirbhar (Self Reliant)’.

INDIAN ELECTRONICS INDUSTRY OVERVIEW

A. Real GDP

The last decade was a mix bag for the Indian economy and the country has seen see-saw movement in the GDP growth between 2010 and 2020. Indian real GDP growth has steadily increased from 5.5% in FY13 to 8.3% in FY17. The growth was robust, and fundamentals were strong. However, the growth started slowing down since FY18 and reaching a low of 3.7% in FY20. Eminent economic experts have cited Demonetisation and GST implementation as the key reasons for this moderation in growth.

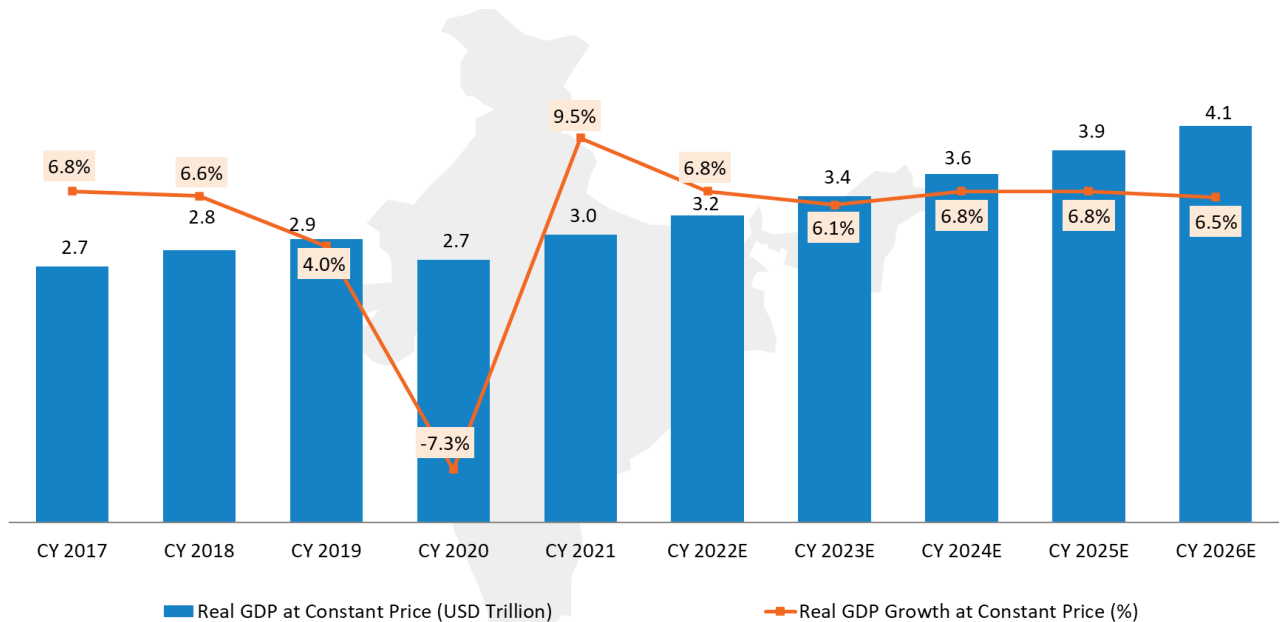
India Macroeconomic Outlook

The Indian economy continued to grow between 2017 and 2019. However, there was a moderation in the growth rate during these years. As the Government was taking various measures to counter this slowdown, Covid-19 created havoc in 2020 which resulted in 7.3% contraction of the country’s economy. This was worst ever economic performance by India, worst year in terms of economic contraction in the country’s history and much worse than the overall contraction in the world. Unemployment rate was more than 20% in April and May 2020 and individual income dropped by more than 40% during this period. Private consumption, the mainstay of aggregate demand, was severely affected by the pandemic. As per NSO estimate, Private Final Consumption Expenditure (PFCE) contracted by 9.0 per cent in 2020-21, reflecting impact of the stringent nation-wide lockdown and social distancing norms, heightened uncertainty as a result of transitory and permanent job losses, closures of small, micro, and unincorporated businesses and wage resets.

However, the country showed tremendous resilience in these difficult times and macroeconomic indicators started improving gradually since Q3 2020. The medium-term growth outlook was very positive, and country recorded a growth of 9.5% in 2021, on account of strong macroeconomic fundamentals including moderate inflation, implementation of key structural reforms and improved fiscal and monetary policies. Among all large economies, India is likely to demonstrate a rapid and sustainable growth post COVID-19, driven by strong manufacturing-led industrial expansion and consumption demands from the private sector.

One of the key reasons for the anticipated growth of Indian economy is the country’s focus on the manufacturing sector. Indian manufacturing sector’s contribution has increased from 16 % to over 18 % in the past 10 years buoyed by initiatives like the “Make in India” and sector specific initiatives to various manufacturing companies that aim to make India a global manufacturing destination. Similarly, the Government of India has also introduced Production Linked Incentives (PLI) scheme for large-scale electronics manufacturing. The scheme proposes production-linked incentive to boost domestic manufacturing and attract large investments in - Large Scale Electronics Manufacturing (mobile phones and specified electronic components), IT Hardware (Laptops, Tablets PCs, and Servers) and White Goods (Air Conditioners and LED Lighting) including Assembly, Testing, Marking and Packaging (ATMP) units.

Real GDP and Real GDP Growth (Annual %age Change), India, Value in USD Trillion, Growth in %, CY2017-CY2026E



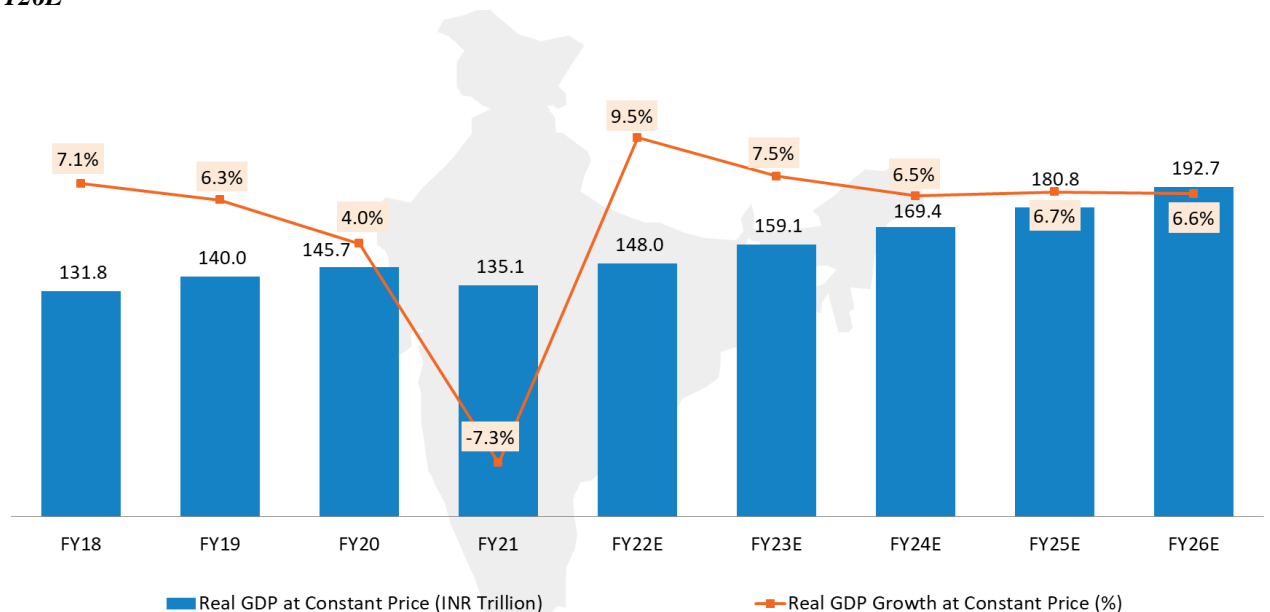
Note: E refers to Estimate

Source: IMF, World Economic Outlook, October 2022; World Bank; Frost & Sullivan Analysis

The pandemic has also created unique growth opportunity for India. Supply chain disruption during the pandemic has forced many countries and organization to re-think on their sourcing strategy and reducing dependency on one country for the entire supplies. These large companies are now looking for alternate low-cost manufacturing locations in South East Asia and South Asia and India is emerged as one of the sought after investment destinations for many of these organization. As there would be re-alignment of global supply chain in the coming years, India is likely to benefit immensely from these strategic decisions and likely to become a manufacturing powerhouse in the coming years. Favourable business environment, liberal FDI norms, constantly improving ‘Ease of Doing Business’ rankings, enormous consumer base and rapidly improving digital infrastructure are some of the key factors that will drive investment in India in the coming years.

Moving forward, the Indian Economy is expected to register a 6.8% growth in 2022. According to Frost and Sullivan analysis, despite the ongoing war between Russia – Ukraine, India has limited direct exposure. The impact of the Russia – Ukraine war will be a combination of some supply disruptions and the ongoing terms of trade shock that will likely phase-out in the coming months.

Annual Real GDP and Real GDP growth (Annual %age Change), Value in INR Trillion, Growth in %, , India, FY18- FY26E



Note: E refers to Estimate

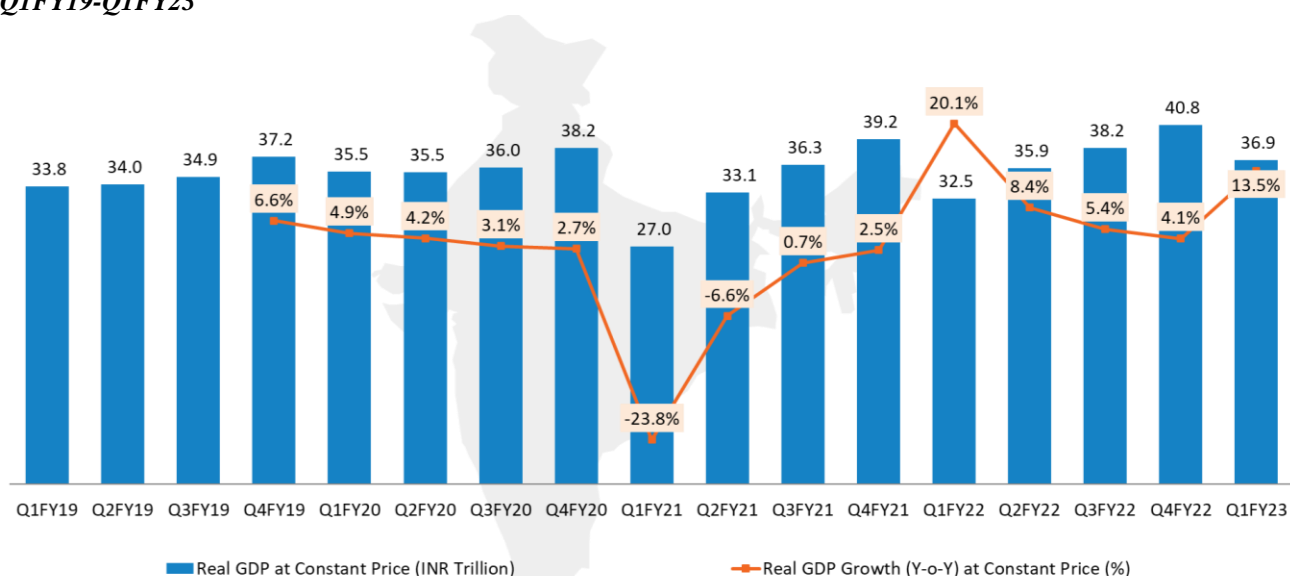
Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series), IMF; Frost & Sullivan Analysis

While the Government was taking corrective measures, the economy received a jolt from Covid-19 pandemic in the beginning of FY21. During the first wave (March 2020 onwards), the Indian government had to enforce four-phase countrywide lockdown till May 2020 in order to curb the spread of the virus.

The economy has started to bounce back from Q3 FY21 on the back of huge pent-up demand and festive season. While industries such as travel & tourism, aviation, hospitality, construction were impacted heavily, some of the industries such as healthcare, pharmaceuticals, e-commerce, and electronics products experienced phenomenal growth during this period.

The FY22 was strong, and the Indian economy registered 8.7 percent growth in the financial year. The Indian government has taken a slew of measures to bring the economy back on track. As the size of the economy is expected to touch USD 5 trillion by 2026–2027, the EMS sector must play an important role in this journey. There is strong focus on growth of the domestic manufacturing sector through various policy initiatives such as Atmanirbhar Bharat, PLI schemes etc. These initiatives will help the economy to register stable growth of approximately 6.5 percent in the medium term.

Quarterly Real GDP and Real GDP growth (Quarterly %age Change), Value in INR Trillion, Growth in %, India, Q1FY19-Q1FY23



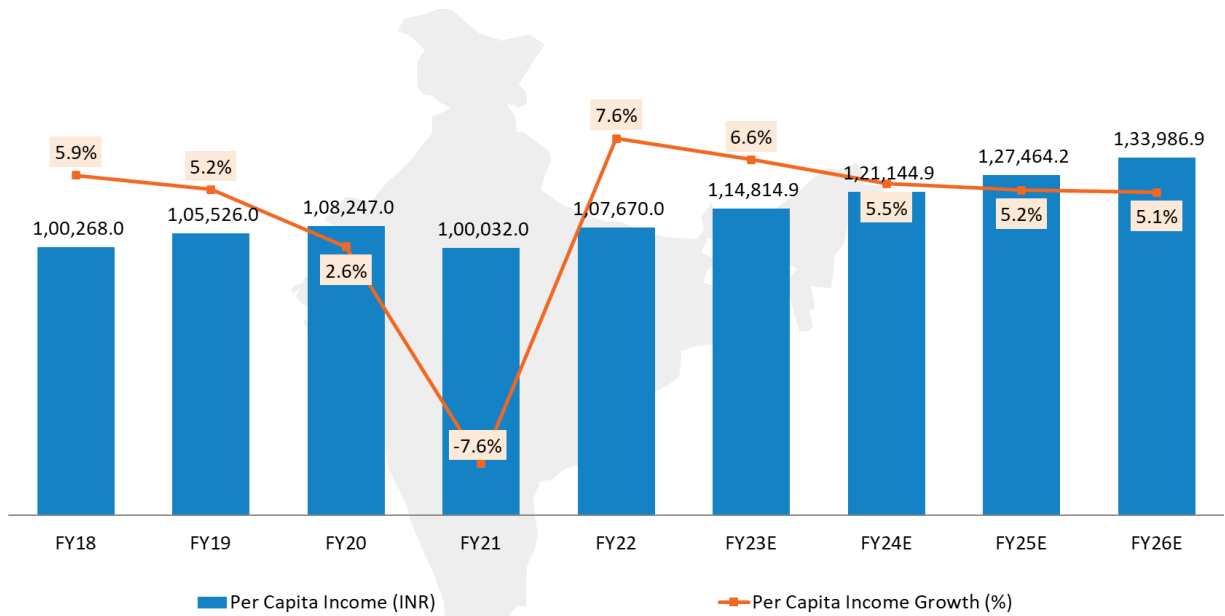
Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series), IMF; Frost & Sullivan Analysis

Similar to FY21, FY22 also started on a sour note as the second wave of the pandemic swept across the country. However, the economy showed extreme resilience and recorded 20.1 % growth in April – June quarter of this financial year. FY22 was strong and the economy grew by 8.7% in this financial year.

B. Per Capita Income

The per capita income is a broad indicator of prosperity of an economy. India's per capita income, calculated in correlation to Real GDP, was INR 100,032 during FY21 compared to INR 108,247 in FY20, an approximate decline of 7.6%. Per capita income increased by around 7.6% during FY22 to touch INR 107,670. The growth is likely to be stable at approximately 5.6% CAGR over the medium term.

Per Capita Income and Growth (Annual %age Change), Value in INR, Growth in %, India, FY18-FY26E



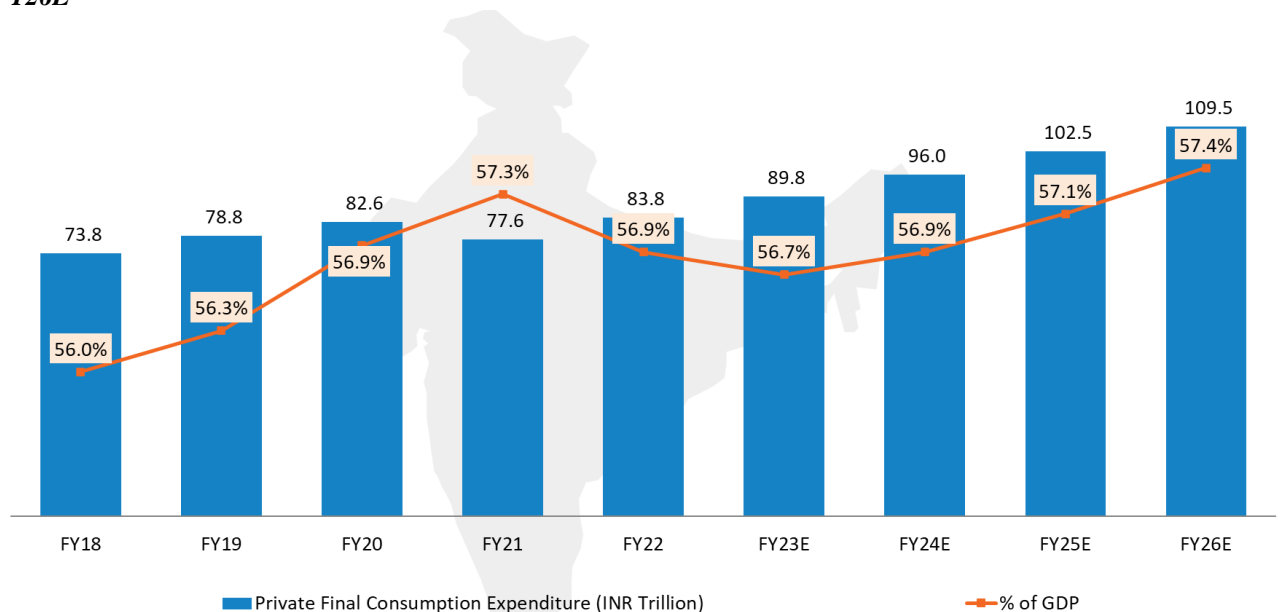
Note: E refers to Estimate

Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series), IMF; Frost & Sullivan Analysis

C. Private Final Consumption Expenditure

India's Private Final Consumption Expenditure (PFCE) has declined by 6.0% in FY21. Consumption expenditure growth has been slowing through the last decade. The blow of the COVID-19 pandemic has put it back on the time machine. The FY21 PFCE was not only 6.0% lower than FY20; it was also 1.5% lower than FY19. This shrinking of consumption expenditure had a direct impact on the intermediate industries that feed India's consumption engine. As the threat and uncertainty around Covid-19 has significantly declined in the last few months, consumer confidence is coming back and PFCE is expected to catch-up with pre-COVID levels within this financial year. After that, the PFCE is expected to be stable at approximately 56% in the medium term. The PFCE is expected to grow at a CAGR of 6.9% from FY22 to FY26.

Private Final Consumption Expenditure and Contribution to Real GDP, Value in INR Trillion, % of GDP, India, FY18-FY26E

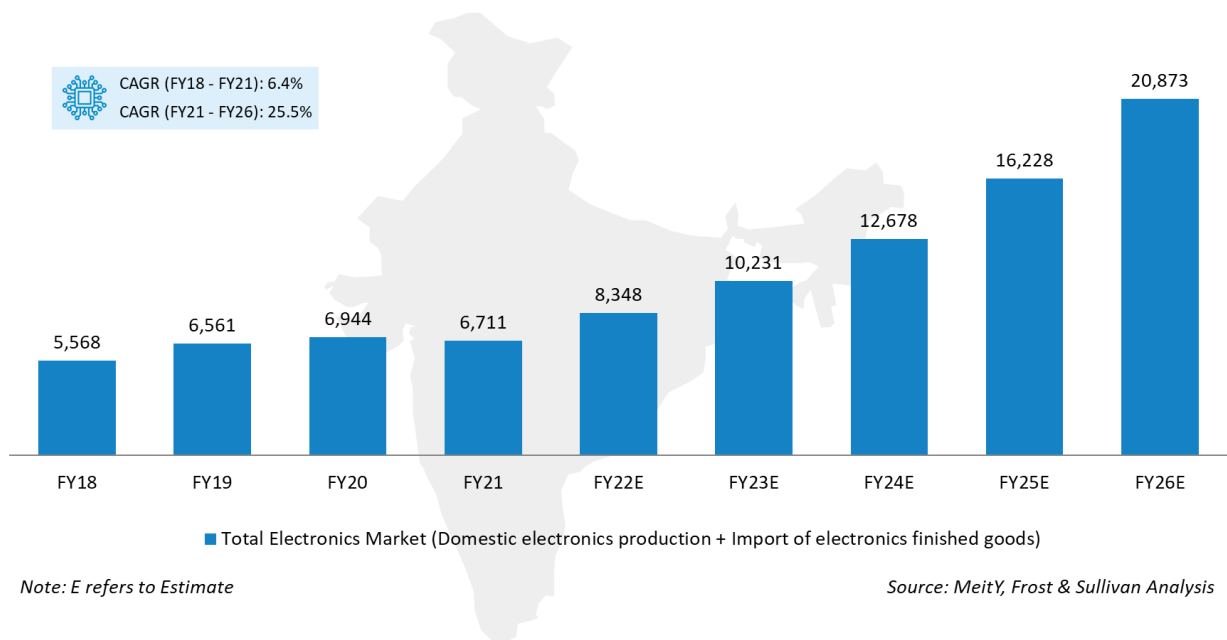


Note: E refers to Estimate

Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series), IMF; Frost & Sullivan Analysis

Indian Electronics Industry - Historical Trends and Outlook

Total Electronics Market, Value in INR Billion, India, FY18-FY26E

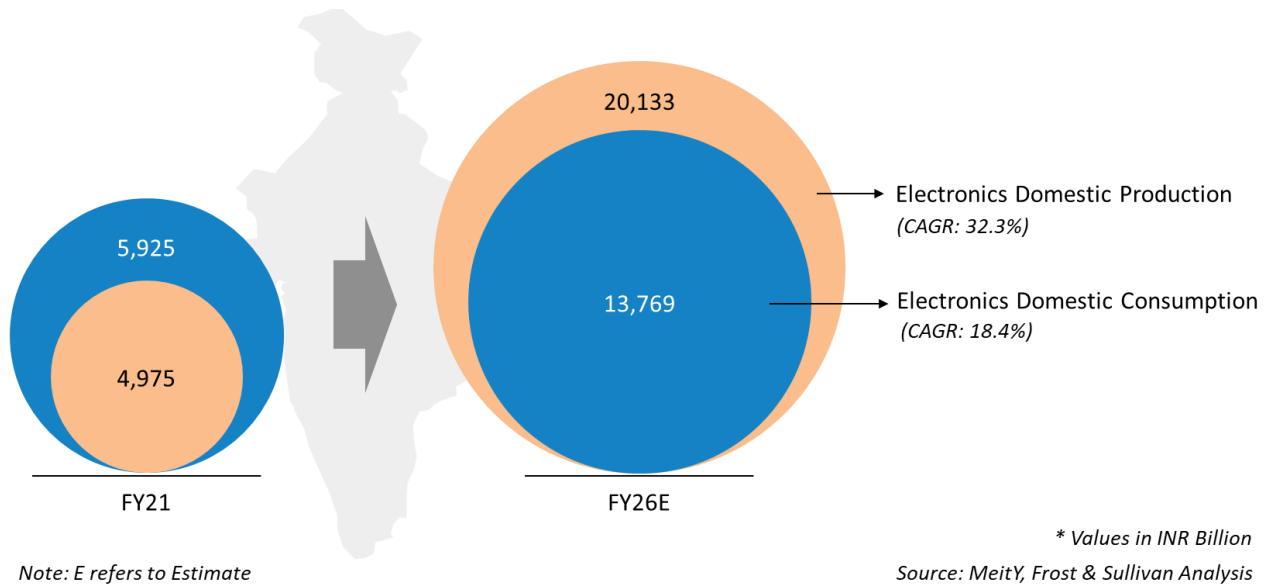


Electronics is one of the fastest growing industries in the country. The total electronics market (which includes domestic electronics production and imports of electronic products) in India is valued at INR 6,711 Billion (USD 91 Billion) in FY21, which is expected to grow at a CAGR of 25.5% to reach INR 20,873 Billion (USD 282 Billion) in FY26. The domestic production of electronics is around 74% of the total electronics market in FY21, which is expected to reach around 96% by FY26, with the help of various government initiatives and development of electronic ecosystem in India. Also, the global landscape of electronic design and manufacturing is changing significantly, and revised cost structures have shifted the attention of multinational companies to India. At present, the Indian government is attempting to enhance manufacturing capabilities across multiple electronics sectors and to establish the missing links in order to make the Indian electronics sector globally competitive. India is positioned not only as a low-cost alternative, but also as a destination for high-quality design work. Many multinational corporations have established or expanded captive centres in India.

Trends in Electronics Consumption vs. Share of Domestic Manufacturing

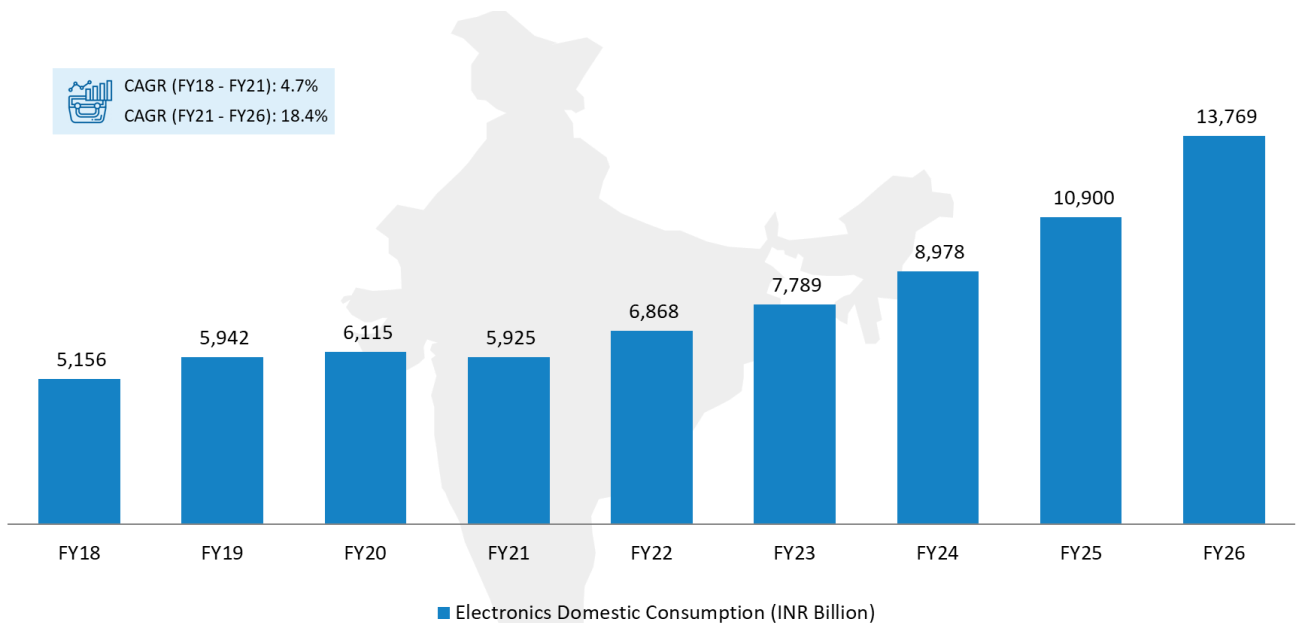
The government's stated objective of enhancing manufacturing capability within India has been backed by creation of a favourable environment. Whether it is the customs duty for certain products or removal of duties on components or encouraging local component manufacturing, there has been appreciable movement to drive domestic manufacturing. The government has also taken several steps towards increasing the ease of doing business, which has resulted in increased manufacturing setups by multiple foreign manufacturers in the country. This environment has certainly encouraged the EMS/ OEM/ ODM segment as electronics brands continue to push for collaboration and partnership. In recent years, India's demand for electronic products has increased substantially, primarily due to India's development in the EMS segment. At present, India is the second largest mobile phone manufacturer in the world, while the Indian start-up ecosystem is still evolving, and the potential that Indian start-ups have shown is a huge opportunity for the country.

Overview of Electronics Industry - Domestic Consumption Vs Production, Value in INR Billion, India, FY21 and FY26E



Consumption of Electronics Products in India (Focus on the Segments where Elin Electronics operates)

Electronics Domestic Consumption Market, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: MeitY, Frost & Sullivan Analysis

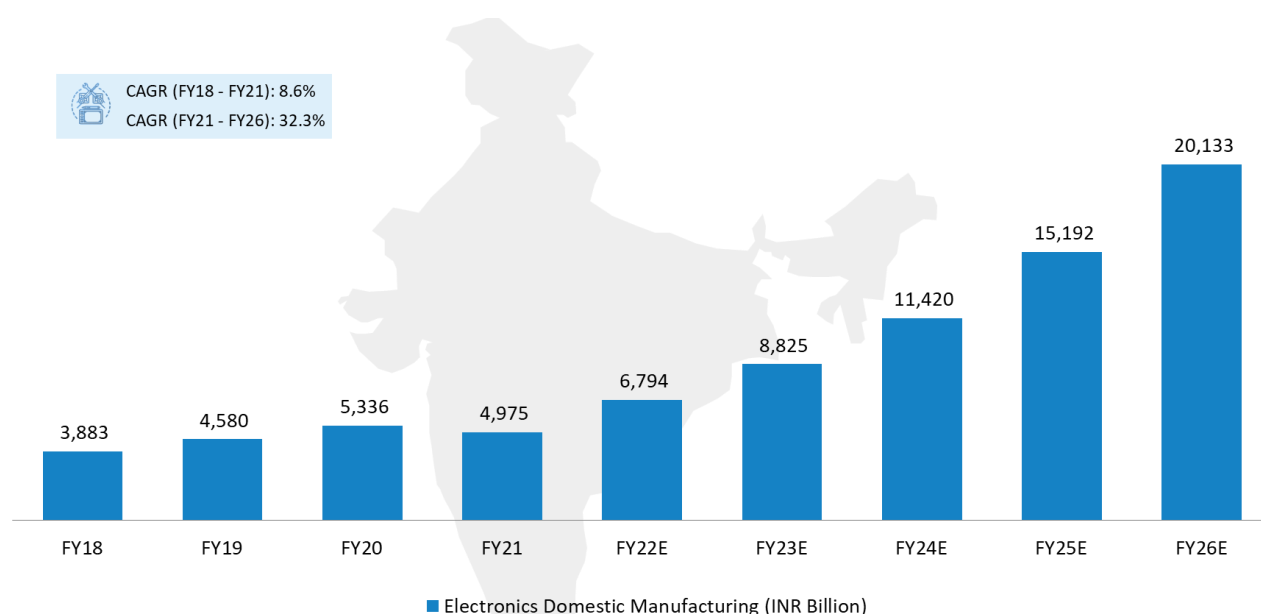
Electronics consumption market in India is estimated at INR 5,925 Billion (USD 80 Billion) in FY21 and is expected to grow at the rate of 18.4% to reach INR 13,769 Billion (USD 186 Billion) by FY26. India's vast consumer base is one of the largest in the Asia-Pacific region, and the country's electronics industry is one of the fastest growing in the world.

- **Consumer electronics** - is one of the largest segments which have a broad category of electronic products that includes televisions, cameras, audio players, and a range of other household items. Growing awareness, greater access, changing lifestyles, higher discretionary incomes, and reduction in per unit prices are the key drivers.
- **Consumer appliances** - which include kitchen and other small appliances, are growing at a faster rate at an overall level in the market. Evolving lifestyle trends, Growth of e-commerce, health awareness is some of the key factors driving this growth. Kitchen appliances such as mixer grinder and others are having better penetration in the market.
- **Fans** - market in India, is relatively less price sensitive when compared to other consumer electrical appliances. This is due to the tropical climate of the country, which demands 2-3 fans per household running at an average of 14 hours a day. Given the high population growth rate, cities such as Delhi have witnessed rapid suburban growth over the past decade.

- **LED lighting** - technology has taken the Indian market by storm with government, commercial and residential segments witnessing phenomenal growth. Automated and interconnected, smart lighting solutions will see usage in lighting applications and LED lighting products are expected to act as enablers in this regard.

Domestic Manufacturing Scenario

Electronics Domestic Manufacturing Market, Value in INR Billion, India, FY18-FY26E



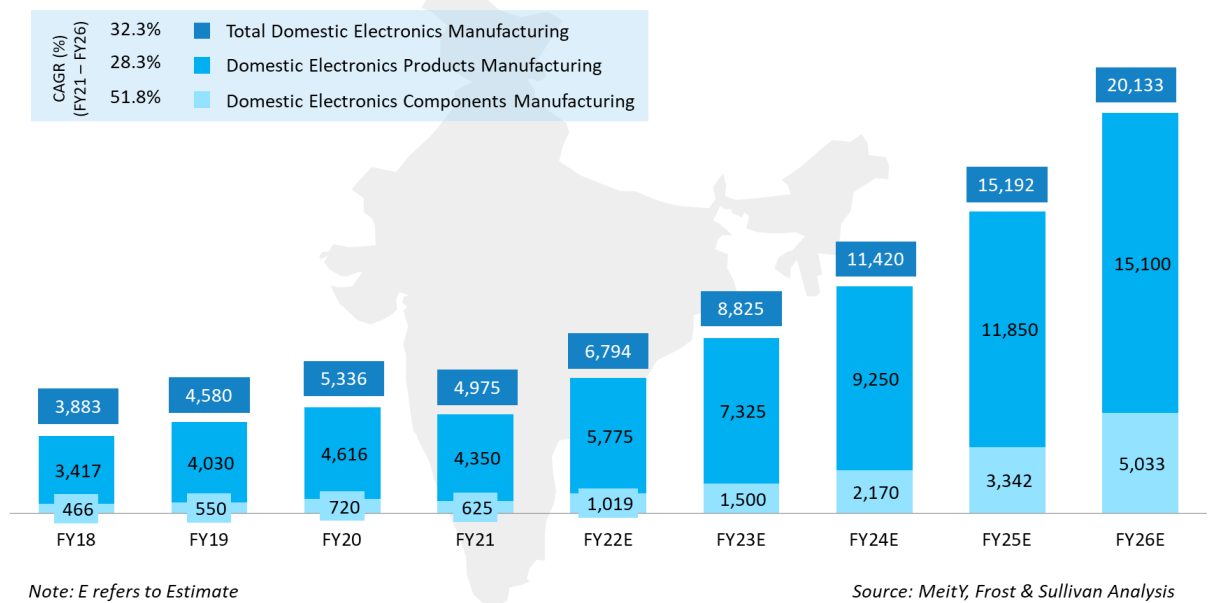
Note: E refers to Estimate

Source: MeitY, Frost & Sullivan Analysis

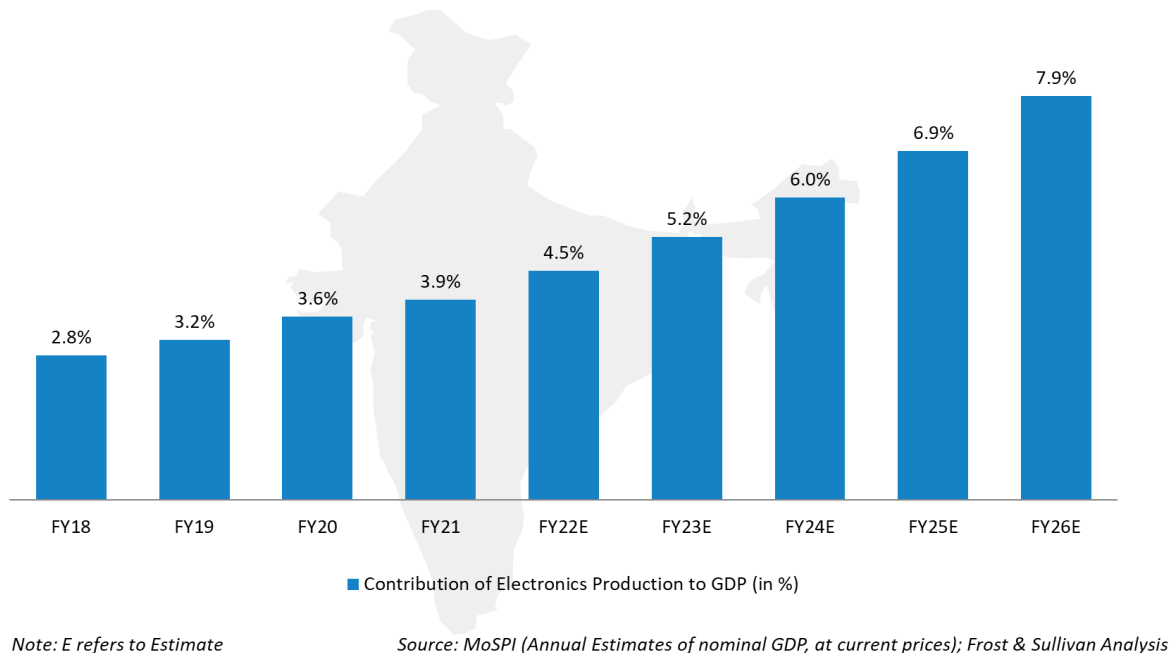
Electronics production in India is estimated at INR 4,975 Billion (USD 67 Billion) in FY21 and is expected to grow at a CAGR of 32.3% to reach INR 20,133 Billion (USD 272 Billion) by FY26. India has the potential to be one of the most attractive manufacturing destinations and support the objective of ‘Make in India for the World’. Government and Industry needs to collaborate and drive initiatives to help India move among top 5 countries in electronics production and among top 3 in electronics consumption. To improve the manufacturing capability in the electronics industry, the Government of India has taken several initiatives and developed a series of policies that would be implemented in the short to medium term. The policies must be reviewed at regular intervals in order to determine their efficacy in achieving the intended objective of increasing the manufacturing capability.

The success of the PLI scheme for the electronics segment in encouraging large-scale manufacture of electronics products is being viewed with great confidence. Similarly, the National Policy on Electronics (NPE) aims to make India a global hub for electronic system design and manufacturing and has fixed some aspirational targets. Excellent opportunities for increasing electronics manufacturing are estimated to come from consumer electronics and appliances, the automotive sector, lighting, electronic components, and the medical electronics sector. India will have to find a way out of being a part of the global value chains to increase production and exports. The biggest challenge before India is to make a fast transition to the manufacturing of high-technology electronics. Electronic products do need continuous design modifications, as end-users expect creativity and continuous innovation. Consequently, the design and development of electronics products is often undertaken by ODMs. The earlier a brand engages an ODM for product design and development services, the sooner the product enters high-volume production.

Total Domestic Electronics Manufacturing Market split by Products vs. Components manufacturing, Value in INR Billion, India, FY18-FY26E



Contribution of Total Electronics Domestic Manufacturing to Indian GDP, in %, India, FY18-FY26E



In FY21, the electronics production in India contributed to 3.9% of the nominal GDP (at current prices), which is expected to increase to around 7.9% by FY26. The Government's objective is to provide domestic manufacturers with a better facility to make them competitive with imports into the industry by simplifying the tariff system, simplifying the procedures, giving incentives, and improving the infrastructure. Considerable high value-added manufacturing takes place in the consumer electronics and appliances segment and most products command high brand equity globally, offering an excellent opportunity for EMS companies to export. Constantly increasing logistics and raw material costs are resulting in a rise in total manufacturing costs, which is affecting the brands. This serves as a catalyst for brands to choose the ODM model, which provides an end-to-end solution, including product design and after-sales support, owing to better margins and increased visibility. Additionally, ODM offers to collaborate with the brands on product localisation and design.

Key Growth Drivers for Electronics

Key Growth Drivers for Consumer Electronics Segment

- Rising urbanization and disposable income

- Growing prominence of e-tail industry
- Rapid technological advancements leading to newer product introductions
- Influence of smart electronics and the changing life style preferences
- Favourable policies and Regulatory framework by the Government of India

Rising urbanization and disposable income: Demand for the consumer electronics in India has been growing on the back of the rising incomes; this particular trend is all set to continue even as the other factors like the rising rural incomes, a growing middle class, increasing urbanization and changing lifestyles aid the demand growth in the sector. Substantial increase in the discretionary income and the easy financing arrangements have led towards reduced product replacement cycles and developing lifestyles where consumer electronics are perceived as the utility items rather than the luxury possessions.

Growing prominence of e-tail industry ushers’ multitude of options and convenience in shopping: E-commerce platform is fast capturing the imagination of customers and is becoming popular among a large section of customers. Internet transactions in consumer electronics and home appliances have grown tremendously over the past couple of years. The expansion of internet access, the growing usage of smartphones, and the increased number of internet retailers have aided in growth. The lower unit prices via internet retailing made the channel more attractive than brick-and-mortar retailers. Time to market, cost savings and scale are the major advantages of online sales.

Rapid technological advancements leading to newer product introductions at various price offerings: Advancement in the technology and the higher competition are driving the price reductions across numerous consumer electronics product segments like computers, refrigerators, mobile phones and TVs. With the “Make in India” initiative, numerous domestic and the foreign manufactures are investing in India to set up their production plants which is going to produce more affordable products.

Influence of smart electronics and the changing lifestyle preferences: Modern technology has paved the gateway for the multi-functional devices like the smart watch and the smartphone. Computers are much faster, more portable, and higher-powered than it was ever before. With all of these uprisings, technology has also made our lives easier, better, faster, and more fun.

Favourable policies and Regulatory framework by the Government of India: The Indian consumer electronics sector has attracted numerous significant investments in the form of mergers and acquisitions by key global competitive companies, as well as other FDI inflows. Some of the key growth factors for the consumer market include the government of India's policies and regulatory frameworks, such as the easing of licence restrictions and the permission of 51 % FDI in multi-brand retail and 100 % FDI in single-brand retail.

Policy initiatives that are driving domestic Electronics manufacturing in India

The Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for MNCs to invest in India. Some of the key initiatives/ schemes/ programs introduced by the government in boosting the electronics industry in India include:



Make in India: In 2014, the government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set-up manufacturing bases in India. As per the scheme, government released special funds to boost the local manufacturing of mobile phones and electronic components. It has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights and developing the

manufacturing sector. The Make in India initiative, a part of the ‘Atmanirbhar Bharat Abhiyan’ (Self-reliant India), would provide an additional boost to country’s business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics, and toys
- Phase 2: For products like gems and jewellery, pharma, and steel, etc.

Production Linked Incentive (PLI) Scheme: The scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years. As per the scheme, a total production of INR 11,500 Billion is expected including INR 7,000 Billion exports in the next five years. Production Linked Incentive Scheme (PLI) for large scale electronics manufacturing was notified in April 2020.



As per the 2021-22 budgets, under the PLI scheme the government has allotted INR 355 Billion for Mobile Manufacturing and Specified Electronic Components, which is much higher than any other scheme. It has different thresholds of investments required for domestic vs. international companies. Fully integrated domestic players are going to be the biggest beneficiary of this scheme. This scheme will definitely help India Inc. to be an integral part of the global supply chain. Initially introduced in mobile phone production, this policy is being expanded to other sectors as well. The scheme is also extended to white goods (Air conditioners and LED lighting) and select few electronic/ technology

products.

PLI Scheme in 10 Key Sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports, Atmanirbhar Bharat, FY21

Sectors	Implementing Ministry/Department	Approved financial outlay over a five-year period (INR Billion)
Automobiles & Auto Components	Department of Heavy Industries	570.4
Advance Chemistry Cell ACC Battery	NITI Aayog and Department of Heavy Industries	181.0
Pharmaceuticals drugs	Department of Pharmaceuticals	150.0
Telecom & Networking Products	Department of Telecom	122.0
Food Products	Ministry of Food Processing Industries	109.0
Textile Products	Ministry of Textiles	106.8
Speciality Steel	Ministry of Steel	63.2
White Goods (ACs & LED) *	Department for Promotion of Industry and Internal Trade	62.4
Electronic/Technology Products *	Ministry of Electronics and Information Technology	50.0
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	45.0
Total		1,459.8

* Focus sector for Elin

Source: MeitY (Ministry of Electronics and Information Technology)

Production Linked Incentive Scheme (PLI) for White Goods (LED Lighting), India, April 2021

Target Segments and Eligible Products under PLI Scheme for White Goods (LED Lighting)

LED (Core Components)	i.	LED Chip Packaging		
	ii.	Integrated Circuits (ICs)		
	iii.	Resistors		
	iv.	Fuses		
	v.	Fuses		
	vi.	Large – scale investments in LED components		
LED (Components)	i.	LED Chips	x.	Heat Sinks
	ii.	LED Drivers	xi.	Diffusers
	iii.	LED Engines	xii.	Ferrite Cores
	iv.	LED Modules	xiii.	LED Light Management Systems (LMS)
	v.	Printed Circuit Boards (PCB) including metals clad PCBs	xiv.	Resistors
	vi.	Mechanicals - Housing	xv.	Fuses
	vii.	Wire Wound Inductors	xvi.	Capacitors
	viii.	Drum Cores	xvii.	Laminate for PCBs and Metal clad PCBs
	ix.	Drum Cores	xviii.	Metallized films for capacitors

Segment	Year	PLI (%)	Min. Cumulative Increase Investment	Min. Incremental Sale	Min. PLI
LED Lights (Core Components)	FY2021-22		1.00		
	FY2022-23	6%	1.50	6.0	
	FY2023-24	6%	2.00	9.0	0.36
	FY2024-25	5%	2.50	12.0	0.54
	FY2025-26	5%	3.00	15.0	0.60
	FY2026-27	4%		18.0	0.75
	FY2027-28				0.72
	Total		3.00	60.0	2.97
LED Lights (components)	FY2021-22		0.05		
	FY2022-23	6%	0.10	0.30	
	FY2023-24	6%	0.15	0.60	0.02
	FY2024-25	5%	0.20	0.90	0.04
	FY2025-26	5%	0.25	1.20	0.05
	FY2026-27	4%		1.50	0.06
	FY2027-28				0.06
	Total		0.25	4.50	0.22

LARGE INVESTMENT

All values in INR Billion

Source: MeitY (Ministry of Electronics and Information Technology)

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS): The aim is to strengthen the manufacturing ecosystem of electronic components and semiconductors. Target manufacturing of electronic components and semiconductors through the scheme will help meet domestic demand, increase value addition, and promote employment opportunities in this sector. Incentives of up to INR 32.85 Billion will be awarded under the Scheme over a period of 8 years.

Merchandise Exports from India Scheme (MEIS): The scheme falls under foreign trade policy of India, replacing five other similar incentive schemes in the past. As per this scheme the government of India provides benefits up to 4 % depending on the country of exports and the products. Rewards under the scheme are payable as %age of realized free-on-board value and, MEIS duty credit scrip can be transferred to the company for working capital needs or used for payment of various duties such as basic customs duty.

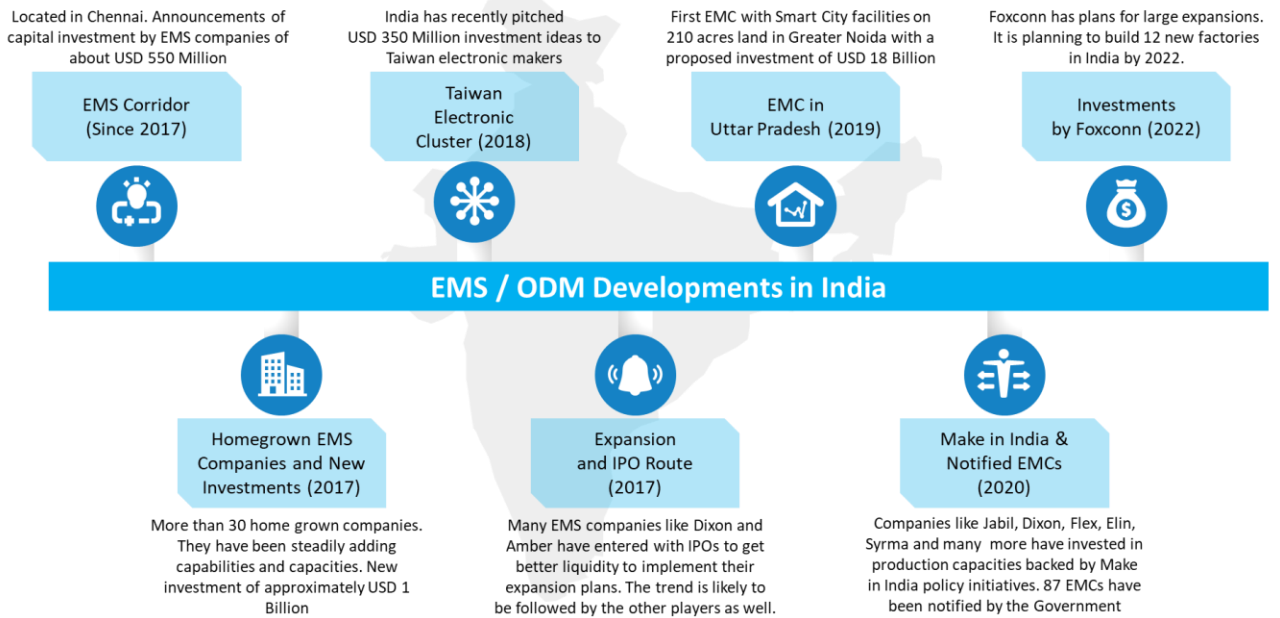
Modified Electronics Manufacturing Clusters Scheme (EMC 2.0): The scheme is aimed to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The scheme provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to INR 37.62 Billion will be disbursed over a period of 8 years.

INDIAN ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY OVERVIEW

Overview of EMS (Electronic Manufacturing Services) Industry in India

Although the Indian electronic market, which is large, complex, and highly competitive, requires brands to be involved in all activities along the value chain, most brands focus on marketing and after-sales services, leaving manufacturing to Electronics Manufacturing Service providers. Inclination of brands to outsource manufacturing instead of building their own infrastructure is the driving factor for the growth of EMS market. Tier-2 brands are increasingly focusing on product localization, innovative product design and R&D. However, the extensive financial costs involved in setting-up manufacturing, capacity additions/expansions, R&D, manpower, etc. influences them to leverage EMS services. An EMS player with economies of scale is better positioned to accommodate frequent technology changes as it allows for better price negotiations with raw material suppliers. Aftermarket services provided by EMS companies also give brands a viable component in deepening their presence.

EMS / ODM Developments in India, 2017-2022



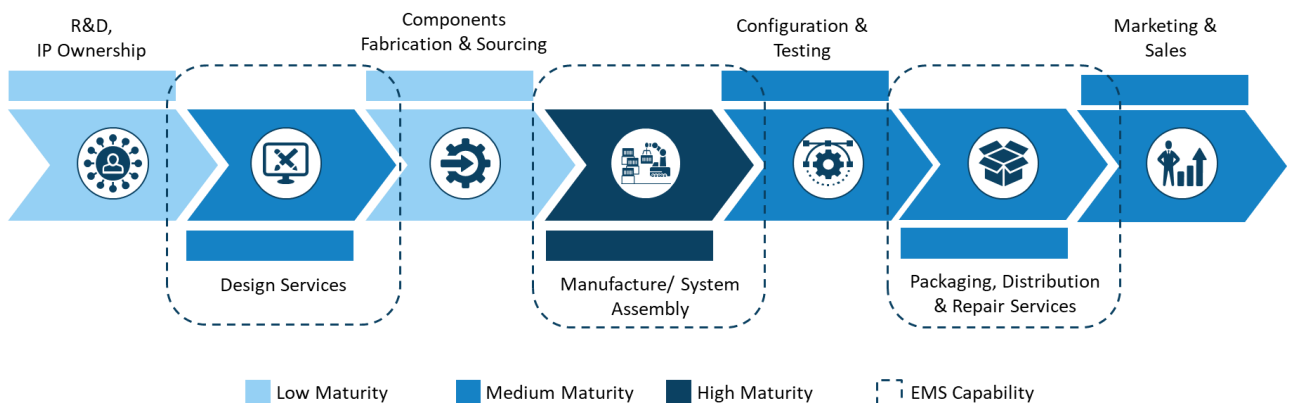
Source: Frost & Sullivan

There are more than 30 players in the organised market ranging from large, medium to small players. Major players are Flextronics, Jabil, SFO, Elin Electronics, NTL, Cyient, Syrma and Foxconn. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing/original equipment manufacturing. This acts as a win-win situation for both EMS players as well as brands; EMS players obtain higher margins through this model, and brands benefit by outsourcing manufacturing and design activities, enabling them to focus on other expansion activities. Embracing the ODM model of partnership with EMS partners, coupled with venturing into new product segments, is propelling the brands to pursue EMS engagement. High volumes will influence EMS to bring in the component ecosystem locally and enhance domestic capabilities for component sourcing, thus making the electronics ecosystem stronger. Elin Electronics is a leading EMS manufacturer of end-to-end product solutions for major brands of lighting, fans, and small/kitchen appliances in India.

Ambitious expansion plans and capacity augmentation of indigenous EMS players to capitalize favourable policy initiatives ensure that the EMS sector in India shall witness heightened growth in coming days. Also, India has done well in Electronics design and is slowly establishing itself as a design hub of the world. The next phase of growth in the design sector is characterised by growth of indigenous design companies creating their own IPs as against the erstwhile growth of outsourced captive design services companies. This, together with impressive, expected growth in EMS market, presents an opportunity for Design-led manufacturing.

Indian EMS Industry Value Chain Analysis

Value Chain of EMS Industry in India, FY21



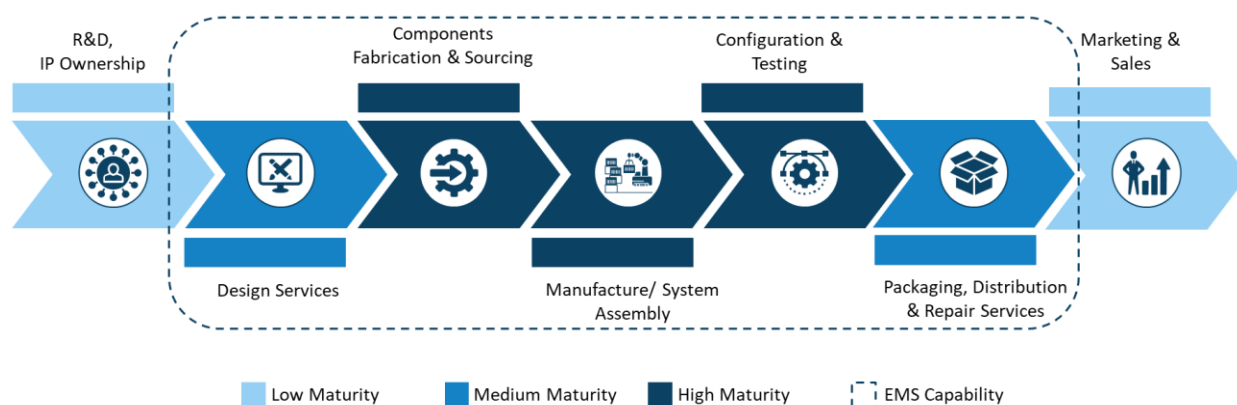
Source: Frost & Sullivan

Electronic manufacturers in India lack mature R&D set-ups due to large Capex investments and long gestation periods. Europe and the US continue to dominate R&D and IP ownership of related work. This has also been a factor that has restrained EMS providers from investing. Most MNCs hold their IP in the headquarter location (mostly located in the USA and Europe). However, India has a competitive edge in design services, since most such work is outsourced to cost-effective destinations (China, South Korea, Thailand). In terms of manufacture/ system assembly, India has an established set-up. Many EMS providers are slowly evolving to offer complete design services apart from contract manufacturing.

The country also has high maturity levels in packaging, distribution, repair, sales, and marketing functions to meet geographical standards and cater to local requirements. After-sales services which include repair and maintenance are fairly important for the Indian buyer as the use-and-throw perception is still not acceptable in the Indian electronics ecosystem. Many players like Dixon, Flextronics, etc. are offering after-market services like repair, refurbishment, logistics, vendor management etc.

Value Chain Analysis of Elin Electronics

Value Chain of Elin Electronics's Electronic Manufacturing Services, India, FY21



Source: Frost & Sullivan

There is a significant distinction between traditional EMS providers and Elin Electronics. A traditional EMS company focuses on component procurement, system assembly, and testing services. Elin has a high degree of backward integrated end-to-end product and solution suite to OEMs ranging from global sourcing, fabrication of component and parts, manufacturing and assembly, quality testing and packaging to logistics support. While Elin Electronics focuses on component fabrication and sourcing, which has a high maturity level (the company manufactures motors, sheet metal fabrication, and plastic components using moulding and die casting machines), system assembly is another key focus area. Configuration and testing are critical for Elin since it has a large client base and consumers will not approve items that have not been thoroughly tested. As a result, Elin Electronics has a full-fledged testing facility as well as robust inspection capabilities. Elin Electronics has also developed ODM (Original Design Manufacturing) capabilities to improve client reach. Concept design, prototype, and manufacturing are among its competencies, in addition to EMS.

Elin Electronics' capabilities which enable them to provide end-to-end solutions include:

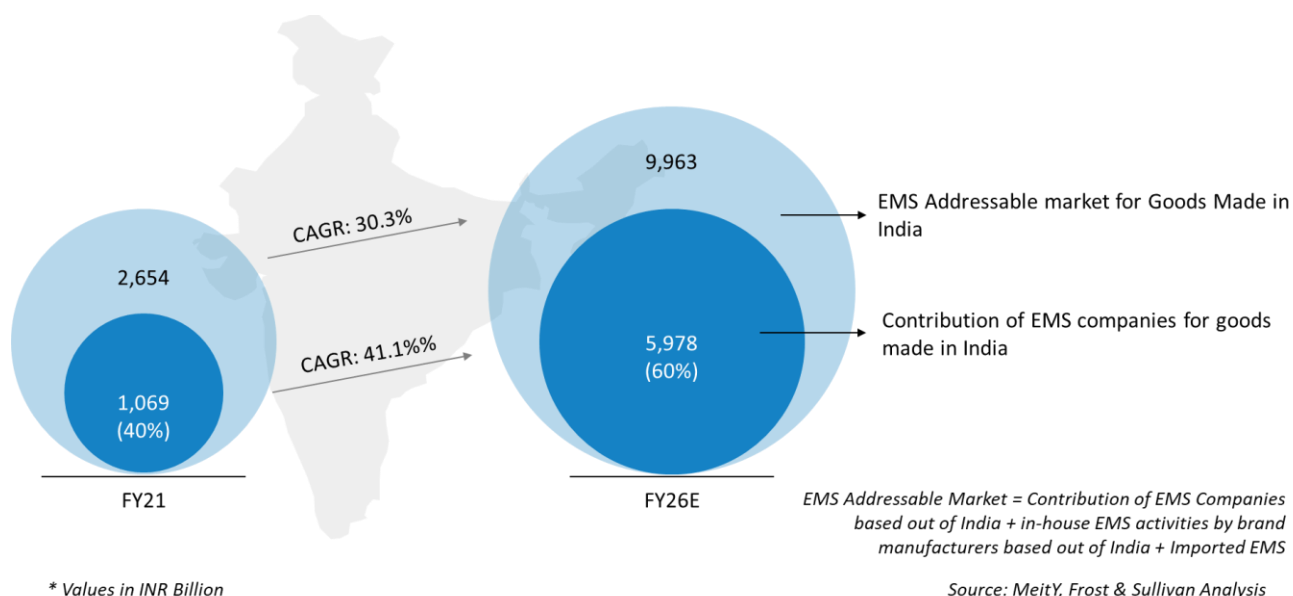
- **In-house manufacturing of components and sub-assemblies:** Elin Electronics has set up in-house manufacturing for die and mould, sheet metal components, plastic moulded components, aluminium die casting and surface coating.
- **State of the art manufacturing facilities:** Elin Electronics has modern, and state of the art manufacturing facilities equipped with high quality machinery, assembly lines and completed power backup. Its tool room has sophisticated machinery which produces best in class tools and dies which in turn supports best quality components and sub-assemblies.
- **PCB Assembly:** In house PCB assembly on Surface Mount Technology (SMT) is a critical part of Elin Electronics' manufacturing process and prowess. The company has 4 such fully automatic assembly lines.
- **Backward integration:** provides the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving its margins. It enables them to address customers diverse needs, introduce new and unique products in the market and enhances existing products with emerging technologies.

Indian EMS Industry Size and Growth Outlook

The total addressable EMS market in India was valued at INR 2,654 billion (USD 36 Billion) in FY21 and is expected to grow to INR 9,963 Billion (USD 135 Billion) in FY26 with a CAGR of 30.3%. However, the contribution of Indian EMS

companies is around 40%, which is valued at INR 1,069 Billion (USD 14 Billion) in FY21, which is expected to grow at 41.1% CAGR to reach INR 5,978 Billion (USD 81 Billion) by FY26. India is positioned as a destination for high-quality design work, not merely as a low-cost alternative. Many multinational companies have established and expanded captive centres in the country. Despite the fact that the establishment of EMS companies supported the economy by establishing domestic infrastructure and jobs, the Intellectual Property rights are owned by the global headquarters, hence contribution from ODM model is minimal in India. Most brands prefer engaging EMS partners for contract manufacturing, but the ODM model is slowly gaining traction in India, where brands collaborate with ODMs on product development. Many EMS players are gradually expanding to provide complete design services in addition to contract manufacturing/ original equipment manufacturing. Embracing ODM model of partnership with EMS partners coupled with venturing into new product segments is propelling brands to pursue EMS engagement. High volumes will influence EMS/ODM to bring in the component ecosystem locally and enhance domestic capabilities of component sourcing thus making the electronics ecosystem stronger.

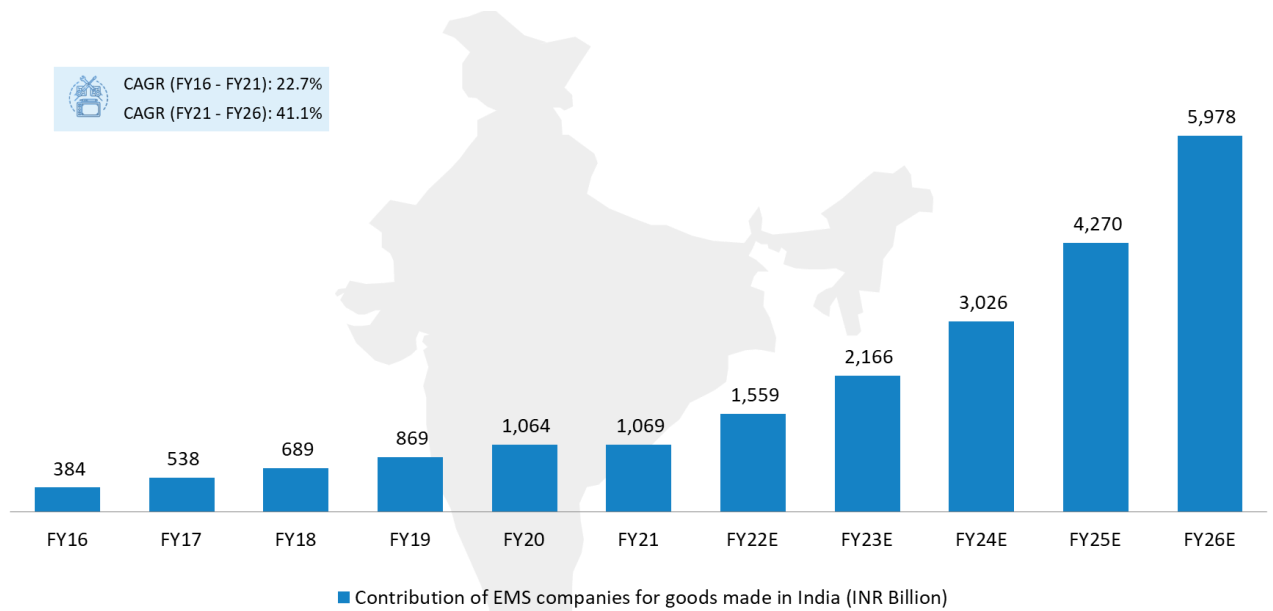
EMS addressable market vs. Contribution of EMS companies for goods made in India, Value in INR Billion, FY21 and FY26E



A strong consumer economy with increasing demand for consumer and industrial electronics has driven the Indian EMS sector into the forefront. Domestic electronics production in India has received a lot of attention from both industry and the government, owing to the necessity for import substitution. Favourable policy initiatives in recent years, as well as changes in the global manufacturing environment, have drawn attention to India as a preferred destination for electronics manufacturing investments.

Electronics have become more prevalent in the Indian EMS industry, and domestic demand for mobile phones, consumer electronics and appliances, medical products and automotive electronics offers a huge growth potential. Furthermore, increasing labour costs have indeed prompted large brands to favour India, where they outsource manufacturing rather than build their own infrastructure. The EMS market in India benefits from high domestic demand and production migration from other manufacturing hubs due to a variety of factors. Elin Electronics is a well-known EMS provider in India. It has established OEM and ODM skills. Lighting products, Fans, fractional horsepower motors, and small/ kitchen appliances are among the company's major products, as per revenue generated during the last three years.

Contribution of EMS companies for goods made in India , Value in INR Billion, India, FY16-FY26E

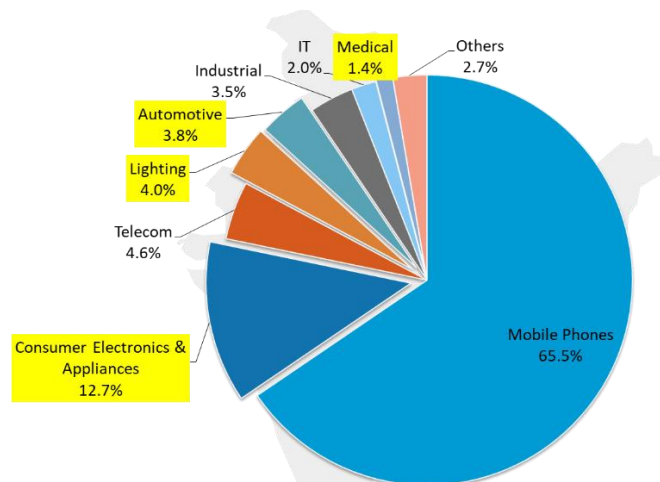


Note: E refers to Estimate

Source: MeitY, Frost & Sullivan Analysis

Indian EMS Market Break-up by Industry Applications (Focus on the segments where Elin Electronics Operates)

EMS Market break-up by Industry Applications, India, by Value in %, FY20



* Segments highlighted in yellow are the key business segments for Elin

* Others include: Aerospace & Defence, Energy, etc.

Source: Frost & Sullivan Analysis

Products included under each industry application:

- **Mobile Phones:** Smart Phones and Feature Phones
- **Consumer Electronics and Appliances:** Television, Air Conditioning, Washing Machine, Small appliances (Fans, Water Heater, etc.) and Kitchen appliances (Mixer-Grinder, Hand-blender, etc.)
- **Telecom:** BTS, GPON, modems, routers, servers, etc.
- **Lighting:** CFL, LED and LCU
- **Automotive:** ABS, AMT, Body Control Modules, Engine Control Unit, etc.
- **Industrial:** Energy meters, HMS, PLC, SCADA, Inverter, etc.
- **IT:** Computer, Laptops, Tablets, Printers, etc.
- **Medical:** All related medical electronic equipment
- **Others:** Aerospace & Defence, Data centre & Cloud Storage, Energy, etc.

The expansion of India's EMS industry is being fuelled by a variety of factors, including an increase in consumer electronics and appliances consumption as well as lighting segment. Other significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers. EMS companies are better positioned to adapt to frequent technology changes, and economies of scale allow for stringer pricing negotiations with raw material suppliers.

Consumer Electronics & Appliances (CEA) - In India, CEA has the largest market share after mobile phones. Sales are driven by rising income levels and technological innovation, since users tend to adapt to new technologies through early replacement. Untapped markets have been brought to the attention of consumer electronics companies due to digital technology and enabling connectivity infrastructure. Small and kitchen appliances account for a significant portion of the market size. With rise in demand of components, it is very likely that EMS and Tier-1 players would take steps to build a component base within the country.

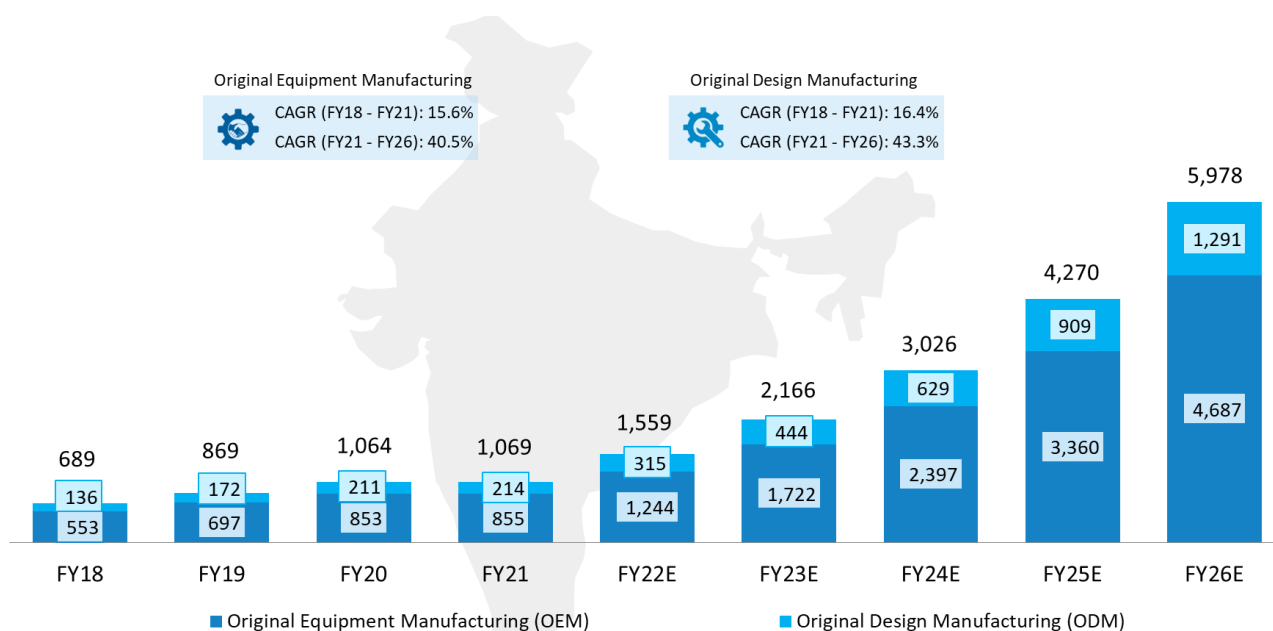
Lighting - The LED business is booming, and the government has designated LED as one of its strategic priorities. Smart lighting solutions would contribute to building management systems via wireless networking, as the Internet of Things (IoT) gains traction. The government's drive for LED lighting and measures to replace conventional CFL and GLS lights with LEDs is continuing. Till date, the Indian government has installed around 12 million LED lights as part of the Street Lighting National Programme.

Automotive - The demand for sheet metal and components for automobiles has increased in India in proportion to the growth in automobile demand. Government initiatives such as the Automotive Mission Plan, which aims to produce 940 million vehicles by FY26, are encouraging for the auto sector. This, in turn, aids the healthy growth of the Indian auto-components sector, resulting in an increase in sheet metal fabrication jobs where Elin has a presence.

Medical - With medical devices becoming relatively smaller, more complex, and “smarter” devices are expected in the market, thanks to the IoT. EMS companies have a fast-growing role in the growth of these advanced medical products. In reality, many of the technology developments in the medical device industry are electronics related. Medical device manufacturers are keen to take advantage of the fast-growing, data-driven consumer business by building the real-time multi-functionality into their products. Miniaturization, mobility, connectivity, data collection, and wearables usually require EMS.

Indian EMS Market Break-up by OEM vs. ODM

EMS Market break-up by OEM vs. ODM, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan Analysis

In the total EMS market, original equipment manufacturing (OEM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. As reference designs and specifications are provided primarily by the OEMs to EMS providers, there is not much scope for product differentiation. EMS companies are steadily shifting towards ODM models, giving full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. EMS providers have the expertise to procure and manufacture at faster turnaround times. Moreover, they are able to leverage their global footprint and easy access to local markets to deliver their customer products ahead of competitors.

In the ODM industry, innovation is critical to success. While cost reduction remains the major driver of EMS outsourcing, other factors such as improved design skills have contributed to ODM capabilities. Brands have realised the benefits of EMS providers serving as joint design manufacturers. Partnering right from the design stage results in significant cost reduction, as the initial stage sets the price of the end product. Increased competition has emphasised the importance of time to market. Brands are moving away from an era where they trailed behind demand to a scenario where they have to create demand in order to remain more profitable. The impact of this driver is expected to be high in the short and medium term, and to become very high in the long term.

High opportunity segments for Elin Electronics

Consumer electronics and appliances, Automotive and Lighting are some of the high opportunity segments for EMS companies in India, where Elin Electronics operates.

- Consumer appliances are seeing an uptake in the market. Design is a key differentiator while purchasing products for the millennial generation. To reach this market, EMS firms must focus on providing creative, beautiful, and integrated home solutions.
- LED lighting is another key growth area for EMS companies. Growth in LED lighting market is majorly driven by declining prices of LED lights, growing initiatives taken by the Government and rising concerns related to energy conservation. The government has classified LED lighting as one of the products with a strategic focus. In the coming years, the biggest applications are expected to be residential, street lighting, and commercial lighting.
- Small electric motors are directly distributed to brand manufacturers. A steady increase in the production of electric-motor-driven systems, such as small/ kitchen appliances, contributes to the growth of small motors. With rising electricity costs and increasing awareness of the benefits of energy-efficient motors, there is a sizable market for high-end/ premium energy-efficient motors.
- The medical diagnostic industry has grown steadily in recent years as a result of the rise in lifestyle diseases, expansion of healthcare facilities, and growing healthcare awareness. Adoption of new technologies and diagnostic methods are becoming more critical in order to maintain a healthy ecosystem. This upward trend has further boosted India's growth and market demand for medical diagnostics devices.

Growth Drivers and Challenges for Elin Electronics in EMS business

Key Growth Drivers for EMS industry

- Benefits EMS model brings to Brands
- China+1 Strategy
- Governments focus on Domestic Manufacturing
- BIS Certification
- Import Substitution
- Export focus through 'Make in India initiative'

Benefits EMS model brings to Brands: The increase in demand for electronic products has not been met by a corresponding increase in investment by brand manufacturers in their production facilities. This is due to the fact that they

have the choice of EMS providers, giving them a compelling incentive to create them locally. It is a value offer because of its low cost, rapid manufacturing turnaround, and aftermarket product support. The EMS/ODM companies, with their versatile capabilities in system designs, plastic moulding, PCBA, software engineering, and more importantly, manufacturing, encourage brands to increase the width of their partnership. Instead of investing in additional manufacturing facilities, brands collaborate with EMS providers to develop and manufacture specific models. The secondary benefit for EMS from such collaborations is the improvement of capabilities to handle fresh clients.

China + 1 Strategy: As the Chinese electronics contract manufacturing cost structure continues to be on the rise, so has the OEM customer interest amplified in moving the electronics production to the other countries having similar price, quality, and receptiveness. There is a new urgency now to examine practical alternatives to manufacturing in China given the tariff conflicts and the COVID 19 pandemic. Though, transferring production out decisions is not very straightforward. Sub-tier vendor incorporation of metal fab, plastics and other mechanical components all in China improve the product cost, efficiency, and the time-to-market. The enormous scale of the China market for end-products should also be considered. Along with other factors, OEMs are considering adding another country for additional production rather than replacing China entirely.

Governments focus on Domestic Manufacturing: The higher growth rate in India vis-à-vis the Global market is because of multiple factors: consistent local demand for Electronics products, Government's focus on domestic manufacturing, programs like Make in India and Digital India, which have led to increasing manufacturing investment in the country. The Make in India initiative, tax and duty support and Government support through policies, have been instrumental in encouraging new investment from EMS companies. As per the recent announcement made by electronic manufacturing services player Dixon Technologies is spending around INR 6 Billion under PLI scheme, to build a new facility in India to cater to the domestic and the global market in the coming year. Dixon is currently positioning itself as India's largest home-grown player for the electronics manufacturing.

European telecom dealers Ericsson and Nokia have conveyed their intention to increase existing manufacturing operations in India to support their worldwide supply chain. Local telecom component manufacturers VVDN Technologies, HFCL, Dixon, Coral Telecom and the Sterlite Technologies have also expressed interest in the PLI scheme of Government. India is expected to run a widespread outreach program with the support of "Invest India team" for the Production Linked Incentive scheme. Nokia and Ericsson is also going to target the BSNL big ticket 4G contract expansion after GOI dropped few clause which was earlier prohibiting them from bid participation.

BIS Certification: Importing electronics and IT products without the BIS registration is now currently prohibited in India. India is tightening the quality controls for the electronic products to restrain the rising import of the cheap electronic items, particularly from China, and boost the local manufacturing under its Make in India initiative. According to the DGFT notification, every business importing and selling the electronic products such as mobile phones, LED lights, etc. in India is required to register with the BIS for government clearance; failing to do so the imported goods would be re-exported back to its origin.

Earlier, the government had started the Electronics & Information Technology Goods Order in the year 2012 and mandated 15 electronic products under this category to have the BIS certification. These incorporated laptop, television, and notebooks among others. The order now encompasses to each imported electronic & IT product up for sale in the open market. New rules have got wider implications on the future imports of the electronic items to India – which imports closely 50 % of its entire electronic products sold in the market. The proportion of the electronic apparatuses imported for the manufacturing is even higher. Given India's enormous appetite for the imported electronic products, it is very important for the importers and the foreign manufacturers to get to every aspect of the compliance right. Failing to do so can actually prove to be very expensive and can also damage the business credibility.

Import Substitution: As per MeITY, electronic imports account for INR 3.8 Trillion (USD 55 Billion), which is 22% of the Total Electronics Market in India. Top products contributing to highest electronics imports are Engine Control Unit, FPD TV, Refrigerator, Set Top Box, Machine Tools, CCTV Cameras, Notebooks, Servers, Storage Devices, Home Automation Modules, Mobile Phones, Media Gateways, Enterprise Routers, Defence, Medical Devices and Smart Card & Reader. While reducing the dependence on imports on a long run with the mission of Atma Nirbhar Bharat, sourcing of electronic components should be met through local manufacturers, with the help of various incentives and policies.

Export focus through 'Make in India initiative': With larger focus on the CAPEX and R&D, Budget 2021 has given a strong push to the domestic marketplace, which holds very significant to India's economic growth. Presented encouragingly at the tail-end of the COVID 19 pandemic and at the inauguration of the vaccination drive, Budget 2021-22 lived up to the hope of being an exercise to push the growth. In the following two-three years, high real GDP growth rates is going to be a rare in majority of the economies as they gradually recover from the impact of the COVID 19 pandemic.

India has the potential to be one of the most attractive manufacturing destinations and support the objective of 'Make in India for the World'. The government and industry need to collaborate and drive initiatives to help India move among top 5 countries in ESDM production and top 3 in ESDM consumption. Many policy level initiatives are desired to be implemented in a fast-track mode. The effect of policies should be measured and evaluated against the desired objectives to re-check and refine at regular intervals.

Key Challenges for EMS industry

- Enhancing Local Value Add
- Supply Chain Realignment
- Component Manufacturing / Lead Time

Enhancing local value add: In India, the electronics sector faces cost disadvantages in terms of logistics and limitations in terms of local value addition. As the cost of value addition is increasing, it leaves domestic manufacturers at a competitive disadvantage and has stifled new investments in value-added manufacturing, keeping them heavily reliant on imports. The COVID crisis has highlighted the vulnerability of relying on global electronics supply chains. A notable example is the recent shortage of chips.

Electronics ecosystem can be improved by simplifying procedures. To position India as an attractive business destination, the government must reduce the burden of additional taxes on start-ups and strengthen the IP protection framework. Sub-assembly modules and final goods assemblies are currently occurring in India and are very lucrative opportunities. Even though China, Japan, and South Korea presently dominate component manufacturing, India has shown tremendous promise and is on track to create a large component manufacturing base. Elin Electronics' state-of-the-art manufacturing facilities and assembly lines provide high-quality components and sub-assemblies.

Supply Chain Realignment: Local availability of components and chip fabrication are primary activities that determine the strength of a country's electronics manufacturing ecosystem. India has a very limited component supplier base; a majority of the high-value and critical components are imported. Components that are predominantly imported include ICs, PCBs, and other active components. As supply-chain resilience and localization are becoming more significant, India has had to take the necessary steps to improve the domestic value chain capability for long-term benefits.

Component Manufacturing/ Lead time: Companies in the industry should take initiative to locally source a minimum quantity of key components which are currently imported (fully or partially). Criteria on minimum quality standards and sourcing price should be set up for such an engagement. This will help component manufacturers plan and develop scale advantage. The demand for motor-driven appliances including small and kitchen appliances is on the rise. Most of the mechanical components like motors are sourced locally in India. The evolving motor manufacturing ecosystem will benefit the electronics industry by facilitating local sourcing and lower cost of products. Prices are falling as a result of increased competition, and new and additional manufacturing facilities are set to open, boosting demand for household appliances. This will increase the demand for FHP motors in India.

India has limited capacity in local manufacturing of PCB with significant gaps with flexible, HDI and multilayer PCBs. Indian manufacturers find strength in rigid multilayer range and are limited by their scale. Brand manufacturers, at present, are importing already designed and manufactured PCBA from third party suppliers. PCBA design and assembly will further help in development of component ecosystem.

Advantage India: An emerging destination for Electronic Manufacturing, companies like Elin Electronics likely to benefit from this development

India has long been seen as a high-cost destination with a challenging business environment. In recent years, India has risen significantly in the global rankings to become a favoured investment destination. Previously hampered by poor demand and value addition, India's electronics sector was not regarded as a top destination by decision makers. With the recognition of electronics as a key segment for policy focus, this situation has changed. The National Policy on Electronics (NPE) emphasised local value addition and created an enabling environment. The shift in government in 2014, and its unwavering focus on manufacturing through Make-in-India policies, attracted the interest of both global and domestic companies.

India has been able to take advantage of its demographic dividend while also introducing much-needed flexibility in its manufacturing policies. The conscious efforts to attract global investors have resulted in a growth in FDI as well as investor confidence. The following driving factors contribute to India's increasing preference for electronics manufacturing:

- Stable political government that assures global investors on consistency in policies
- Rising cost of labour in China while India is still at a lower end of this cost
- Creation of National Manufacturing Zones (NMZ), Electronics Manufacturing Clusters (EMC), close coordination between centre and states for investment promotion
- Investment by EMS companies
- Duties and tariffs to discourage imports and encourage domestic value addition
- Digitalization that accentuates demand for select products

Success stories of key EMS companies in India

Jabil Circuit India Pvt. Ltd.



Jabil Inc., a global EMS provider, was founded in 1966 and is headquartered in Florida, USA. The company operates in more than 100 locations globally, across 30 countries. Similar to leading EMS companies, Jabil has a breadth of service portfolio to support diversified customer requirements, from design to aftermarket sales (besides manufacturing) through the entire product lifecycle. Jabil is one of the few companies that cater to a broad set of industry verticals. The verticals served by the company include appliances, automotive, capital equipment, energy, industry, buildings, healthcare, and lighting to mention key vertical. Such a broad portfolio hands it the competitive edge in the market to sustain revenue growth, a large customer base that increasingly requires cross-vertical expertise due to digitization and gain in technological expertise that is necessary for EMS companies to innovate and grow in the future.

Success Story of Jabil India

Presence in India: Established in the year 2005 in India, Jabil is involved in the manufacturing of various products ranging from the energy meters, power supply unit circuit breaker & PV modules to the imaging devices along with consumer electronics and lighting products. Indian manufacturing unit of Jabil is situated in the Industrial Development Corporation Industrial Zone of Ranjangaon in Pune, which at present houses manufacturers from an extensive variety of business, because of the easy access to both the sea and the airports. Jabil India specializes in high-mix and low volume manufacturing, in tune with highly specific requirements of the Indian electronics companies.

Business strategy: Jabil's high velocity business primarily focuses on getting the business ideas from 'concept to market' in fastest time possible. Jabil focuses on the faster time to market by providing industries with the product design, materials know-how, validation, and the supply chain management, along with after-market services.

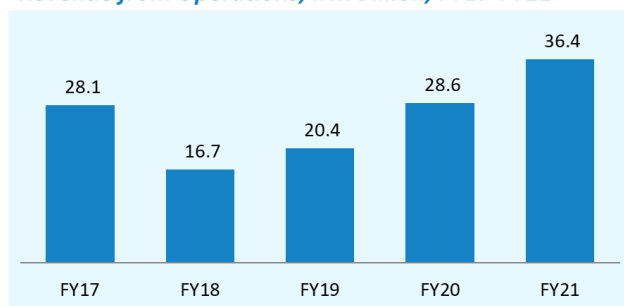
The company has strategically designed its supply chain to reduce the risks. Jabil remains very cost-competitive within the marketplace while providing the customers with an additional benefit - supply chain risk easing. The company keeps up a refined and comprehensive supply chain tracking method & supplier database, allowing for a detailed supply chain evaluation. It is only during the supply chain assessment that supply chain issues are rapidly identified and adjustments are made.

Strengths: Jabil has made investments in technologies for factories of the future, including a network of connected factories, AI to analyse data in real time, and 3D printing. It has a resilient supply chain that weathered the impact of COVID-19. Its diversified vertical portfolio with a proportionate revenue mix helps sustain growth. It has a comprehensive design service portfolio, including chips, PCBAs, plastics, and other mechanical designs.

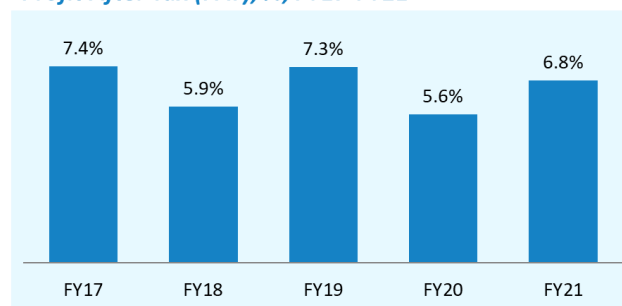
Future plans: Jabil announced plans to invest INR 20 billion in Pune by 2021, with plans to expand into smartphone, home appliances, mobile spare parts, and food packaging.

Revenue growth: Jabil has a presence across key industry applications and has revenue of around INR 29 billion in FY20. The company has grown multi-fold since its inception. In the last 3 years, the company has grown at a CAGR of around 16%. India's revenue contributes to nearly 5% of the global revenue of Jabil Inc.

Revenue from Operations, INR Billion, FY17-FY21



Profit After Tax (PAT), %, FY17-FY21



SELECT PRODUCTS IN INDIAN ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY

Summary of Elin Electronics’s Key Product Segments and Market Position, India, FY21 and FY26

Segment	Total Domestic Market					Total Domestic Production			Domestic Production by EMS			EMS Share of Production		Elin’s Market Position
	FY21	FY26E	CAGR %	Brand Leader	Customer of Elin	FY21	FY26E	CAGR %	FY21	FY26E	CAGR %	FY21	FY26E	
Small Appliances	73	99	6.3%	Philips	Yes	47	83	11.7%	18	43	19.2%	37%	52%	10.7% (Top 5)
Small Electric Motors (FHP)#	23	41	12.4%	N/A (Sold as input)	N/A	17	36	16.0%	N/A			N/A		12.0% (Market leader)
LED Lighting	125	359	23.5%	Signify	Yes	77	319	35.2%	35	229	45.8%	45%	72%	7.2% (Top 2)
Flashlights	5	7	6.7%	Eveready	Yes									
Fans	121	222	12.9%	Crompton	Yes	115	219	13.7%	40	103	20.6%	35%	47%	0.6% (New Entrant)

* All values in INR Billion

Elin supplies small electric motors under its own brand name

Source: Frost & Sullivan Analysis



Small Appliances

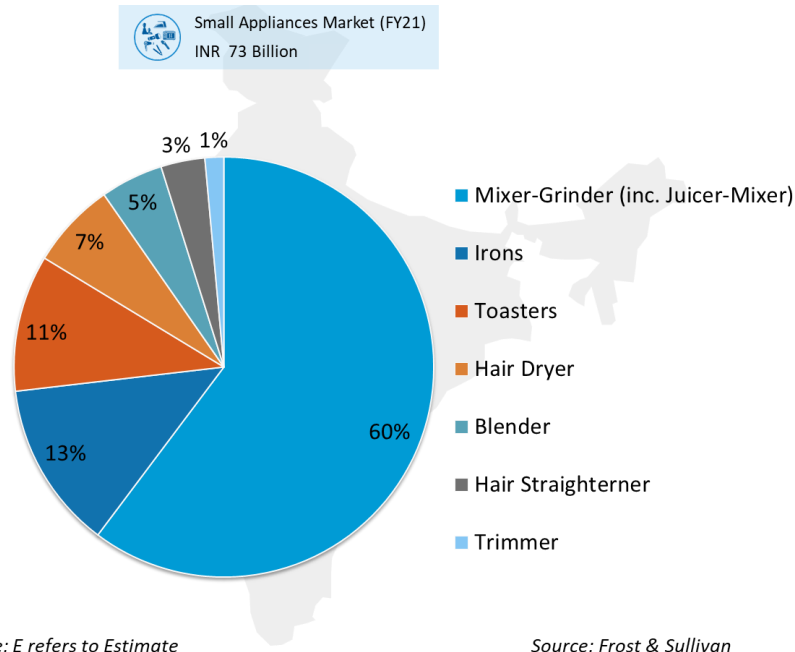
List of products considered under Small Appliances

Toasters, Irons, Mixer Grinders (Juicer mixer grinders), Hand Blenders, Hair dryer, Hair straightener and Trimmer

Small Appliances: Industry Overview

An increase in the consumer electronics and appliances market in the country has boded well for the small appliances market, where products made specifically for the Indian market are expected to have higher sales. Growing rural consumption, electrification which is increasing at home post COVID 19, rising urbanisation, shorter replacement cycles, increased penetration of lifestyle appliances, and availability of many brands at various price points have all contributed to the market's development over the last five years. According to industry experts, the small/kitchen appliance market will grow at a considerable pace for the next few years as domestic demand rises. The large young population with explorative mind-sets will overcome the challenge of price sensitivity, and products with high-end features will be preferred by the consumers. Among the select set of product categories in small appliances, mixer-grinders (including juicer-mixer) and electric iron contribute to nearly 73% of the market share.

Small Appliances - Market split by product category, Value in INR Billion, India, FY21



Small Appliances: Key Drivers

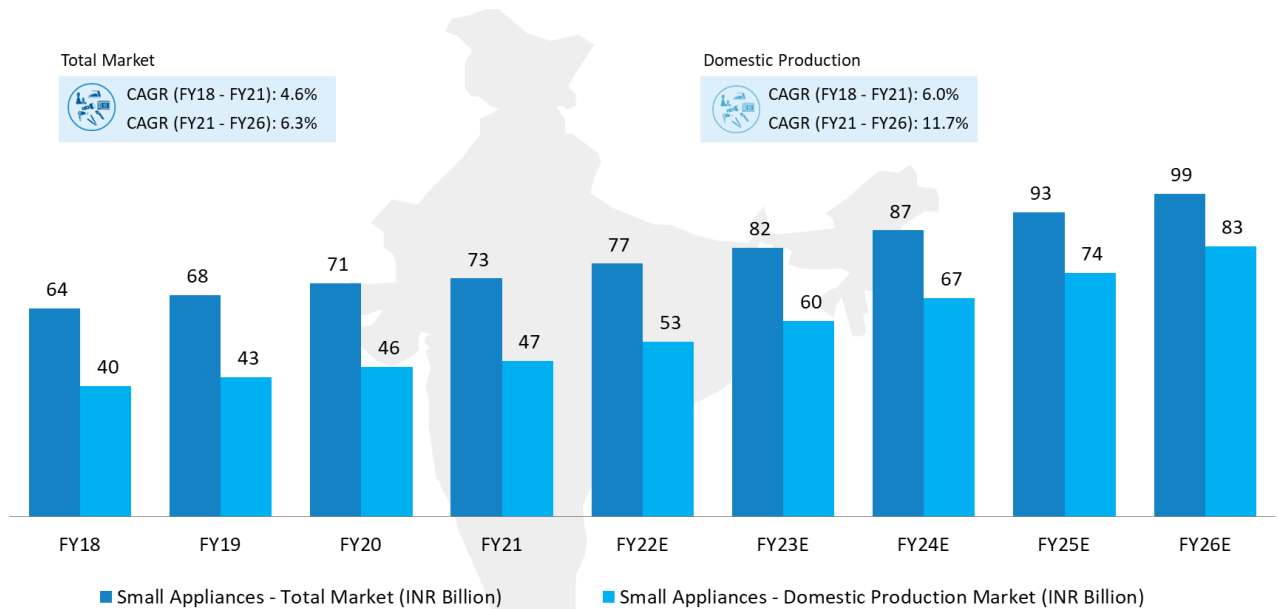
- E-commerce and retail marketing initiatives such as the exchange programs, bundled offers, attractive discounts, freebies, and extended warranty services are attracting this market.
- The under penetrated semi-urban/ rural market is expected to be the critical demand trigger for the small appliances market in the next few years on the back of rising incomes and electrification.
- The government has offered various incentives to attract companies to manufacture in India. Policy initiatives such as Make in India will further boost the domestic manufacturing.
- With 100 % FDI, the appliances industry is witnessing the acquisition / investment by foreign brands.

Small Appliances: Key Trends

- Technological evolution is transforming the small appliances market, especially with connected/ smart home applications.
- Suppliers style their products as per the evolving trend of appliances as perceived more as lifestyle defining, especially among affluent, urban consumers. Sleek design, neutral colours, and matte finishes add to the appealing factor.
- Changing urban lifestyles with nuclear families and increase in the participation of men in kitchen activities have led suppliers to develop products that are small and convenient for usage.
- Many manufacturers are planning to build their manufacturing base in India owing to the availability of low-cost labour in the country.

Small Appliances: Overall Market Size

Small Appliances - Overall Market Estimates, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

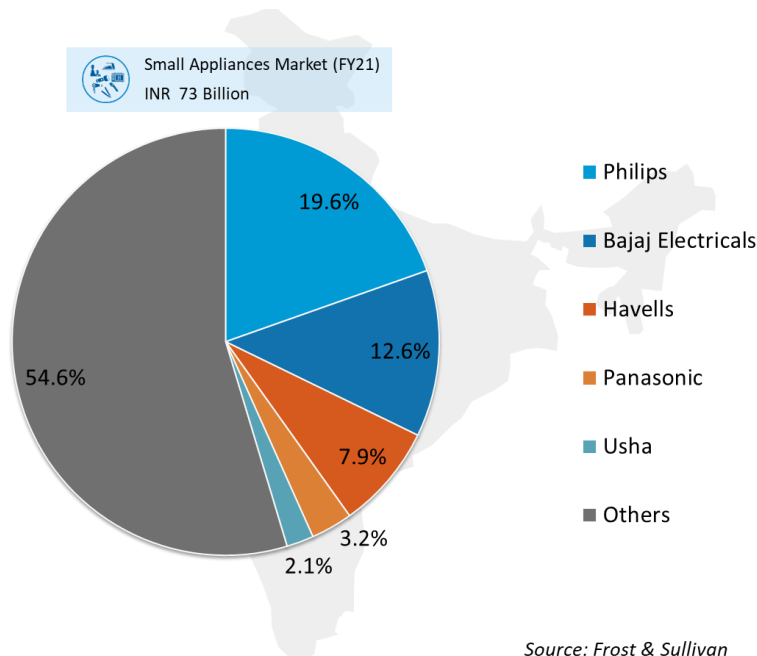
Source: Frost & Sullivan

Marketing efforts by suppliers have created awareness about efficiency and the benefits of small cooking appliances among consumers. Rising urbanisation will enable more volume sales, as consumers may purchase multiple products as per their lifestyle. New kitchen appliance products in the Indian market such as juice extractors, coffee makers, and electrical kettles will grow by value, due to increasing preference towards brand image for experimentation.

Around 65% of the market is currently met through domestic production. Products such as mixer-grinder, electric iron, and juicer-mixer have more than 70% domestic production. Emerging products such as trimmers, hair dryers, and hair straighteners are predominantly imported and have less than 10% of domestic production. As Elin Electronics is entering the electronic beauty products market, there is a huge opportunity to address the domestic demand. The market is expected to grow as more players may follow in the future with the help of various government initiatives and foreign brands entering the Indian market. The segment also has a significant export opportunity as India has a unique set of products which is globally accepted.

Small Appliances: Market Share Mapping

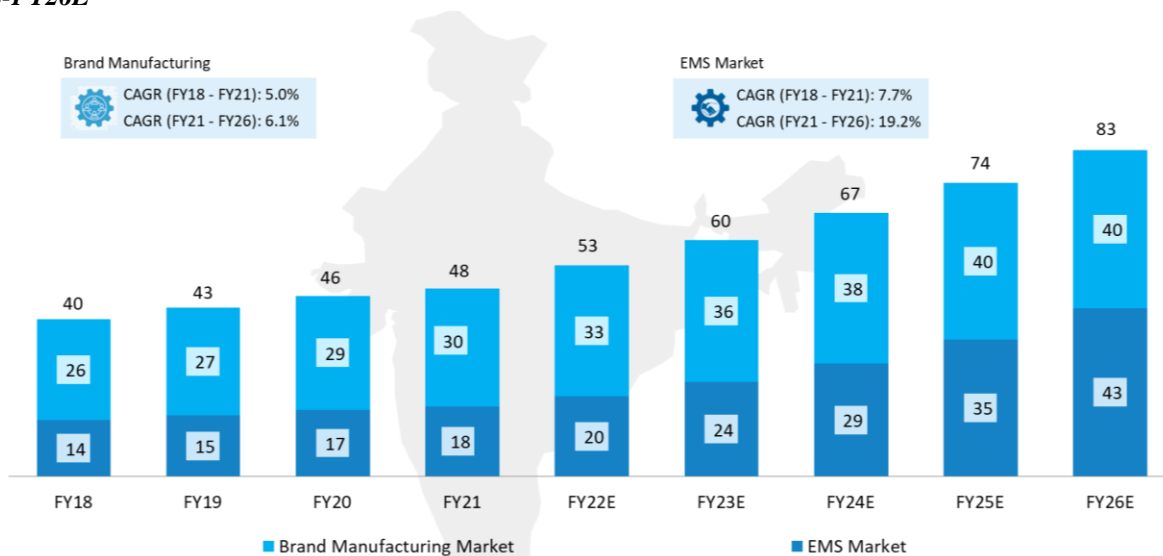
Small Appliances - Brand Market Share by key players, Value in INR Billion, India, FY21

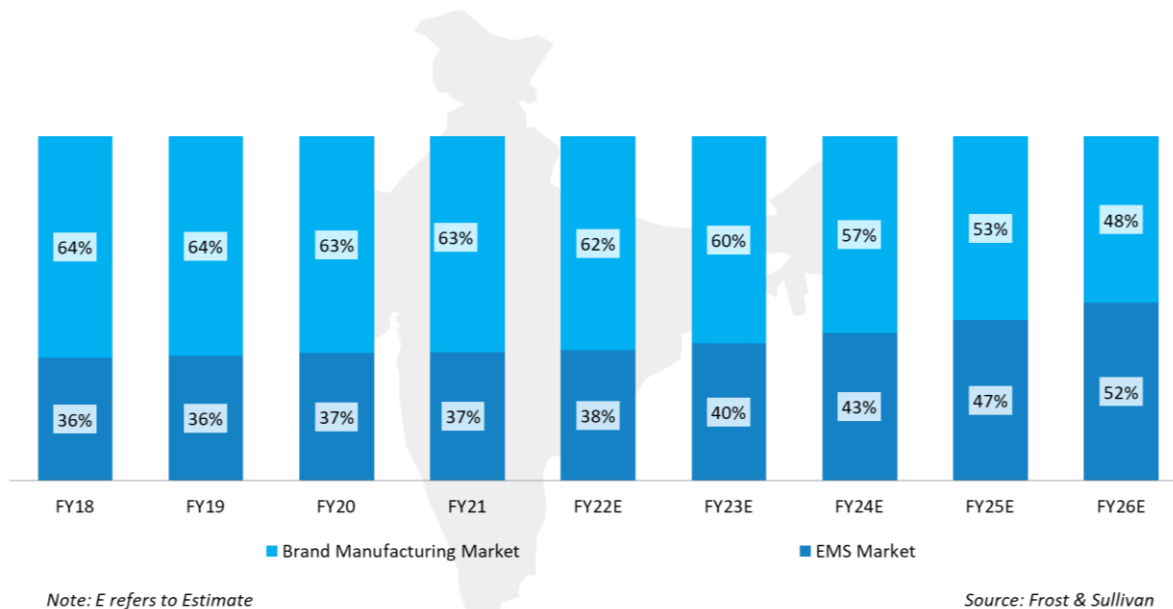


Brand visibility varies by product category within small appliances. Philips, Bajaj, Havells, and Panasonic are present in practically every product category analysed, accounting for around 40% of the chosen small appliance market. Philips is the market leader, with a share of around 19.6%; also, it is a significant brand partner for Elin Electronics. As a result of its increased focus on the local market and adoption of the "Make in India" policy, it has teamed with Elin Electronics to increase its market share. Brands own a substantial market share for products such as mixer-grinders and electric irons. They are gradually transitioning to outsourcing to EMS providers.

Small Appliances: Market Split EMS vs. Brand Manufacturing

Small Appliances - (a) Market Split (b) market share by EMS vs. Brand Manufacturing, Value in INR Billion, India, FY18-FY26E





Manufacturers are gradually taking advantage of the government's initiatives and incentives for local manufacturing. It is a critical factor in reducing manufacturing-to-market time and transportation costs. The majority of supply is now fulfilled through brand manufacturing, with EMS accounting for approximately 37% of total output in FY21. This percentage is expected to grow faster as more brands transition to contract manufacturing. By FY26, the EMS market is expected to grow at a 19.2% CAGR to account for 52% of total production. While the opportunity will be met across the market, certain product categories, such as mixer-grinders, chimneys, and electronic beauty products, offer a greater opportunity for EMS companies, as only a few players, such as Elin, currently have manufacturing capability in the market.

Small Appliances: EMS Market Share Mapping

At present, few firms serve the EMS market for small appliances, particularly in the supply of box build and other OEM requirements. Going ahead, EMS providers are developing end-to-end solutions for the brands. Elin Electronics, Smile Electronics, PG Electroplast, Indic, and a few more are among the market's key players. In this category, Elin Electronics has a considerable presence with 10.7% market share in FY21. Philips, which is the market leader in the category, as well as other prominent brands such as, Bosch, Faber, Panasonic, and Usha are among Elin Electronics' key clients for small appliances.

Products will continue to evolve in the Indian small appliances market. With increased technical infrastructure to enable connected devices, smart sensors, and other features of a product, adoption of new goods will be rapid. Constant product innovation that is matched with consumer desires and supplied at competitive rates is critical for success. High-end suppliers may choose to carve out a niche by incorporating novel features into select products.



Small Electric Motors

List of products considered under Small Electric Motors

Electric motors (under 1HP / 750Watts), used in applications such as Mixer Grinders, Hand Blenders, Air Conditioners, Air Coolers, Refrigerators, Fans (Ceiling, TPW & Fresh Air)

Small Electric Motors: Industry Overview

Fractional Horsepower Motors (FHP) are those motors whose power rating is less than one horsepower, and they can operate either on direct current (DC) or alternating current (AC). FHP motors are primarily used in low-voltage power applications; especially in small appliances such as electric fans, mixer-grinder, and juicer mixer are the key products, which has more usage of FHP motors. Indian motor market is highly price competitive. However, customers are willing to pay for value-added services that help them optimise operational cost in the long run.

Small Electric Motors: Key Drivers

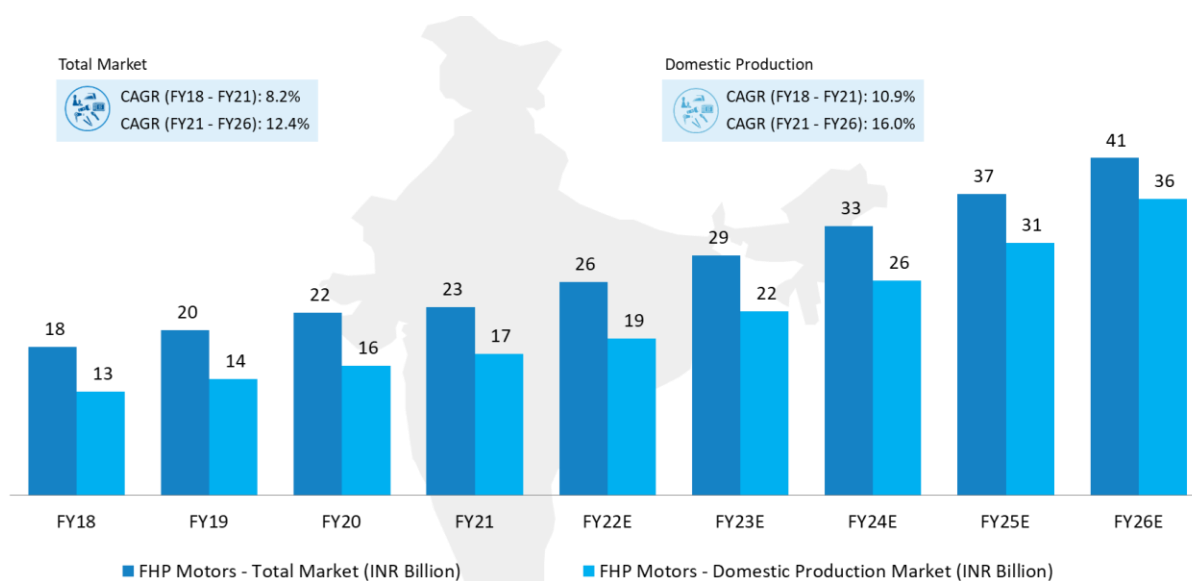
- Rising disposable incomes in both urban and rural India has led to an increase in the demand for motor-driven small/kitchen appliances.
- Electrification across India, decreasing prices due to increasing competition and upcoming new and additional manufacturing facilities to boost the demand for household appliances will increase the demand for FHP motors in India.
- Government initiatives such as Power for all and Housing for all programmes are some of the key drivers. One of the drivers for growth in the motor-driven small/kitchen appliances market in India is the Pradhan Mantri Awas Yojana, in which affordable housing will be provided to the urban poor.

Small Electric Motors: Key Trends

- Consumer sentiment remained positive despite a slowdown caused by COVID-19. Small appliance demand is increasing, owing to the rise of the work-from-home culture, which has resulted in a major increase in sales and is driving the expansion of small motors.
- With rising electricity costs and growing awareness of the benefits of energy-efficient motors, there is a significant market for high-end and premium energy-efficient motors.

Small Electric Motors: Overall Market Size

FHP Motors - Overall Market Estimates, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan

Cost of motor by product category, in %, FY21

Product Category	Motor cost (%)
Ceiling Fan	51%
Fresh Air Fan	48%
TPW Fan	45%
Mixer Grinder	35%
Hand Blender	35%
Hair Dryer	40%

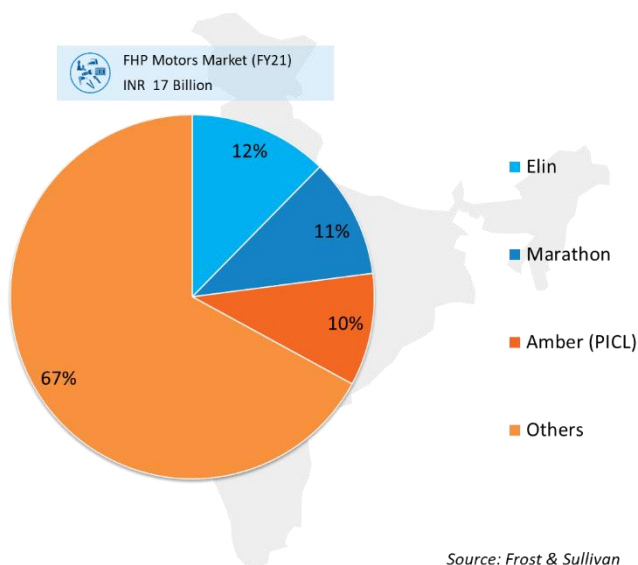
India manufactures more than 70% of select product categories. As a result, there is a healthy demand for FHP motors in India's domestic manufacturing market. Suppliers of FHP motors are expected to expand their market share as these motors find new applications as new appliances gain popularity. The demand for FHP electric motors will increase marginally over the next five years; increase in the demand for household appliances is expected to be a major driver. Reliability and insulation aspects with competitive price are the keys to success in FHP motor market in India.

Small Electric Motors: Market Share Mapping

The FHP motor market in India is addressed by around 15 companies. Elin, Marathon, and Amber (PICL) are the top 3 players in the market. Elin Electronics' aggressive marketing has helped them to gain considerable market share and emerge as one of the largest players in the FHP motor market in India. Some of the other key players addressing this market include Advanced Group, Bharat Bijlee and

Crompton Greaves. Elin Electronics is one of the largest fractional horsepower motors manufacturers in India. Based on its overall market, Elin projects to be the largest players in this category, with a market share of 12 % in FY21.

FHP Motors - Market Share by Key players, Value in INR Billion, India, FY21



Elin Electronics manufacture products which are used by its customers across various sectors. Further, its customer base (300+ customers) includes marquee MNC (Bosch, Faber, and Philips) and domestic companies (Havells and Usha), which helps them to balance out any impact or risk incurred with respect to any single product or customer. Elin Electronics serves its customers across multiple product segments (e.g., Philips for motors and appliances, Bosch for motors and appliances, Panasonic for motors and appliances etc.). Further the company's ability to cross sell its products for varied uses has also helped to avoid any risks associated to supply demand mismatch. It is also able to develop designs which are customised to customer specifications and requirements through the ODM vertical.



LED Lighting and Flashlights

LED Lighting and Flashlights: Industry Overview

After a century of dominance by incandescent bulbs, halogen and CFL lights, LED lights have become the norm in the Indian lighting industry. LED lighting was introduced to the Indian market in 1993. Since then, it has taken the market by storm, with both the government and commercial segments witnessing phenomenal growth. Energy-efficiency initiatives are gaining momentum in India currently. As local demand rises, LED lighting manufacturers are strengthening their capabilities across several activity streams. EESL efforts such as UJALA and SLNP provide vendors with pricing leverage with component suppliers, allowing them to drastically reduce product costs. The street lighting segment will be the biggest application for the next few years. Pure-play LED lighting companies are a dominant force in the Indian market. The distribution structure currently involves distributors, consultants, Energy Service Companies (ESCOs), and contractors.

The Indian flashlight market, on the other hand, is quite substantial, particularly in rural areas. Although the industry has only witnessed moderate development in recent years, it is gaining traction with the introduction of LED and rechargeable flashlights. The top five players are well-organized, whereas the rest of the market is fragmented and prone to imports. The organised market has introduced goods with strong light, long beam luminous, multi-features, long durability, and compactness, allowing them to dominate the market.

LED Lighting and Flashlights: Key Drivers

- Initiatives by Government to boost energy-efficient lighting in India, such as Unnat Jyoti by Affordable LEDs for All (UJALA) and LED Street Lighting National Programme (SLNP) spearheaded and implemented by Energy Efficiency Services Limited (EESL) have expanded the LED market in India. Also, India-specific technical standards such as BIS have helped eliminate the presence of sub-standard products in the market.

- A better ROI has been observed with LEDs, which are rapidly replacing conventional lighting in key applications. LEDs also have low maintenance costs and a high light output.
- Decline in raw material prices is expected to result in similar price reduction in LED lighting products even when there is an anticipated sequential rise in the efficiency and performance of products. The LED prices have dropped from INR 700 per piece in 2014 to nearly INR 70 per piece in 2021.
- Demand from smart and safe city projects is expected to lead the growth in the market.
- The nuclearization of families leads to a rise in the number of households, which is supposed to boost demand and, ideally, result in a direct increase in LEDs.

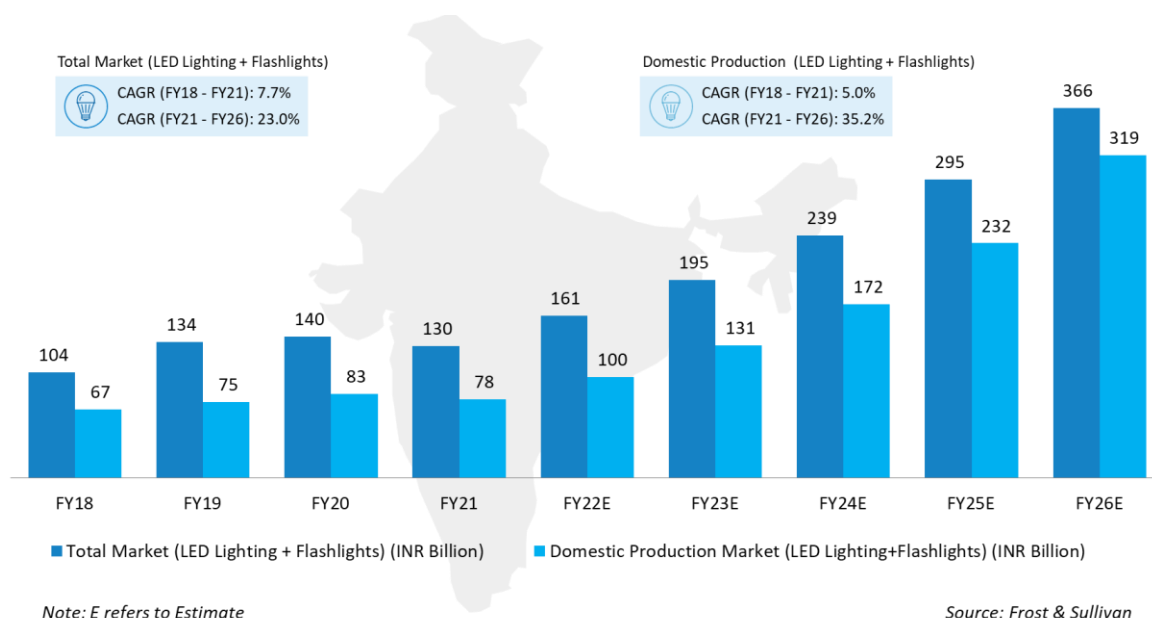
LED Lighting and Flashlights: Key Trends

- Modern buildings comprise lighting arrangements that includes daylight, occupancy, and time scheduling on/off sensors. The wireless LED lighting systems supports these requirements.
- The Indian real estate market has always been in a state of flux, owing to changing economic and legal conditions. The LED market in India is growing as a result of the real estate sector's performance.
- Smart street lighting is likely to see a strong growth in coming years. Adding presence detection to outdoor lighting, allows it to operate in a low-intensity state until sensors detect approaching traffic.
- LiFi is a wireless optical networking technology that uses LEDs for data transmission. Although still in trial stages, it could drastically change the landscape of internet connectivity and lighting.
- Wireless bonded LEDs provide superior light performance when compared with traditional LED technology.

LED Lighting and Flashlights: Overall Market Size

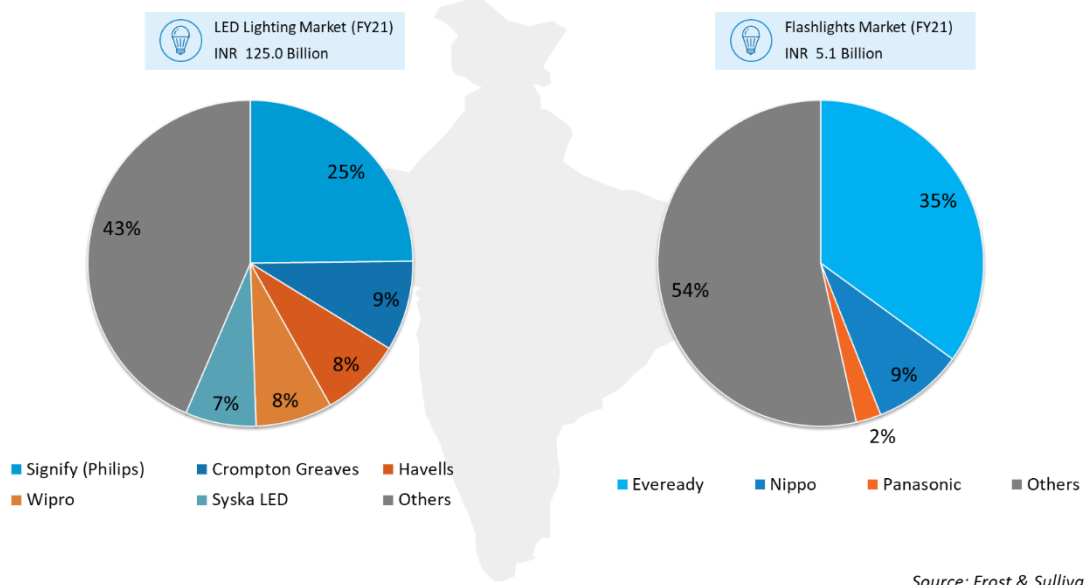
The LED lighting and flashlight industry in India has tremendous growth potential. The market was valued at INR 130 Billion in FY21 and is expected to grow at 23.0% CAGR to reach INR 366 Billion in FY26. The LED lighting industry in India is undergoing a paradigm shift as a result of this next-generation transformation. In the near future, consumers will adopt intelligent, smart lights, which are connected and act as IoT devices. The future of the industry will be driven by technologically advanced products, such as smart lighting systems and IoT-based lighting solutions.

LED Lighting and Flashlights - Overall Market Estimates, Value in INR Billion, India, FY18-FY26E



LED Lighting and Flashlights: Market Share Mapping

LED Lighting and Flashlights – Brand Market Share by key players, Value in INR Billion, India, FY21



Source: Frost & Sullivan

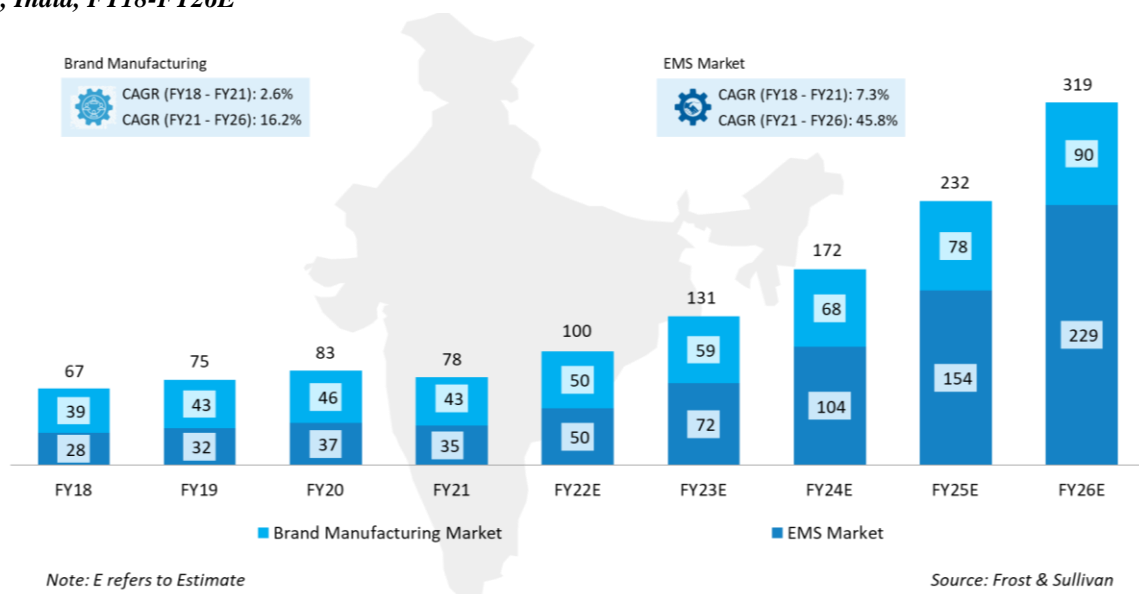
To stand out from the competition, companies must stay on top of emerging technology and create innovative products. Creating advanced smart LED lighting solutions in partnership with the proper technology supplier is critical to the expansion of key players in the Indian marketplace. India's suppliers have enormous opportunity to localise and improve efficiency, which can translate into savings for customers in the coming years.

With a combined market share of 57%, prominent brands such as Signify (Philips), Havells, Wipro, Syska LED, and Bajaj dominate the majority of the market in LED lighting. Surya Roshni, Orient Electric, Halonix, and MIC electronics are some of the other major competitors in the industry. Elin Electronics is one of key vendors for Signify, having a very good potential for the future market.

Within Flashlights segment, Eveready is the market leader, which is a key client for Elin Electronics. Other prominent players in the category include Nippo and Panasonic.

LED Lighting and Flashlights: Market Split EMS vs. Brand Manufacturing

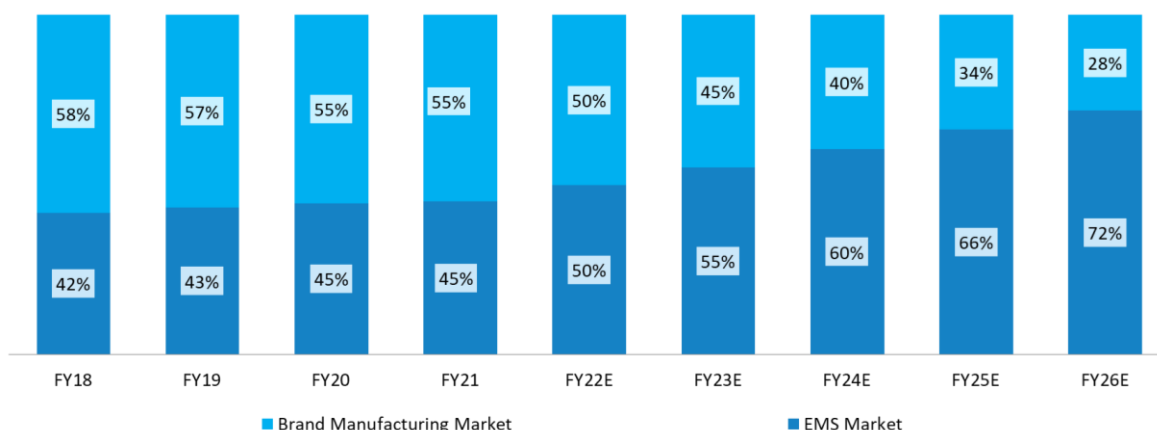
LED Lighting and Flashlights - (a) Market Split (b) market share by EMS Vs. Brand Manufacturing, Value in INR Billion, India, FY18-FY26E



The lack of local LED fabs necessitated reliance on imports, and India's assembly and other component production skills were originally restricted. Off lately, LED lighting supply chains are being developed slowly, with a low dependency on

downstream material imports. This helps to keep expenses and pricing in control. In the Indian market, pure-play LED lighting firms are a dominant force.

EMS is essential since many manufacturers outsource their LED lighting manufacturing to EMS companies. In the forecast period, the EMS market has a significant development potential. The EMS market in the total manufacturing is around INR 35 Billion in FY21 and is expected to reach INR 220 Billion in FY26, at a CAGR of 45.8%.

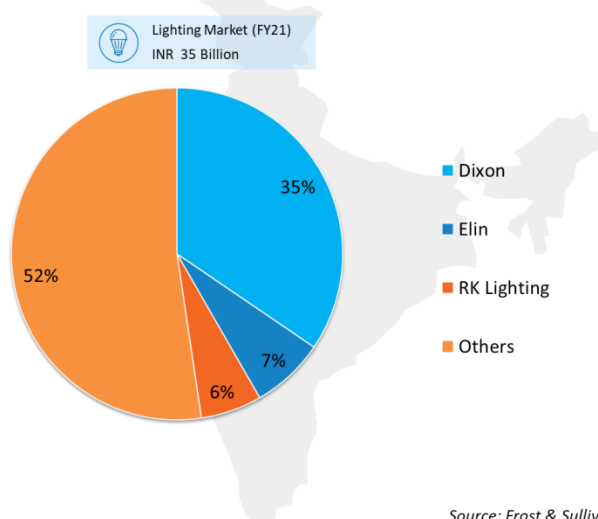


Note: E refers to Estimate

Source: Frost & Sullivan

LED Lighting and Flashlights: EMS Market Share Mapping

LED Lighting and Flashlights – EMS Market Share by key players, Value in INR Billion, India, FY21



Source: Frost & Sullivan

Major LED lighting EMS player present in the Indian market are Dixon, Elin Electronics and RK Lighting which combined hold a market share of ~91%. The other key players present in the EMS space are Century LED, Compact Lamps and Goel Lighting to name a few.

Elin Electronics is a leading manufacturer of end-to-end product solutions to OEM customers, electrical and electronics equipment in India and currently within top three spots in LED manufacturing in EMS market in India. Key clients in this category include Signify (Philips) and Eveready. Elin Electronics has a full-fledged R&D setup that has been approved by the DSIR of the Government of India. This department assists with the conceptualization and development of all existing and new products. It also aids in cost reduction across the product line through value engineering.



Fans

Fans: Industry Overview

The increased electrification of rural India, a growing demand for premiumisation and aesthetic appeal, housing sector boom, the Internet of Things (IoT), and energy-saving technology are the primary factors driving the Indian fan market's growth. The construction sector in India is expected to grow at a rate of 7-8 percent per year over the next decade. The 2016 Real Estate Regulation and Development Act (RERA) increased market transparency, resulting in increased investment. The long-term impact of this demand is expected to be moderate, particularly following the impact of COVID-19. Demand from the residential segment is expected to increase.

Fans: Key Drivers

- The demand for fans is likely to increase, with the rise in temperature. As per a recent study by the Ministry of Earth Science, on the Assessment of Climate change in India, the average temperature has risen by around 0.7 degree Celsius.
- The demand for ceiling fans has been rapidly increasing as a result of rising consumer income levels, particularly in rural areas, as well as increasing availability of electricity supply.
- Increasing residential, non-residential, and commercial construction is driving the revenue in the fans market
- Medium to high replacement demand and shorter replacement cycle of 5-6 years, due to improvement in the premium fans section, has encouraged market growth
- Increase in household electrification through the 'Saubhagya' scheme and 'Housing for all by 2022' scheme is increasing rural penetration and driving residential development activity respectively.

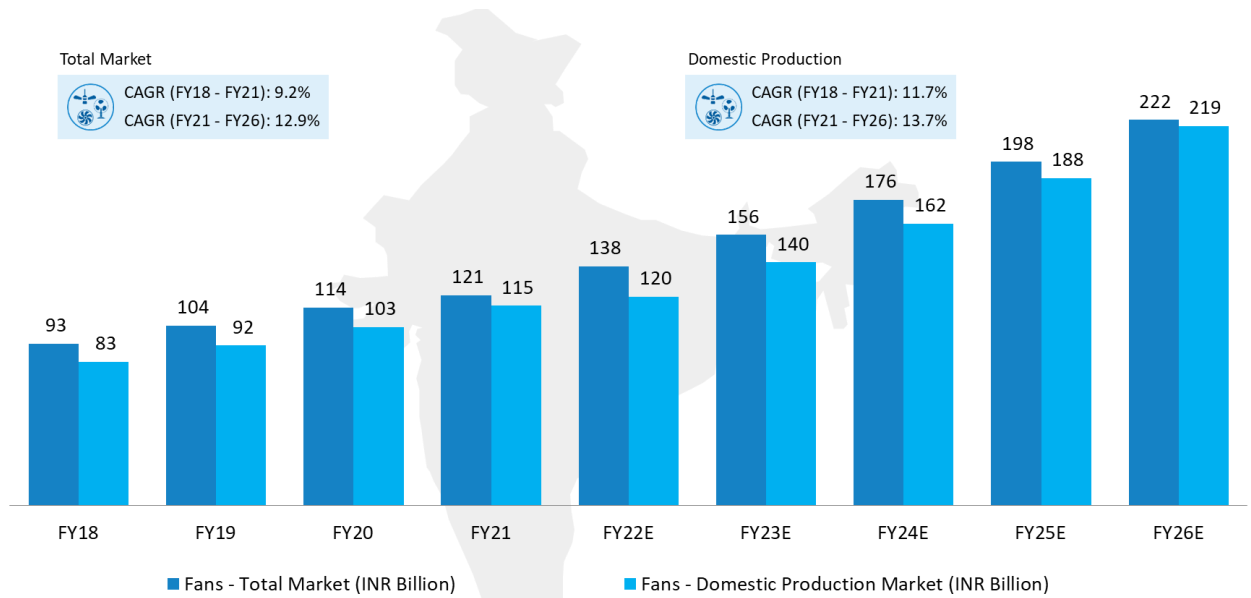
Fans: Key Trends

- Innovations in IoT technology have supported new product launches of energy-efficient and smart fans, operated through mobile applications.
- There is a growing trend among Indian consumers to 'upgrade' to branded products from those sold loose, paying for service and convenience. This is driven by the increased awareness about global trends, quest for better products and focus on healthier living.
- Increased competition and low barriers of entry are leading to a decline in product prices. On the other hand, this is offset by the trend of premiumisation in the industry.

Fans: Overall Market Size

The Indian fan market has tremendous growth potential in the coming years. From INR 121 billion in FY21 to INR 222 billion in FY26, the market is anticipated to increase at a 12.9% CAGR. Increased disposable income has resulted in shorter product replacement cycles and altered lifestyles, leading in faster consumer durables replacement. The upper-middle class is rapidly replacing fans as they want a better lifestyle and more beautiful décor. Until recently, the replacement cycle was 8-9 years. Urban replacement cycles for ceiling and TPW fans have been reduced to 5-6 years. Premium fans are anticipated to rise by 15-20% in the next 3-5 years, driven by an ambition to enhance lifestyle and décor.

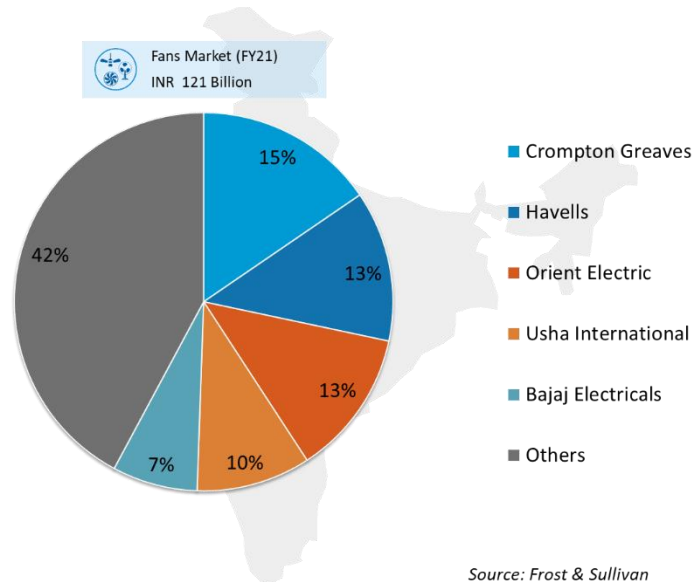
Fans – Overall Market Estimates, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan

Fans – Brand Market Share by key players, Value in INR Billion, India, FY21

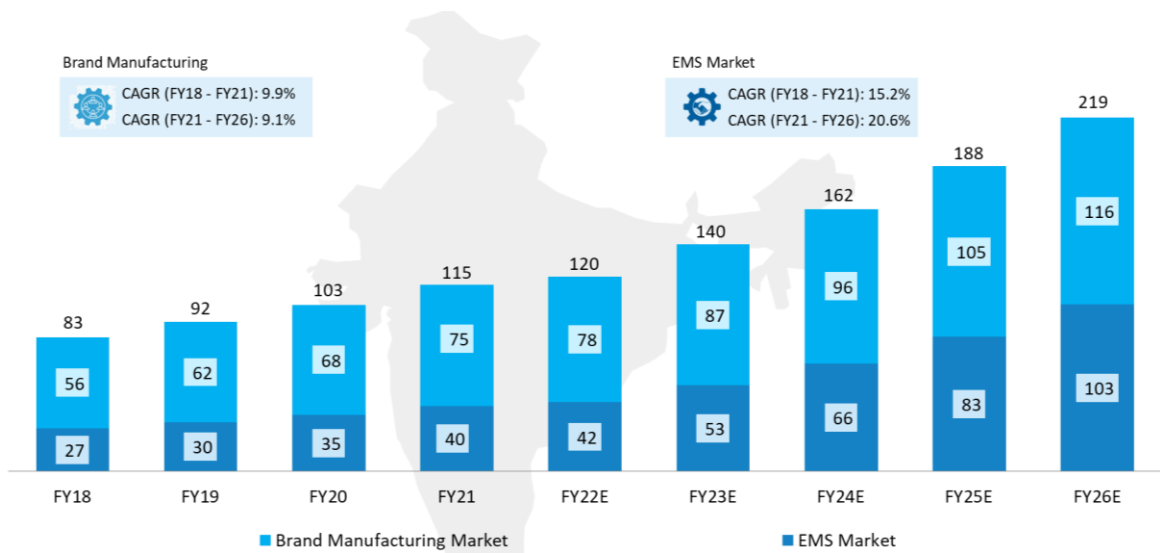


Source: Frost & Sullivan

The organised sector controls 80% of the fan market in India, and the majority of the needs are met domestically. The top 5 fan market players accounted for around 56% of total revenue. Crompton Greaves is leading the market with around 15% in FY21. Since the implementation of the GST, the unorganised sector has declined. The business is changing technologically, and premium fan brands such as Orient Electric and Havells are market leaders with over 40% market share apiece. Companies are increasingly focusing on energy efficiency and product attractiveness as a result of growing replacement demand.

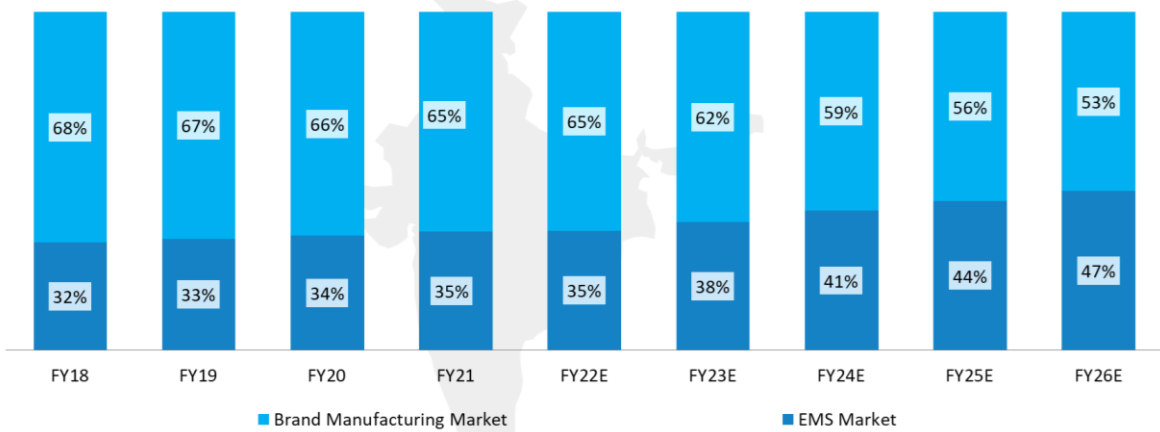
Fans: Market Split EMS vs. Brand Manufacturing

Fans – (a) Market Split (b) Market share by EMS Vs. Brand Manufacturing, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan



Note: E refers to Estimate

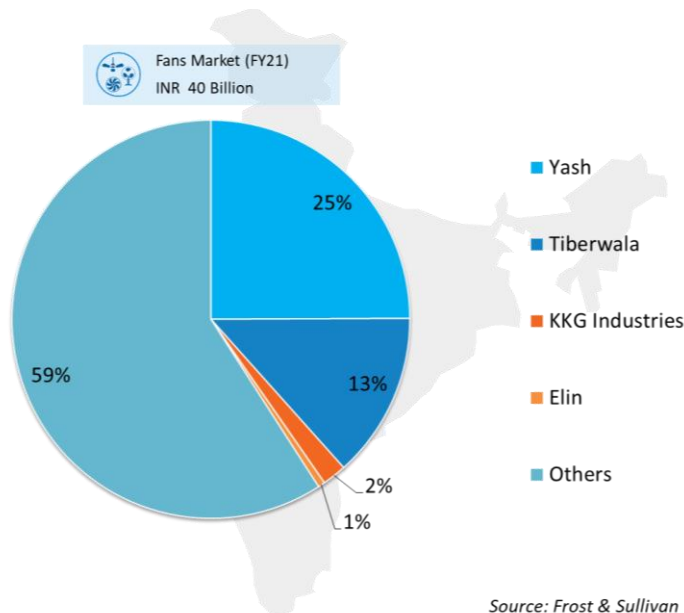
Source: Frost & Sullivan

The bulk of fans' domestic demand in India is met by local manufacturing; as domestic production accounts for more than 95% of domestic consumption, the import market for fans in India is relatively small. Since the bulk of OEM manufacturers have their own manufacturing facilities, the EMS market for fans in India is relatively moderate, accounting for nearly 33% of local manufacturing. OEMs are gradually transitioning to EMS model, comparable to other electronics and appliances. The entire production market is anticipated to expand at a CAGR of 13.7 %, while the EMS market will grow at a CAGR of 20.6 %.

Fans: EMS Market Share Mapping

Key EMS players operating in this segment are Yash electronics, Tiberwala, KKG Industries and Elin Electronics. There are a few other players present in this category who are in the small and medium segments. Also, there are a high number of unorganised segments existing in the market. Elin Electronics entered this segment a couple of years ago and has been slowly emerging in the EMS category. Key clients of Elin Electronics include Signify and Eveready.

Fans – EMS Market Share by key players, Value in INR Billion, India, FY21



Other Products

List of products considered under Other Product

Diagnostic Medical Cartridges / Medical Diagnostic Devices, Automotive Sheet Metal Component and Automotive Plastic Moulded Components

A. Diagnostic Medical Cartridges / Medical Diagnostic Devices

Medical Diagnostic Devices: Industry Overview

The Indian Medical Devices, market is experiencing dynamic changes with the emergence of advanced technologies, evolving clinical and administrative needs, and the introduction of new policies and regulations, which is forcing industry participants to innovate to maintain their competitive edge.

The Indian medical diagnostics industry has evolved significantly. As medical professionals increasingly rely on diagnostics to confirm, accurately identify disorders, and give treatment regimens, it has become a critical component of healthcare. With massive capital investment, India has become one of the major hubs for high-end diagnostic services, therefore catering to a wide population. The Indian government's PLI scheme for medical devices aims to increase investment and production to build companies that can expand, and scale using cutting-edge technology and thereby penetrate global value chains.

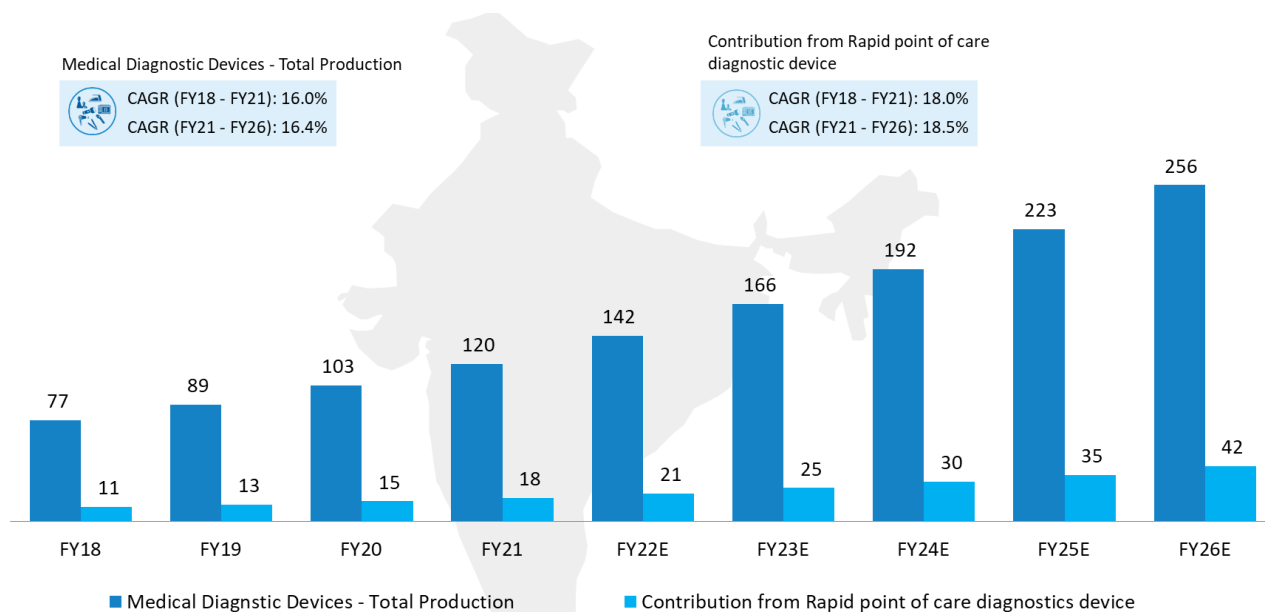
Medical Diagnostic Devices: Market Size vs. Domestic Production

The Medical device market in India is growing exponentially in the last few years, which is estimated at INR 728 Billion in FY21, which is expected to grow further at a rate of 16.6 % till FY26. However, the domestic production of medical devices is around INR 204 Billion, which is 28% of the overall market. Over the years, various medical device clusters have emerged across States in India, which has boosted the domestic manufacturing scenario, and with the help of PLI scheme, the industry is expected to grow further.

The Indian medical device industry, which is expanding at an unprecedented rate, has the presence of both large multinational corporations and small and medium-sized enterprises (SMEs). Approximately 65 percent of Indian manufacturers are domestic players in the consumer goods sector, primarily catering to domestic demand and exporting little. Elin's involvement in medical diagnostics is limited to the supply of medical cartridges to Molbio, a leading player in diagnostic devices which has its own patented technology in Rapid Point of Care equipment that is used for DNA and mRNA extraction and is available to individual labs, hospitals, and government hospitals. It is a distinct product in today's market. This product category's current market value is around INR 20 billion, and it is expected to grow at a 15% annual rate.

Increased demand for healthcare and medical products as a result of rising medical tourism is anticipated to boost local production at a rate of 18.5% over the next 5 years

Medical Diagnostic Devices – Medical Devices Production vs. Diagnostic Devices Production, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

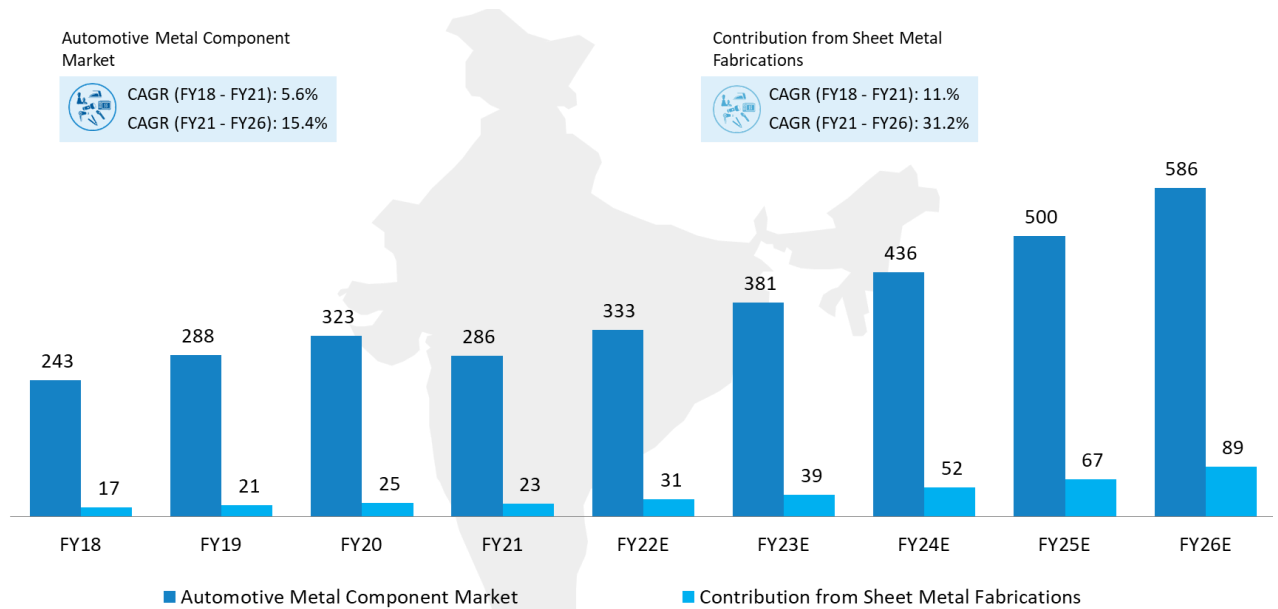
Source: Frost & Sullivan

B. Automotive Components - Sheet Metal and Plastic Moulding

B1. Automotive Sheet Metal Components: Overall Market vs. Contribution from Sheet Metal fabrications

Automotive sheet metal component is an important market in India, as the country is a global powerhouse for the automotive industry. Although Tier 2 suppliers with in-house manufacturing capability account for a sizable share of auto component production, outsourced fabricators serve a sizable market, emerging as a critical source of revenue for the auto components industry. The automotive sheet metal components are produced by roughly 60-70 companies in Pune, NCR, Bengaluru, Chennai, Pithampur, Dharwad, Jamshedpur, Lucknow, and Rudrapur. JBM Auto, Panse Auto, Autoline Stamping, Elin Electronics, SM Auto, Delco Industries, and others are some of the major auto sheet metal fabricators. Indian auto component manufacturers are likely to gain from robust global demand and a comeback in the domestic manufacturing and aftermarket segments. Elin has a good presence in the auto components industry, supplying to industry majors such as Denso, Magnetti Marelli and Musashi.

Automotive – Sheet Metal Component Market and Contribution from Sheet Metal Fabrications, Value in INR Billion, India, FY18-FY26E



Note: E refers to Estimate

Source: Frost & Sullivan

The Indian automotive sheet metal fabrication is addressed by a select few players in the Indian market, which is supplied to auto ancillary and component suppliers. Fabrication work contributes to nearly 10% of the overall auto components market. The current market is estimated at around INR 23 Billion and is expected to grow at a 31.2% CAGR to reach around INR 89 Billion. Although the contribution is currently low, manufacturing of auto sheet metal components is gradually gaining traction as OEMs and Tier 2 suppliers are engaged in outsourcing the activities.

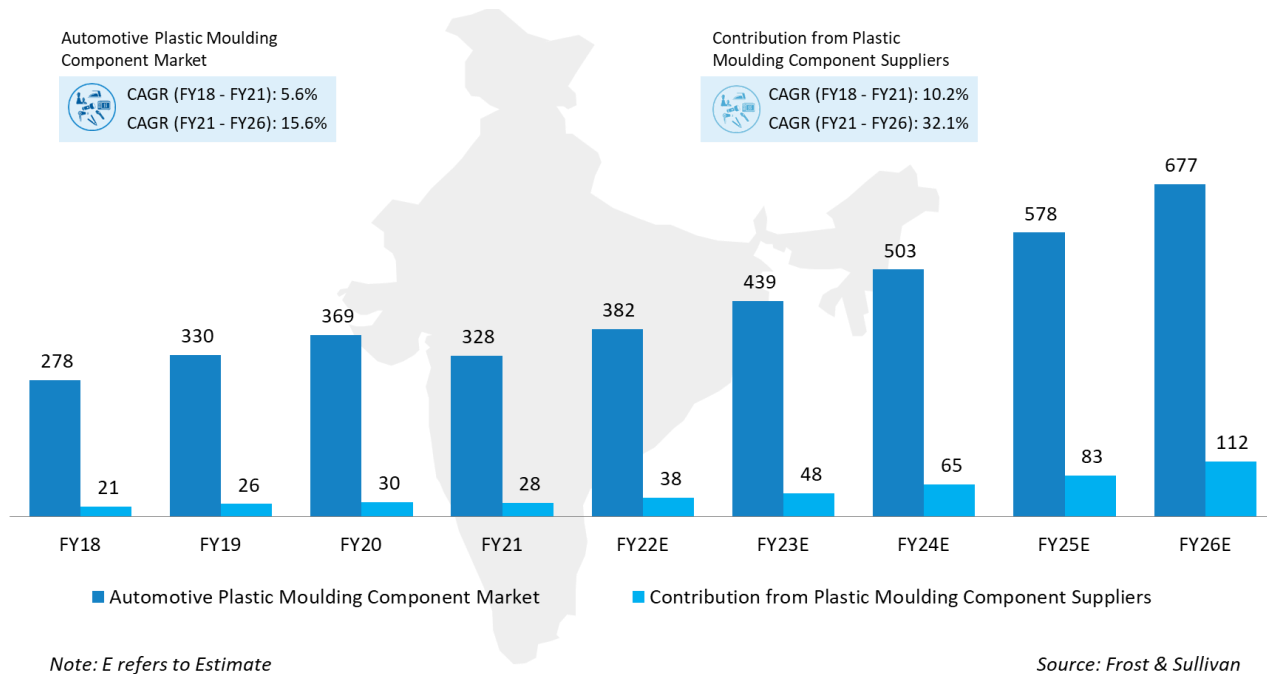
B2. Automotive Plastic Moulding Components: Overall Market vs. Contribution from Plastic Moulding Component Suppliers

The plastic moulding industry, particularly in the automotive sector, contributes significantly to economic development and growth. In the automotive industry, as consistency, safety, and quality are of utmost importance, automotive plastic moulding components are gaining prominence. Injection moulding is a well-established and widely utilised manufacturing method, particularly for mass production of high-quality automobile parts.

A rise in adoption of plastic moulding components in the automotive segment is driving the growth of the market. Modern innovations aimed at reducing the rate of defective production have boosted the importance of plastic moulding in the mass production of intricate plastic models. A significant shift in the automotive industry's trend toward plastics over metals is expected to boost demand for plastic moulding components in the future. In terms of capacity, infrastructure, and skilled manpower, the Indian plastic moulding component industry is extremely promising.

Varroc Engineering, Plastic Opium, Motherson Sumi, Magna Styr, Prakash plastics, Affy India, SSI Moulds, BDI Group, Multitek, Ashuman Auto are some of the key auto plastic moulding component suppliers in India.

Automotive – Plastic Moulding Component Market and Contribution Plastic Moulding Fabrications, Value in INR Billion, India, FY18-FY26E



COMPANY PROFILING

Amber Enterprises India Ltd



Company Overview

- Amber Enterprises was established in 1990 and was converted to a public limited company in 2017.
- The company is a prominent solution provider for Air conditioner OEM/ODM Industry in India. It has a dominant presence in RACs complete unit and deals in major RAC components.
- The company provides greater energy efficiency as well as experience in indoor, outdoor, split, and window air conditioners. It also sells both AC and non-AC components.
- Amber is well-positioned to extract the core deliverables in terms of quality, pricing, and delivery due to its backward integration.
- Amber Enterprise India Ltd., like Elin Electronics Ltd., is involved in the production of fractional horsepower (FHP) motors, along with other lines of business through its wholly owned subsidiary (PICL (India) Pvt. Ltd.). During the fiscal year of 2021, Elin Electronics Ltd.'s total revenue from FHP motor production is 21.7% of total consolidated revenue of INR 10.9 billion, while Amber Enterprise India Ltd.'s total revenue from FHP motors is around 5.6% of the total consolidated revenue of INR 42.1 billion.

Dixon Technologies India Ltd



Company Overview

- Dixon Technologies, located in Noida, is an Indian Electronics Manufacturing Services Company that was founded in 1993 and has been leading this space in India. Initially, the company began production of colour televisions.
- Dixon has now expanded its activities to numerous electronic sub-segments. The company offers design-focused solutions in consumer durables, home appliances, lights, mobile phones, and security systems, as well as repairing and refurbishing services for a wide range of products.
- Since its initial public offering in 2017, the company has been listed on the BSE and NSE.
- Dixon Technologies India Ltd. is engaged in OEM and ODM of lightning products, along with other lines of business, similar to Elin Electronics Ltd. Elin Electronics Ltd. generates 24.3% of total consolidated revenue of INR 10.9 billion from lighting products, while Dixon generates 12.0% of total consolidated revenue of INR 106.9 billion from lighting products in FY 2022.

R K Lighting Pvt Ltd



Company Overview

- Since the inception of the company in the year 2017, R K Lighting India, are acknowledged in the lighting industry as one of the prominent organizations, which is engaged in the manufacturing and trading of a broad range of LED Bulb, LED Tube Lights, LED Down Light, LED Punching Machine etc.
- Light weight, easy installation, fine finish, and durability are some of the key features of company's offered range of products.
- To cater the demands of the customers, company is providing these products in different specifications at the industry leading prices. Additionally, the range offered by the company is delivered within the committed time-period at customers' premises.

Bharat FIH (formerly Rising Star Mobile India)



Company Overview

Bharat FIH, the subsidiary of the FIH Mobile Ltd, a Foxconn Technology Group Company, is currently India's leader in manufacturing and services of handset and the wireless communications. The company have been a part of the Indian growth story since 2015, leading an unmatched manufacturing revolution. Bharat FIH is one of the largest EMS providers in the country serving the local and the international brands.

- Formerly known as the Rising stars Mobile India, the company entered and established their presence in India in the year 2015 at Sri City, Andhra Pradesh. By 2017, the company had expanded their capacity to Sungavarchatram and Sriperumbudur near Chennai, with added capabilities.

SFO Technologies Pvt Ltd



Company Overview

- SFO Technologies, a subsidiary of the NeST Group of Companies, was founded in 1990 and is headquartered in Kochi, Kerala.
- It has evolved from a single manufacturing facility to a diversified corporation with a global footprint and multi-domain competence in EMS, ODM, SI, and ADM.
- SFO Technologies has a global presence with front end operations in all continents and the products and services are targeted at technology fields across diverse domains.
- SFO can provide turnkey solutions, product development and maintenance, R&D support, and customised services across a wide range of domains and technologies.

Syrma SGS Technology Pvt Ltd



Company Overview

- Syrma SGS Technology, founded in 1978 by industry pioneers (Tandon family), is located in San Jose (California), and Chennai (India), developing quality technology products. It is one of India's leading exporters of electronics, providing a high-value integrated design and production solution for internationally recognized OEMs.
- Syrma SGS is one of the leading ESDM company with a focus on technology-based solutions and ODM business. Unlike the traditional OEM or ODM business model, which only focuses on certain stages of the production process, the company's business model starts from product concept design and focuses on every segment of the overall industry value chain.
- Syrm's business approach leads to continuous advancements in product technology, structure, and functional design to meet customer requirements and lead the industry in development.

Kaynes Technology India Pvt Ltd



Company Overview

- Kaynes Technology, headquartered in Mysore, is a prominent domestic player in the Electronics System & Design Manufacturing Services, having a strong worldwide presence
- Kaynes Technology is an ISO 9001/14001/18001 BSCI Certified Company, making it one the key EMS player in the Professional Electronics market with an integrated Management System.
- The company has a cutting-edge Design and Development Center in Bangalore that provides Embedded Design and Engineering services to customers from Concept to Manufacturing.

Avalon Technologies Pvt Ltd



Company Overview

- Avalon Technologies, a division of Sienna Group, has been a preferred vendor for large global MNCs operating in a wide range of industries.
- Avalon, founded in 1995 in Fremont, California, is a vertically integrated manufacturing company that offers service to a wide range of industry segments.
- In the year 2000, the company established its EMS manufacturing facility in Chennai, India.

VVDN Technologies Pvt Ltd



Company Overview

- VVDN's India headquarters' is located in the Global Innovation Park in Manesar, Gurugram, India, while its North America HQ is in San Jose, CA, USA.
- It is a global leader in product engineering and manufacturing with clients in a range of technical domains.
- The company supports its global customers across several regions including US, Canada, Europe, India, Vietnam, Korea, and Japan.

Sanmina-SCI Technology India Pvt Ltd



Company Overview

- Sanmina was founded in 1980 and is located in San Jose, California (USA); the company entered the Indian market in early 2000 with its head office in Chennai.
- Sanmina manufactures some of the world's most sophisticated and inventive optical, electrical, and mechanical devices.
- Sanmina, a technological leader, offers end-to-end design, manufacturing, and logistics solutions, as well as exceptional quality and support to OEMs.

Comparative Analysis of Elin Electronics and other leading EMS companies in India

A. Comparison of company's presence in end-user industry, FY22

Name of the ESDM Company	Consumer Electronics	Home Appliances	Mobile Phones	Automotive	Industrial	IT	Telecom	Lighting	Medical	Others
Elin Electronics Ltd		✓		✓				✓	✓	✓
Dixon Technologies India Ltd	✓	✓	✓				✓	✓	✓	✓
Amber Enterprises India Ltd	✓									✓
RK Lighting Pvt Ltd	✓	✓	✓					✓	✓	✓
Bharat FIH Ltd	✓		✓	✓		✓	✓			✓
SFO Technologies Pvt Ltd				✓	✓				✓	✓
Syrma SGS Technology Ltd		✓		✓	✓		✓		✓	✓
Kaynes Technology India Ltd	✓	✓		✓	✓	✓	✓		✓	✓
Avalon Technologies Ltd				✓	✓		✓		✓	✓
VVDN Technologies Pvt Ltd				✓	✓	✓	✓			✓
Sanmina-SCI Technology India Pvt Ltd				✓	✓	✓	✓		✓	✓

Others* include Aerospace & Defence, Energy, etc.

Source: Company websites; Frost & Sullivan Analysis

B. Revenue comparison, Value in INR Million, FY18 – H1 FY23

Name of the ESDM Company	FY18	FY19	FY20	FY21	FY22	H1 FY23
Elin Electronics Ltd	6,684.7	8,285.5	7,855.8	8,623.8	10,937.5	6,044.6
Dixon Technologies India Ltd	28,533.9	29,844.5	44,001.2	64,481.7	1,06,970.8	67,218.4
Amber Enterprises India Ltd	21,715.1	27,519.9	39,627.9	30,305.2	42,064.0	25,761.7
RK Lighting Pvt Ltd	1,299.9	3,313.6	4,431.0	4,672.9	NA	NA
Bharat FIH Ltd	2,37,620.2	3,43,453.9	2,66,355.6	1,58,548.6	1,81,492.0	NA
SFO Technologies Pvt Ltd	12,746.7	16,696.5	17,889.7	16,593.4	NA	NA
Syrma SGS Technology Ltd	2,226.0	7,947.4	8,656.5	8,874.0	12,666.5	NA
Kaynes Technology India Ltd	3,794.3	3,642.3	3,682.4	4,206.3	7,062.5	NA
Avalon Technologies Ltd	2,952.3	3,669.6	6,418.7	6,904.7	8,407.2	NA
VVDN Technologies Pvt Ltd	1,515.1	2,632.2	3,090.9	6,659.9	NA	NA
Sanmina-SCI Technology India Pvt Ltd	873.9	854.2	861.5	908.5	834.2	NA

NA - Required data is not available with RoC

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

Revenue = Revenue from operations

C. EBITDA comparison, Ratio in %, FY18 – H1 FY23

Name of the ESDM Company	FY18	FY19	FY20	FY21	FY22	H1 FY23
Elin Electronics Ltd	8.1%	7.0%	7.2%	8.0%	7.3%	7.2%
Dixon Technologies India Ltd	4.1%	4.7%	5.2%	4.5%	3.6%	3.7%
Amber Enterprises India Ltd	8.9%	8.1%	8.0%	8.4%	7.3%	6.2%
RK Lighting Pvt Ltd	3.3%	3.0%	4.4%	4.6%	NA	NA
Bharat FIH Ltd	0.7%	0.1%	2.7%	2.8%	3.0%	NA
SFO Technologies Pvt Ltd	6.8%	7.9%	9.8%	10.2%	NA	NA
Syrma SGS Technology Ltd	6.7%	12.8%	17.4%	13.2%	11.3%	NA
Kaynes Technology India Ltd	11.1%	10.3%	11.7%	10.7%	13.8%	NA
Avalon Technologies Ltd	11.2%	9.8%	11.8%	10.4%	12.9%	NA
VVDN Technologies Pvt Ltd	12.1%	15.0%	-1.1%	13.6%	NA	NA
Sanmina-SCI Technology India Pvt Ltd	33.2%	33.6%	32.0%	34.4%	28.9%	NA

NA - Required data is not available with RoC

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

EBITDA = Profit before tax + Finance cost + Depreciation & Amortisation

D. PAT comparison, Ratio in %, FY18 – H1 FY23

Name of the ESDM Company	FY18	FY19	FY20	FY21	FY22	H1 FY23
Elin Electronics Ltd	3.1%	3.5%	3.5%	4.0%	3.6%	3.4%
Dixon Technologies India Ltd	2.1%	2.1%	2.7%	2.5%	1.8%	1.8%
Amber Enterprises India Ltd	2.9%	3.4%	4.1%	2.7%	2.6%	1.6%
RK Lighting Pvt Ltd	0.3%	0.6%	1.6%	1.7%	NA	NA
Bharat FIH Ltd	0.3%	-0.1%	1.5%	1.0%	1.1%	NA
SFO Technologies Pvt Ltd	1.6%	1.7%	4.2%	2.3%	NA	NA
Syrma SGS Technology Ltd	3.4%	6.6%	10.6%	7.4%	6.0%	NA
Kaynes Technology India Ltd	4.2%	2.7%	2.5%	2.3%	5.9%	NA
Avalon Technologies Ltd	1.8%	1.3%	1.9%	3.3%	8.1%	NA
VVDN Technologies Pvt Ltd	3.9%	5.9%	-5.4%	6.5%	NA	NA
Sanmina-SCI Technology India Pvt Ltd	21.3%	20.4%	20.8%	22.2%	17.8%	NA

NA - Required data is not available with RoC

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

PAT margin = Profit after tax / Revenue from operations

E. RoCE Comparison, Ratio in %, FY18 – H1 FY23

Name of the ESDM Company	FY18	FY19	FY20	FY21	FY22	H1 FY23
Elin Electronics Ltd	15.5%	17.6%	15.4%	14.9%	15.8%	8.1%
Dixon Technologies India Ltd	28.1%	22.4%	30.0%	26.8%	20.3%	12.6%
Amber Enterprises India Ltd	13.9%	12.5%	15.0%	7.8%	6.9%	3.0%
RK Lighting Pvt Ltd	22.5%	23.3%	38.2%	35.9%	NA	NA
Bharat FIH Ltd	8.3%	-5.3%	18.8%	7.8%	9.1%	NA
SFO Technologies Pvt Ltd	5.8%	10.2%	13.8%	13.2%	NA	NA
Syrma SGS Technology Ltd	8.3%	17.1%	22.7%	14.6%	15.0%	NA
Kaynes Technology India Ltd	21.0%	12.6%	13.7%	12.3%	22.3%	NA
Avalon Technologies Ltd	8.4%	11.9%	23.9%	17.3%	23.9%	NA
VVDN Technologies Pvt Ltd	29.4%	33.0%	-5.9%	19.8%	NA	NA
Sanmina-SCI Technology India Pvt Ltd	17.1%	16.2%	13.6%	13.8%	9.2%	NA

NA - Required data is not available with RoC

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

RoCE = Earning before interest and taxes / Capital Employed

EBIT = Profit before tax + Interest (or) finance cost

Capital Employed = Tangible Net Worth (or) Total Equity + Total Debt + Deferred Tax Liability

OUR BUSINESS

Some of the information contained in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements. This section should be read in conjunction with “Risk Factors”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 26, 128 and 300, respectively, as well as the financial information included in “Financial Statements” on page 239.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Statements included in this Red Herring Prospectus. For further information, see “Financial Statements” beginning on page 239.

Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company” or “the Company”, refers to Elin Electronics Limited on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report, which has been commissioned by us in connection with the Offer. For risks in relation to commissioned reports, see “Risk Factors – Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.” on page 48. The F&S Report is available for inspection on the website of our Company at <https://www.elinindia.com/investors/>.

OVERVIEW

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)

We manufacture and assemble a wide array of products and provide end-to-end product solutions. We serve under both original equipment manufacturer (“**OEM**”) and original design manufacturer (“**ODM**”) business models. Under the OEM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers’ prospective customers under their brands. We have developed ODM capabilities with respect to lighting products and small appliances.

Our key diversified product portfolio in EMS includes (i) LED lighting, fans and switches including lighting products, ceiling, fresh air and TPW fans, and modular switches and sockets; (ii) small appliances such as dry and steam irons, toasters, hand blenders, mixer grinders, hair dryer and hair straightener; (iii) fractional horsepower motors, which is used in mixer grinder, hand blender, wet grinder, chimney, air conditioner, heat convactor, TPW fans etc.; and (iv) other miscellaneous products such as terminal block for air conditioners, stainless steel blade for mixer grinders, die casting, radio sets. In addition to our EMS offerings, we also manufacture medical diagnostic cartridges for use in diagnostic devices, and plastic moulded and sheet metal parts and components, largely for customers in the auto ancillary and consumer durables sectors. We manufacture and sell fractional horsepower motors in our own brand name “Elin”.

We offer innovative solutions to our customers, which include leading international and national consumer electronics brands. Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with leading consumer electronics and appliances brands in India. Our key customers by business verticals include:

- *LED lighting, fans and switches:* Signify Innovations and Eveready;
- *Small appliances:* Philips, Bosch, Faber, Panasonic and Usha;
- *Fractional horsepower motors:* Havells, Bosch, Faber, Panasonic, Preethi (owned by Philips), Groupe SEB (Maharaja brand) and Usha;
- *Medical diagnostic cartridges:* Molbio Diagnostics Private Limited; and
- *Moulded and sheet metal parts and components:* Denso and IFB.

Our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022 was ₹ 7,855.84 million, ₹ 8,623.78 million, ₹ 10,937.54 million and ₹ 6,044.57 million, respectively. Our key product vertical wise revenue for the periods indicated is set out below:

(₹ in million)

Particulars	Period/ fiscal ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
EMS	6,358.94	6,631.85	8,555.48	4,694.72
- LED lighting, fans and switches	2,928.05	2,557.82	3,326.12	1,888.20
- Small appliances	1,939.00	1,933.71	2,550.89	1,491.65
- Fractional horsepower motors	1,190.51	1,843.97	2,369.03	1,136.18
- Other EMS products	301.38	296.35	309.44	178.70
Medical diagnostic cartridges	42.32	420.95	167.32	80.67
Moulded and sheet metal parts and components	1,097.18	1,232.96	1,635.31	1,054.55

We have decades of experience in EMS sector. Since inception, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. In 1973, we commenced manufacturing of tape deck mechanism for use in audio cassette players. In 1977, we commenced manufacturing of motors as a backward integration. In 1999, we started manufacturing of small appliances. In 2001, we commenced manufacturing of LED lighting and subsequently progressed into manufacturing of flashlights in 2007. In 2019, we started manufacturing fans. The most recent product vertical that we have entered into is the manufacturing of medical diagnostic cartridges, which we commenced in 2019. In the past, we have also manufactured, in collaboration with well-known global companies, tape deck mechanism, motors and compact disc mechanism.

We have an experienced Board of Directors and management team. Our management, including key managerial personnel have expertise and experience in the EMS industry.

We have three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). As on October 31, 2022, our large scale setup included 157 units of molding machines and 104 units of power presses which enable us bringing efficiencies and economies of scale. Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines and full power backup for 100% capacity that enable us to meet the quality requirements of our customers in a timely manner. In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities in SMT lines, die and mold manufacturing, injection molding, sheet metal components, semi-automated motor assembly, testing labs and surface coating. Our tool room has sophisticated machinery to produce quality tools and dies which in turn supports quality components and sub-assemblies. We have equipped our facilities to improve our cost efficiency, reduce dependency on third party suppliers and provide better control on production time and quality of critical components used in the manufacturing of products.

We have a centralized R&D centre in Ghaziabad (Uttar Pradesh), recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (“**DSIR**”) since 1992, focusing on the research and development on all aspects of OEM and ODM models including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers’ diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. As on October 31, 2022, our R&D team consisted of 171 employees, including engineers, designers and other workers. During Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, expenditure on research and product development including capital expenditure was ₹ 65.70 million, ₹ 60.46 million, ₹ 61.02 million and ₹ 31.14 million, respectively. Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively.

Our key financial performance indicators are:

Particulars	Period/ fiscal 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
EBITDA (₹ in million)	562.43	690.03	799.31	433.64

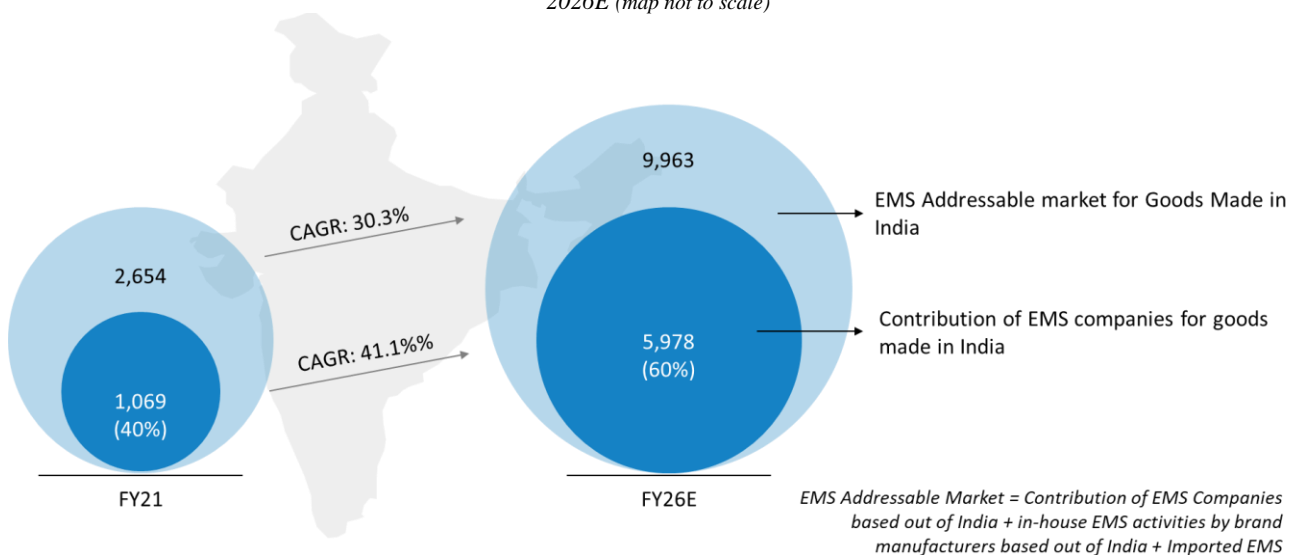
Particulars	Period/ fiscal ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
EBITDA (%)	7.16	8.00	7.31	7.17
Profit after tax (₹ in million)	274.87	348.57	391.47	206.68
PAT margin (%)	3.50	4.03	3.58	3.42
ROE (%)	12.88	14.23	13.85	6.63*
ROCE (%)	15.44	14.90	15.82	8.09*

* Not annualised

OUR MARKET OPPORTUNITY

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)

EMS addressable market vs. Contribution of EMS companies for goods made in India, value in ₹ billion, Fiscal 2021 and Fiscal 2026E (map not to scale)



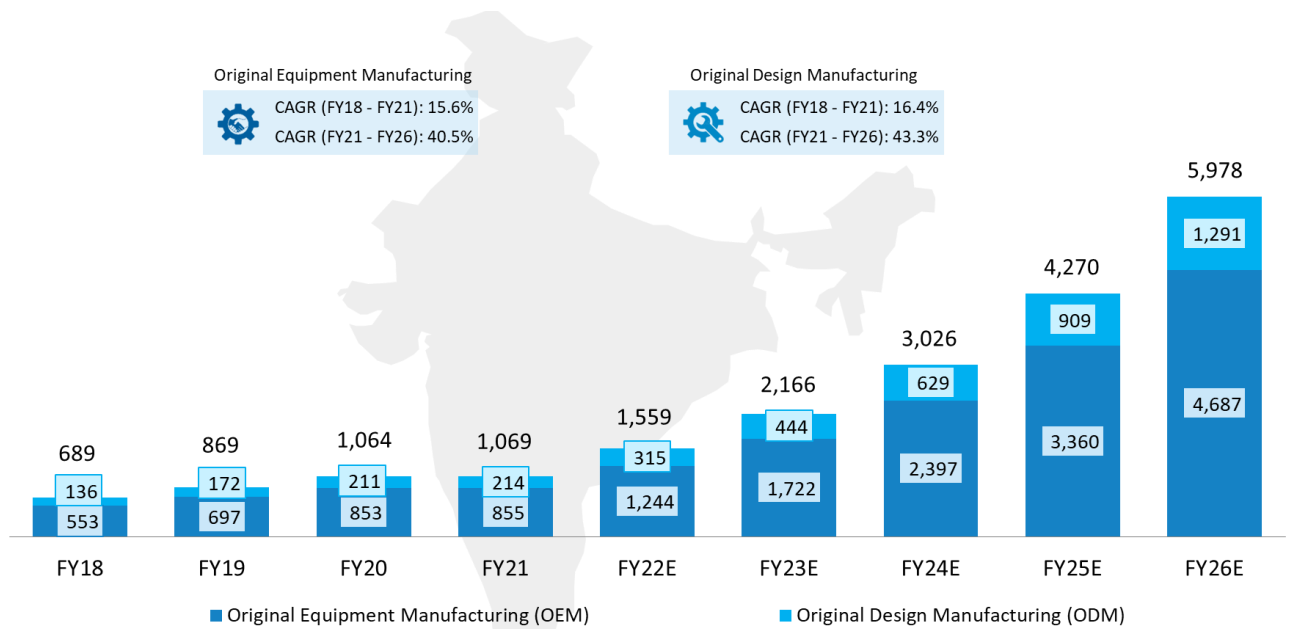
* Values in INR Billion

Source: MeitY, Frost & Sullivan Analysis

The expansion of India's EMS industry is fuelled by a variety of factors, including an increase in consumer electronics and appliances consumption as well as lighting segment. Other significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers. EMS companies are better positioned to adapt to frequent technology changes, and economies of scale allow for stringer pricing negotiations with raw material suppliers. (Source: F&S Report)

Most brands prefer engaging EMS partners for contract manufacturing, but the ODM model is slowly gaining traction in India, where brands collaborate with ODMs on product development. Many EMS players are gradually expanding to provide complete design services in addition to contract manufacturing/ original equipment manufacturing. Embracing ODM model of partnership with EMS partners coupled with venturing into new product segments is propelling OEMs to pursue EMS engagement. High volumes will influence EMS/ODM to bring in the component ecosystem locally and enhance domestic capabilities of component sourcing thus making the electronics ecosystem stronger. (Source: F&S Report)

Indian EMS market break-up by OEM vs. ODM, value in ₹ billion, India, Fiscal 2018-Fiscal 2026E (map not to scale)



Note: E refers to Estimate

Source: Frost & Sullivan Analysis

Set forth below is the summary of our key product segments and market position in India with expected growth of EMS production for the period indicated (Source: F&S Report):

Summary of Elin Electronics' Key Product Segments and Market Position, India, Fiscal 2021 and Fiscal 2026

Segment	Total Domestic Market					Total Domestic Production			Domestic Production by EMS			EMS Share of Production		Elin's Market Position
	FY21	FY26E	CAGR %	Brand Leader	Customer of Elin	FY21	FY26E	CAGR %	FY21	FY26E	CAGR %	FY21	FY26E	
Small Appliances	73	99	6.3%	Philips	Yes	47	83	11.7%	18	43	19.2%	37%	52%	10.7% (Top 5)
Small Electric Motors (FHP)#	23	41	12.4%	N/A (Sold as input)	N/A	17	36	16.0%	N/A			N/A		12.0% (Market leader)
LED Lighting	125	359	23.5%	Signify	Yes	77	319	35.2%	35	229	45.8%	45%	72%	7.2% (Top 2)
Flashlights	5	7	6.7%	Eveready	Yes									
Fans	121	222	12.9%	Crompton	Yes	115	219	13.7%	40	103	20.6%	35%	47%	0.6% (New Entrant)

* All values in INR Billion

Elin supplies small electric motors under its own brand name

Source: Frost & Sullivan Analysis

COMPETITIVE STRENGTHS

We believe that the following are our principal strengths:

1. Established market position in key verticals including leadership in fractional horsepower motors

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. (Source: F&S Report) Set forth below is the summary of our key product segments and market position in India with expected growth of EMS production for the period indicated (Source: F&S Report):

Segment	Total Domestic Market					Total Domestic Production			Domestic Production by EMS			EMS Share of Production		Elin's Market Position
	FY21	FY26E	CAGR %	Brand Leader	Customer of Elin	FY21	FY26E	CAGR %	FY21	FY26E	CAGR %	FY21	FY26E	
Small Appliances	73	99	6.3%	Philips	Yes	47	83	11.7%	18	43	19.2%	37%	52%	10.7% (Top 5)
Small Electric Motors (FHP)#	23	41	12.4%	N/A (Sold as input)	N/A	17	36	16.0%	N/A			N/A		12.0% (Market leader)
LED Lighting	125	359	23.5%	Signify	Yes	77	319	35.2%	35	229	45.8%	45%	72%	7.2% (Top 2)
Flashlights	5	7	6.7%	Eveready	Yes				40	103	20.6%	35%	47%	
Fans	121	222	12.9%	Crompton	Yes	115	219	13.7%	40	103	20.6%	35%	47%	0.6% (New Entrant)

* All values in INR Billion

Elin supplies small electric motors under its own brand name

Source: Frost & Sullivan Analysis

With our robust R&D set up, we design, manufacture and sell range of fractional horsepower motors including universal motor, exhaust fan motor, cooler motor, table fan motor, synchronous motor, sub pump and fan blower motor. Customers of our fractional horsepower motors are spread across multiple industries including small kitchen appliances, electric fans and air conditioners. We have substantial backward integration in manufacturing of fractional horsepower motors which includes press machines and moulding machines to manufacture sheet metal and plastics part which are used in fractional horsepower motors. We continue to enhance production of fractional horsepower motors by purchase of machinery and equipment. In addition, we continue to enhance production of metal parts, moulded parts, tools and cartridge assembly, which will result in enhanced backward integration and increased production across our product verticals.

Further, in June 2022, our Company received approval under the Production Linked Incentive (“PLI”) Scheme for White Goods (Air Conditioners and LEDs) for manufacturing of specified eligible products in the LED (components) target segment, and with a committed investment of ₹ 100 million. We believe that this will enable us to claim incentives under the PLI scheme, subject to us satisfying the eligibility and other conditions thereunder.

The demand for motor-driven appliances including small and kitchen appliances is on the rise. Rising disposable income, electrification across India, decreasing prices due to increasing competition, upcoming new and additional manufacturing facilities to boost the demand for household appliances, and government initiatives such as power for all and housing for all programmes such as Pradhan Mantri Awas Yojana are key growth drivers of the demand for fractional horsepower motors in India. (Source: F&S Report)

We believe that our market penetration together with expansion plans for our manufacturing facilities as well as backward integration into manufacturing, enable us to be well-positioned to capture the growing demand.

2. Diversified products resulting in a de-risked business model

We have a diverse product, product vertical and customer base. Further, we cater to our customers across multiple product verticals. For example, Philips, Bosch and Panasonic are our customers in both fractional horsepower motors and small appliances verticals. Our diverse product portfolio enables us to balance out any impact or risk incurred with respect to any single product, product vertical or customer. We are also able to develop designs which are customised to customer specific requirements through our ODM capabilities.

Set out below is the revenue proportion of our key product verticals during Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022:

Period	Percentage of revenue from operations (%)					
	LED lighting, fans and switches	Small appliances	Fractional horsepower motors	Other EMS products	Medical diagnostic cartridges	Moulded and sheet metal parts and components
Fiscal 2020	37.27%	24.68%	15.15%	3.84%	0.54%	13.97%
Fiscal 2021	29.66%	22.42%	21.38%	3.44%	4.88%	14.30%
Fiscal 2022	30.41%	23.32%	21.66%	2.83%	1.53%	14.95%

Period	Percentage of revenue from operations (%)					
	LED lighting, fans and switches	Small appliances	Fractional horsepower motors	Other EMS products	Medical diagnostic cartridges	Moulded and sheet metal parts and components
Six-month period ended September 30, 2022	31.24%	24.68%	18.80%	2.96%	1.33%	17.45%

3. *Entrenched relationships with a marquee customer base*

We have established and will continue to focus on strengthening our longstanding relationships with well-known domestic and multi-national customers across our product verticals. Out of our top 20 customers as at September 30, 2022, we have been serving 11 customers for over 10 years, and have been serving 16 customers for over 5 years. We believe our high customer retention capabilities are due to our one-stop-shop facilities and consistently maintaining high standards of manufacturing quality of products in a timely manner. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality and timely delivery of orders.

We typically enter into a general purchasing agreement for specific products with our customers which is valid for three years and renewed thereafter. Within this period, products are manufactured and sold on a purchase order basis. We follow stringent process in customer acquisition and retention for both new and existing products. For example, the process includes submission of product concept to potential customers and approval thereof, submission of functional and aesthetic prototype for customers' testing and market feasibility, development of product where tools and dies are developed as per customer specification, submission of final product to customers' quality department for quality check and reliability clearance, preparation of production plans along with customers, conduct of various audits by customers such as financial, quality, engineering and sustainability. This process may take up to 49 weeks till engineering build, depending on the customer and product.

The following tables summarize the revenue proportion of our top customers for the respective period:

S. No.	Top customers	Revenue from operations attributable to such customers (in ₹ million and % of revenue from operations)							
		Fiscal 2020		Fiscal 2021		Fiscal 2022		Six-month period ended September 30, 2022	
		In ₹ million	%	In ₹ million	%	In ₹ million	%	In ₹ million	%
1.	Top five customers	5,422.78	69.03%	5,426.52	62.93%	6,912.29	63.20%	3,955.25	65.43%
2.	Top 10 customers	6,348.02	80.81%	6,718.22	77.90%	8,437.45	77.14%	4,898.39	81.04%

The following table summarizes the duration of the relationship between us and the top customers during Fiscal 2022:

S. No.	Top five customers during Fiscal 2022	Key products purchased	Duration of relationship with us	Revenue from operations attributable to such customer (in ₹ million and % of revenue from operations)							
				Fiscal 2020		Fiscal 2021		Fiscal 2022		Six-month period ended September 30, 2022	
				In ₹ million	%	In ₹ million	%	In ₹ million	%	In ₹ million	%
1.	Signify	LED lighting and fans	More than 10 years	2,599.98	33.10%	2,236.00	25.93%	2,953.99	27.01%	1,624.45	26.87%
2.	Philips*	Small appliances and fractional horsepower motors	More than 10 years	1,715.08	21.83%	1,496.53	17.35%	2,264.12	20.70%	1,313.33	21.73%

S. No.	Top five customers during Fiscal 2022	Key products purchased	Duration of relationship with us	Revenue from operations attributable to such customer (in ₹ million and % of revenue from operations)							
				Fiscal 2020		Fiscal 2021		Fiscal 2022		Six-month period ended September 30, 2022	
				In ₹ million	%	In ₹ million	%	In ₹ million	%	In ₹ million	%
3.	Havells	Fractional horsepower motors	More than 10 years	399.41	5.08%	846.51	9.82%	1,173.93	10.73%	637.66	10.55%
4.	Eveready	LED lighting and fans	More than 10 years	391.19	4.98%	423.04	4.91%	365.10	3.34%	272.85	4.51%
5.	Molbio	Medical diagnostic cartridges	More than three years	48.08	0.61%	424.44	4.92%	167.39	1.53%	81.12	1.34%

* Includes one or more entities

In Fiscals 2020, 2021 and 2022 and seven-month period ended October 31, 2022, we catered to 327, 387, 342 and 297 customers, respectively. Further, we believe that our customers are well established players in the industry. Set forth below are the select details of vertical wise positioning of our reputed customers: (Source: F&S Report)

Particulars	Small appliances	LED lighting	Flashlights	Fans
Brand leader	Philips	Signify	Eveready	Crompton
Whether our customer	Yes	Yes	Yes	Yes

We have been able to establish and maintain long-term relationship with our marquee customers for different products. For example, we started our relationship with Philips by manufacturing radio in 2001 and subsequently started manufacturing small appliances for them. Currently, we also manufacture lighting products and fractional horsepower motors for Philips and Preethi (owned by Philips).

Our ability to be a key supplier and establish long term relationships with many of our customers demonstrates our ability to maintain customer stickiness and strong delivery capabilities. Our global customers typically have stringent approval processes and quality audit checks in the selection of the suppliers. Our high standards of manufacturing quality, enable us to consistently deliver quality products which meet the customer specific requirements.

We believe, our strong relationships with well-established customers has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets.

4. **High degree of backward integration resulting in higher efficiencies, enhanced quality of products and customer retention capability**

Since inception, we have placed strong focus on expanding our technological expertise in manufacturing of our products integrating our services, and thereby increasing our efficiencies, becoming an ideal partner for our customers and maintaining an edge over our competitors. We believe that our dedication to manufacturing and our infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business.

Our capabilities which enable us to provide end-to-end solutions are:

- **In-house manufacturing of components and sub-assemblies:** We have set up in-house manufacturing for die and mold, sheet metal components, plastic molded components, aluminium die casting and surface coating. Our backward integrated in-house manufacturing supports all our product verticals.
- **State-of-art manufacturing facilities:** We have modern and state-of-the-art manufacturing facilities equipped with high quality machinery, assembly lines and full power backup for 100% capacity. Our tool room has sophisticated machinery which produces best in class tools and dies which in turn supports best quality components and sub-assemblies. As on October 31, 2022, our large scale setup includes 157 molding machines and 104 power presses helps us bring efficiencies and economies of scale.

- *PCB assembly*: In house PCB assembly on surface mount technology (SMT) is a critical part of our manufacturing process and prowess. We have six such fully automatic assembly lines with 304,000 CPH capacity per hour.

We also have captive manufacturing of fractional horsepower motors and other products such sheet metal, plastic moulding parts, tools and dies, sole plates for irons, stainless steel blades for mixer grinder etc. as for usage in our other product verticals such as small appliances. Set forth below are the details of key captive consumption for the periods indicated:

Particulars	Captive consumption (₹ in million)			
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
Fractional horsepower motors	197.03	278.14	274.43	122.31
Others (Sheet metal and plastic moulding etc.)	185.61	218.60	265.58	164.86

Backward integration provides us the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving our margins. Backward integration also enables us to have less dependency on third parties, gain control over the quality of components required for manufacturing our products, have upper edge in designing products, improve operational and functional efficiencies and gain strategic advantages over competitors. This also enables us to address our consumers' diverse needs, introduce new and unique products in the market and enhance existing products with emerging technologies. As a result, we are able to fulfil customers' requirements in a timely manner and enhance our ability to offer cost-competitive 'one-stop-shop' solutions.

5. *Consistent and strong track record of financial performance*

Our presence in product segments with growing demand, marquee customer base and continuous focus on efficiency and productivity have enabled us to deliver consistent and strong financial performance.

We believe we have a strong balance sheet with net worth of ₹ 3,201.49 million as of September 30, 2022 and have been able to maintain a low debt position. As of September 30, 2022, we had total long-term borrowing of ₹ 501.73 million, while our interest coverage ratio was 4.72 times. We believe we have prudently utilized our resources, which has enabled us to fund our expansions through a mix of internal accruals and debt. Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. We believe that our strong operational and financial performance will allow us to take advantage of the growth opportunities in the OEM and ODM industry in India.

Our key financial performance indicators are:

Particulars	Period/ fiscal 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

* Not annualised.

COMPETITIVE STRATEGIES

We believe that the following are our principal strategies:

1. *Enhance customer base and relationships through cross-selling and product development*

In Fiscals 2020, 2021 and 2022 and seven-month period ended October 31, 2022, we catered to 327, 387, 342 and 297 customers, respectively. We cater to our customers across multiple product verticals. We intend to increase cross-selling of our product to increase customer base in various product verticals and expand into new or adjacent product verticals with our existing customers. Following are the select cross-selling expansion instances with our marquee customers:

- *Philips*: We started our relationship with Philips by manufacturing radio in 2001 and subsequently started manufacturing small appliances for them. Currently, we also manufacture lighting products and fractional horsepower motors for Philips and Preethi (owned by Philips).
- *Signify (erstwhile Philips)*: We started our relationship with Signify (erstwhile Philips) in 2002. We have expanded our relationship with Signify from manufacturing lighting products to manufacture fans as well for them.
- *Panasonic*: We started our relationship with Panasonic in 2007. We have expanded our relationship with Panasonic from manufacturing fractional horsepower motors to manufacture complete irons for them.
- *Usha*: We started our relationship with Usha in 2014. We have expanded our relationship with Usha from manufacturing fractional horsepower motors to manufacture mixer grinders and recently fans for them.
- *Bosch*: We started our relationship with Bosch in 2020. We have expanded our relationship with Bosch from manufacturing fractional horsepower motors to manufacture complete mixer grinder for them.

We will continue to leverage our existing customer relationships to expand into new product categories. For example, we have been selected as manufacturing partner by Philips for trimmers. Revenues from Philips for trimmers is expected to commence in Fiscal 2023.

2. Expand ODM share of the business

We believe that customers are increasingly looking for ODM capabilities in their manufacturing partners. Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. We have developed ODM capabilities with respect to lighting products and small appliances. Our primary ODM capabilities are as follows:

- *Lighting products*: We have ODM capabilities in baton lights, down lights, flashlights, wall lights and linear lights. ODM customers in this vertical include Signify and Eveready.
- *Small appliances*: We have ODM capabilities in irons and mixer grinders. ODM customers in this vertical include Philips, Panasonic, Usha and Faber.

We are also able to retain marquee customers through our ODM capabilities. We have catered to six ODM customers between Fiscals 2020, 2021 and 2022 and seven-month period ended October 31, 2022. Our ODM capabilities are a function of our strong R&D setup and capabilities.

We intend to capitalise on our existing OEM experience and increase our customer base and product portfolio through ODM projects with strong R&D setup and capabilities.

3. Augmenting our R&D capabilities

Leveraging on the experience and knowledge derived from manufacturing operations, our Company set-up centralized R&D centre in Ghaziabad (Uttar Pradesh) focusing on the research and development of engineering product designing, die and mould designing, electronic circuit designing and prototype designing. Our R&D unit was recognised by DSIR in the year 1992 and recently such recognition was renewed until March 31, 2024. Our R&D centre is enabled for product design with 3-dimensional software, 2-dimensional designing software and PCB designing. We also have plastic flow simulation software and magtrol motor tester. Our R&D facility is involved in proto-typing, tool making, product testing and reliability testing. As of October 31, 2022, we have two product designers, two PCB designer, two press tool designer, three motor designers, four process designers, six tooling engineers and six mold designer among our total 171 employees working at our R&D centre. Further, we have outsourced industrial design concept to approved designers.

At our R&D centre, we have a tool room that enables us to create the tooling for our product development for both OEM and ODM. In addition, we are able to suggest cost optimizations in contract manufacturing as well to our customers. Our ODM capabilities are function of our strong R&D setup and capabilities.

Through our focus on R&D and developing products with our customers, we will be able to continually innovate and refresh our products in line with the demands of our customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. By developing products with our customers and by offering a broad range of products across segments, we are able to increase customer dependence on us and position ourselves as a preferred supplier to our customers across segments.

4. Expanding operations in medical diagnostics cartridges and manufacturing facilities

We commenced manufacturing medical diagnostic cartridges in the year 2019 in our facility in Goa. We are currently supplying to Molbio Diagnostics Private Limited, a leading player in diagnostic devices which has its own patented technology in Rapid Point of Care equipment that is used for DNA and mRNA extraction and is available to individual labs, hospitals, and government hospitals. (Source: F&S Report) This product vertical contributed 1.53% of our revenue from operations in Fiscal 2022. We intend to expand our customer and product base in relation to medical diagnostics equipment market.

Contribution from rapid point of care diagnostics devices is expected to grow at CAGR of 18.5% from estimated production value of ₹ 18 billion in Fiscal 2021 to reach ₹ 42 billion in Fiscal 2026. Increased demand for healthcare and medical products as a result of rising medical tourism is anticipated to boost local production at a rate of 18.5% over the next 5 years. (Source: F&S Report)

We have planned capital expenditure for construction of building and purchase of machinery which will assist in expansion of medical diagnostics cartridges assembly line. We plan to purchase cartridge assembly line and moulding machine to enhance production of medical diagnostics cartridges. We currently propose to double our existing production capacity for medical diagnostic cartridges from 35,000 units per day to 70,000 units per day, as well as focus on manufacturing of other medical diagnostic market, such as sterilizer for Philips in a clean room technology setup. We believe that this expansion will enable us to generate higher revenue.

We intend to draw on our experience, market position and ability to timely deliver quality product to successfully foray further in medical diagnostics cartridges vertical.

We have three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). We have also been allotted land measuring approximately 16,200 square meters and 3,600 square meters on 99 years and 90 years leases in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh), respectively. As on the date of this Red Herring Prospectus, these allotments of land in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh) are yet to be registered as leases. We may in the future undertake business activities at the land in Bhiwadi (Rajasthan). We believe that this expansion will enable us to generate higher revenue.

5. Focus on one-stop-shop facility with increased degree of backward integration

With our strong R&D capabilities and backward integration, we are largely an integrated one-stop-shop facility for our customers. We believe our high customer retention capabilities are due to, among others, our one-stop-shop facilities.

We have enhanced our backward integration over the years. For example, in 2019, we installed in-house die casting and coating facility to manufacture aluminum sole plates which is one of the primary raw components for irons. This has resulted in enhanced profitability, improved quality and savings on logistics cost. Further, in 2020, we started manufacturing stainless steel blades in-house with a high quality manufacturing setup which is used for mixer grinders. Now, we are selling stainless steel blades as standalone product to various other mixer grinder manufacturers. This has resulted in improved quality and increase in revenue.

We continue to purchase various equipment and machinery to further enhance our moulding capacity, automation of moulding machines and motor assembly process, sheet metal production capacity, among others. As a result, this will further enhance our backward integration. For details of utilisation of the Net Proceeds of Fresh Issue, see “*Objects of the Offer*” on page 99.

RECENT DEVELOPMENT – COVID-19 IMPACT

In March 2020, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of a novel strain of coronavirus known as COVID-19. Although the ultimate impacts of COVID-19 remain uncertain in light of a surge in COVID-19 infections and the re-imposition of regional and local lockdowns due to such surge, the pandemic has currently increased the requirement for EMS services.

Our business was impacted, and may continue to be impacted, during the COVID-19 pandemic. Due to COVID-19 restrictions, our manufacturing facilities in Ghaziabad (Uttar Pradesh) and Baddi (Himachal Pradesh) were shutdown for a period of approximately 42 days and 34 days, respectively, from March 2020. However, manufacturing facility at Goa was operational to manufacture medical diagnostic cartridges being an essential item. Post gradual easing of restriction, non-availability of labour resulted in a slowdown in our operations, however, gradually labour availability was normalised.

While it remains possible that sustained or deepened impact on consumer demand resulting from COVID-19 or the related economic recession could negatively impact our performance, we believe that we are well positioned to weather the pandemic.

BUSINESS OPERATIONS

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) We offer innovative and cost-effective solutions to our marquee clients, including leading international and national brands.

We typically manufacture and supply our products for ODM and OEM business vertical on the basis of purchase orders with our customers. We typically enter into a general purchasing agreement for specific products with our customers which is valid for three years and renewed thereafter. Within this period, products are manufacture and sold a purchase order basis.

Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, project book, delivery schedule, warranties, supply of spare parts, supply chain security and pricing policy. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months.

OUR MANUFACTURING FACILITIES

We have three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines and full power backup for 100% capacity that enable us to meet the quality requirements of our customers in a timely manner. We source energy from local utility companies and DG sets and water from ground water and local utility companies at our manufacturing facilities. We have also been allotted land measuring approximately 16,200 square meters and 3,600 square meters on 99 years and 90 years leases in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh), respectively. As on the date of this Red Herring Prospectus, these allotments of land in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh) are yet to be registered as leases.

Details of our manufacturing facilities are set out below:

S. No.	Name of Facility	Area (in square meter)*	Year of commencing operations	Products manufactured	Key machinery/ equipment
1.	Ghaziabad (Uttar Pradesh)	19,868.89	1970	Fractional horsepower motors, LED lighting, fans and switches, plastic moulded parts and sheet metal components	Tool manufacturing machinery, plastic moulding machinery, sheet metal fabrication machinery, product assembly lines, PCB manufacturing SMT lines
2.	Verna (Goa)	7,500.00	1995	Medical diagnostic cartridges, plastic moulded parts and sheet metal components	Tool manufacturing machinery, plastic moulding machinery, product assembly lines
3.	Baddi (Himachal Pradesh)	20,882.00	2004	Small appliances	Die casting machinery, plastic moulding machinery, sheet metal fabrication machinery, product assembly lines

* As certified by Er. B.P. Singh, independent chartered engineer, vide certificate dated November 18, 2022.

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:

Product/Vertical	Aggregate annual installed capacity for the period (in units)#	Production during six-month period ended September 30, 2022 (in units)	Capacity utilisation (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%

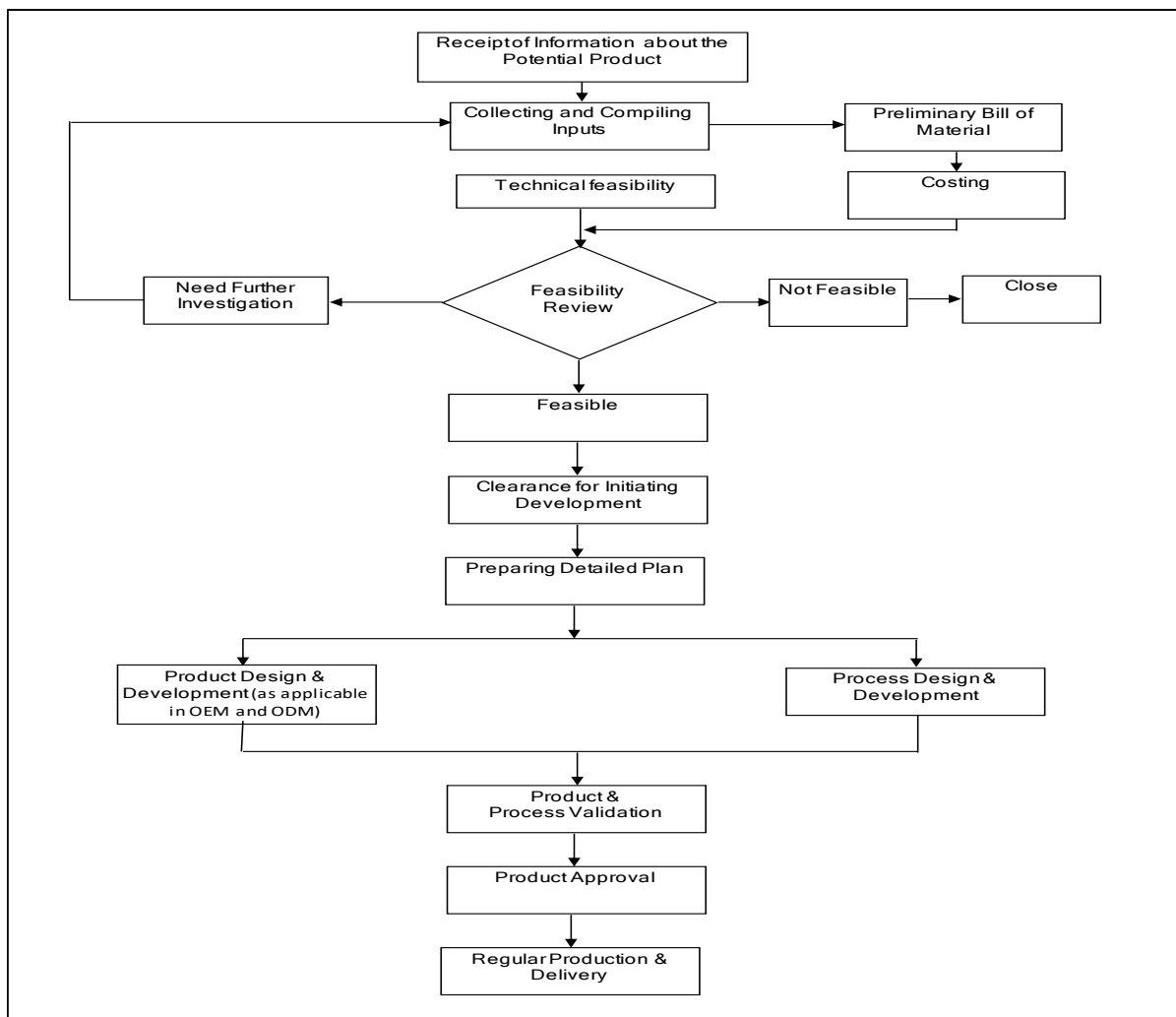
Calculated as on September 30, 2022.

Product/Vertical	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	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)#	Production during Fiscal 2022 (in units)	Capacity utilisation (%)
EMS									
LED lighting, fans and switches									
- LED fittings, fixture and solar device	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	64.71%
- 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%

Product/Vertical	Fiscal 2020			Fiscal 2021			Fiscal 2022		
	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) [#]	Production during Fiscal 2022 (in units)	Capacity utilisation (%)
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	24.85%

Calculated as on March 31 of respective Fiscal.

Set out below are the key activities involved in manufacturing and assembly of our products in OEM and ODM business models:



OUR PRODUCTS AND SERVICES

We manufacture and assemble a wide array of products and provide end-to-end product solutions. Our key diversified product portfolio in EMS includes (i) LED lighting, fans and switches including lighting products, ceiling, fresh air and TPW fans, and modular switches and sockets; (ii) small appliances such as dry and steam irons, toasters, hand blenders, mixer grinders, hair dryer and hair straightener; (iii) fractional horsepower motors, which is used in mixer grinder, hand blender, wet grinder, chimney, air conditioner, heat convector, TPW fans etc.; and (iv) other miscellaneous products such as terminal block for air conditioners, stainless steel blade for mixer grinders, die casting, radio sets. In addition to our EMS offerings, we also manufacture medical diagnostic cartridges for use in diagnostic devices, and plastic moulded and sheet metal parts and components, largely for customers in the auto ancillary and consumer durables sectors. We manufacture and sell fractional horsepower motors in our own brand name “Elin”.

Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with leading consumer electronics and appliances brands in India.

Set forth below is our product vertical wise revenue for the period indicated:

(₹ in million)

Particulars	Period/ fiscal ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
EMS	6,358.94	6,631.85	8,555.48	4,694.72
- LED lighting, fans and switches	2,928.05	2,557.82	3,326.12	1,888.20
- Small appliances	1,939.00	1,933.71	2,550.89	1,491.65
- Fractional horsepower motors	1,190.51	1,843.97	2,369.03	1,136.18
- Other EMS products	301.38	296.35	309.44	178.70
Medical diagnostic cartridges	42.32	420.95	167.32	80.67
Moulded and sheet metal parts and components	1,097.18	1,232.96	1,635.31	1,054.55
Others ⁽¹⁾	357.40	338.02	579.44	214.63
Total	7,855.84	8,623.78	10,937.54	6,044.57


(1) Others include scrap sale and export incentives as applicable for the relevant period.




Electronics manufacturing services

We commenced our electronics manufacturing services operation in the year 1973, with manufacturing of tape deck mechanism for use in audio cassette players. Since inception, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. Key products in our EMS business vertical include (i) LED lighting, fans and switches; (ii) small appliances; (iii) fractional horsepower motors; and (iv) other EMS products.

LED lighting, fans and switches

The following table sets forth certain information relating to our key products in this vertical for the period indicated:

S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
1.	LED lights	2001		2,418.41	1,869.89	2,352.49	1,261.58





S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
2.	LED flashlights	2007		352.29	345.61	310.44	215.99
3.	Miscellaneous lighting products	Launch of switch in 2010		145.53	129.49	145.78	97.37
4.	Fans	2019		11.82	212.83	517.41	313.26

The following table sets forth the break-up of contribution of revenue earned from key customers in this vertical for the period indicated:

S. No.	Name of key customer	Percentage of revenue generated from LED lighting, fans and switches	
		Fiscal 2022	Six-month period ended September 30, 2022
1.	Signify Innovations India Limited	86.63%	83.90%
2.	Eveready Industries India Limited	8.91%	11.23%

Small appliances

The following table sets forth certain information relating to our key products in this vertical for the period indicated:

S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
1.	Mixer grinder	2012		626.83	836.58	926.15	477.22
2.	Bar blender	2015		81.92	133.90	154.71	57.94
3.	Hair dryer	2015		146.29	135.31	263.84	176.31
4.	Hair straightener	2015		272.29	163.26	315.23	160.19

S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
5.	Iron	2011		795.95	647.58	864.02	598.45
6.	Toaster	2015		15.72	17.08	26.94	18.21

The following table sets forth the break-up of contribution of revenue earned from key customers in this vertical for the period indicated:

S. No.	Name of key customer	Percentage of revenue generated from small appliances	
		Fiscal 2022	Six-month period ended September 30, 2022
1.	Philips Domestic Appliances India Limited (for domestic appliances); and an Indian customer (for grooming appliances)	85.75%	85.37%
2.	Usha International Limited	4.15%	3.70%
3.	BSH Household Appliances Manufacturing Private Limited	6.66%	10.09%

Fractional horsepower motors

We commenced manufacturing of fractional horsepower motors in 1977. We have capabilities of manufacturing both universal and induction motors. Universal motors are generally used high rpm (rotations per minute) applications such as mixer grinders, vacuum cleaner, bar blender etc. Induction motors are generally used for lower rpm applications such as fans and air conditioner.

In Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, we earned ₹ 1,190.51 million, ₹ 1,843.97 million, ₹ 2,369.03 million and ₹ 1,136.18 million, respectively, revenue from manufacture and sale of fractional horsepower motors.

Select pictures of our fractional horsepower motors are as follows:



Universal motors

Chimney motor



Fresh air fan motor



Aircon motor



The following table sets forth the break-up of contribution of revenue earned from key customers in this vertical for the period indicated:

S. No.	Name of key customer	Percentage of revenue generated from fractional horsepower motors	
		Fiscal 2022	Six-month period ended September 30, 2022
1.	Havells India Limited	49.01%	55.28%
2.	Panasonic Appliance India Company Limited	13.67%	12.25%
3.	Group SEB India Private Limited	7.15%	2.70%
4.	Customer X (Masked name)	8.24%	7.63%

Other EMS products

The following table sets forth certain information relating to our key products in this vertical for the period indicated:

S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
1.	Terminal block	2015		140.45	101.09	118.71	68.17
2.	Stainless steel blade	2019		28.06	30.67	75.72	51.52
3.	Die casted product	2001		23.25	43.60	3.45	1.44
4.	Miscellaneous ⁽¹⁾	-	-	109.62	120.99	111.56	57.57

(1) Miscellaneous products include radio, junction boxes and UV-C disinfection system.

The following table sets forth the break-up of contribution of revenue earned from key customers in this vertical for the period indicated:

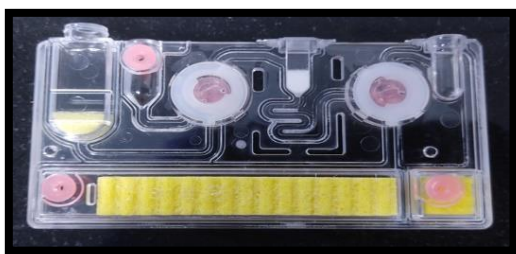
S. No.	Name of key customer, as applicable	Percentage of revenue generated from other EMS products	
		Fiscal 2022	Six-month period ended September 30, 2022
1.	Crompton Greaves Consumer Electricals Limited	8.73%	14.17%
2.	Customer A (masked name)	20.90%	17.65%
3.	Daikin Airconditioning India Private Limited	15.55%	17.12%
4.	Signify Innovations India Limited	3.31%	0.36%
5.	Customer B (masked name)	1.11%	-

Medical diagnostic cartridges

We commenced manufacturing of medical diagnostic cartridges in 2019. Currently, we are selling medical diagnostic cartridges to Molbio Diagnostics Private Limited. In Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, we earned ₹ 42.32 million, ₹ 420.95 million, ₹ 167.32 million and ₹ 80.67 million, respectively, revenue from manufacture and sale of medical diagnostic cartridges.

We manufacture two types of medical diagnostics cartridges, namely, ultrasonic cartridge and laser cartridge. Medical diagnostics cartridge is a device which is part of Trueprep Auto RT-PCR kit which is used for extraction and purification of nucleic acids from clinical specimen. It can be used to determine approximately 26 diseases such as Tuberculosis and Zika virus. Cartridge is manufactured in clean room wherein we use one lakh particle/cubic meter for cleaning whereas the particle size is five microns. We use hyper filter which changes the entire air 35 times per hour. Primary raw material used to manufacture medical diagnostics cartridge is poly carbonate.

Select pictures of our medical diagnostic cartridges are as follows:







Ultrasonic cartridge



Laser cartridge

Moulded and sheet metal parts and components

The following table sets forth certain information relating to our key products in this vertical for the period indicated:

S. No.	Product	Year of launch	Select product picture	Revenue from operations (₹ in million)			
				Fiscal 2020	Fiscal 2021	Fiscal 2022	Six-month period ended September 30, 2022
1.	Sheet metal	2014		362.98	253.04	420.74	236.17
2.	Injection moulded plastic parts	2014		453.09	718.66	940.80	619.42
3.	Dies tools and moulds	2014		87.74	72.57	114.75	66.40
4.	Other spare parts and products	2014		193.38	188.67	159.01	132.55

The following table sets forth the break-up of contribution of revenue earned from key customers in this vertical for the period indicated:

S. No.	Name of key customer, as applicable	Percentage of revenue generated from moulded and sheet metal parts and components	
		Fiscal 2022	Six-month period ended September 30, 2022
1.	IFB Industries Limited	31.79%	35.94%
2.	Denso Haryana Private Limited	24.16%	23.99%
3.	Customer 1 (Masked name)	9.58%	4.33%

ORIGINAL DESIGN MANUFACTURING

Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers' prospective customers under their brands. We have developed ODM capabilities with respect to lighting products and small appliances. Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively.

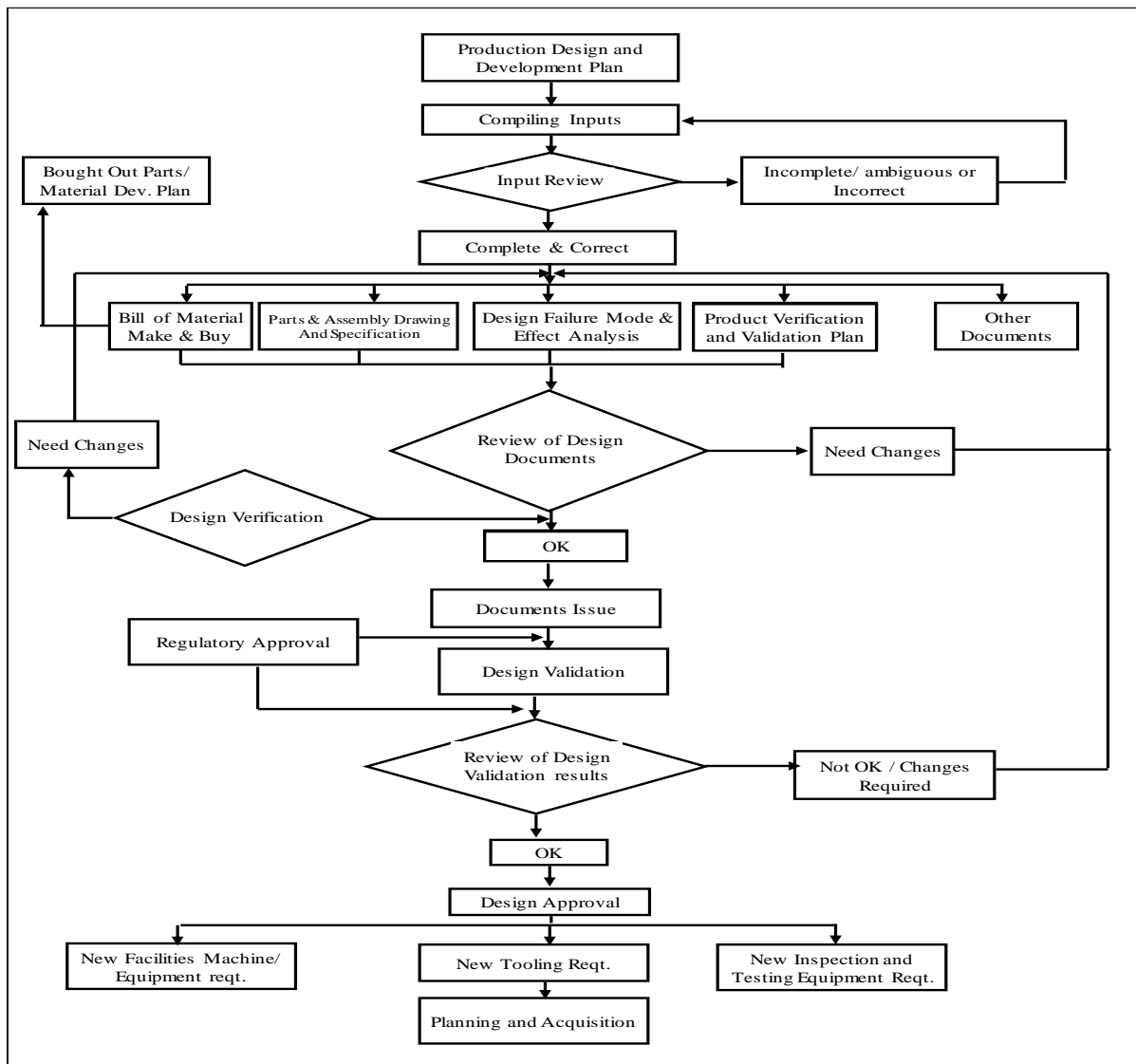
The following table sets forth the proportion of OEM and ODM to our revenue in these verticals during the period indicated:

Vertical	Revenue attributable to ODM/OEM as applicable (₹ in million)							
	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six-month period ended September 30, 2022	
	OEM	ODM	OEM	ODM	OEM	ODM	OEM	ODM
LED lighting, fans and switches	2,340.10	587.95	2,047.12	510.70	2,789.02	537.10	1,535.90	352.30
Small appliances	1,638.86	300.14	1,473.48	460.23	2,198.88	352.01	1,347.89	143.76
Total	3,978.96	888.09	3,520.60	970.93	4,987.90	889.11	2,883.78	496.06

We have developed ODM capabilities with respect to lighting products and small appliances. Our primary ODM capabilities are as follows:

- *Lighting products:* We have ODM capabilities in baton lights, down lights, flashlights, wall lights and linear lights. ODM customers in this vertical include Signify and Eveready.
- *Small appliances:* We have ODM capabilities in irons and mixer grinders. ODM customers in this vertical include Philips, Panasonic, Usha and Faber.

Set out below are the key ODM activities involved in product development:



RESEARCH AND DEVELOPMENT

We have a R&D centre in Ghaziabad (Uttar Pradesh) focusing on the research and development of engineering product designing, die and mould designing, electronic circuit designing and prototype designing. With our R&D centre, we are able to focus on all aspects of OEM and ODM including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers' diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. Our R&D centre is recognised by DSIR.

Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. During Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, expenditure on research and product development including capital expenditure was ₹ 65.70 million, ₹ 60.46 million, ₹ 61.02 million and ₹ 31.14 million, respectively.

As of October 31, 2022, we have two product designers, two PCB designer, two press tool designer, three motor designers, four process designers, six tooling engineers and six mold designer among our total 171 employees working at our R&D centre. Further, we have outsourced industrial design concept to approved designers. Set out below are the further details of our R&D manpower as on October 31, 2022:

S. No.	Particulars	Manpower
1.	Degree engineers	13
2.	Diploma engineers	32
3.	Workers	31
4.	Industrial training institute degree	95
	Total	171

The R&D team has the capabilities to independently develop ODM designs and verify and develop OEM designs received from customers and convert such designs into deliverable products by improving the designs, recommending suitable raw materials and testing of trial products. The R&D team also aims to provide solutions through automation to improve manufacturing efficiency on the existing products, reduce production costs and also assists our customers by providing design and engineering support.

Set forth below are the details of our key R&D infrastructure:

Particulars	Equipment/ Infrastructure
Product designing	<ul style="list-style-type: none"> - Experienced engineers and designers - Advanced 3d designing software: Unigraphics and Solidworks - 2d software: Auto CAD - PCB designing: Altium
Tool designing	<ul style="list-style-type: none"> - Press tool and Mould designers - Advanced 3d and 2d designing software: Unigraphics and Auto CAD - Plastic Flow simulation Software: Mouldflow - Press tool designing module: Press Wizard - Injection Mold designing module: Mould Wizard
Primary testing equipment	<ul style="list-style-type: none"> - Environmental chamber 95% RH 45 degree - Low temperature chamber up to -20 degree - Dry heat test chamber +80 degree - Salt spray test chamber - Magtrol motor tester (Torque, speed and efficiency) - Variable voltage test setup - Photometry light flux/colour measurement setup - CRO/Surge tester, HV/IR tester, LCR - X-Ray
Prototyping	<ul style="list-style-type: none"> - Conventional machines such as Lathe, Grinder and Drilling - CNC machines for precise machining
Tool making	<ul style="list-style-type: none"> - Milling machines (M1TR) - Turning Machines - Surface grinders - Drilling - CNC Milling - Horizontal Milling - Vertical Milling - Cylindrical Grinder - Power Hacksaw - CNC Wire Cut - EDM - Polishing M/c. - Precise Milling Station (DMG)
Product testing	<ul style="list-style-type: none"> - C.M.M. - Hardness Tester - Profile Projector - Height Gauge - Concentricity Gauge - MM & Digital Vernier Calipers - Gauges
Reliability testing (Product)	<ul style="list-style-type: none"> - Environmental Chamber <ul style="list-style-type: none"> - Humidity up to 95% - Temperature: -20°C to 100°C - Oven (Ranging from room temperature to 200°C)

BACKWARD INTEGRATION

In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities in die and mold manufacturing, simultaneous multithread setting, injection molding automated motor assembly, testing labs and surface coating. Our tool room has sophisticated machinery to produce quality tools and dies which in turn supports

quality components and sub-assemblies. We have equipped our facilities to improve our cost efficiency, reduce dependency on third party suppliers and provide better control on production time and quality of critical components used in the manufacturing of products.

Our capabilities which enable us to provide end-to-end solutions are:

- *In-house manufacturing of components and sub-assemblies:* We have set up in-house manufacturing for die and mold, sheet metal components, plastic molded components, aluminium die casting and surface coating. Our backward integrated in-house manufacturing supports all our product verticals.
- *State-of-art manufacturing facilities:* We have modern and state-of-the-art manufacturing facilities equipped with high quality machinery, assembly lines and full power backup for 100% capacity. Our tool room has sophisticated machinery which produces best in class tools and dies which in turn supports best quality components and sub-assemblies. As on October 31, 2022, our large scale setup included over 157 molding machines and over 104 power presses which enables us bringing efficiencies and economies of scale.
- *PCB assembly:* In house PCB assembly on surface mount technology (SMT) is a critical part of our manufacturing process and prowess. We have six such fully automatic assembly lines with 304,000 CPH capacity per hour.

We continue to purchase various equipment and machinery to further enhance our moulding capacity, automation of moulding machines and motor assembly process, sheet metal production capacity, among others. As a result, this will further enhance our backward integration. For details of utilisation of the Net Proceeds of Fresh Issue, see “*Objects of the Offer*” on page 99.

RAW MATERIALS SOURCING

We source our raw materials from both domestic and international markets. Whether domestic or import based, our raw material suppliers are assigned by our customers or independently sourced by us. For independently sourced suppliers, we conduct a supplier audit to assess worthiness of supplier in terms of adherence to timelines/schedules and quality. For customer assigned suppliers, the audit is conducted by our customer. We typically obtain minimum of two quotations from suppliers. Purchase of raw material is independently made by our respective factories with head office being an enabler for financial matters.

We typically purchase raw material on purchase order basis. We typically pass-on fluctuation in price of raw material to our customers on a monthly or quarterly basis. We typically keep 30 days’ stock of raw material.

DISTRIBUTION AND LOGISTICS

Once the products are finished, we package our products to the customers as per their specifications. Most of our orders are on ex-works basis and transportation of products from our facilities is customer responsibility.

BUSINESS DEVELOPMENT

We have dedicated sales and marketing teams based out of each manufacturing facility. As of October 31, 2022 our sales and marketing teams comprised 22 members. Our teams approach new customers to showcase our capabilities to bring in new business, and accordingly, our existing customers often approach us to get additional/new products manufactured.

We follow stringent process in customer acquisition and retention for both new and existing products. For example, the process includes submission of product concept to potential customers and approval thereof, submission of functional and aesthetic prototype for customers’ testing and market feasibility, development of product where tools and dies are developed as per customer specification, submission of final product to customers’ quality department for quality check and reliability clearance, preparation of production plans along with customers, conduct of various audits by customers such as financial, quality, engineering and sustainability. This process may take upto 49 weeks till engineering build, depending on the customer and product.

We have incurred negligible advertisement and sales promotion expenses when compared to our revenue from operations in last three Fiscals, due to strong and longstanding relationship with our customers, our ability to cross-sell our products to existing customers.

QUALITY CONTROL

We place strong emphasis on product and process quality control. We have established strict quality control systems, which are designed to ensure product design, production efficiency and high output at our manufacturing facilities. For customers having their own specifications, we also carry out customer designated tests. Quality checks are undertaken for raw material and components and at packaging. Outgoing quality control is conducted prior to dispatch of products.

All of our manufacturing facilities have been accredited with management system certificates for compliance with ISO 9001:2015 and ISO 14001:2015. Our manufacturing facility in Ghaziabad (Uttar Pradesh) is also accredited with IATF 16949:2016, valid till 2024. We also have ISO 14001:2004 certification for 'Environment Management System Standard' and TS: 16949: 2016 quality certifications for automotive parts manufacture of injection moulded and sheet metal components and their sub-assemblies.

HEALTH, SAFETY AND ENVIRONMENT

Our activities are subject to the environmental laws and regulations of India. For information regarding applicable health, safety and environmental laws and regulations, see "*Key Regulations and Policies in India*" on page 204.

At our manufacturing facilities, we make efforts to use natural light and air flow and to conserve energy, we continue to replace conventional tube light in to LED lights and replace conventional diesel burner into PNG and LPG burners for our facilities located at Baddi (Himachal Pradesh) and Ghaziabad (Uttar Pradesh).

INFORMATION TECHNOLOGY

We have implemented a company-wide ERP system to manage and integrate our core business processes. This system enables us in making and managing, among others, MIS reports, purchase orders, production entries, dispatch of products, production planning, costing, tool room production entries, vendor price update, main store entries, quality, human resources entries, item code creation and vendor code creation. Considering the prevailing security threats to data and information security, we have adopted defined access control measures for our employees and visitors in relation to our systems and server rooms, which are reviewed on periodic basis.

We also have a defined IT disaster recovery plan in order to recover from disasters such as cyber attack and data hacking, natural disasters, ERP data loss, failure of software, fire in server room, loss of customer data and disruption in LAN services. We conduct mock drills on such disasters on periodic basis. Further, in order to protect confidential data such as financial performance, data relating to customers and vendors and production information data, we have also adopted a cyber security policy defining the processes to be followed by our employees, contractors and anyone who has permanent or temporary access to our systems and hardware.

We have a dedicated IT team responsible for our IT systems and we conduct threat awareness program at our premises on periodic basis.

COMPETITION

We operate in a competitive industry, with participants in the organized and the unorganized sector. Many segments within the electronic manufacturing space have low barriers to entry or exit, leading to a market with a very high degree of fragmentation.

We believe that the principal competitive factors include service quality, reliability, price and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address customer requirements. With over four decades of operating history in the EMS space and the quality of our products, our product development capability, our range of products and our customer retention capability, we believe that we are able to compete effectively with our competitors.

We continue to compete with international and domestic manufacturers engaged in the manufacture and supply of lighting products, small appliances and fractional horsepower motors as well as from players in the unorganized sector. Set forth below are our key competitors in each of our product verticals: (*Source: F&S Report*)

- *Small appliances:* Smile Electronics, PG Electroplast and Indic.
- *Fractional horsepower motors:* Marathon and Amber (PICL).
- *LED lighting and flashlights:* Dixon and RK Lighting.
- *Fans:* Yash Electronics, Tiberwala and KKG Industries.
- *Sheet metal:* JBM Auto, Panse Auto, Autoline Stamping, SM Auto and Delco Industries.
- *Plastic moulding:* Varroc Engineering, Plastic Opium, Motherson Sumi, Magna Styr, Prakash Plastics, Affy India, SSI Moulds, BDI Group, Multitek and Ashuman Auto.

HUMAN RESOURCES

As on October 31, 2022, we had 2,935 permanent employees and also employed around 1,682 contract labour at our manufacturing facilities. The following table sets forth break-up as of October 31, 2022:

S. No.	Department	Manpower
1.	Sales and marketing	22
2.	Purchases	34
3.	Operations and works	3,816
4.	R&D	171
5.	HR	19
6.	Quality control	219
7.	Others	269
8.	Finance	67
	Total	4,617

For details of our R&D manpower as on October 31, 2022, see “- *Research and Development*” above.

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

INTELLECTUAL PROPERTY

As on date of this Red Herring Prospectus, our Company has obtained a copyright for its artistic work and 10 trademark registrations under the Trademarks Act, 1999. We have registered the “*Elin*” trademark under various classes with the Registrar of Trademarks in India under the Trademarks Act, 1999, which are currently valid. These trademarks are registered in the name of our Company. The other registered trademarks we have are “*Asian*” and “*Ventis*”.

INSURANCE AND WARRANTIES

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We maintain ongoing insurance policies in order to manage the risk of losses from potentially harmful events, including: (i) fire and perils policies covering, among other, building superstructure, plinth and foundation; plant, machinery and accessories; furniture, fittings, fixtures and other contents; stocks and stocks in process; and (ii) broad form liability insurance.

We also provide warranty in relation to defect in design, materials and/or workmanship for the products manufactured as per customers specifications on case-to-case basis.

PROPERTIES

Our Registered Office is located at 143, Cotton Street, Kolkata – 700 007, West Bengal, India, and is situated on leasehold premises. Further, our Corporate Office is located at 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110 002, and is situated on freehold premises.

Out of the three manufacturing facilities, Elin Appliances Private Limited, our subsidiary, owns the land on which our manufacturing facility at Baddi, Himachal Pradesh is located. We have also been allotted land measuring approximately 16,200 square meters and 3,600 square meters on 99 years and 90 years leases in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh), respectively. As on the date of this Red Herring Prospectus, these allotments of land in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh) are yet to be registered as leases.

Details of the land on which our manufacturing facilities are located are set forth in the table below.

Manufacturing facility	Address	Freehold/ leasehold	Expiry date for lease / license
Ghaziabad (Uttar Pradesh)	Plot No. C 142, 143, 144, 144/1, 144/2, Industrial Area, Site No.1, Bullandshahar Road, Ghaziabad, Uttar Pradesh – 201 009	Leasehold	Four leasehold agreements with expiry ranging from until the year 2059 to the year 2070.

Manufacturing facility	Address	Freehold/ leasehold	Expiry date for lease / license
Verna (Goa)	L 84, Verna Industrial Area, Electronics City, Verna, Goa – 403 722	Leasehold	Leasehold agreement with expiry until the year 2090.
Baddi (Himachal Pradesh)	(i) Khasra Nos.442/12-11, 440/1/0-14, 448/1/1-13, 444/1/5-0; and (ii) Khasra Nos.456(1-17), 457(2-10), 458(0-11), 459(1-4) 461(1-9), 463(0-6), in village Belikhol, Post Manpura, Tehsil Nalagarh, District Solan, Himachal Pradesh – 174 101	Freehold	N.A.

We have two warehouses which are located on leasehold properties in Ghaziabad (Uttar Pradesh) and Goa.

CORPORATE SOCIAL RESPONSIBILITY

We have constituted a Corporate and Social Responsibility Committee of our Board of and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. CSR activities undertaken by us include, among others, promotion of healthcare, construction of water-tanks for schools, renovation of school building and village ponds and toilets, and plantation at heritage park. We seek to integrate social, environmental and ethical responsibilities into the governance of businesses which ensures the long-term success, competitiveness and sustainability.

KEY REGULATIONS AND POLICIES IN INDIA

The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act 1962, the relevant goods and services tax legislation and applicable shops and establishments' statutes apply to us as it does to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 336.

Industry specific laws

Bureau of Indian Standards Act, 2016 (the "BIS Act")

The Bureau of Indian Standards Act, 2016 provides for the establishment of bureau for the standardisation, marking and quality certification of goods. Functions of the bureau include, *inter alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license. A person may apply to the bureau for grant of license or certificate of conformity, if the articles, goods, process, system or service conforms to an Indian Standard.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act, along with the relevant rules, establishes and enforces standards of weights and measures, regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or numbers. Any transaction relating to goods or a class of goods shall be as per the weight, measurements or numbers prescribed by the Legal Metrology Act. The Central Government is empowered to appoint a director to exercise the powers and to discharge duties. The Legal Metrology Act prohibits the manufacture, packing, selling, importing, distributing, delivering, offer for sale of any pre-packaged commodity if such does not adhere to the standard regulations set out.

The Legal Metrology (Packaged Commodities) Rules, 2011, with amendments up to June 2017 ("Legal Metrology Rules")

The Legal Metrology Rules are ancillary to the Legal Metrology Act and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

The National Policy on Electronics, 2019 ("NPE")

The NPE is issued by, Ministry of Electronics and Information Technology, Government of India. The Policy envisions positioning India as a global hub for Electronics System Design and Manufacturing - (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

"Production Linked Incentive Scheme for White Goods (Air Conditioners and LED Lights) Manufacturers in India, 2021 ("PLI Scheme")

The PLI Scheme for White Goods was introduced to provide financial incentive to boost domestic manufacturing and attract large investments in the white goods manufacturing value chain. Support under the PLI Scheme is provided to

companies/entities engaged in manufacturing of components of air conditioners and LED lights in India. The PLI Scheme extends incentive of 4% to 6% on incremental sales of goods manufactured in India and covered under target segments, to eligible companies. The actual number of beneficiaries within a target segment is decided based on the response of the industry.

Foreign Exchange Laws

The primary exchange control legislation in India is the Foreign Exchange Management Act, 1999 (the “FEMA”). Pursuant to FEMA, the GoI and the RBI have promulgated various regulations, rules, circulars and press notes in connection with various aspects of foreign exchange control.

Foreign Trade (Development and Regulation) Act, 1992 (“FTA”)

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto.

As per the provisions of the Act, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; and (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette.

FTA read with the Indian Foreign Trade Policy 2015 – 2020 (extended up to March 31, 2023) provides that no export or import can be made by a company without an Importer-Exporter Code “IEC” Number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Environmental laws

The Environment (Protection) Act, 1986 (“EPA”) read with The Environment (Protection) Rules, 1986

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emit any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste into water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem fit, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Additionally, consent of the state pollution control board is required prior to establishing and operating an industrial plant. The consent by the state pollution control board may contain provisions regarding installation of pollution control equipment and the quantity of emissions permitted at the industrial plant.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Wastes Rules”)

The Hazardous Wastes Rules set out the regulations for management and disposal of environmental waste. It mandates that every facility generating hazardous waste must obtain prior approval from the relevant state pollution control board. Particular attention must be paid to the recycling the hazardous waste. In the case of improper handling and disposal, every occupier transporter and the operator of a facility generating hazardous waste are liable for environmental damage and penalties thereunder.

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (“Hazardous Chemical Rules”)

Pursuant to the Environment Protection Act, the Central Government is empowered to make rules pertaining to any industry which deals with any hazardous chemical, including flammable gases and liquids. An elaborate list of chemicals, and the quantity limits is provided under the Schedules of the rules. The Hazardous Chemical Rules also deal with the procedure to be followed in the case a major accident occurs, including whom to notify and how. Further, a full safety report on the concerned activity must be submitted with the information specified to the concerned authority, within the time limit.

The Public Liability Insurance Act, 1991 (“Public Liability Act”)

The Public Liability Act, along with the Public Liability Insurance Rules, 1991, require the owner to contribute towards the environment relief fund of a sum equal to the insurance premium paid to the insurer. Further, a liability is imposed on the owner or controller of hazardous substances, in relation to death/injury of a person, or any damage to property arising out of an accident involving such hazardous substances. Vide notification, the Central Government has enumerated a list of hazardous substances covered by the legislation

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with the aim of facilitating collection and recycling of plastic waste. It delegates responsibility to the waste generators for waste segregation and disposal. Plastic Waste Management (Amendment) Rules, 2018 prescribed a central registration system for the registration of the producer/importer/brand owner. Recently, the government has proposed draft Plastic Waste Management Rules, 2021 which aims to ban the manufacture, import, stocking, distribution, sale and use of specific single use plastic from July 1, 2022. The draft has also extended the applicability of rules to brand owner, plastic waste processor, including the recycler and co-processor etc.

Labour laws

In order to rationalize and reform labour laws in India, the Government has enacted four labour codes that would subsume primarily all of the central labour laws and would collectively form the governing labour legislations, as and when brought into effect. These four codes are:

- (a) **Code on Wages, 2019**, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- (b) **Industrial Relations Code, 2020**, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- (c) **Code on Social Security, 2020**, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee’s Provident Fund and the Employee’s State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- (d) **The Occupational Safety, Health and Working Conditions Code, 2020**, consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and received the presidential assent on 28 September 2020.

These codes shall become effective on the day that the Government shall notify for this purpose.

Intellectual Property Laws

The Trade Marks Act, 1999 (“Trademarks Act”)

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying trademarks.

The Patents Act, 1970 (“Patents Act”)

The Patents Act provides for the application and registration of new inventions of products or processes for granting exclusive rights to the holder of such a patent and obtaining relief in case of infringement. Under the Patents Act, the registration is granted for a fixed period and after the expiry of the term of the patent, it becomes available in the public domain for use without having to pay any fee / royalty to the inventor of the product or process.

Designs Act, 2000 (“Designs Act”)

Industrial designs have been accorded protection under the Designs Act. A ‘Design’ means only the features of shape, configuration, pattern, ornament or composition of lines or colour applied to any article whether two dimensional or three dimensional or in both forms, by any industrial process or means, whether manual, mechanical or chemical, separate or combined, which in the finished article appeal to and are judged solely by the eye, but does not include any mode or principle or construction or anything which is in substance a mere mechanical device, and expressly excludes works accorded other kinds of protection like property marks, Trademarks and Copyrights. Any person claiming to be the proprietor of a new or original design may apply for registration of the same under the Act before the Controller-General of Patents, Designs and Trade Marks. On registration, the proprietor of the design attains a copyright over the same. The duration of the registration of a design in India is initially ten years from the date of registration, but in cases where claim to priority has been allowed the duration is ten years from the priority date. No person may sell, apply for the purpose of sale or import for the purpose of sale any registered design, or fraudulent or obvious imitation thereof.

Taxation related Laws

The Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the “Income Tax Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company 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 RoC. Subsequently, the name of our Company was changed to 'Elin Electronics Limited' upon conversion of our Company into a public 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 a public limited company on November 22, 1987.

Changes in our Registered Office

There has been no change in the registered office of our Company since incorporation.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

- 1. To carry on the business of manufacturing of and dealers in all types of tape deck mechanism, D.C. micro motors, tape deck cabinets, all types of gang condensers, radio and transistor switches, electronic and electrical instruments and components.*
- 2. To carry on the business of manufacture and/or deal in all types of tapes, magnetic and otherwise, tape recorder, television, broadcast, relay and reception equipments, phonographs and other equipments used in and/or, for audio and visual communication, apparatus and equipment including those using electro-magnetic waves for radio-telegraphic or radio-telephonic communication, photocopies, electronic, lighting, controls, continuous fan, motor, speed controls, continuous flashers and fire alarm systems, digital and other electronic clocks, time relays, electro-mechanical pneumatic controls, automatic calculators, x-ray machine, surgical, medical and other appliances intended to electro and other therapy treatment.*
- 3. To promote industrial projects, industrial ventures, enterprises to survey, investigate, assess, examine, ascertain, technical, commercial and financial feasibility of and undertake, manufacturing and marketing of any plants, machineries, components, tools, implements, accessories, articles, goods and things of household, consumer, industrial or commercial use.*
- 4. To carry on the business of manufacturers, processors, producers, makers, importers, exporters, buyers, sellers, stockists, agents, merchants, distributors, dealers in all types of electronic goods, electric goods, components, instruments and other allied items.*
- 5. Subject to the provisions of the Act and directions issued by R.B.I, to receive money, deposits on interest or otherwise and to lend money, negotiate loans with or without security to such companies, firms or persons, and on such terms as may seem expedient and to guarantee the performance of contracts by any person, companies or firms provided the company shall not carry on the business of Banking."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see the section entitled "*Objects of the Offer*" on page 99.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the 10 years preceding the date of this Red Herring Prospectus.

Date of Shareholders' Resolution	Particulars
September 30, 2021	Clause V of the MoA was amended to reflect the change in the authorized share capital of the Company from ₹ 102,500,000 divided into 10,250,000 equity shares of ₹ 10 each to ₹ 500,000,000 divided into 100,000,000 Equity Shares of ₹5 each.
April 26, 2019	Clause V of the MoA was amended pursuant to the Scheme of Amalgamation to reflect the increase in the authorized share capital of the Company from ₹ 75,000,000 divided into 7,500,000 equity shares of ₹ 10 each to ₹ 102,500,000 divided into 10,250,000 equity shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Year	Particulars
1969	Establishment of 'Electronic Industries of India'
1996	Established plants in Goa for manufacturing appliances for Philips
2001	Diversified into various categories of motors and started manufacturing luminaires for Philips
2004	Inaugurated a plant in Baddi for manufacturing appliances
2007	Manufactured flashlights for Eveready
2019	Commenced production of fans
2019	Commenced production of medical diagnostic cartridges

Key Awards, Accreditations and Recognition

Our Company has received the following key awards, accreditation, and recognition:

Year	Particulars
<i>Elin Electronics Limited</i>	
2014	2013 Regional Cooperation Award by Denso Corporation
2014	Bronze Supplier Award by IFB Appliances
2014	Certificate of Appreciation presented by Denso Haryana Private Limited in the category of "Regional Best Supplier"
2016	Certificate of Appreciation by IFB Appliances in recognition of our Company's Unflinching Support"
2016	ELCINA-EFYGROUP award for Excellence in Electronics
2018	Customer First Award presented by Philips at the Philips Lightning Supplier Event India
2018	Best Supplier Quality Award - Certificate of Appreciation, presented by Daikin Airconditioning India Private Limited, in recognition of outstanding efforts to achieve "Quality Target for FY 2017"
2022	Appreciation certificate for achieving the stable quality in selected parts from Direct on Line Business Partner from Denso
<i>Elin Appliances Private Limited</i>	
2015	Sarvshreshtha Suraksha Puraskar by the National Safety Council of India
2016	Sarvshreshtha Suraksha Puraskar by the National Safety Council of India
2016	India SME 100 Awards by India SME Forum scoring in the top 100 amongst 49023 nominations in the overall evaluation of financial and non-financial parameters.
2016	Winner of ELCINA-EFY "1st Prize" Environment Management Excellence Award
2017	2nd Prize of Himachal Pradesh Environment Leadership Award
2017	Certificate of Gold (Second Prize) in Medium Size Category in Manufacturing Sector by the FICCI
2017	Silver Rating awarded by Ministry of Micro, Small and Medium Enterprises and Quality Council of India under Financial Support to MSMEs in ZED certification Scheme
2018	"Runner up" certificate awarded for CSR activities at the 6 th SMEs Excellence Award by ASSOCHAM
2018	Sarvshreshtha Suraksha Puraskar by the National Safety Council of India
2019	Winner "India SME 100 Awards" by India SME Forum scoring in the top 100 amongst 34011 nominations.
2019	Certificate of Appreciation by FICCI at FICCI Safety Systems Excellence Awards
2020	Silver Trophy in 'Recognition of Outstanding Contribution and Certificate of Merit in CSR Activities awarded at the 7th MSMEs National Excellence Awards
2021	Winner of 46 th ELCINA Award 2020-21, "First Prize" for "Environment Management" Category (SME)
2022	Runner up at the 8 th MSME's Excellence Awards (Most Socially Responsible Company of the Year) by ASSOCHAM

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation or revaluation of assets in the last 10 years

Other than the Scheme of Amalgamation, our Company has not acquired any business/ undertakings, and has not undertaken any mergers, amalgamations or any revaluation of assets, in the last ten years. For details on the Scheme of Amalgamation, see “*History and Certain Corporate Matters - Scheme of Amalgamation*” on page 211.

Inter-se Agreements between Shareholders

As on the date of this Red Herring Prospectus, our Company, Promoters and Shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no other clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. Also, that there are no other agreements, deed of assignments, acquisition agreements, SHA, inter-se agreements, agreements of like nature other than disclosed in the RHP.

Guarantees given to third parties by our Promoters offering its Equity Shares

As on the date of this Red Herring Prospectus, except for the personal guarantees disclosed below, executed by Kamal Sethia, Kishore Sethia and Vinay Kumar Sethia, no other Promoter Selling Shareholder has issued any guarantees to banks for the facilities sanctioned to Company.

Sr. No.	Lender	Type of facility	Amount (in Million)
1.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (Overdraft)	160.00
2.	HDFC Bank Limited	Fund based limits (Cash credit)	200.00
3.	HDFC Bank Limited	Non-fund-based limits (Letter of credit and bank guarantee)	100.00
4.	Citi Bank NA	Fund based limits (Cash credit)	200.00
5.	DBS Bank Limited	Fund based limits (Cash credit)	190.00
6.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (Term loan)	150.00
7.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (Term loan)	75.00
8.	Hong Kong and Shanghai Banking Corporation Limited	Fund based limits (Term loan)	220.00
9.	HDFC Bank Limited	Fund based limits (Term loan)	150.00
10.	Citi Bank NA	Fund based limits (Term loan)	225.00
11.	Citi Bank NA	Fund based limits (Term loan)	250.00

The abovementioned guarantees are typically effective for a period till the underlying loan is repaid by the respective borrower. The financial implications in case of default by the relevant borrower would entitle the lenders to invoke the personal guarantee given by respective guarantors to the extent of outstanding loan amount.

Time and cost over-runs in setting up projects by our Company

There have been no time and cost over-runs in relation to any projects.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Lock-out and strikes

As on the date of this Red Herring Prospectus, there have been no lockouts or strikes at any time in our Company.

Significant financial and strategic partners

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Scheme of Amalgamation

Pursuant to the Scheme of Amalgamation under sections 230 to 232 and other relevant provisions of the Companies Act, 2013, Asian Magnetic Devices Private Limited and Rosebud Holding Private Limited (“**Transferor Companies**”), were proposed to be amalgamated with and into our Company (“**Transferee Company**”). The Scheme of Amalgamation became operational with effect from the appointed date, i.e., April 1, 2018 (“**Appointed Date**”) pursuant to approval of the Scheme by the NCLT, Kolkata vide its order dated September 26, 2019 and registration of the same with the RoC on November 2, 2019 (“**Effective Date**”). The rationale of the Scheme was amongst others, (i) integrating the fields of activities of the companies and improving the overall business efficiency since the Transferor Companies and Transferee Company belong to a common group, have common management and shareholders and their registered office are situated at a common address (ii) ensuring economies of scale by reducing overheads and other expenses, administrative and procedural work, eliminating duplication of work, (iii) enabling the companies concerned to rationalize and streamline their management, business and finances and paving the way for better, more productive and economical control of the running of the operations, and (iv) contributing in furthering and fulfilling the objects of the companies concerned and in the growth, expansion and development of their businesses.

The entire business functions of the Transferor Companies, including all their properties, rights, powers, title, interests, debts, liabilities, duties, obligations, licenses, litigations and employees was transferred to and vested in our Company as on the Appointed Date. Further, immediately after the Effective Date, our Company was required to issue and allot Equity Shares in the following manner: (a) five equity shares, of ₹ 10 each credited as fully paid up, to the shareholders of Asian Magnetic Devices Private Limited, for every one fully paid up equity shares held by them; and (b) one equity shares of ₹ 10 each credited as fully paid up, to the shareholders of Rosebud Holding Private Limited, for every four fully paid up equity shares held by them. Our Company made these allotments on January 22, 2020.

The Transferor Companies, from the Effective Date, have carried and have been deemed to carry on their business and operations, have been possessed of and hold and stand possessed of all their assets and properties for and on account of and in trust for our Company.

Details of shareholders’ agreements

As on the date of this Red Herring Prospectus our Company does not have any subsisting shareholders’ agreements among our Shareholders *vis-a-vis* our Company.

Other Agreements

Our Company has not entered into any subsisting material agreements, other than in the ordinary course of business. For details on business agreements of our Company, see “*Our Business*” on page 179.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For information on key products or services launched by our Company, or entry into new geographies see the section entitled “*Our Business*” on page 179.

Agreements with Key Managerial Personnel, Director, or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Associate Companies

As on the date of this Red Herring Prospectus, our Company does not have any associate companies.

Joint Ventures

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures.

Our Subsidiary

As of the date of this Red Herring Prospectus, our Company has one Subsidiary.

Elin Appliances Private Limited (“EAPL”)

Corporate Information

EAPL was incorporated on August 21, 2002 at Jalandhar as Connect Cables India Private Limited as a private limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of the Companies, Himachal Pradesh. A fresh certificate of incorporation was issued on November 27, 2002 when the name of the company was changed to ECI Cables Private Limited. Subsequent to the change of the name of company to Elin Appliances Private Limited, a fresh certificate of incorporation was issued on January 14, 2004. Its corporate identification number is U29300HP2002PTC025355. It has its registered office at Beli Khol, Manpurat, Nalagarh, District- Solan, Himachal Pradesh. Further, EAPL has applied for a change in registered office from Himachal Pradesh to Delhi, the same is subject to the regulatory approval.

Nature of Business

EAPL is authorised by its memorandum of association to manufacture, assemble, process, buy, sell, import, export and deal in electronic, electrical and engineering gadgets, components, appliances and apparatuses of every description like, toaster, iron, juicer, oven, dish washes, white goods and other home appliances.

Capital Structure

The capital structure of EAPL is as follows:

The authorised share capital of EAPL is ₹ 2,000,000 divided into 200,000 equity shares of face value of ₹ 10 each and the issued, subscribed and paid up share capital of EAPL is ₹ 2,000,000 divided into 200,000 equity shares of face value of ₹ 10 each.

Shareholding pattern

The shareholding pattern of EAPL is as follows:

Name of the Shareholder	Number of shares	Percentage of total shareholding (%)
Our Company	199,999	99.99
Kamal Sethia (nominee of our Company)	1	Negligible

Amount of accumulated profits or losses

As of September 30, 2022, there are no accumulated profits or losses of EAPL, not accounted for, by our Company.

Interest in our Company

Except as disclosed in the section “*Financial Statements – Note 42 – Related Party Disclosures*” and “*Capital Structure*” on pages 285 and 72, our Subsidiary does not have or propose to have any business interest in our Company.

Common Pursuits

Our Subsidiary is engaged in lines of business that are similar to our Company. However, we do not perceive any conflict of interest with our Subsidiary as our Subsidiary is controlled by us. For details, see “*Our Business*” on page 179. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises of eight Directors including four Executive Director and four Independent Directors, one of whom is a woman Independent Director. The present composition of the Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations

The following table sets forth details regarding our Board of Directors as of the date of this Red Herring Prospectus:

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
1.	<p>Mangi Lall Sethia</p> <p><i>Designation:</i> Chairman and Wholetime Director</p> <p><i>Address:</i> House no. 4771, Bharat Ram Road, Near Hindi Park, 23, Daryaganj, New Delhi-110002</p> <p><i>Date of birth:</i> December 7, 1937</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Period of three years from October 1, 2021 to September 30, 2024</p> <p><i>Period of Directorship:</i> Since March 26, 1982</p> <p><i>DIN:</i> 00081367</p>	85	<p>Indian Companies</p> <ul style="list-style-type: none"> • Kanchan Commercial Co. Private Ltd. • Gaurav Resources Company Private Ltd • KLJ Plasticizers Limited <p>Foreign Companies</p> <p>Nil</p>
2.	<p>Kamal Sethia</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> House no. 4771, Bharat Ram Road, Near Hindi Park, 23, Daryaganj, New Delhi-110002</p> <p><i>Date of birth:</i> October 28, 1957</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Period of five years from April 1, 2021 to March 31, 2026*</p> <p><i>Period of Directorship:</i> Since August 6, 2007</p> <p><i>DIN:</i> 00081116</p>	65	<p>Indian Companies</p> <ul style="list-style-type: none"> • Kanchan Commercial Co. Private Ltd. • Gaurav Resources Company Private Ltd • Magtronic Devices Pvt Ltd <p>Foreign Companies</p> <p>Nil</p>
3.	<p>Sanjeev Sethia</p> <p><i>Designation:</i> Wholetime Director</p> <p><i>Address:</i> B-141, behind NMC Hospital, Sector 30, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201303</p> <p><i>Date of birth:</i> April 22, 1969</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Period of five years from April 1, 2021 to March 31, 2026</p> <p><i>Period of Directorship:</i> Since September 1, 2008</p>	53	<p>Indian Companies</p> <ul style="list-style-type: none"> • Sanpre Designs Private Limited <p>Foreign Companies</p> <p>Nil</p>

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	<i>DIN:</i> 00354700		
4.	<p>Sumit Sethia</p> <p><i>Designation:</i> Wholetime Director</p> <p><i>Address:</i> Plot No 9, Sagar Co-Operative Housing Socitey, Dona Paula, North Goa - 403004</p> <p><i>Date of birth:</i> April 1, 1973</p> <p><i>Occupation:</i> Service</p> <p><i>Current Term:</i> Period of five years from June 3, 2020 to June 2, 2025</p> <p><i>Period of Directorship:</i> Since June 3, 2020</p> <p><i>DIN:</i> 00831799</p>	49	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Sethia Realty Private Limited <p><i>Foreign Companies</i></p> <p>Nil</p>
5.	<p>Kamal Singh Baid</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> BQ-48, 2nd Floor, Shalimar Bagh, Delhi-110088</p> <p><i>Date of birth:</i> January 4, 1958</p> <p><i>Occupation:</i> Business</p> <p><i>Current Term:</i> Further period of five years from March 30, 2020 to March 29, 2025</p> <p><i>Period of Directorship:</i> Since March 30, 2015</p> <p><i>DIN:</i> 07149567</p>	64	<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Elin Appliances Private Limited <p><i>Foreign Companies</i></p> <p>Nil</p>
6.	<p>Shilpa Baid</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> House no W-151, Second Floor, Greater Kailash Part-2, South Delhi, Delhi 110048</p> <p><i>Date of birth:</i> August 6, 1972</p> <p><i>Occupation:</i> Amateur Designer (Home Furnishing)</p> <p><i>Current Term:</i> Period of five years from August 16, 2019 to August 15, 2024</p> <p><i>Period of Directorship:</i> Since August 16, 2019</p> <p><i>DIN:</i> 08538622</p>	50	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>
7.	<p>Shanti Lal Sarnot</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Near Mother's International School, B-66,2nd Floor, Sarvodaya Enclave, New Delhi- 110 017</p> <p><i>Date of birth:</i> November 21, 1948</p> <p><i>Occupation:</i> Retired</p>	74	<p><i>Indian Companies</i></p> <p>Nil</p> <p><i>Foreign Companies</i></p> <p>Nil</p>

Sl. No.	Name, date of birth, designation, address, occupation, current term, period of directorship and DIN	Age (years)	Other directorships
	<p>Current Term: Period of five years from September 30, 2021 to September 29, 2026</p> <p>Period of Directorship: Since September 30, 2021</p> <p>DIN: 01899198</p>		
8.	<p>Ashis Chandra Guha</p> <p>Designation: Independent Director</p> <p>Address: Flat D-1806, Prateek Wisteria, Plot No GH-001, Sector-77, Gautam Buddha Nagar, Noida-201301</p> <p>Date of birth: November 9, 1957</p> <p>Occupation: Retired</p> <p>Current Term: Period of five years from October 8, 2021 to October 7, 2026</p> <p>Period of Directorship: Since October 8, 2021</p> <p>DIN: 09352987</p>	65	<p>Indian Companies</p> <p>Nil</p> <p>Foreign Companies</p> <p>Nil</p>

* Redesignated as the Managing Director pursuant to the board resolution dated September 6, 2021, w.e.f. September 6, 2021.

Relationship between our Directors

Except Mangi Lall Sethia who is father of Kamal Sethia, none of our Directors are related to each other.

Brief Profiles of the Directors

Mangi Lall Sethia, is the Chairman & Wholetime Director of our Company. He is also a Promoter of our Company and has been associated since its incorporation. He holds a master's degree in arts from Jain Vishva Bharati Institute (Deemed University), Ladnun. He has 64 years of experience in electronic manufacturing services sector. He is currently associated with Kanchan Commercial Company Private Limited.

Kamal Sethia, is the Managing Director of our Company. He is also a Promoter of our Company and has been a part of our Company since 1992. He holds a bachelor's degree in commerce from University of Delhi. He has approximately 41 years of experience in electronic manufacturing services sector. He was previously associated with L.K.M Electronic Corporation as a partner since 1978 and the director of Kanchan Commercial Co. Private Limited since 1988.

Sanjeev Sethia, is the Wholetime Director of our Company. He is also a Promoter of our Company and has been a part of our Company since 1994. He holds a bachelor of science in electrical engineering from the University of Texas at Austin. He has approximately 27 years of experience in electronic manufacturing services sector.

Sumit Sethia, is the Wholetime Director of our Company. He is also a Promoter of our Company and has been a part of our Company since 1998. He holds a bachelor's degree in Commerce from University of Calcutta. He has approximately 24 years of experience in electronic manufacturing services sector.

Kamal Singh Baid, is an Independent Director on the Board of our Company. He holds a bachelor's degree in law from University of Delhi. He has several years of experience in electronic manufacturing services sector. He is also a partner in Durga Manufacturing Industries.

Shilpa Baid, is an Independent Director on the Board of our Company. She holds a bachelor's degree in Commerce from Tribhuvan University, Nepal. She was a President of Ladies Circle India from the year 2003 to 2013.

Shanti Lal Sarnot, is an Independent Director on the Board of our Company. He holds a master's degree in science from Indian Institute of Technology, Delhi. He was previously associated as Director General, Standardisation, Testing and Quality Certification at Department of Electronics, Government of India and has experience in policy, fiscal and administrative matters.

Ashis Chandra Guha, is an Independent Director on the Board of our Company. He holds a bachelor's degree in mechanical engineering from Jadavpur University. He was previously associated with Signify (China) Investment Co., Ltd (formerly known as Philips Lighting (China) Investment Co., Ltd. He has several years of experience in planning and control in lighting industry.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded on any of the stock exchanges during the five years preceding the date of this Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Confirmations

Our Directors are not interested as a member in any firm or company which has any interest in our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they are interested as a member by any person either to induce them to become, or to help them qualify as a Director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

Terms of appointment of Executive Directors

(1) Remuneration to Executive Directors

Mangi Lall Sethia

Mangi Lall Sethia was appointed as our Chairman and Wholetime Director with effect from October 1, 2021 for a period of three years, pursuant to the resolution dated September 6, 2021 passed by the Board and Shareholders in the meeting held on September 30, 2021. The details of remuneration as set out below are effective from October 1, 2021 for a period of three years:

Particulars	Remuneration
Gross Salary	₹ 0.3 million per month
Perquisites	<ul style="list-style-type: none"> • Furnished accommodation • Electricity & water • Medical insurance for self and family • Medical reimbursement for self and family • Company car with driver for official duties as well as for personal use • Free telephone at residence and mobile phone • Club fees • Leave travel concession for self and family • Company contribution towards provident fund • Gratuity not exceeding half month's salary for each completed year of service
Maximum Limit	Provided that the total remuneration by way of salary and perquisites shall not exceed ₹ 0.4 million per month excluding the contribution to provident fund as per Income tax Act and gratuity payable

Kamal Sethia

Kamal Sethia was appointed as our Managing Director with effect from September 6, 2021 to March 31, 2024, pursuant to the resolution dated September 6, 2021 passed by the Board and Shareholders in their meeting held on September 30, 2021. The details of remuneration as approved by the Board in their meeting held on March 7, 2022. The details of remuneration as set out below are effective from April 1, 2022 for a period of two years:

Particulars	Remuneration
Gross Salary	₹ 0.70 million per month
Perquisites	<ul style="list-style-type: none"> • Furnished accommodation • Electricity & Water • Medical insurance for self and family • Medical reimbursement for self and family • Company car with driver for official duties as well as for personal use • Free telephone at residence and mobile phone • Club fees • Leave travel concession for self and family • Company contribution towards provident fund, not exceeding 12% of the salary • Gratuity not exceeding half month's salary for each completed year of service • Company contribution towards national pension scheme not exceeding 10% of the salary
Maximum Limit	Provided that the total remuneration by way of salary and perquisites shall not exceed ₹ 0.80 million per month (₹ 9.60 million per year) excluding the contribution to provident fund as per Income tax Act and gratuity payable

Sanjeev Sethia

Sanjeev Sethia was re-appointed as the Whole-time Director pursuant to the board resolution dated March 23, 2021 and Shareholders in their meeting held September 30, 2021. The details of remuneration as approved by the Board in their meeting held on March 7, 2022. The details of remuneration as set out below are effective from April 1, 2022, for a period of two years:

Particulars	Remuneration
Gross Salary	₹ 0.70 million per month
Perquisites	<ul style="list-style-type: none"> • Furnished accommodation • Electricity & Water • Medical insurance for self and family • Medical reimbursement for self and family • Company car with driver for official duties as well as for personal use • Free telephone at residence and mobile phone • Club fees • Leave travel concession for self and family • Company contribution towards provident fund, not exceeding 12% of the salary • Gratuity not exceeding half month's salary for each completed year of service • Company contribution towards national pension scheme not exceeding 10% of the salary
Maximum Limit	Provided that the total remuneration by way of salary and perquisites shall not exceed ₹ 0.80 million per month (₹ 9.60 million in a year) excluding the contribution to provident fund as per Income tax Act and gratuity payable

Sumit Sethia

Sumit Sethia was appointed as the Whole-time Director pursuant to the board resolution dated June 3, 2020 and shareholders resolution dated November 18, 2020. The details of remuneration as approved by the Board in their meeting held on March 7, 2022. The details of remuneration as set out below are effective from April 1, 2022, for a period of two years:

Particulars	Remuneration
Gross Salary	₹ 0.70 million per month
Perquisites	<ul style="list-style-type: none"> • Furnished accommodation • Electricity & Water • Medical insurance • Medical reimbursement • Company car with driver for official duties as well as for personal use • Free telephone at residence and mobile phone • Club fees • Leave travel concession for self and family • Company contribution towards provident fund • Gratuity not exceeding half month's salary for each completed year of service • Company contribution towards national pension scheme
Maximum Limit	Provided that the total remuneration by way of salary and perquisites shall not exceed ₹ 0.80 million per month (₹ 9.6 million in a year) excluding the contribution to provident fund as per Income tax Act and gratuity payable

Payments or benefits to Directors

In Fiscal 2022, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2022 is as follows

(1) Executive Directors

The details of the remuneration paid to our Executive Directors during the Financial Year 2022 is as follows:

(₹ in million)

Name of Director	Remuneration for Financial Year 2022
Mangi Lall Sethia	3.64
Kamal Sethia	5.17
Sanjeev Sethia	5.49
Sumit Sethia	6.87

(2) Non-Executive and Independent Directors

Pursuant to the Board resolution dated October 9, 2021, each Independent Director is entitled to receive sitting fees of ₹ 0.02 million per meeting for attending meetings of the Board and sitting fees of ₹ 0.01 million per meeting for attending meetings of committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

(₹ in million)

Name of Director	Remuneration for Financial Year 2022
Kamal Singh Baid	0.20
Shilpa Baid	0.19
Shanti Lal Sarnot	0.15
Ashis Chandra Guha	0.14

Remuneration paid by our Subsidiary

There is no remuneration paid or payable by our Subsidiary to our Directors during Fiscal 2022.

Arrangement or understanding with major Shareholders, customers, suppliers or others

None of our Directors have any arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board or as a member of the senior management.

Shareholding of Directors in our Company and our Subsidiary

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Other than as disclosed under “*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*” on page 91, none of our Directors hold any Equity Shares as on the date of this Red Herring Prospectus.

Interest of Directors

Our Non-Executive Director and Independent Directors may be deemed to be interested to the extent of the commission and sitting fees payable to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in “– *Payments or benefits to Directors*” above.

Our Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any or to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship, or to the extent the Equity Shares that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees or promoters, as applicable, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any variable pay as per the terms of their appointment, as applicable, dividend payable to them and other distributions in respect of such Equity Shares.

No loans have been availed by our Directors from our Company or the Subsidiary.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

Interest in property

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, etc.

Interest in the promotion and formation of our Company

Other than Mangi Lall Sethia, Kamal Sethia, Sanjeev Sethia and Sumit Sethia who are interested in the promotion of our Company as disclosed in “*Our Promoters and Promoter Group*” on page 229, none of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Business interest

Except as stated in “*Financial Statements – Note 42 – Related Party Disclosures*” on page 285, and to the extent set out above under “*– Interest of Directors*” on page 218, our Directors do not have any other interest in our business.

Bonus or profit-sharing plan for the Directors

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/Change/Cessation	Reason
Sumit Sethia	June 3, 2020	Appointed as a Wholetime Director
Kishor Sethia	September 6, 2021	Resigned as a Wholetime Director due to pre-occupation
Vinay Kumar Sethia	September 6, 2021	Resigned as a Wholetime Director due to pre-occupation
Kamal Sethia	September 6, 2021	Redesignated as the Managing Director
Shanti Lal Sarnot	September 30, 2021	Appointed as an Independent Director
Mangi Lall Sethia	October 1, 2021	Redesignated as the Chairman and Wholetime Director
Ashis Chandra Guha	October 8, 2021	Appointed as an Independent Director

Borrowing Powers of Board

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their AGM held on November 18, 2020, our Board has been authorized to borrow any sum or sums of money as and when required for the business of the Company from banks, financial institution and/or other persons, firms, bodies corporate, whether in India or abroad, notwithstanding the moneys so borrowed together with money already borrowed (apart from temporary loans obtained or to be obtained from our Company’s bankers in the ordinary course of business), may at any time exceed aggregate of the paid-up share capital, free reserves and securities premium, provided that the total amount that may be borrowed and outstanding any point of time, shall not exceed the sum of ₹ 4,000 million.

Corporate Governance

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing

Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof. Further, Mr. Kamal Singh Baid is also a director of Elin Appliances Private Limited, our Material Subsidiary in terms of Regulation 24 of the SEBI Listing Regulations.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

As on the date of this Red Herring Prospectus, our Board has eight Directors comprising of four Executive Directors and four Independent Directors including one woman Independent Director.

Committees of the Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

Audit Committee

The members of the Audit Committee are:

1. Kamal Singh Baid, Independent Director (Chairperson);
2. Shilpa Baid, Independent Director (Member); and
3. Kamal Sethia, Managing Director (Member).

The Audit Committee was re-constituted by a meeting of the Board of Directors held on October 9, 2021. The scope and functions of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

1. oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;
2. recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions; and
 - g. Modified opinion(s) in the draft audit report.
7. reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
8. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
10. approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed.

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.
11. scrutiny of inter-corporate loans and investments;

12. valuation of undertakings or assets of the Company, wherever it is necessary;
13. evaluation of internal financial controls and risk management systems;
14. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. discussion with internal auditors of any significant findings and follow up thereon;
17. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
18. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
20. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. reviewing the functioning of the whistle blower mechanism;
22. monitoring the end use of funds raised through public offers and related matters;
23. overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
24. approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
25. reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
26. carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
27. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
28. carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (1) to investigate any activity within its terms of reference
- (2) to seek information from any employee
- (3) to obtain outside legal or other professional advice; and
- (4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Kamal Singh Baid, Independent Director (Chairperson);
2. Shilpa Baid, Independent Director (Member); and
3. Shanti Lal Sarnot, Independent Director (Member).

The Nomination and Remuneration Committee was reconstituted by a meeting of the Board of Directors held on October 9, 2021. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”).
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) remuneration to directors, key managerial personnel 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. Formulation of criteria for evaluation of independent directors and the Board;
 4. Devising a policy on Board diversity;
 5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
 6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 7. Recommend to the board, all remuneration, in whatever form, payable to senior management;
 8. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.”
 9. Analysing, monitoring and reviewing various human resource and compensation matters;
 10. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
 11. Determining the Company’s policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
 12. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
 13. Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
 14. Reviewing and approving the Company’s compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 15. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
 16. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable;
 17. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
 18. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Kamal Singh Baid, Independent Director (Chairperson);
2. Shilpa Baid, Independent Director (Member); and
3. Kamal Sethia, Managing Director (Member).

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on October 9, 2021. The scope and functions of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
4. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
5. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
6. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Kamal Sethia, Managing Director (Chairman);
2. Sanjeev Sethia, Wholetime Director (Member); and
3. Kamal Singh Baid, Independent Director (Member).

The Corporate Social Responsibility Committee was reconstituted by our Board of Directors at their meeting held on October 9, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, including:

1. Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VI of the Act and the Rules framed there under;
2. Recommending to the Board the CSR expenditure to be incurred;
3. Recommending to the Board, modification to CSR policy as and when required;
4. Regularly monitoring the implementation of the CSR policy and reporting to the Board.
5. Formulating an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in Rule 5(2) of the Companies (CSR Policy) Rules, 2014 as amended.

Risk Management Committee

The members of the Risk Management Committee are:

1. Kamal Sethia, Managing Director (Chairman);
2. Sanjeev Sethia, Wholetime Director (Member); and
3. Kamal Singh Baid, Independent Director (Member).

The Risk Management Committee was constituted by our Board of Directors at their meeting held on October 9, 2021. The terms of reference of the Risk Management Committee of our Company are as per Regulation 21 of the SEBI Listing Regulations and the applicable rules thereunder, including:

1. To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

IPO Committee

The members of the IPO Committee are:

1. Kamal Sethia, Managing Director (Chairperson);
2. Sanjeev Sethia, Wholetime Director (Member); and
3. Kamal Singh Baid, Independent Director (Member).

The IPO Committee was constituted by our Board of Directors on October 9, 2021. The terms of reference of the IPO Committee include the following:

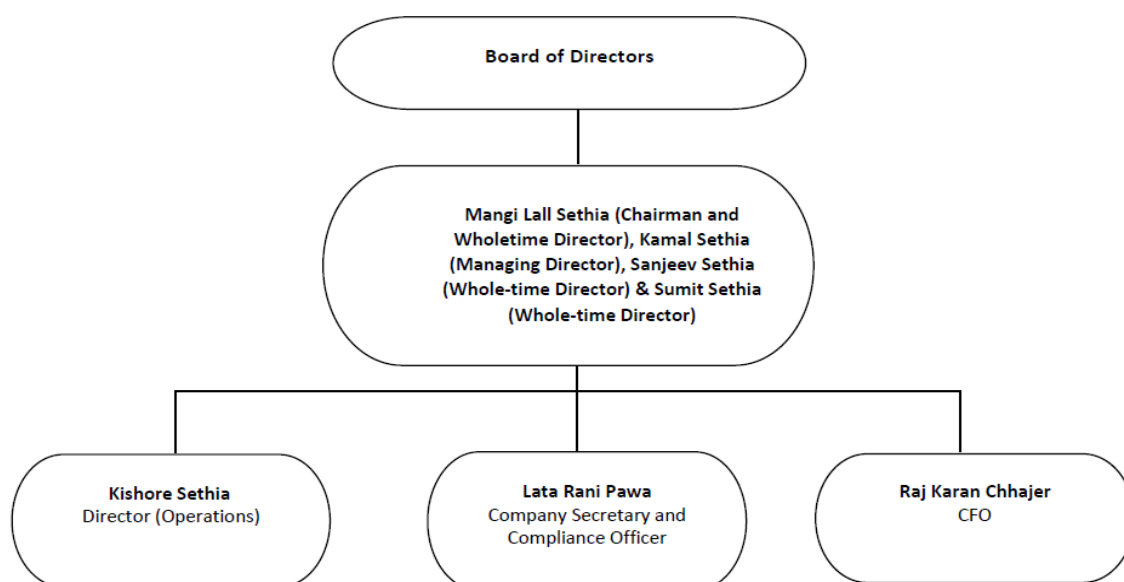
1. to decide, negotiate and finalise the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer (“**BRLMs**”);
2. to decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares (the “**Equity Shares**”), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;
3. to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, industry expert, legal counsels, depositories, printers, monitoring agency advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and

offer agreement with the BRLMs, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;

4. to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;
5. to finalise, settle, approve, adopt and arrange for submission of the draft red herring prospectus (“**DRHP**”), the red herring prospectus (“**RHP**”), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed (“**Stock Exchanges**”), the Registrar of Companies, West Bengal at Kolkata (“**Registrar of Companies**”), institutions or bodies;
6. to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;
7. to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
8. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), Companies Act, 2013, as amended and other applicable laws;
9. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;
10. to open separate escrow accounts as the escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;
11. to open account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended;
12. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;
13. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India (“**SEBI**”), the Reserve Bank of India (“**RBI**”), Registrar of Companies, and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus;
14. to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
15. to determine and finalize, in consultation with the BRLMs, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;

16. to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;
17. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;
18. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Offer in accordance with the applicable laws;
19. to determine the price at which the Equity Shares are offered, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;
20. to settle all questions, difficulties or doubts that may arise in relation to the Offer, as it may in its absolute discretion deem fit;
21. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;
22. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;
23. to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and applicable laws;
24. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and
25. to authorize and empower officers of the Company (each, an "**Authorized Officer(s)**"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the stabilization agreement, the share escrow agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel, in addition to Mangi Lall Sethia, Kamal Sethia, Sanjeev Sethia and Sumit Sethia are set out below:

Kishore Sethia, is the Director (Operations) of our Company. He has been associated with our Company since 1992. He holds a bachelor's degree in commerce from University of Delhi. He has approximately 41 years of experience in electronic manufacturing services sector. He was previously associated with LKM Electronic Corporation as a partner since 1978 and director of Kanchan Commercial Co. Private Limited since 1988. During Fiscal 2022, he was paid a gross remuneration of ₹ 4.96 million.

Lata Rani Pawa is the Company Secretary and Compliance Officer of our Company. She has been associated with the Company since 2021. She is an associate member of the Institute of Company Secretaries of India. She has experience of approximately 10 years in secretarial functions. She was previously associated with HEG Limited. Since she was appointed on June 14, 2022 as a Key Managerial Personnel, she has not received any remuneration in Fiscal 2022 as KMP. Further, in the capacity of Manager (Secretarial & Legal), she has received ₹ 0.47 million remuneration in Fiscal 2022.

Raj Karan Chhajer, is the Chief Financial Officer of our Company. He has been a part of our Company since 1975. He holds a bachelor's degree in commerce from University of Delhi. He has over 40 years of experience in overseeing finance functions of the Company. During Fiscal 2022, he was paid a gross remuneration of ₹ 1.25 million.

All the Key Managerial Personnel are permanent employees of our Company.

Relationship between our Key Managerial Personnel

Except Mangi Lall Sethia who is father of Kamal Sethia and Kishore Sethia, none of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Other than as disclosed under "*Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" on page 91, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Red Herring Prospectus.

Service Contracts with Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Payment or Benefit to our Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Bonus or profit sharing plan of the Key Managerial Personnel

None of our Key Managerial Personnel is party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and statutory benefits such as gratuity, provident fund and pension entitled to our Key Managerial Personnel. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any. None of the Key Management Personnel have been paid any consideration of any nature from our Company other than their remuneration.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as a Key Managerial Personnel or member of senior management.

Contingent and deferred compensation payable to Key Managerial Personnel

As on the date of this Red Herring Prospectus, there is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form a part of their remuneration.

Attrition rate of Key Managerial Personnel

There has been no attrition of the Key Managerial Personnel of our Company

Changes in the Key Managerial Personnel

Except as disclosed in “– *Changes in the Board in the last three years*”, the changes in our Key Managerial Personnel in the last three years is as follows:

Name of Key Managerial Personnel	Date	Reason
Vinay Kumar Sethia	April 1, 2022	Resigned due to pre-occupation
Avinash Chandra Karwa	June 14, 2022	Resigned due to personal reasons
Lata Rani Pawa	June 14, 2022	Appointed as a Company Secretary and Compliance Officer

Employee Stock Option Plans

As on the date of this Red Herring Prospectus, our Company does not have any active employee stock option plan

OUR PROMOTERS AND PROMOTER GROUP

Mangi Lall Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vasudha Sethia and Vinay Kumar Sethia are the Promoters of our Company and are in control of day-to-day affairs of our Company. As on the date of this Red Herring Prospectus, our Promoters hold an aggregate of 16,471,800 Equity Shares, equivalent to 38.69% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details on shareholding of our Promoters and Promoter Group, please see the section entitled “*Capital Structure*” on page 72.

The details of our Promoters are provided below:

Our Promoters

1. Mangi Lall Sethia



Mangi Lall Sethia, aged 85 years, is one of our Promoters of our Company.

Date of Birth: December 7, 1937

Residential address: House no. 4771, Bharat Ram Road, Near Hindi Park, 23, Daryaganj, New Delhi-110002

Driving license number: DL06 19950088423

Aadhaar card number: 2433 4875 4151

Permanent account number: ALKPS0654D.

For the complete profile of Mangi Lall Sethia along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see “*Our Management – Brief profiles of the Directors*” on page 213.

2. Kamal Sethia



Kamal Sethia, aged 65 years, is one of our Promoters of our Company.

Date of Birth: October 28, 1957

Residential address: House no. 4771, Bharat Ram Road, Near Hindi Park, 23, Daryaganj, New Delhi-110002

Driving license number: DL06 19950130899

Aadhaar card number: 5176 6702 4951

Permanent account number: ALKPS0456M.

For the complete profile of Kamal Sethia along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see “*Our Management – Brief profiles of the Directors*” on page 213.

3. Kishore Sethia



Kishore Sethia, aged 63 years, is one of our Promoters of the Company of the Company.

Directorship: Kanchan Commercial Co Private Limited and Gaurav Resources Company Private Limited

Date of Birth: January 14, 1959

Residential address: House no. 4771/23, Bharat Ram Road Darya Ganj, Delhi - 110002

Driving license number: DL06 19950009273

Aadhaar card number: 9152 4791 6861

Permanent account number: AKLPS0412M

For the complete profile of Kishore Sethia along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see “*Our Management – Key Managerial Personnel*” on page 227.

4. Gaurav Sethia



Gaurav Sethia, aged 37 years, is one of our Promoters of the Company. He holds a bachelor’s degree in engineering from Visveswaraiah Technological University, Belgaum, Karnataka. He is a wholetime director of Elin Appliances Private Limited since 2020. He has approximately 11 years of experience in business development and communication. He is associated with Mavika Estate Creators Private Limited since 2011.

Directorship: Elin Appliances Private Limited and Mavika Estate Creators Private Limited

Date of Birth: March 19, 1985

Residential address: 4771, Bharat Ram Road, 23 Darya Ganj, Delhi -110002

Driving license number: P06092003157397

Aadhaar card number: 7721 4250 6410

Permanent account number: AUFPS6168J

5. Sanjeev Sethia



Sanjeev Sethia, aged 53 years, is one of our Promoters and the Wholetime of our Company.

Date of Birth: April 22, 1969

Residential address: B-141, behind NMC Hospital, Sector 30, Noida, Gautam Buddha Nagar, Uttar Pradesh -201303

Driving license number: UP14 19988373700

Aadhaar card number: 4523 4633 8780

Permanent account number: ALHPS2715C

For the complete profile of Sanjeev Sethia along with details of his educational qualification, experience in the business, positions/posts held in

past, directorship, his business and financial activities, see “*Our Management – Brief profiles of the Directors*” on page 213.

6. Sumit Sethia



Sumit Sethia, aged 49 years, is one of our Promoters and the Wholetime Director of our Company.

Date of Birth: April 1, 1973

Residential address: Plot No 9, Sagar Co-Operative Housing Society, Dona Paula, North Goa - 403004

Driving license number: WB 0119910856745

Aadhaar card number: 7136 9310 8550

Permanent account number: AKLPS7117H

For the complete profile of Sumit Sethia along with details of his educational qualification, experience in the business, positions/posts held in past, directorship, his business and financial activities, see “*Our Management – Brief profiles of the Directors*” on page 213.

7. Suman Sethia



Suman Sethia, aged 62 years, is one of our Promoters of the Company

Directorship: Nil

Date of Birth: August 17, 1960

Residential address: House no 4771, Bharat Ram Road, 23 Darya Ganj, Delhi - 110002

Driving license number: N.A.

Aadhaar card number: 2687 6464 3397

Permanent account number: ALSPS1930J

8. Vinay Kumar Sethia



Vinay Kumar Sethia, aged 71 years, is one of our Promoters of the Company. He holds a bachelor’s degree in commerce from University of Calcutta. He has approximately 50 years of experience in electronic manufacturing services sector. He was previously associated with Electronic Industries of India from 1972 to 1982.

Directorship: Elin Appliances Private Limited and Mavika Estate Creators Private Limited

Date of Birth: May 21, 1951

Residential address: E-21, Sector 30, Noida, Uttar Pradesh -201303

Driving license number: UP14 19959817514

Aadhaar card number: 2766 5237 0710

Permanent account number: AJWPS8336E

9. Vasudha Sethia



Vasudha Sethia, aged 62 years, is one of our Promoters of the Company. She holds a bachelor's degree in arts from University of Delhi.

Directorship: Nil

Date of Birth: June 9, 1960

Residential address: House no 4771, Bharat Ram Road, 23 Darya Ganj, Delhi - 110002

Driving license number: N.A.

Aadhaar card number: 8293 8139 2092

Permanent account number: ALSPS1931K

Our Company confirms that the PAN details, bank account numbers and passport numbers of Mangi Lal Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vasudha Sethia and Vinay Kumar Sethia shall be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with them.

Experience of our Promoters

Except for Suman Sethia and Vasudha Sethia, our Promoters have adequate experience in the business activities undertaken by our Company.

Interests of our Promoters

Interest of our Promoters in the promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company and the dividends payable and any other distributions in respect of their respective shareholding in our Company. Our Promoters are interested to the extent of any remuneration, or reimbursement received by them from the Company or its Subsidiary, in the capacity of Directors of our Company and our Subsidiary; and payments made for services rendered by entities in which are Promoters have been interested in. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For details regarding the shareholding of our Promoters and other interests in our Company, see “*Capital Structure*”, “*Our Management*” and “*Financial Statements – Note 42 – Related Party Disclosures*” on pages 72, 213 and 285, respectively.

Interest of our Promoters in the property of our Company

Our Promoters have no interest in any property acquired in the three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Interest of Promoter in acquisition of land, construction of building and supply of machinery, etc

As on the date of filing of this Red Herring Prospectus, our Promoters are not interested in any transaction for acquisition of land, construction of buildings and supply of machinery.

Interest of our Promoters in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member in any firm or company which has any interest in our Company. Further, no sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested as members, in cash or shares or otherwise by any person either to induce our Promoters to become, or qualify them as a director or promoter, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in “*Financial Statements – Note 42 – Related party disclosures*” and “*Our Management*” on pages 285 and 213, respectively, no amount or benefit has been paid or given to our Promoters or members of our Promoter Group during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or members of our Promoter Group.

Experience in the business of our Company

Our Promoters have adequate experience in the business of our Company.

Material Guarantees

Our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Red Herring Prospectus.

For details of guarantees given by certain Promoter Selling Shareholders (namely, Kamal Sethia, Kishore Sethia and Vinay Kumar Sethia), in relation to certain borrowings of our Company, as on the date of this Red Herring Prospectus, see “*History and Certain Corporate Matters - Guarantees given to third parties by our Promoters offering its Equity Shares*” on page 210.

Companies or Firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Red Herring Prospectus.

Change in the control of our Company

While there has been no change in control of our Company in the last five years immediately preceding the date of this Red Herring Prospectus. Mangi Lall Sethia, Kamal Sethia, Kishore Sethia, Gaurav Sethia, Sanjeev Sethia, Sumit Sethia, Suman Sethia, Vasudha Sethia and Vinay Kumar Sethia have been identified as the Promoters of our Company pursuant to the resolution dated September 6, 2021 approved by our Board.

Our Promoter Group

Details of the Promoter Group of our Company (excluding our Promoters and Subsidiary) are provided below:

A. Natural persons forming part of the Promoter Group

The natural persons who are part of the Promoter Group (due to their relationship with our individual Promoter), are as follows:

Name of the Promoter	Name of the Relative	Relationship
Mangi Lall Sethia	Kamla Dugar	Daughter
	Kamal Sethia	Son
	Kishore Sethia	Son
	Subh Karan Banthia	Spouse's Brother
Kamal Sethia	Suman Sethia	Spouse
	Mangi Lall Sethia	Father
	Kishore Sethia	Brother
	Kamla Dugar	Sister
	Nidhi Shyamsukha	Daughter
	Tripti Chordia	Daughter
	Manohar Ghorawat	Spouse's Brother
	Harsh Ghorawat	Spouse's Brother
	Sajjan Sethia	Spouse's Sister
	Santosh Sethia	Spouse's Sister
Kishore Sethia	Vasudha Sethia	Spouse
	Mangi Lall Sethia	Father
	Kamal Sethia	Brother
	Kamla Dugar	Sister
	Gaurav Sethia	Son
	Kanika Sethia	Daughter
	Harish Gupta	Spouse's Brother

Name of the Promoter	Name of the Relative	Relationship
	Chandra Kanta Mittal	Spouse's Sister
	Kanta Gupta	Spouse's Sister
	Sulochna Goyal	Spouse's Sister
	Lakshmi Gupta	Spouse's Sister
Suman Sethia	Kamal Sethia	Spouse
	Manohar Ghorawat	Brother
	Harsh Ghorawat	Brother
	Sajjan Sethia	Sister
	Santosh Sethia	Sister
	Nidhi Shyamsukha	Daughter
	Tripti Chordia	Daughter
	Mangi Lall Sethia	Spouse's Father
	Kishore Sethia	Spouse's Brother
	Kamla Dugar	Spouse's Sister
Vasudha Sethia	Kishore Sethia	Spouse
	Harish Gupta	Brother
	Chandra Kanta Mittal	Sister
	Kanta Gupta	Sister
	Sulochna Goyal	Sister
	Laxmi Gupta	Sister
	Gaurav Sethia	Son
	Kanika Sethia	Daughter
	Mangi Lall Sethia	Spouse's Father
	Kamal Sethia	Spouse's Brother
	Kamla Dugar	Spouse's Sister
Gaurav Sethia	Khushboo Sethia	Spouse
	Kishore Sethia	Father
	Vasudha Sethia	Mother
	Kanika Sethia	Sister
	Mira Sethia	Daughter
	Avika Sethia	Daughter
	Sunil Chouraria	Spouse's Father
	Neelam Chouraria	Spouse's Mother
	Gaurav Chouraria	Spouse's Brother
Sanjeev Sethia	Perna Sethia	Spouse
	Vijay Singh Sethia	Father
	Kanchan Sethia	Mother
	Rajiv Sethia	Brother
	Devansh Sethia	Son
	Pushpa Lodha	Spouse's Mother
	Samil Lodha	Spouse's Brother
	Namrata Choksi	Spouse's Sister
	Pragati Jain	Spouse's Sister
	Triptee Jain	Spouse's Sister
Smriti Mehta	Spouse's Sister	
Sumit Sethia	Sweta Sethia	Spouse
	Sushil Sethia	Father
	Pukhraj Sethia	Mother
	Parth Sethia	Brother
	Shivangi Daga	Sister
	Akshat Sethia	Son
	Rajender Kumar Sharma	Spouse's Father
	Ruchi Gulati	Spouse's Sister
	Smita Ghosh	Spouse's Sister
	Shruti Masand	Spouse's Sister
Vinay Kumar Sethia	Santosh Sethia	Spouse
	Deepak Sethia	Brother
	Vibha Sethia	Daughter
	Sushila Gouti	Spouse's Sister

Name of the Promoter	Name of the Relative	Relationship
	Sarla Sethia	Spouse's Sister
	Depika Dugar	Spouse's Sister

Further, we have submitted an exemption application dated November 17, 2021 with SEBI seeking exemption from providing specific information, confirmations and disclosures to be included in this Red Herring Prospectus (subsequently, the Prospectus in relation to the Offer) from Saroj Dugar, sister of Suman Sethia and sister in law of Kamal Sethia or other body corporates in which he is interested, as members of the 'promoter group' of our Company. Subsequently, SEBI vide its letter dated February 23, 2022 granted a one-time relaxation on the exemption sought by our Company.

B. Entities forming part of the Promoter Group

The entities forming part of our Promoter Group are as follows:

1. B.M. Sethia & Co.
2. Dhani Devi Sethia Trust
3. Deepak Sethia & Sons HUF
4. Electronic Component Industries
5. Gaurav Resources Company Private Limited
6. Hind Trading Co.
7. Kanchan Commercial Company Private Limited
8. Kamexim Private Limited
9. Kamal Sethia & Sons HUF
10. Magtronic Devices Private Limited
11. Mavika Estate Creators Private Limited
12. Sanpre Designs Private Limited
13. Sethia Realty Private Limited
14. Sushil Kumar Sethia & Sons HUF
15. Twice Treasured Private Limited
16. Vikash Electricals & Electronics
17. Viks Fashion Private Limited*
18. Vijay Singh Sethia & Sons HUF
19. Vinay Kumar Sethia & Sons HUF
20. Shri Hari Agro Farms
21. Sethia Oil Industries Limited
22. S M Sethia Private Limited
23. Calcutta Electronics Private Limited
24. Sethia Oils Limited
25. Alternate Real Estate Experiences Private Limited
26. J J Lall Private Limited
27. Skynet Automation Private Limited**

* *Viks Fashion Private Limited, our erstwhile member of Promoter Group, has been struck off from Registrar of Companies, Delhi effective November 18, 2021.*

** *Skynet Automation Private Limited ceased to be a member of Promoter Group effective February 22, 2022.*

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly with respect to (i) above, all such companies with which our Company had related party transactions as per the Restated Consolidated Financial Statements, as covered under the relevant accounting standard (i.e. Ind AS 24) have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Further with respect to (ii) above, the disclosure in the Offer Documents, companies (other than subsidiaries of the Company) with which there were related party transactions after the period in respect of which restated audited consolidated financial statements of the Company are included in the Offer Documents until the date of filing of the Offer Documents, shall be considered material and will be disclosed as a ‘Group Company’.

Accordingly, Kanchan Commercial Co. Private Limited, Magtronic Devices Private Limited and Sethia Oil Industries Limited have been identified as the group companies.

The details of our Group Companies are provided below:

A. Details of our Group Companies

In terms of the SEBI ICDR Regulations, the following information based on the audited financial statements, in respect of Group Companies, for the last three years shall be hosted on the website of our Company and/or the respective Group Companies:

- reserves (excluding revaluation reserve)
- sales
- profit after tax
- earnings per share
- diluted earnings per share; and
- net asset value

1. **Kanchan Commercial Co. Private Limited (“Kanchan Commercial”)**

Registered Office

The registered office of Kanchan Commercial is situated at 4771/23, Bharat Ram Road, Daryaganj Delhi Central Delhi – 110002.

Financial Information

The financial information derived from the audited financial statements of Kanchan Commercial for the last three financial years, as required by the SEBI ICDR Regulations, are available on <http://kanchancommercial.com/>.

2. **Magtronic Devices Private Limited (“Magtronic”)**

Registered Office

The registered office of Magtronic is situated at 4771, Bharat Ram Road, 23 Daryaganj New Delhi Central Delhi 110002.

Financial Information

The financial information derived from the audited financial statements of Magtronic for the last three financial years, as required by the SEBI ICDR Regulations, are available on <https://www.voniaheadsets.com/financials.htm>.

3. **Sethia Oil Industries Limited (“Sethia Oil”)**

Registered Office

The registered office of Sethia Oil is situated at Diamond Heritage, Room No. 505, 5th Floor, 16, Strand Road Kolkata -700001.

Financial Information

The financial information derived from the audited financial statements of Sethia Oil for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.soilsitapur.co.in.

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

b. ***In the properties acquired by our Company in the preceding three years before filing this Red Herring Prospectus or proposed to be acquired by our Company***

Our Group Companies are not interested, directly or indirectly, in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of this Red Herring Prospectus.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Companies are not interested, directly or indirectly, in any transaction for the acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, by any of our Group Companies.

Common Pursuits between our Group Companies and our Company

None of the Group Companies are involved in the same line of business as our Company and accordingly none of our Group Companies have any common pursuits with our Company.

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in “*Financial Statements – Note 42 - Related Party Disclosures*” on page 285, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Except in the ordinary course of business and “*Financial Statements – Note 42 - Related Party Disclosures*” on page 285, our Group Companies have no business interest in our Company.

Litigation

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

None of our Group Companies are listed on any stock exchange.

DIVIDEND POLICY

Our Company has approved and adopted a formal dividend policy on October 9, 2021.

The form, frequency and amount of future dividends declared by our Bank will depend on a number of internal and external factors, including, but not limited to, operating cash flows, funding growth needs including working capital, capital expenditure, repayment of debt etc, tax implications, if any, on distribution of dividends, providing for unforeseen events and contingencies with financial implications or any other relevant factor that the Board may deem fit to consider, subject to the approval of the Shareholders.

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association, Companies Act and other applicable law. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, our Company's liquidity position and future cash flow needs, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, prevailing macroeconomic and business conditions, and overall financial position of our Company and other factors considered relevant by our Board. We may retain all our future earnings, if any, for use in the operations and expansion of our business. For further details, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 48.

The details of the dividend paid by our Company on the Equity Shares as per our Restated Consolidated Financial Information are given below:

Particulars	Financial Period				
	September 30, 2022 – till date of filing of this RHP*	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Number of Equity Shares	42,574,200	42,574,200	42,574,200	7,095,700	7,095,700
Face Value of Equity Share (per share) (₹)	5.00	5.00	5.00	10.00	10.00
Dividend Amount (₹)#	Nil	42.57	Nil	Nil	Nil
Dividend on each Equity Share (₹)	Nil	1.00	Nil	Nil	Nil
Dividend Rate for each Equity Share (%)	Nil	20%	Nil	Nil	Nil
Mode of payment of Dividend	Nil	Banking	Nil	Nil	Nil
Dividend tax	Nil	4.26	Nil	Nil	Nil

* Dividend for the financial year ended March 31, 2022 declared at the Annual General Meeting (AGM) held on August 01, 2022, was paid to the Shareholders within 30 days except the unpaid dividends.

Including unpaid dividend

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Elin Electronics Limited ("Company")
4771, Bharat Ram Road
23, Daryaganj
New Delhi - 110002

Dear Sirs,

- 1) We have examined, the attached Restated Consolidated Financial Information of **Elin Electronics Limited** (the "Company" or the "Holding Company" or the "Issuer") and its subsidiary Elin Appliances Private Limited (the Company and its subsidiary together referred to as "the Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at 30 September 2022, 31 March 2022, 31 March 2021 and 31 March 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the years ended 31 March 2022, 31 March 2021 and 31 March 2020, for the period beginning 1 April 2022 to 30 September 2022, and the summary statement of significant accounting policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 12 November 2022 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
 - (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act"), as amended;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
 - (d) Mail dated 28 October 2021 from SEBI to Association of Investment Bankers of India ("AIBI") instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "SEBI E-mail").
- 2) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the RHP and Prospectus to be filed with Securities and Exchange Board of India ("**SEBI**"), the stock exchanges where the equity shares of the Company are proposed to be listed ("**Stock Exchanges**") and the Registrar of Companies, Kolkata ("**RoC**"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 of Annexure V to the Restated Consolidated Financial Information.
- 3) The respective Board of Directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors of the companies are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note and the SEBI E-mail.

- 4) We have examined such Restated Consolidated Financial Information taking into consideration:
- (a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 30 September 2021, in connection with the proposed IPO of equity shares of the Company;
 - (b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - (d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note and the SEBI E-mail in connection with the proposed IPO of equity shares of the Company.
- 5) These Restated Consolidated Financial Information have been compiled by the management from:
- a) Audited Special Purpose Interim Consolidated Financial Statements of the Group as at and for the six months period ended September 30, 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on November 12, 2022.
 - b) Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued, which have been approved by the Board of Directors at their meeting held on May 30, 2022; and
 - c) Audited Special Purpose Ind AS Consolidated Financial Statements of the Company as at and for the year ended March 31, 2021 and March 31, 2020, which were prepared by the Company in its response to SEBI E-mail, which have been approved by the Board of Directors at their meeting held on November 09, 2021;

The Special purpose IndAS consolidated financial statements for the year ended March 31, 2021 and March 31, 2020 have been prepared from audited consolidated financial statements of the Group as at and for the years ended 31 March 2021 and 31 March 2020 which were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") and other accounting principles generally accepted in India, at the relevant time, which were approved by the Board of Directors at their meeting held on 16 July 2021 and 16 September 2020 respectively after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed on its first time adoption of Ind AS as on the transition date.

- 6) For the purpose of our examination, we have relied on :
- a) Auditors' report issued by us dated 12 November 2022 on the Special Purpose Interim Consolidated financial statements of the Group as at and for the six months period ended 30 September 2022 as referred in Paragraph 5 (a) above;
 - b) Auditors' report issued by us dated 30 May 2022 on the Consolidated financial statements of the Group as at and for the year ended 31 March 2022 as referred in Paragraph 5 (b) above;
 - c) Auditors' reports issued by us dated 09 November 2021 on the Special Purpose Ind AS Consolidated financial statements of the Group and Auditors' reports issued by us dated 16 July 2021 and 16 September 2020 on the consolidated financial statements of the Group as at and for the year ended 31 March 2021 and 31 March 2020 as referred in Paragraph 5(c) above.
- 7) The Audit reports on the special purpose interim consolidated financial statements as at and six months period ended 30 September 2022 and on the consolidated financial statements as at and for the year ended 31 March 2022, 31 March 2021 and 31 March 2020 issued by us contained the following Emphasis of Matter / Other Matters paragraphs:

As at and for the six months period ended 30 September 2022

Nil

As at and for the year ended 31 March 2022

We draw attention to Note 35 of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of above matters.

As at and for the year ended 31 March 2021

We draw attention to Note 27(k) of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of above matters.

As at and for the year ended 31 March 2020

(a) We draw attention to Note 27(j) of the consolidated financial statements which describes the scheme of amalgamation ("the scheme") becoming effective on 02 November 2019, the appointed date being 01 April 2018. We further refer to note 27(o) of the consolidated financial statements which states that pursuant to the scheme and consequential effects thereof, the audited consolidated financial statement of the previous year ended 31 March 2019, issued on 14 June 2019, have been restated to give effect of the scheme.

(b) We draw attention to Note 27(k) of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of above matters.

- 8) Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- i. have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended 31 March 2022, 31 March 2021 and 31 March 2020 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended 30 September 2022;
 - ii. does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 or Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and
 - iii. have been prepared in accordance with the Act, the ICDR Regulations, the Guidance Note and the SEBI E-mail.
- 9) We have not audited any financial statements of the Group as of any date or for any period subsequent to September 30, 2022. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to September 30, 2022.
- 10) The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5 above.
- 11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 13) Our report is intended solely for use of the Board of Directors for inclusion in the RHP and Prospectus to be filed with SEBI, Stock Exchanges and RoC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Oswal Sunil & Company
Chartered Accountants
ICAI Firm's Registration No: 016520N

CA Nishant Bhansali
Partner
Membership No.: 532900
UDIN: 22532900BDNILT7135

Place: New Delhi
Date: 12 November 2022

ELIN ELECTRONICS LIMITED
Annexure I - Restated Consolidated Statement of Assets and Liabilities
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note No(s)	As at			
		Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Assets					
Non-current Assets					
(a) Property, Plant and Equipment	3	2,014.26	1,875.47	1,605.15	1,544.22
(b) Capital work-in-progress	4	17.96	0.24	0.56	0.28
(c) Right-of-use-assets	36	0.74	0.75	0.76	0.78
(d) Intangible assets (other than Goodwill)	5	6.98	4.15	6.73	0.94
(e) Financial Assets					
(i) Investments	6	0.66	0.58	0.58	0.51
(ii) Other Financial Assets	7	19.56	18.67	25.00	18.04
(f) Other non-current assets	9	206.94	205.67	188.23	150.33
Total Non Current Assets		2,267.09	2,105.54	1,827.02	1,715.10
Current Assets					
(a) Inventories	10	1,264.81	1,197.15	1,149.93	799.00
(b) Financial Assets					
(i) Investments	11	11.64	11.55	135.61	250.80
(ii) Trade receivables	12	2,134.99	1,773.73	1,826.32	908.21
(iii) Cash and cash equivalents	13	3.47	40.14	46.76	90.73
(iv) Bank balances other than (iii) above	14	12.12	9.21	7.03	12.42
(v) Loans	15	-	-	-	-
(vi) Other Financial Assets	16	10.45	9.72	10.22	10.36
(c) Current Tax Assets (net)	17	7.98	7.49	6.10	5.55
(d) Other current assets	18	179.86	171.60	73.92	83.96
Total Current Assets		3,625.33	3,220.59	3,255.87	2,161.03
Total Assets		5,892.42	5,326.13	5,082.90	3,876.13
Equity and Liabilities					
Equity					
(a) Equity Share Capital	19	204.20	204.20	68.07	68.07
(b) Other Equity	19	2,997.29	2,826.50	2,554.47	2,209.45
Total Equity		3,201.49	3,030.70	2,622.54	2,277.52
Liabilities					
Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	501.73	339.64	371.45	400.66
(ii) Lease liabilities	36	1.99	1.91	1.93	1.95
(b) Provisions	21	7.76	9.05	8.69	5.46
(c) Deferred tax liabilities (Net)	8	96.60	92.22	77.63	55.59
Total Non Current Liabilities		608.08	442.83	459.69	463.66
Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	22	525.99	683.67	766.21	298.27
(ii) Lease Liabilities	36	0.06	0.05	0.05	0.05
(iii) Trade payables					
- total outstanding dues of micro and small enterprises	23	283.97	221.08	194.94	102.63
- total outstanding dues to other than micro and small enterprises	23	1,029.01	771.30	850.86	578.97
(iv) Other financial liabilities	24	106.19	93.78	99.46	92.48
(b) Current Tax liabilities (Net)	17	41.90	22.69	40.63	6.22
(c) Other current liabilities	25	87.55	51.15	40.91	48.25
(d) Provisions	26	8.20	8.87	7.60	8.08
Total Current Liabilities		2,082.86	1,852.60	2,000.66	1,134.94
Total Liabilities		2,690.93	2,295.42	2,460.36	1,598.61
Total Equity and Liabilities		5,892.42	5,326.13	5,082.90	3,876.13

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII. The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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

For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Nishant Bhansali
Partner

Raj Karan Chhajer
Chief Financial Officer

Lata Rani Pawa
Company Secretary and
Compliance Officer
M.No.: A30540

M.No.: 532900

PAN: AAAPC0561C

New Delhi, November 12, 2022

New Delhi, November 12, 2022

ELIN ELECTRONICS LIMITED
Annexure II - Restated Consolidated Statement of Profit and Loss
(All amounts are in INR Millions, unless otherwise stated)

Particulars	Note No(s)	For the period ended Sept. 30, 2022	For the year ended		
			March 31, 2022	March 31, 2021	March 31, 2020
I INCOME					
Revenue from operations	27	6,044.57	10,937.54	8,623.78	7,855.84
Other Income	28	2.86	9.14	25.23	7.88
Total Income (I)		6,047.42	10,946.68	8,649.02	7,863.72
II EXPENSE					
Cost of Material Consumed	29	4,476.12	7,924.07	6,168.18	5,425.68
Purchases of stock-in trade		53.42	282.97	119.07	167.89
Change in inventories of finished goods, work-in progress and stock-in trade	30	(16.47)	(50.30)	(40.34)	(55.55)
Employee benefits expense	31	670.78	1,252.44	1,080.23	1,062.93
Finance Costs	32	74.22	127.04	96.76	117.04
Depreciation Impairment & amortization expenses	3, 5, 36	83.65	143.53	118.35	94.34
Other Expenses	33	429.94	738.19	631.85	700.35
Total Expenses (II)		5,771.64	10,417.95	8,174.10	7,512.67
III Profit before tax (I - II)		275.78	528.73	474.92	351.05
IV Tax expenses					
- Current tax		66.35	128.28	109.90	54.40
- Deferred Tax		2.75	8.98	16.45	21.78
		69.10	137.26	126.35	76.18
V Profit for the period/year (III-IV)		206.68	391.47	348.57	274.87
VI Other comprehensive Income (OCI):					
Items that will not be reclassified to profit or loss					
(i) Remeasurements of defined benefit plans		6.50	22.30	(4.83)	16.72
(ii) Income tax on above item		(1.64)	(5.61)	1.22	(4.21)
(iii) Gain/(Loss) on Equity Instruments designated through OCI		0.08	-	0.07	0.09
Total Other comprehensive income/(loss) for the period/year		4.95	16.69	(3.55)	12.61
VII Total comprehensive income for the period/year (V + VI)		211.63	408.16	345.02	287.48
VIII Earnings per share from continuing and total operations attributable to the equity holders of the Group [face value of INR 5/- each] (Not Annualised for the period ended Sept 30, 2022)	34				
- Basic and diluted (amount in INR)		5.06	9.59	8.53	6.73

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial Information appearing in Annexure VII. The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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

Nishant Bhansali
Partner

M.No.: 532900

New Delhi, November 12, 2022

For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Raj Karan Chhajjer
Chief Financial Officer

PAN: AAAPC0561C

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Lata Rani Pawa
**Company Secretary and
Compliance Officer**

M.No.: A30540

New Delhi, November 12, 2022

ELIN ELECTRONICS LIMITED

Annexure III - Restated Consolidated Statement of Changes in Equity

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

A. Equity Share Capital

Particulars	Amount #
Balance as at March 31, 2019	49.57
Changes in equity share capital*	18.50
Balance as at March 31, 2020	68.07
Changes in equity share capital	-
Balance as at March 31, 2021	68.07
Split of Shares into Face Value of Rs. 5 each (Refer Note 19)	-
Bonus shares issued of Rs. 5 each during the period (Refer Note 19)	136.13
Balance as at March 31, 2022	204.20
Changes in equity share capital	-
Balance as at Sept 30, 2022	204.20

* Share capital issued pursuant to scheme of amalgamation (refer note 50)

Net off elimination on consolidation due to equity shares being held by subsidiary company

B. Other equity

Particulars	Equity Shares pending allotment pursuant to Scheme*	Reserves and Surplus				Other Comprehensive Income		Total
		Securities Premium	Capital Reserve	General Reserve	Retained Earnings	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plans	
Balance as at March 31, 2019	18.50	59.55	212.17	453.77	1,176.34	0.12	20.02	1,940.47
Total Comprehensive Income for the year	-	-	-	-	274.87	0.09	12.51	287.48
Transfer to retained earnings	-	-	-	50.00	(50.00)	-	-	-
Issues of equity shares pursuant to scheme of amalgamation	(18.50)	-	-	-	-	-	-	(18.50)
Balance as at March 31, 2020	-	59.55	212.17	503.77	1,401.22	0.21	32.53	2,209.45
Total Comprehensive Income for the year	-	-	-	-	348.57	0.07	(3.62)	345.02
Transfer to retained earnings	-	-	-	50.00	(50.00)	-	-	-
Balance as at March 31, 2021	-	59.55	212.17	553.77	1,699.78	0.28	28.92	2,554.47
Total Comprehensive Income for the period	-	-	-	-	391.47	-	16.69	408.16
Transfer to retained earnings	-	-	-	50.00	(50.00)	-	-	-
Utilized for issue of bonus shares	-	-	5.78	(141.91)	-	-	-	(136.13)
Balance as at March 31, 2022	-	59.55	217.95	461.85	2,041.26	0.28	45.61	2,826.50
Total Comprehensive Income for the period	-	-	-	-	206.68	0.08	4.87	211.63
Transfer to retained earnings	-	-	-	-	-	-	-	-
Utilized for payment of Dividend	-	-	-	(40.84)	-	-	-	(40.84)
Balance as at Sept 30, 2022	-	59.55	217.95	421.01	2,247.94	0.36	50.47	2,997.29

* Refer Note 50

The above Annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement of Adjustments to the Restated Consolidated Financial information appearing in Annexure VII. The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N

Nishant Bhansali

Partner

M.No.: 532900

New Delhi, November 12, 2022

For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Raj Karan Chhajer
Chief Financial Officer

PAN: AAAPC0561C

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Lata Rani Pawa
Company Secretary and Compliance Officer

M.No.: A30540

New Delhi, November 12, 2022

ELIN ELECTRONICS LIMITED
Annexure IV - Restated Consolidated Statement of Cash Flows
(All amounts are in INR Millions, unless otherwise stated)

Particulars	For the period ended	For the year ended		
	Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
I. Cash flow from Operating Activities :				
Net Profit before taxes	275.78	528.73	474.92	351.05
Adjustments for :				
Depreciation, Impairment and Amortization expenses	83.65	143.53	118.35	94.34
(Gain)/Loss on disposal of property, plant and equipment	(2.13)	(1.40)	3.01	(0.36)
Fair value (gain)/loss on investments	(0.08)	(5.87)	(20.30)	0.41
Impairment loss, Bad Debts, advances and miscellaneous balances written off	0.30	(0.42)	(0.62)	53.82
Dividend and interest income classified as investing cash flows	(0.42)	(1.51)	(2.97)	(7.30)
Finance costs (net)	74.22	127.04	96.76	117.04
	155.53	261.37	194.23	257.94
Change in operating assets and liabilities :				
(Increase)/ Decrease in Trade and other receivables	(361.57)	53.01	(919.10)	466.46
(Increase)/ Decrease in Inventories	(67.66)	(47.22)	(350.93)	19.08
Increase/ (Decrease) in Trade payables	320.60	(53.43)	365.81	(292.75)
(Increase)/ Decrease in other financial assets	(4.58)	4.58	(1.82)	6.21
(Increase)/ Decrease in other non-current assets	(1.28)	(17.43)	(37.91)	34.69
(Increase)/ Decrease in other current assets	(8.27)	(97.68)	10.05	(24.59)
Increase/ (Decrease) in provisions	4.54	23.94	(2.08)	16.63
Increase/ (Decrease) in other current liabilities	48.81	4.57	(0.36)	(2.94)
	(69.41)	(129.67)	(936.34)	222.79
Cash generated from operations	361.89	660.43	(267.20)	831.79
Income taxes paid/refund (net)	(47.63)	(147.61)	(69.24)	(63.64)
Net cash inflow from / (used in) operating activities	314.26	512.82	(336.43)	768.14
II Cash flow from Investing activities				
(Payments) for property, plant and equipment including CWIP	(241.73)	(423.97)	(196.79)	(326.24)
(Payments) for Intangible Assets	(4.40)	0.00	(7.55)	-
Proceeds from sale of property, plant and equipment	5.30	14.43	16.00	12.92
Proceeds/(Payments) from sale of Investment (net)	0.00	129.92	135.50	(117.63)
Dividends received	0.04	0.27	1.07	3.60
Interest received	0.45	1.30	2.30	3.18
Net Cash flow from / (used in) investing activities	(240.34)	(278.04)	(49.48)	(424.17)
III Cash flow from Financing Activities				
Proceeds from borrowings	84.12	16.23	603.15	(72.00)
(Repayment) of borrowings	(79.72)	(130.57)	(164.42)	(95.51)
Dividend paid	(40.84)	-	-	-
(Repayment) of lease liabilities	-	(0.17)	(0.17)	-
	(36.44)	(114.51)	438.56	(167.51)
Less: Finance Costs paid	(74.14)	(126.89)	(96.62)	(116.90)
Net Cash flow from/ (used in) financing activities	(110.59)	(241.40)	341.94	(284.41)
IV Net increase/(decrease) in cash & cash equivalents (I + II + III)	(36.66)	(6.62)	(43.97)	59.56
V Cash and cash equivalents at the beginning of the financial year	40.14	46.76	90.73	31.17
VI Cash and cash equivalents at end of the year/period	3.47	40.14	46.76	90.73

Notes:

1 The Restated Consolidated Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2 Figures in bracket indicate cash outflow.

3 Cash and cash equivalents (refer Note 13) comprise of the followings:

Cash on hand	1.38	1.68	0.98	2.22
Cheques in hand	-	-	0.00	0.19
Balances with Scheduled banks in				
Current accounts*	0.55	38.46	45.77	88.32
Bank Deposits with Bank	1.54	-	-	-
Balances per statement of cash flows	3.47	40.14	46.76	90.73

* Rs. 0.00 million (Previous year Nil) has restricted use.

4 **Analysis of movement in borrowings**

Borrowings at the beginning of the year/period	1,023.32	1,137.66	698.93	866.44
Movement due to cash transactions as per the Statement of Cash Flows	4.40	(114.34)	438.73	(167.51)
Borrowings at the end of the year/period	1,027.71	1,023.32	1,137.66	698.93

The above annexure should be read with the Basis of Preparation and Significant Accounting Policies appearing in annexure V, notes to the Restated Consolidated Financial Information appearing in annexure VI and Statement on Adjustments to Audited Financial Statements appearing in Annexure VII. The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

As per our report of even date attached

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

Nishant Bhansali
Partner

M.No.: 532900

New Delhi, November 12, 2022

For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Raj Karan Chhajer
Chief Financial Officer

PAN: AAAPC0561C

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Lata Rani Pawa
Company Secretary and
Compliance Officer

M.No.: A30540

1. Corporate information

The Restated Consolidated Financial Information comprise financial information of Elin Electronics Limited ('the Company' or 'the Parent Company') and its subsidiary, Elin Appliances Private Limited, (collectively, 'the Group'). The Company was incorporated in India on March 26, 1982 under the provisions of the Companies Act, 1956 (CIN U29304WB1982PLC034725). The Group are engaged in the business of Electronics Manufacturing Services. The registered office of the company is located at 143, Cotton Street, Kolkata, West Bengal- 700007.

The Restated Consolidated Financial Information is approved for issue by the Company's Board of Directors in their meeting held on November 12, 2022.

2. Significant accounting policies

2.1 Basis of preparation

The restated consolidated statement of assets and liabilities of the Group as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated information of profit and loss (including other comprehensive income), the restated consolidated information of changes in equity and the restated consolidated information of cash flows for each of the period/year ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and restated other consolidated financial information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Restated Consolidated Financial Information has been prepared by the management in connection with the proposed listing of equity shares of the Company by way of Initial Public Offering ("IPO"), to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, West Bengal and the concerned Stock Exchange in accordance with the requirements of:

- (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI regulations") issued by the Securities and Exchange Board of India ("SEBI") from time to time;
- (iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('ICAI'); and
- (iv) Mail dated 28 October 2021 from SEBI to Association of Investment Bankers of India ("AIBI" instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS) for all the three years and stub period (hereinafter referred to as the "SEBI E-mail")

The Restated Consolidated Summary Statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements and other relevant provisions of the Act.

The Restated Consolidated Financial Information have been compiled by the Group from:

1. The audited special purpose interim consolidated financial statements of the Group as at and for the six months period ended September 30, 2022 prepared in accordance with recognition and measurement principles under Indian Accounting Standard ('Ind AS') 34 "Interim Financial Reporting", specified under section 133 of the Companies Act, 2013 (The "Act") read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013(Ind AS Compliant Schedule III), as amended, which have been approved by the Board of Directors at their meeting held on November 12, 2022.
2. Audited consolidated financial statements of the Group as at and for the year ended March 31, 2022 prepared in accordance with Ind AS notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 issued, which have been approved by the Board of Directors at their meeting held on May 30, 2022.
3. Audited special purpose Ind AS Consolidated Financial Statements of the Company as at and for the year ended March 31, 2021 and March 31, 2020, which were prepared by the Company in its response to SEBI E-mail, which have been approved by the Board of Directors at their meeting held on November 09, 2021;

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules 2016 (as amended from time to time) as and consequently April 1, 2020 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2022. The financial statements for the year ended March 31, 2022, were the first financials, prepared in accordance with Ind-AS. Upto the financial year ended March 31, 2021, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP") which have been approved by the Board of Directors at their meeting held on July 16, 2021 and September 16, 2020, respectively due to which the Special purpose IndAS consolidated financial statements were prepared as per SEBI E-mail.

The Special purpose IndAS consolidated financial statements for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable Ind AS adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed on its first time adoption of Ind AS as on the transition date.

The Restated Consolidated Financial Information has been compiled by the Company from the Audited Financial Statements and Special Purpose Ind AS Consolidated Financial Statements of the Company and its subsidiary company and:

- a. have been made after incorporating adjustments for the changes in accounting policies retrospectively irrespective financial years to reflect the same accounting treatment as per changed accounting policies for all the reporting periods;
- b. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate;

- c. Other remarks / comments in the Annexure to the Auditor's report on the financial statements of the Company which do not require any corrective adjustments in the Restated Consolidated Financial Information are disclosed in Annexure VII of the Restated Consolidated Financial Information;
- d. adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per consolidated financial statements of the Group as at and for the period ended September 30, 2022 prepared under Ind AS and the requirements of the SEBI Regulations, and
- e. the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

Functional and presentation currency

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

Basis of measurement

The restated Consolidated financial information has been prepared on the historical cost basis except for the following items:

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

2.2 Basis of consolidation

The restated consolidated financial information of the Company and its subsidiary is combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra- group balances and intra-group transactions. Profits or losses resulting from intra-group transactions are eliminated in full. The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The carrying amount of the Company's investment in subsidiary is offset (eliminated) against the Parent Company's portion of equity in subsidiary.

The detail of consolidated entity as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership			
		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Elin Appliances Private Limited	India	100%	100%	100%	100%

2.3 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the Restated Consolidated Financial Information are as given below. These accounting policies have been applied consistently to all periods presented in the Restated Consolidated Financial Information.

2.3.1 Current vs non-current classification

The Group presents assets and liabilities in the restated consolidated statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

2.3.2 Business combination

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

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

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

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

2.3.3 Property, plant and equipment

Recognition and Initial Measurement

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

Cost of asset includes:

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

Subsequent measurement

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

Depreciation and useful lives

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

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

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

Derecognition

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

2.3.4 Intangible assets

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

2.3.5 Impairment of non-financial assets

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

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

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

2.3.6 Inventories

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

2.3.7 Revenue recognition

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

a) Sale of products and Services

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

The Group has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer. The goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

b) Other Revenue

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

c) Contract balances

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

d) Right of return

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

The Group has adopted Ind AS 115 from April 01, 2020 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on April 01, 2020. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Group. The Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions available as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020 while preparing Restated Consolidated Ind AS Financial Information for the years ended March 31, 2021 and March 31, 2020.

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

2.3.8 Taxes

a) Current tax

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

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

b) Deferred tax

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

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

Deferred tax is recognized in restated consolidated statement of profit and loss except to the extent it relates to items recognized outside profit or loss, in which case it is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

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

2.3.9 Foreign currencies

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

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

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the restated consolidated statement of profit and loss in the period in which they arise. These exchange differences are presented in the restated consolidated statement of profit and loss on net basis.

2.3.10 Employee benefit

a) Short-term employee benefits

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the restated consolidated statement of profit and loss in the period in which the employee renders the related services.

b) Post-employment benefits

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

The Group makes specified monthly contribution towards provident fund ('PF') and employee state insurance scheme ('ESI') which is a defined contribution plan. The Group's contribution is recognized as an expense in the restated consolidated statement of profit and loss during the period in which the employee renders the related service.

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

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

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

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

Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to restated consolidated statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognized in the restated consolidated statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

c) Other long-term employee benefits

Benefits under the Group's compensated absences constitute other long-term employee benefits, recognized as an expense in the restated consolidated statement of profit and loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the restated consolidated statement of profit and loss as employee benefit expenses.

2.3.11 Cash and cash equivalents

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

For the purpose of the restated consolidated statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

2.3.12 Borrowing Cost

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

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan. All other borrowing costs are recognised in the Restated consolidated statement of profit and loss in the period in which they are incurred.

2.3.13 Provisions, contingent assets and contingent liabilities

a) Provisions

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

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

b) Contingent liabilities

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

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

c) Contingent assets

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

2.3.12 Leases

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

a) Group as a lessee

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

i) Right-of-use assets

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

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

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the restated consolidated statement of profit and loss.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the 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 recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

iii) Short term lease and leases of low value assets

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

iv) Single discount rate

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

The Group has given adjustments for lease accounting in accordance with Ind AS 116 from April 01, 2020, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the restated consolidated statement of assets and liabilities.

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

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

b) Group as a lessor

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

2.3.13 Financial instruments

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

a) Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

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

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Consolidated Statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost

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

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Restated Consolidated Statement of Profit and Loss.

Equity investments at FVOCI

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

Impairment of financial assets

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the restated consolidated statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Restated Consolidated Statement of Assets and Liabilities. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

Derecognition of financial assets

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

If the Group enters into transactions whereby it transfers assets recognized on its restated consolidated statement of assets and liabilities but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

b) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

The Group has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the restated consolidated statement of profit and loss. Any gain or loss on derecognition is also recognized in the restated consolidated statement of profit and loss.

Derecognition of financial liabilities

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

c) Reclassification of financial assets and liabilities

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

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the restated consolidated statement of assets and liabilities if there is a currently enforceable contractual legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.3.14 Fair value measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

2.3.15 Earnings per share

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

2.3.16 Segment reporting

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

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

2.3.17 Government grants

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

2.3.18 Restated consolidated statement of cash flows

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

2.3.19 Standard issued but not yet effective

The Ministry of Corporate Affairs has notified the certain amendments to Ind AS which are effective from April 01, 2022. The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments are not expected to have a material impact on the Group.

2.3.20 Significant accounting estimates and judgments

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

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

Significant judgements

- ***Allowances for uncollected trade receivables***

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

- ***Contingencies***

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

- ***Taxes***

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

- ***Recoverability of deferred taxes***

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

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

- ***Impairment of other financial assets***

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

- ***Impairment of non-financial assets***

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

Significant estimates

- ***Defined benefit plans***

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

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

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

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

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

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

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

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

- ***Fair value measurement of financial instruments***

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

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
3 Property, Plant and Equipment

Particulars	Plant and Machinery	Building	Dies, Moulds & Tools	Electrical Installations	Furniture and Fixtures	Office Equipment's	Computers	Vehicles	Land (Leasehold)	Land (Freehold)	Total
Gross Carrying Value											
Balance as at March 31, 2019	1,191.13	687.70	147.71	134.04	42.97	10.06	27.35	51.65	104.64	21.30	2,418.55
Additions	202.14	50.36	44.15	20.34	4.72	1.36	3.86	3.13	-	-	330.05
Disposals / Adjustments	23.88	-	4.64	1.23	0.34	0.04	0.59	2.33	-	-	33.05
Balance as at March 31, 2020	1,369.39	738.05	187.22	153.15	47.35	11.37	30.62	52.45	104.64	21.30	2,715.55
Additions	127.60	8.02	37.24	4.69	6.01	3.05	4.97	4.93	-	-	196.51
Disposals / Adjustments	50.87	-	11.24	0.44	0.06	0.19	0.57	3.65	-	-	67.03
Balance as at March 31, 2021	1,446.12	746.07	213.22	157.40	53.30	14.23	35.02	53.72	104.64	21.30	2,845.03
Additions	149.41	145.13	100.65	14.05	1.01	0.94	5.98	7.14	-	-	424.29
Disposals / Adjustments	6.49	6.14	1.71	3.59	0.21	-	0.23	2.18	-	-	20.56
Balance as at March 31, 2022	1,589.03	885.05	312.15	167.86	54.10	15.17	40.77	58.68	104.64	21.30	3,248.77
Additions	130.76	14.51	33.70	36.66	1.15	0.84	2.58	3.82	-	-	224.01
Disposals / Adjustments	10.59	-	0.68	5.70	-	-	-	3.72	-	-	20.69
Balance as at Sep 30, 2022	1,709.20	899.56	345.18	198.82	55.25	16.01	43.36	58.78	104.64	21.30	3,452.09
Accumulated depreciation and impairment											
Balance as at March 31, 2019	566.80	271.51	73.82	87.15	29.11	7.01	20.93	29.92	11.79	-	1,098.04
Depreciation & Impairment	53.07	15.40	6.88	6.72	1.96	0.78	3.27	3.57	2.14	-	93.78
Disposals / Adjustments	16.42	-	0.12	0.92	0.32	0.04	0.56	2.11	-	-	20.50
Balance as at March 31, 2020	603.45	286.92	80.58	92.95	30.75	7.75	23.63	31.38	13.93	-	1,171.33
Depreciation & Impairment	68.75	16.76	10.10	7.81	2.37	1.11	3.70	3.83	2.14	-	116.58
Disposals / Adjustments	42.95	-	0.39	0.41	0.06	0.19	0.55	3.48	-	-	48.03
Balance as at March 31, 2021	629.25	303.68	90.28	100.36	33.07	8.66	26.78	31.74	16.07	-	1,239.88
Depreciation & Impairment	84.60	17.32	16.13	8.12	2.60	1.49	4.26	4.28	2.14	-	140.94
Disposals / Adjustments	1.69	-	0.23	3.36	-	-	0.20	2.06	-	-	7.53
Balance as at March 31, 2022	712.16	321.00	106.19	105.13	35.66	10.15	30.84	33.96	18.21	-	1,373.29
Depreciation & Impairment	46.69	10.79	10.99	5.63	1.36	0.78	2.24	2.50	1.07	-	82.06
Disposals / Adjustments	9.58	-	0.14	4.38	-	-	-	3.42	-	-	17.52
Balance as at Sep 30, 2022	749.27	331.79	117.04	106.37	37.02	10.93	33.08	33.04	19.28	-	1,437.84
Net Carrying Value											
Balance as at March 31, 2019	624.32	416.18	73.89	46.90	13.86	3.05	6.42	21.73	92.85	21.30	1,320.51
Balance as at March 31, 2020	765.94	451.14	106.64	60.20	16.60	3.63	6.99	21.06	90.71	21.30	1,544.22
Balance as at March 31, 2021	816.87	442.39	122.94	57.04	20.24	5.57	8.24	21.98	88.57	21.30	1,605.15
Balance as at March 31, 2022	876.87	564.06	205.97	62.73	18.43	5.02	9.94	24.72	86.43	21.30	1,875.47
Balance as at Sep 30, 2022	959.93	567.77	228.14	92.45	18.23	5.08	10.28	25.74	85.36	21.30	2,014.26

Notes:

1. The Company had received approval to get Capital Subsidies for additional investments in manufacturing plant at Plot No.C-142, 143, 144, 144/1, 144/2, Site No.1, BullandShahar Road, Ghaziabad, Uttar Pradesh, 201009 under Modified Special Incentive Package Scheme (MSIPS) notified vide M-SIPS Policy Gazette Notification No. 175 dated 27-07-2012 and revised Notification dated 03-08-2015 as modified from time to time by the Ministry of Electronics and Information Technology, Department of Information Technology, vide Approval Letter No. 27(215)/2015-IPHW dt.22-11-2017. Also, the Company is in process of availing capital subsidy under Industrial Development Scheme 2017 of Department for Promotion of Industries & Internal Trade, Himachal Pradesh. Under the said schemes, the Company has submitted its claims before the respective authorities for sanctioning the claim. During the previous year, the company had received first claim of Rs. 11.32 Million vide Approval Letter No. 27(29)/2013-IPHWA dated 03-07-2014 and Application Sanction No W-37/6/2022-IPHW dated 17-03-2022 which has been adjusted with the carrying value of respective Property Plant and Equipment. The effect of other claims has not been adjusted to the cost of respective assets, in the absence of reasonable assurance that the claim will be received in full, as submitted.

2. The Company had received approval to get Production linked Incentive Scheme for White Goods (PLI Scheme) notified vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16-04-2021 and PLI Scheme Guidelines issued thereunder and as amended from time to time, vide Approval Letter No. IFCI/CASD/DPIIT/PLIWG-220630035 dated 30-06-2022. The Company is yet to submit the disbursement claim which shall be as per the eligibility threshold investment and net incremental sales criteria as defined for the proposed target segment and investment category of PLI scheme guidelines. Pending the submission and verification of eligibility, effect of claim has not been considered to the cost of respective assets.

3. Refer Note 20 and 22 for details of assets pledged.

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
4 Capital work-in-progress

Particulars	Buildings	Plant & Machinery	Total
Balance as at March 31, 2019	1.57	2.53	4.09
Additions	-	-	-
Disposals / Adjustments	(1.29)	(2.53)	(3.82)
Balance as at March 31, 2020	0.28	-	0.28
Additions	0.56	-	0.56
Disposals / Adjustments	(0.28)	-	(0.28)
Balance as at March 31, 2021	0.56	-	0.56
Additions	-	0.24	0.24
Disposals / Adjustments	(0.56)	-	(0.56)
Balance as at March 31, 2022	-	0.24	0.24
Additions	17.96	-	17.96
Disposals / Adjustments	-	(0.24)	(0.24)
Balance as at September 30, 2022	17.96	-	17.96

4.1 Capital work-in-progress ageing schedule

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Balance as at March 31, 2019	4.09	-	-	-	4.09
Balance as at March 31, 2020	-	0.28	-	-	0.28
Balance as at March 31, 2021	0.56	-	-	-	0.56
Balance as at March 31, 2022	0.24	-	-	-	0.24
Balance as at September 30, 2022	17.96	-	-	-	17.96

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

5 Intangible Assets (other than goodwill)

Particulars	Computer software
Gross Carrying Value	
Balance as at March 31, 2019	7.73
Additions	-
Disposals / Adjustments	-
Balance as at March 31, 2020	7.73
Additions	7.55
Disposals / Adjustments	-
Balance as at March 31, 2021	15.27
Additions	-
Disposals / Adjustments	-
Balance as at March 31, 2022	15.27
Additions	4.40
Disposals / Adjustments	-
Balance as at Sep 30, 2022	19.67
Accumulated depreciation and impairment	
Balance as at March 31, 2019	6.25
Depreciation for the year	0.54
Disposals / Adjustments	-
Balance as at March 31, 2020	6.78
Depreciation for the year	1.76
Disposals / Adjustments	-
Balance as at March 31, 2021	8.54
Depreciation for the period	2.58
Disposals / Adjustments	-
Balance as at March 31, 2022	11.12
Depreciation for the period	1.58
Disposals / Adjustments	-
Balance as at Sep 30, 2022	12.70
Net Carrying Value	
Balance as at March 31, 2019	1.48
Balance as at March 31, 2020	0.94
Balance as at March 31, 2021	6.73
Balance as at March 31, 2022	4.15
Balance as at Sep 30, 2022	6.98

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)

6 Non-Current Financial Assets - Investments

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unquoted Investments - Non-Trade				
Investments in Equity instruments	0.66	0.58	0.58	0.51
Total	0.66	0.58	0.58	0.51

6.1 Detail of Non-Current Investments

Particulars	Elcina Electronics Cluster Pvt Ltd (Face Value Rs. 10/- each)		Shivalik Waste Management Pvt Ltd (Face Value Rs. 10/- each)		Total Amount
	No. of Shares	Amount	No. of Shares	Amount	
Financial assets measured at FVTOCI					
(i) Investment in equity instruments - Equity Shares					
As at March 31, 2020	10,000	-	20,000	0.51	0.51
As at March 31, 2021	10,000	-	20,000	0.58	0.58
As at March 31, 2022	10,000	-	20,000	0.58	0.58
As at September 30, 2022	10,000	-	20,000	0.66	0.66

6.2. Additional Disclosures:

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Aggregate carrying value of unquoted investments	0.66	0.58	0.58	0.51
Aggregate amount of impairment in value of investments	-	-	-	-

7 Other Financial Assets - Non Current

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good				
Bank deposits with more than 12 months maturity *	-	-	6.86	0.28
Security Deposit	19.56	18.67	18.14	17.76
Total	19.56	18.67	25.00	18.04

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

8 Deferred tax assets / (liabilities) (net)

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

Particulars	Defined benefit obligation	Property, plant and equipment	Provisions & others	MAT Entitlement	Total
As at 31 March, 2019	4.59	(51.95)	10.94	6.77	(29.64)
(Changed)/Credited:					
- to Statement of profit and loss	3.09	(23.69)	(1.18)	-	(21.78)
- to other comprehensive income	(4.21)	-	-	-	(4.21)
- to current tax liability	-	-	-	0.03	0.03
As at 31 March, 2020	3.48	(75.63)	9.76	6.80	(55.59)
(Changed)/Credited:					
- to Statement of profit and loss	(0.59)	(13.35)	(2.50)	-	(16.45)
- to other comprehensive income	1.22	-	-	-	1.22
- to current tax liability	-	-	-	(6.80)	(6.80)
As at 31 March, 2021	4.10	(88.98)	7.25	-	(77.63)
(Changed)/Credited:					
- to Statement of profit and loss	4.08	(17.94)	4.88	-	(8.97)
- to other comprehensive income	(5.61)	-	-	-	(5.61)
As at 31 March, 2022	2.57	(106.92)	12.13	-	(92.22)
(Changed)/Credited:					
- to Statement of profit and loss	0.19	(4.64)	1.71	-	(2.75)
- to other comprehensive income	(1.64)	-	-	-	(1.64)
As at 30 September, 2022	1.12	(111.56)	13.84	-	(96.60)

9 Other Non-Current Assets

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good				
Capital Advances	206.94	205.67	188.23	150.33
Total	206.94	205.67	188.23	150.33

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
10 Inventories (at cost or net realisable value whichever is lower)

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Inventories (As Certified and valued by the management)				
Raw Materials	807.89	761.34	772.35	455.55
Raw Materials in transit	9.33	5.04	2.40	9.11
	817.22	766.38	774.75	464.66
Work-in-progress	253.06	273.70	267.02	186.93
Finished goods	168.73	131.62	88.00	127.74
Stores and Spares	25.80	25.46	20.16	19.66
Total	1,264.81	1,197.15	1,149.93	799.00

12 Current Financial Assets - Trade Receivables

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade Receivables				
Unsecured, considered good	2,137.76	1,775.89	1,828.40	909.31
Which have significant increase in credit risk	-	-	-	-
Less: expected credit loss allowance	(2.77)	(2.17)	(2.08)	(1.10)
Total	2,134.99	1,773.73	1,826.32	908.21

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

Balance at the Beginning of the year / period	2.17	2.08	1.10	1.99
Add: Provided during the year / period	0.60	0.08	0.99	0.83
Less: Amount written off	-	-	0.00	1.72
Balance at the end of the year / period	2.77	2.17	2.08	1.10

12.1 Trade Receivables Ageing Schedule:

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Undisputed Trade receivables – considered good				
Not Due	1,747.52	1,515.48	1,527.95	645.58
Less than 6 months	383.58	239.89	295.98	256.83
6 months - 1 year	1.34	16.59	2.20	5.06
1 -2 years	5.14	2.49	1.89	1.73
2 -3 years	0.07	1.45	0.36	0.09
More than 3 years	0.12	-	0.03	0.01
Total	2,137.76	1,775.89	1,828.40	909.31
Disputed Trade Receivables – considered good				
Less than 6 months	-	-	-	-
6 months - 1 year	-	-	-	-
1 -2 years	-	-	-	-
2 -3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	-	-	-

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

13 Current Financial Assets - Cash & cash equivalents

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash & Cash Equivalents				
Balance with banks;				
- in current account	0.55	38.46	45.77	88.32
- in dividend account (having restrictive use)	0.00	-	-	-
Cheques, drafts on hand;	-	-	0.00	0.19
Cash on hand;	1.38	1.68	0.98	2.22
Bank deposits with less than 3 months maturity *	1.54	-	-	-
Total	3.47	40.14	46.76	90.73

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

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
14 Current Financial Assets - Other Bank Balances

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Bank Deposits having maturity less than 12 months *	12.12	9.21	7.03	12.42
Total	12.12	9.21	7.03	12.42

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

15 Current Financial Assets - Loans

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Loans receivables - Unsecured				
Which have significant increase in credit risk	-	-	5.83	5.83
Less: expected credit loss allowance	-	-	(5.83)	(5.83)
Total	-	-	-	-

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

Balance at the Beginning of the year	-	5.83	5.83	-
Add: Provided during the year	-	-	-	5.83
Less: Amount written off	-	5.83	-	-
Balance at the end of the year / period	-	-	5.83	5.83

16 Current Financial Assets - Other Financial Assets

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Accrued Interest on Bank Deposits	0.16	0.22	0.29	0.69
Loans & Advances to Staff & Workers	10.29	9.49	9.93	9.67
Total	10.45	9.72	10.22	10.36

17 Current Tax Assets / Liabilities

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current Tax Assets				
Advance Income Tax / TDS (net of provisions)	7.98	7.49	6.10	5.55
Current Tax Liabilities				
Income Tax Provisions (net of Advance Income Tax / TDS)	41.90	22.69	40.63	6.22

18 Other Current Assets

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Indirect tax recoverable	3.53	10.53	5.98	17.27
Commercial tax receivable	2.07	2.07	2.05	1.46
Commercial Tax under Appeal	-	-	-	0.03
Custom Duty under Appeal	0.32	-	-	-
Goods & Service Tax Under Appeal	1.68	1.68	1.68	0.64
Provident Fund Under Appeal	1.17	1.17	1.17	1.17
Income Tax Under Appeal	6.14	6.14	2.17	2.17
Advance to Suppliers	61.74	41.64	34.21	27.97
Unamortised share issue expenses (refer note below)	68.12	58.17	-	-
Export Incentive receivables	0.86	1.99	0.83	2.44
Prepaid Expenses	34.23	48.21	25.83	30.83
Total	179.86	171.60	73.92	83.96

Note: The Holding Company has incurred certain expenses towards proposed Initial Public Offering of its equity shares. The Holding Company expects to recover certain amounts from the shareholders and the balance amount would be charged-off to securities premium account in accordance with section 52 of the Companies Act, 2013 upon the shares being issued.

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
11 Current Financial Assets - Investments

Particulars	As at	As at	As at	As at
	Sept 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Unquoted Investments				
(i) Investments in Mutual Funds	11.64	11.55	135.61	250.80
Total	11.64	11.55	135.61	250.80

11.1 Detail of Current Financial Assets - Investments

Particulars	As at Sept 30, 2022		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount	Units	Amount	Units	Amount
Financial assets carried at fair value through statement of profit or loss (FVTPL)								
Investments in mutual funds - Unquoted Investment								
HDFC Group Unit Linked Plan Option B	1,60,152.63	11.64	1,60,152.63	11.55	1,59,938.09	11.09	1,59,721.61	10.50
HDFC Arbitrage Fund - Monthly-Dividend	-	-	-	-	-	-	3,99,443.01	4.32
L & T Tax Advantage Fund - Regular Dividend	-	-	-	-	1,01,936.80	2.29	1,01,936.80	1.45
L & T Tax Advantage Fund - Growth	-	-	-	-	52,511.50	3.53	52,511.50	2.06
L & T Tax Advantage Fund - Dividend Payout	-	-	-	-	2,01,296.35	4.52	2,01,296.35	2.86
L & T Low Duration Fund- Growth	-	-	-	-	-	-	4,35,100.16	9.13
ICICI Prudential Floating Interest Fund - Growth	-	-	-	-	-	-	82,402.51	24.74
ICICI Prudential Bluechip Fund - Growth	-	-	-	-	-	-	1,14,479.52	3.64
ICICI Prudential Ultra Short Term Fund - Growth	-	-	-	-	-	-	5,35,642.58	10.91
Axis Banking & PSU DBT Fund	-	-	-	-	-	-	7,825.79	14.96
Axis Bluechip Fund	-	-	-	-	-	-	1,65,234.63	4.30
Axis Banking & Psu Debt Fund-Regular Growth	-	-	-	-	55,440.71	114.17	52,941.00	101.19
Nippon India Arbitrage Fund - Monthly Dividend	-	-	-	-	-	-	55,26,363.41	58.97
Nippon India Ultra Short Duration Fund- Growth Option-Growth Plan	-	-	-	-	-	-	611.46	1.77
Nippon India Ultra Short Duration Fund- Segregated Portfolio1- Growth Plan	-	-	-	-	-	-	611.46	0.02
Total Current Investments at FVTPL		11.64		11.55		135.61		250.80
Aggregate carrying value of unquoted investments		11.64		11.55		135.61		250.80
Aggregate amount of impairment in value of investments		-		-		-		-

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ELIN ELECTRONICS LIMITED**Annexure VI : Notes to Restated Consolidated Financial Information***(All amounts are in INR Millions, unless otherwise stated)***19 A. Share Capital****(i) Authorised Share Capital**

Particulars	Equity Share Capital	
	No of Shares	Amount
As at March 31, 2019	1,02,50,000	102.50
Increase during the year	-	-
As at March 31, 2020	1,02,50,000	102.50
Increase during the year	-	-
As at March 31, 2021	1,02,50,000	102.50
Increase during the period #	8,97,50,000	397.50
As at March 31, 2022	10,00,00,000	500.00
Increase during the period #	-	-
As at Sept 30, 2022	10,00,00,000	500.00

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

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

Particular	Equity Share Capital	
	No of Shares	Amount #
As at March 31, 2019	49,56,700	49.57
Add: Shares issued pursuant to scheme of amalgamation*	18,50,000	18.50
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2020	68,06,700	68.07
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2021	68,06,700	68.07
Add: Shares issued during the year	-	-
Add: Split of Shares into Face Value of Rs. 5 each	68,06,700	-
Add: Bonus shares issued in the ratio of 2 for every 1 share held	2,72,26,800	136.13
Less: Share bought back during the year	-	-
As at March 31, 2022	4,08,40,200	204.20
Add: Shares issued during the period	-	-
Add: Bonus shares issued during the period	-	-
Less: Share bought back during the period	-	-
As at September 30, 2022	4,08,40,200	204.20

* Refer Note 50

Net off elimination on consolidation due to equity shares being held by subsidiary company

(iii) Terms/right attached to Equity Shares

The Group has one class of shares having a face value of Rs. 5/- per equity share (Previous Year ended March 31, 2022 is Rs. 5/- per share, March 31, 2021 and 2020 is Rs. 10/- per equity share). All equity shares rank equally with regard to dividends and share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Group. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iv) Shares Split & Bonus Issue

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

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
(v) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at	As at	As at	As at
	Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Suman Sethia	39,60,000 9.30%	39,60,000 9.30%	6,60,000 9.30%	6,60,000 9.30%
M.L.Sethia	- 0.00%	- 0.00%	- 0.00%	6,21,650 8.76%
Prem Lata Sethia	28,02,000 6.58%	28,02,000 6.58%	4,67,000 6.58%	4,67,000 6.58%
Kishor Sethia	36,44,928 8.56%	36,44,928 8.56%	6,07,488 8.56%	- 0.00%
Kamal Sethia	22,29,618 5.24%	22,29,618 5.24%	3,71,603 5.24%	- 0.00%
Gaurav Sethia	31,43,004 7.38%	31,43,004 7.38%	5,23,834 7.38%	- 0.00%

(vi) Shareholding of Promoters

Promoter Name	Shares held at Sep 30' 2022		% Change during the period ended Sep 30' 2022
	Nos. of Shares	% of Total Shares	
M.L.Sethia	-	0.00%	-
Kamal Sethia	22,29,618	5.24%	-
Suman Sethia	39,60,000	9.30%	-
Kishor Sethia	36,44,928	8.56%	-
Vasudha Sethia	10,80,900	2.54%	-
Gaurav Sethia	31,43,004	7.38%	-
Vinay Kumar Sethia	6,33,300	1.49%	-
Sanjeev Sethia	9,15,600	2.15%	-
Sumit Sethia	8,64,450	2.03%	-

B. Other Equity

Particulars	As at	As at	As at	As at
	Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
(i) Retained Earnings	2,247.94	2,041.26	1,699.78	1,401.22
(ii) Other Reserves *				
a. Securities Premium	59.55	59.55	59.55	59.55
b. Capital Reserve (on consolidation)	217.95	217.95	212.17	212.17
c. General Reserve	421.01	461.85	553.77	503.77
(iii) Components of Other Comprehensive Income				
a. Changes in fair value of FVOCI equity instruments	0.36	0.28	0.28	0.21
b. Remeasurement of defined benefit plans	50.47	45.61	28.92	32.53
Total	2,997.29	2,826.50	2,554.47	2,209.45

*** Brief description of Other Reserves:**

- Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.
- Capital Reserve is created on consolidation with the subsidiary company.
- General reserve is the free reserve created out of the retained earnings of the Group. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
(i) Retained Earnings

Particulars	Amount
As at March 31, 2019	1,176.34
Add: Net profit for the year	274.87
Less: Transfer to reserve during the year	(50.00)
As at March 31, 2020	1,401.22
Add: Net profit for the year	348.57
Less: Transfer to reserve during the year	(50.00)
As at March 31, 2021	1,699.78
Add: Net profit for the year	391.47
Less: Transfer to reserve during the year	(50.00)
As at March 31, 2022	2,041.26
Add: Net profit for the period	206.68
Less: Transfer to reserve during the period	-
As at September 30, 2022	2,247.94

(ii) Other Reserves

Particulars	Securities Premium	Capital Reserve	General Reserve
As at March 31, 2019	59.55	212.17	453.77
Increase during the year	-	-	50.00
Decrease during the year	-	-	-
As at March 31, 2020	59.55	212.17	503.77
Increase during the year	-	-	50.00
Decrease during the year	-	-	-
As at March 31, 2021	59.55	212.17	553.77
Increase during the year	-	5.78	50.00
Decrease during the year	-	-	(141.91)
As at March 31, 2022	59.55	217.95	461.85
Increase during the period	-	-	-
Decrease during the period	-	-	-
Appropriations :			
Dividend on Equity Shares (Dividend per Share Rs. 1, PY Nil)	-	-	(40.84)
As at September 30, 2022	59.55	217.95	421.01

(iii) Components of Other Comprehensive Income

Particulars	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plans
As at March 31, 2019	0.12	20.02
Increase during the year	0.09	12.51
Decrease during the year	-	-
As at March 31, 2020	0.21	32.53
Increase during the year	0.07	-
Decrease during the year	-	(3.62)
As at March 31, 2021	0.28	28.92
Increase during the year	-	16.69
Decrease during the year	-	-
As at March 31, 2022	0.28	45.61
Increase during the period	0.08	4.87
Decrease during the period	-	-
As at September 30, 2022	0.36	50.47

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
20 Non-Current Financial Liabilities - Borrowings

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Secured Borrowings				
Term Loans - from Banks*	680.17	507.99	571.11	507.82
Less : Current maturities of long term debt - Term Loans	(178.44)	(168.35)	(199.66)	(107.15)
Total	501.73	339.64	371.45	400.66

* net off of Rs 0.78 Millions (2022: Rs. 0.62 Millions, 2021: Rs. 0.93 Millions and 2020 : Rs. 0.79 Millions) as finance charge

Notes:

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

b) Term Loans pertaining to Subsidiary Company is secured by way of First pari paasu charge by way of mortgage of all Immovable Properties of Company situated at Belikhol, Tehsil Nalagarh, District Solan, Himachal Pradesh and hypothecation of Plant & Machinery, Equipments, Tools, Spares, Accessories and all other Assets, both present and in future. The Loan is further secured by Personal Guarantee of the two Directors of the Subsidiary company.

c) Term Loans - Repayment schedule and rate of interest

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Secured				
Weighted Ave. Rate of Interest	7.92%	6.98%	7.23%	7.70%
Outstanding amount	680.17	507.99	571.11	507.82
Repayment Due				
FY 2020-21				107.15
FY 2021-22			199.66	175.77
FY 2022-23	86.86	168.35	145.26	
FY 2023-24	182.67	130.27		
Remaining payable upto 2028-29	410.65	209.38	226.18	224.90

21 Non-Current Liabilities - Provisions

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits (refer note 36)				
Provision for Leave Encashment	7.76	9.05	8.69	5.46
Total	7.76	9.05	8.69	5.46

22 Current Financial Liabilities - Borrowings

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Borrowings - Loans repayable on demands				
Secured				
(i) from banks - Working Capital	347.54	419.39	483.57	180.80
(ii) Current maturities of Long term borrowings (refer note 20)	178.44	168.35	199.66	107.15
Unsecured				
(i) from banks - Vendors bills discounting	-	95.93	82.98	10.31
Total	525.99	683.67	766.21	298.27

Notes:

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

b. Working Capital loan of Subsidiary Company is secured by First pari paasu charge by way of mortgage of all Immovable Properties of Company situated at Belikhol, Tehsil Nalagarh, District Solan, Himachal Pradesh and hypothecation of Plant & Machinery, Equipments, Tools, Spares, Accessories and all other Assets, both present and in future. The Loan is further secured by Personal Guarantee of the two directors of the subsidiary company.

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

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ELIN ELECTRONICS LIMITED
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)

23 Current Financial Liabilities - Trade Payables

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade Payables				
Due to Micro and Small Enterprises (refer note 37)	283.97	221.08	194.94	102.63
Others	1,029.01	771.30	850.86	578.97
Total	1,312.97	992.38	1,045.80	681.60

23.1 Trade Payables Ageing Schedule, on due basis:

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
MSME (Undisputed)				
Not Due	269.88	202.75	174.53	78.96
Less than 1 year	14.08	18.32	20.41	23.67
1 -2 years	-	-	-	-
2 -3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	283.97	221.08	194.94	102.63
Other than MSME (Undisputed)				
Not Due	653.75	576.19	678.71	373.07
Less than 1 year	366.25	194.68	151.87	154.44
1 -2 years	3.31	0.38	2.81	5.29
2 -3 years	4.98	0.04	0.88	41.90
More than 3 years	0.06	0.01	16.60	4.27
Total	1,028.35	771.30	850.86	578.97

24 Other Financial Liabilities - Current

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Security deposit	-	-	0.06	0.06
Unpaid Dividends	0.00	-	-	-
Expenses Payables *	106.19	93.78	99.40	92.42
Total	106.19	93.78	99.46	92.48

*includes primarily Salaries & Bonus Payable and other expenses payable

25 Other Current Liabilities

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Advances from Customers	23.21	21.04	8.89	25.54
Statutory Liabilities payable	64.33	30.11	32.02	22.71
Total	87.55	51.15	40.91	48.25

26 Current Liabilities - Provisions

Particulars	As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Provisions for Employee Benefits (refer note 36)				
Provision for Leave Encashment	8.20	8.87	7.60	8.08
Total	8.20	8.87	7.60	8.08

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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27 Revenue from operations

Particulars	For the period Sept 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Sale and Services				
- Sale of Products	5,886.19	10,645.65	8,412.67	7,677.14
- Sale of Services	8.87	16.66	14.63	25.29
Other Operating Revenues				
- Scrap sale	149.24	272.79	195.30	149.55
- Export Incentives	0.28	2.43	1.18	3.86
Total	6,044.57	10,937.54	8,623.78	7,855.84
27.1 Contract Balances				
Receivables, which are included in 'trade receivables'	2,134.99	1,773.73	1,826.32	908.21
27.2 Revenue from sale of products / services disaggregated by primary geographical market				
India	6,029.02	10,899.75	8,555.17	7,780.55
Outside India	15.55	37.79	68.61	75.29
Total revenue from contracts with customers	6,044.57	10,937.54	8,623.78	7,855.84

28 Other Income

Particulars	For the period Sept 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Other non-operating income				
Interest on Bank Deposits	0.38	1.24	1.90	3.70
Dividend Received	0.04	0.27	1.07	3.60
Gain/(loss) on sale of current investments measured at FVTPL	-	(0.14)	9.07	1.17
Fair value gain/(loss) on investments measured at FVTPL	0.08	6.01	11.23	(1.58)
Rent Received	0.18	0.36	0.36	0.36
Sundry Balances Written Back	-	-	1.60	0.27
Profit on sales of Property, Plant and Equipment	2.13	1.40	-	0.36
Exchange Fluctuation Gain (Net)	0.03	-	-	-
Total	2.86	9.14	25.23	7.88

29 Cost of Material Consumed

Particulars	For the period Sept 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Opening Balance	783.72	790.41	473.38	555.49
Add : Purchases during the year	4,523.47	7,917.38	6,485.21	5,343.56
	5,307.20	8,707.79	6,958.59	5,899.06
Less: Closing Stock	831.08	783.72	790.41	473.38
Total material consumed	4,476.12	7,924.07	6,168.18	5,425.68

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

Particulars	For the period Sept 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Closing Stock				
Finished Goods	168.73	131.62	88.00	127.74
Stock in Trade- Goods	-	-	-	-
Work in process	253.06	273.70	267.02	186.93
	421.79	405.32	355.02	314.67
Opening Stock				
Finished Goods	131.62	88.00	127.74	92.80
Stock in Trade- Goods	-	-	-	0.05
Work in process	273.70	267.02	186.93	166.27
	405.32	355.02	314.67	259.12
Total	(16.47)	(50.30)	(40.34)	(55.55)

31 Employee Benefits Expenses

Particulars	For the period Sept 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Salaries, bonus and allowances	620.36	1,162.29	1,005.86	976.38
Contribution to Provident and other funds	36.44	65.25	53.90	62.94
Staff welfare expenses	13.98	24.91	20.48	23.62
Total	670.78	1,252.44	1,080.23	1,062.93

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, 279 assumptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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32 Finance Costs

Particulars	For the period ended	For the year ended		
	Sept 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Interest expense on financial liabilities measured at amortised cost :				
- on borrowings	70.82	121.48	93.15	113.49
- on lease liabilities	0.08	0.15	0.15	0.14
- other Interest cost	0.33	0.40	0.03	0.29
Other borrowing cost	2.99	5.01	3.44	3.12
Total	74.22	127.04	96.76	117.04

33 Other Expenses

Particulars	For the period ended	For the year ended		
	Sept 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Manufacturing Expenses				
Power and Fuel & Water Charges	97.77	162.08	142.63	147.59
Carriage Inwards Expenses	13.01	29.11	25.12	24.67
Processing Charges	137.76	239.82	176.05	189.59
Consumable Stores	19.66	31.14	27.89	28.44
Testing & Calibration Expenses	0.98	3.47	4.25	3.51
Repairs and Maintenance	60.02	80.88	79.89	65.99
(A)	329.20	546.49	455.85	459.79
Selling and Distribution Expenses				
Advertisement & Sales promotion expenses	0.97	0.87	0.87	6.37
Carriage & Octroi (Outward)	15.29	27.84	22.71	16.61
(B)	16.25	28.71	23.59	22.98
Establishment Expenses				
Rent	5.06	6.57	3.81	3.88
Rates and Taxes	2.17	5.41	2.13	3.30
Auditors' Remuneration				
- Audit Fees	0.61	1.23	1.08	1.08
- In Other Capacity *	0.12	0.86	1.07	0.73
Legal and Professional Charges	4.72	8.79	7.05	9.01
Communication Expenses	1.18	3.10	2.35	2.64
Travelling and Conveyance Expenses	10.73	19.86	18.03	24.87
Vehicle Running & Maintenance	10.55	19.09	14.16	15.63
Insurance Expenses	5.98	6.91	10.08	10.04
Bad debts, other balances written off (net)	0.00	-	0.00	49.15
Provision for Doubtful Receivables	0.30	(0.42)	0.98	4.94
Sitting Fees to non-executive directors	0.37	0.68	0.04	0.05
Corporate Social Responsibility Expenses (refer note 44)	0.42	6.29	6.16	4.54
Research & Product Development Expenses	31.14	59.21	60.46	65.55
Exchange Fluctuation Loss (Net)	-	0.10	0.02	0.39
Net Loss / (Gain) on Sale of Property Plant and Equipment	-	-	3.01	-
Miscellaneous Expenditure	11.13	25.32	21.98	21.80
(C)	84.49	162.99	152.41	217.58
Total (A to C)	429.94	738.19	631.85	700.35

* excluding Professional fee of Rs. 2.00 Million paid to the Statutory Auditors of Holding Company towards Proposed Initial Public Offering of its equity shares and debit to Unamortised share issue expenses (refer note 18).

34 Earning per Share (EPS)

Particulars	For the period ended	For the year ended		
	Sept 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Basic & Diluted Earnings per share :				
Profit & Loss for the period/year	206.68	391.47	348.57	274.87
Profit attributable to ordinary shareholders (A)	206.68	391.47	348.57	274.87
Weighted average number of ordinary shares (B) (Pre-Bonus & share split)	4,08,40,200	4,08,40,200	68,06,700	68,06,700
Weighted average number of ordinary shares (C) (Post-Bonus & share split) #	4,08,40,200	4,08,40,200	4,08,40,200	4,08,40,200
Nominal value of ordinary share	Rs. 5/-	Rs. 5/-	Rs. 5/-	Rs. 5/-
Earnings per share - Basic & Diluted (A/B) - Rs. (Pre-Bonus & share split)	5.06	9.59	51.21	40.38
Earnings per share - Basic & Diluted (A/B) - Rs. (Post-Bonus & share split) #	5.06	9.59	8.53	6.73

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

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, ~~explanations~~ disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

35 Disclosure with respect to Ind AS 116 - Leases

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

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

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the period/year	0.75	0.76	0.78	0.79
Additions	-	-	-	-
Deletions	-	-	-	-
Depreciation*	(0.01)	(0.01)	(0.01)	(0.01)
Balance as at end of the period/year	0.74	0.75	0.76	0.78

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Restated Consolidated Statement of Profit and Loss.

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

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the period/year	1.97	1.98	2.01	1.86
Additions	-	-	-	-
Deletions	-	-	-	-
Payment of lease liabilities	-	(0.17)	(0.17)	-
Accreditation of interest	0.08	0.15	0.15	0.14
Balance as at end of the period/year	2.04	1.97	1.98	2.01
Current Liabilities	0.06	0.05	0.05	0.05
Non-Current Liabilities	1.99	1.91	1.93	1.95
Total cash outflow for leases	-	(0.17)	(0.17)	-

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. Such lease liabilities are related to Leasehold lands having maturity period of more than 5 year.

The table below provides details regarding amounts recognised in the Restated Consolidated Statement of Profit and Loss:

Particulars	For the period ended Sept. 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Expenses relating to short-term leases and/or leases of low-value items	5.06	6.57	3.81	3.88
Interest on lease liabilities	0.08	0.15	0.15	0.14
Depreciation expense	0.01	0.01	0.01	0.01
Total	5.14	6.73	3.97	4.03

Lease contracts entered by the Group majorly pertains for buildings and lands 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. The leases that the Group has entered with lessors towards properties used as ware houses/ offices are short term in nature and no changes in terms of those leases are expected due to the COVID-19.

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

36 The Group has recognised the following amounts in the Restated consolidated financial Information as per Ind AS - 19 "Employees Benefits" as specified in the Companies (Indian Accounting Standards) Rules, 2015:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged to the Restated consolidated statement of profit and loss for the year / period as under :

Particulars	For the period ended Sept. 30, 2022	For the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Employer's Contribution to Provident Fund and other	36.44	65.25	53.90	62.94

b) Defined Benefit Plan

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

Actuarial assumptions

Particulars	Gratuity (Funded)			
	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (per annum)	7.55%	7.00%	6.25%	6.25%
Salary Escalation Rate	5.00%	5.00%	5.00%	3.00%
Average remaining working lives of employees (Years)	24.60	24.00	24.59	24.35

Table showing changes in present value of obligations :

Present value of obligation as at the beginning of the year / period	143.75	138.98	111.88	110.26
Interest Cost	5.06	8.85	7.05	8.29
Current Service Cost	7.06	12.94	12.78	10.28
Benefits paid	(3.65)	(50.62)	(6.90)	(5.38)
Actuarial (gain)/ loss on obligations	(1.75)	33.60	14.17	(11.57)
Present value of obligation as at the end of the year / period	150.47	143.75	138.98	111.88

Table showing changes in the fair value of plan assets :

Fair value of plan assets at beginning of the year / period	172.77	164.74	142.56	129.12
Actual return of plan assets	6.11	10.71	9.00	9.74
Employer contribution	6.64	4.93	14.37	8.60
Benefits paid	(3.65)	(50.62)	(6.90)	(5.38)
Actuarial gain/ (loss) on obligations	(6.15)	43.01	6.75	0.48
Charges deducted	-	-	(1.04)	-
Fair value of plan assets at the end of year / period	175.72	172.77	164.74	142.56

Other Comprehensive Income

Actuarial (gain) / loss for the year - Obligation	(1.75)	33.60	14.17	(11.57)
Actuarial (gain) / loss for the year - Plan assets	6.15	(43.01)	(6.75)	(0.48)
Total (gain) / loss for the year	4.40	(9.41)	7.42	(12.05)

The amounts to be recognized in Restated Consolidated Statement of Assets and Liabilities :

Present value of obligation as at the end of the year/ period	150.47	143.75	138.98	111.88
Fair value of plan assets as at the end of the year/ period	175.72	172.77	164.74	142.56
Net asset/ (liability) recognised in Restated consolidated statement of assets and liabilities	(25.25)	(29.02)	(25.76)	(30.68)

Expenses recognised in Restated consolidated statement of profit and loss :

Current service cost	7.06	12.94	12.78	10.28
Interest Cost	(1.36)	(1.86)	(1.95)	(1.45)
Expenses recognised in the Restated consolidated statement of profit and loss	6.01	11.09	10.83	8.83

Sensitivity analysis of the defined benefit obligation:

Impact of the change in Discount Rate

Present Value of Obligation at the end of the period	150.47	143.75	138.98	111.88
Impact due to increase of 1%	(10.77)	(10.67)	(11.08)	(7.37)
Impact due to decrease of 1%	12.52	12.44	12.99	8.54

Impact of the change in salary increase

Present Value of Obligation at the end of the period	150.47	143.75	138.98	111.88
Impact due to increase of 1%	11.85	11.77	12.20	8.13
Impact due to decrease of 1%	(10.38)	(10.31)	(10.60)	(7.16)

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

Maturity profile of defined benefit obligation:

Year 1	22.94	21.54	17.81	23.89
Year 2	11.66	9.97	9.97	6.78
Year 3	9.92	10.14	9.43	8.85
Year 4	13.01	9.72	8.97	8.46
Year 5	14.00	13.35	8.71	8.62
Year 6 to 10	68.93	64.14	61.19	45.79

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

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Particulars	Gratuity (Funded)			
	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Investment Details				
Funds managed by Insurance Companies	174.95	171.76	164.13	141.91
Cash / Bank Balance	0.77	1.01	0.61	0.65

Actuarial assumptions

Particulars	Leave Encashment			
	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate (per annum)	7.55%	7.00%	6.25%	6.25%
Rate of increase in Compensation levels	5.00%	5.00%	5.00%	3.00%

Table showing changes in present value of obligations :

Present value of obligation as at the beginning of the year / period	17.93	16.29	13.54	13.07
Interest Cost	0.63	1.03	0.86	0.98
Current Service Cost	9.77	15.92	6.98	6.15
Benefits paid	(1.46)	(2.43)	(2.50)	(2.00)
Actuarial (gain)/ loss on obligations	(10.90)	(12.89)	(2.59)	(4.67)
Present value of obligation as at the end of the year / period	15.96	17.93	16.29	13.54

Table showing changes in the fair value of plan assets :

Fair value of plan assets at beginning of the year / period	11.55	11.09	10.50	9.31
Actual return of plan assets	0.41	0.72	0.67	0.71
Employer contribution	1.46	2.43	2.50	2.00
Benefits paid	(1.46)	(2.43)	(2.50)	(2.00)
Actuarial gain/ (loss) on obligations	(0.33)	(0.26)	(0.08)	0.49
Charges deducted	-	-	-	-
Fair value of plan assets at year / period end	11.64	11.55	11.09	10.50

Other Comprehensive Income

Actuarial (gain) / loss for the year - Obligation	(10.90)	(12.89)	(2.59)	(4.67)
Actuarial (gain) / loss for the year - Plan assets	(0.33)	(0.26)	(0.08)	0.49
Total (gain) / loss for the year	(11.23)	(13.14)	(2.67)	(4.18)

The amounts to be recognized in Restated Consolidated Statement of Assets and Liabilities :

Present value of obligation as at the end of the year / period	15.96	17.93	16.29	13.54
Fair value of plan assets as at the end of the year / period	11.64	11.55	11.09	10.50
Net asset/ (liability) recognised in Restated consolidated statement of assets and liabilities	4.33	6.37	5.20	3.04

Expenses recognised in Restated consolidated statement of profit and loss :

Current service cost	9.77	15.92	6.98	6.15
Interest Cost	0.22	0.32	0.18	0.28
Expenses recognised in the Restated consolidated statement of profit and loss	9.99	16.24	7.17	6.43

Sensitivity analysis of the defined benefit obligation:

Impact of the change in Discount Rate				
Present Value of Obligation at the end of the period	15.96	17.93	16.29	13.54
Impact due to increase of 1%	(0.73)	(0.87)	(1.00)	(0.57)
Impact due to decrease of 1%	0.86	1.13	1.20	0.67
Impact of the change in salary increase				
Present Value of Obligation at the end of the period	15.96	17.93	16.29	13.54
Impact due to increase of 1%	0.81	1.23	1.13	0.63
Impact due to decrease of 1%	(0.70)	(1.09)	(0.96)	(0.54)

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

Maturity profile of defined benefit obligation:

Year 1	8.20	8.87	7.60	8.08
Year 2	0.66	0.69	0.71	0.41
Year 3	0.62	0.74	0.57	0.58
Year 4	0.71	0.64	0.66	0.42
Year 5	0.80	0.91	0.55	0.47
Year 6 to 10	3.86	4.23	3.75	2.51

Investment Details

Funds managed by Insurance Companies	11.64	11.55	11.09	10.50
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Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuarial Valuer.

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

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Principal amount due to micro & small enterprises	283.97	221.08	194.94	102.63
Interest due on above	-	-	-	-
Interest paid during the period beyond the appointed day	-	-	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the period	-	-	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil	Nil	Nil

Note: The above information and that given in Note 23 'Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors. The Group has not received any claim for interest from any supplier as at the balance sheet date.

38 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(i) Unexpired Letters of Credit	40.40	31.49	48.75	8.39
(ii) Guarantees given by banks on behalf of the Group	13.74	12.40	3.50	2.43
(iii) Claims against the Group towards sales tax, provident fund, GST, income tax and others in dispute not acknowledged as debt	44.81	44.67	22.05	20.11

Notes:

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

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

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

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

v) There were no amounts which were required to be transferred to the investor Education and Protection fund by the Holding company and its Subsidiary company at the end of respective years / period.

(b) Capital Commitments

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	101.74	74.10	98.37	24.96

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

40 Other Comprehensive Income (OCI)

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

41 Research & Development (R&D) Expenditure

Particulars	As at Sept. 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Revenue Expenditure	31.14	59.21	60.46	65.55
Capital Expenditure	-	1.80	-	0.15
Total	31.14	61.02	60.46	65.70

41.1 Capital expenditure incurred on R&D is included in the Property Plant and Equipment and depreciation is provided on the same at respective applicable rates.

41.2 Revenue expenditure incurred on R&D has been shown under Other Expense head in the Statement of Profit and loss.

Elin Electronics Limited
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)
42 Related Party Disclosures (Before considering the effect of Consolidation) :

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i). Name and description of related parties.

Relationship	Name of Related Party	
(a) Wholly Owned Subsidiary:	Elin Appliances Private Limited	
(b) Key management personnel :	Sh. M.L. Sethia	(Chairman)
	Sh. Kamal Sethia	(Managing Director)
	Sh. Sanjeev Sethia	(Whole Time Director - EMS)
	Sh. Sumit Sethia	(Whole Time Director - Goa Operation) (w.e.f. 03rd Jun'2020)
	Sh. Kishor Sethia	(Whole Time Director - Works) (Ceased w.e.f. 6th Sep'2021) (Key Managerial Personal*) (w.e.f. 30th Sep'2021)
	Sh. Vinay Kumar Sethia	(Whole Time Director- Commercial) (Ceased w.e.f. 6th Sep'2021) (Key Managerial Personal*) (w.e.f. 30th Sep'2021 upto 31st Mar'2022)
	Sh. Vikas Sethia	(Director of Subsidiary Company) (Ceased w.e.f. 26th Nov'2020)
	Sh. Sharad Sethia	(Director of Subsidiary Company) (Ceased w.e.f. 19th Oct'2020)
	Sh. Gaurav Sethia	(Whole Time Director of Subsidiary Company) (w.e.f. 13th July'2020)
	Sh. Vinay Kumar Sethia	(Whole Time Director of Subsidiary Company) (Change in designation w.e.f. 1st Apr'2022)
	Smt. Priyanka Sethia	(Director of Subsidiary Company) (w.e.f. 30th Oct'2020) (Ceased w.e.f. 9th Oct'2021)
	Sh. Pradeep Sethia	(Director of Subsidiary Company) (w.e.f. 05th Dec'2020) (Ceased w.e.f. 9th Oct'2021)
	Sh. Raj Karan Chhajer	(Chief Financial Officer) (w.e.f. 30th Sep'2021)
	Sh. Avinash Karwa	(Company Secretary and Compliance Officer) (Ceased w.e.f. 14th Jun'2022)
	Smt Lata Rani Pawa	(Company Secretary and Compliance Officer) (w.e.f. 14th Jun'2022)
(c) Relative of Key management personnel :	Smt. Khushboo Sethia	(Relative of Director of Subsidiary Company) (w.e.f. 13th July'2020)
(d) Post Employment Benefit Plans	Elin Employees Group Gratuity Trust Elin Appliances Pvt. Ltd. Employees Gratuity Trust	
(e) Enterprises owned or Significantly influenced by key management personnel or their relatives.	Kanchan Commercial Co. Pvt. Ltd. Magtronic Devices Pvt. Ltd. Sethia Oil Industries Limited	

* As per section 2(51) of Companies Act 2013

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

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

Particulars	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases/receiving of Goods & services				
Elin Appliances Private Limited	0.55	2.23	3.33	1.47
Sales/rendering of Goods and Materials				
Elin Appliances Private Limited	286.62	537.78	493.42	384.11
Sethia Oil Industries Ltd.	-	0.01	0.01	0.02
Purchase of Property, Plant and Equipment				
Magtronic Devices Pvt. Ltd.	-	-	0.07	-
Income - Rent /Other income				
Magtronic Devices Pvt. Ltd.	0.18	0.36	0.36	0.36
Expenses - Rent /Other expenses				
Kanchan Commercial Co. Pvt.Ltd.	0.30	0.60	0.60	0.60
Elin Appliances Private Limited	1.92	3.84	3.84	3.84
Closing Balances of Receivables				
Elin Appliances Private Limited	148.93	44.10	56.48	73.40
Contribution towards Gratuity Liabilities				
Elin Employees Group Gratuity Trust	6.00	4.03	11.07	5.50
Elin Appliances Pvt. Ltd. Employees Gratuity Trust	0.20	0.90	3.30	3.10
Remuneration of Key Management Personnel *				
Sh. M.L. Sethia	1.82	3.64	3.04	3.64
Sh. Kamal Sethia	4.22	5.17	4.46	5.52
Sh. Kishor Sethia	4.22	4.96	4.28	5.25
Sh. Sanjeev Sethia	4.22	5.49	4.30	5.29
Sh. Vinay Kumar Sethia	4.22	5.38	3.24	3.88
Sh. Sumit Sethia	5.08	6.87	4.92	-
Sh. Vikas Sethia	-	-	2.43	4.17
Sh. Sharad Sethia	-	-	3.81	10.92
Sh. Gaurav Sethia	4.22	4.38	4.15	-
Sh. Pradeep Sethia	-	1.53	1.78	-
Smt. Priyanka Sethia	-	3.04	1.31	-
Sh Raj Karan Chhajer	1.13	1.25	-	-
Sh. Avinash Karwa	0.49	2.76	2.09	2.19
Smt Lata Rani Pawa	0.34	-	-	-
Remuneration of Relative to Key Management Personnel				
Smt. Khushboo Sethia	-	1.85	1.26	-

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

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Social Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

Related Party Disclosures (After considering the effect of Consolidation) :

In accordance with the requirement of Indian Accounting Standard (Ind AS) 24 "Related Party Disclosures", name of the related parties, related party relationships, transactions and outstanding balances including commitments where control exist and with whom transactions have taken place during the reported period are as follows:

(i). Name and description of related parties.

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	Sh. Kamal Sethia	(Managing Director)
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	Sh. Sumit Sethia	(Whole Time Director - Goa Operation) (w.e.f. 03rd Jun'2020)
	Sh. Kishor Sethia	(Whole Time Director - Works) (Ceased w.e.f. 6th Sep'2021)
		(Key Managerial Personal*) (w.e.f. 30th Sep'2021)
	Sh. Vinay Kumar Sethia	(Whole Time Director- Commercial) (Ceased w.e.f. 6th Sep'2021)
		(Key Managerial Personal*) (w.e.f. 30th Sep'2021 upto 31st Mar'2022)
	Sh. Vikas Sethia	(Director of Subsidiary Company) (Ceased w.e.f. 26th Nov'2020)
	Sh. Sharad Sethia	(Director of Subsidiary Company) (Ceased w.e.f. 19th Oct'2020)
	Sh. Gaurav Sethia	(Whole Time Director of Subsidiary Company) (w.e.f. 13th July'2020)
	Sh. Vinay Kumar Sethia	(Whole Time Director of Subsidiary Company) (Change in designation w.e.f. 1st Apr'2022)
	Smt. Priyanka Sethia	(Director of Subsidiary Company) (w.e.f. 30th Oct'2020) (Ceased w.e.f. 9th Oct'2021)
	Sh. Pradeep Sethia	(Director of Subsidiary Company) (w.e.f. 05th Dec'2020) (Ceased w.e.f. 9th Oct'2021)
	Sh. Raj Karan Chhajer	(Chief Financial Officer) (w.e.f. 30th Sep'2021)
	Sh. Avinash Karwa	(Company Secretary and Compliance Officer) (Ceased w.e.f. 14th Jun'2022)
	Smt Lata Rani Pawa	(Company Secretary and Compliance Officer) (w.e.f. 14th Jun'2022)
(b) Relative of Key management personnel :	Smt. Khushboo Sethia	(Relative of Director of Subsidiary Company) (w.e.f. 13th July'2020)
(c) Post Employment Benefit Plans	Elin Employees Group Gratuity Trust	
	Elin Appliances Pvt. Ltd. Employees Gratuity Trust	
(d) Enterprises owned or Significantly influenced by key management personnel or their relatives.	Kanchan Commercial Co. Pvt. Ltd.	
	Magtronic Devices Pvt. Ltd.	
	Sethia Oil Industries Limited	

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

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

Particulars	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales/rendering of Goods and Materials				
Sethia Oil Industries Ltd.	-	0.01	0.01	0.02
Purchase of Property, Plant and Equipment				
Magtronic Devices Pvt. Ltd.	-	-	0.07	-
Income - Rent /Other income				
Magtronic Devices Pvt. Ltd.	0.18	0.36	0.36	0.36
Expenses - Rent /Other expenses				
Magtronic Devices Pvt. Ltd.	-	-	-	-
Kanchan Commercial Co. Pvt.Ltd.	0.30	0.60	0.60	0.60
Closing Balances of Receivables				
Sethia Oil Industries Ltd.	-	-	-	-
Contribution towards Gratuity Liabilities				
Elin Employees Group Gratuity Trust	6.00	4.03	11.07	5.50
Elin Appliances Pvt. Ltd. Employees Gratuity Trust	0.20	0.90	3.30	3.10
Remuneration of Key Management Personnel *				
Sh. M.L. Sethia	1.82	3.64	3.04	3.64
Sh. Kamal Sethia	4.22	5.17	4.46	5.52
Sh. Kishor Sethia	4.22	4.96	4.28	5.25
Sh. Sanjeev Sethia	4.22	5.49	4.30	5.29
Sh. Vinay Kumar Sethia	4.22	5.38	3.24	3.88
Sh. Sumit Sethia	5.08	6.87	4.92	-
Sh. Vikas Sethia	-	-	2.43	4.17
Sh. Sharad Sethia	-	-	3.81	10.92
Sh. Gaurav Sethia	4.22	4.38	4.15	-
Sh. Pradeep Sethia	-	1.53	1.78	-
Smt. Priyanka Sethia	-	3.04	1.31	-
Sh Raj Karan Chhajer	1.13	1.25	-	-
Sh. Avinash Karwa	0.49	2.76	2.09	2.19
Smt Lata Rani Pawa	0.34	-	-	-
Remuneration of Relative to Key Management Personnel				
Smt. Khushboo Sethia	-	1.85	1.26	-

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

43 Segment Reporting

a. The Board of directors of Elin Electronics Limited takes decision in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be Chief Operating Decision Maker. During the years/period under consideration, the Group operated only one segment i.e., manufacturing of Electronics Manufacturing Services.

b. Geographical Information

The geographical information analyses the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

Particulars	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
i. Revenue from customers				
India	6,029.02	10,899.75	8,555.17	7,780.55
Outside India	15.55	37.79	68.61	75.29
Total revenue	6,044.57	10,937.54	8,623.78	7,855.84
ii. Trade receivables				
India	2,121.21	1,765.14	1,806.88	893.90
Outside India	13.79	8.59	19.44	14.31
Total trade receivable	2,134.99	1,773.73	1,826.32	908.21

iii. The Group has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. Information about major customers (from external customers)

Revenue of approximately 54% (FY 2021-2022: 50%, FY 2020-2021: 43%, FY 2019-2020: 55%) are derived from 3 Nos. (FY 2021-2022: 3 Nos. FY 2020-2021: 2 Nos., FY 2019-2020: 2 Nos.) external customers which individually accounted for more than 10%.

44 Corporate social responsibility expenses:

Particulars	For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
a amount required to be spent by the Group during the year / period,	7.66	6.03	5.20	4.94
b amount of expenditure incurred,	0.42	6.29	6.16	4.54
c shortfall at the end of the year / period,	7.25	-	-	0.41
d total of previous years shortfall,	-	-	0.41	-
e reason for shortfall,	To be spent in rest of the year	-	-	-
f nature of CSR activities,				
<i>On promotion of Education</i>	0.09	3.16	2.46	2.14
<i>On promoting health care including preventive health care and sanitation</i>	-	2.66	0.79	1.76
<i>On contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)</i>	-	-	0.50	-
<i>On Eradicating Hunger, Poverty And Malnutrition</i>	-	-	1.12	-
<i>Disaster management, including relief, rehabilitation and reconstruction activities</i>	-	0.10	-	-
<i>Ensuring environmental sustainability, ecological balance, maintaining quality of soil, air & water</i>	0.33	0.37	1.29	0.63
g details of related party transactions, e., contribution to a trust controlled by the Group in relation to CSR expenditure as per relevant Accounting Standard,	Nil	Nil	Nil	Nil
h where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately	Nil	Nil	Nil	Nil

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45 Financial Instruments and risk management

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

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

45.1 Financial Instruments by category

Particulars	As at Sept. 30, 2022			As at March 31, 2022		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
(i) Investments- Equity Instruments(level 2)	-	0.66	-	-	0.58	-
(ii) Investments- Mutual Funds (level 1)	11.64	-	-	11.55	-	-
(iii) Trade receivables	-	-	2,134.99	-	-	1,773.73
(iv) Cash and cash equivalents	-	-	3.47	-	-	40.14
(v) Bank balances other than (iii) above	-	-	12.12	-	-	9.21
(vi) Loans	-	-	-	-	-	-
(vii) Other Financial Assets	-	-	30.00	-	-	28.39
Total financial assets	11.64	0.66	2,180.59	11.55	0.58	1,851.47
Financial liabilities						
(i) Borrowings	-	-	1,027.71	-	-	1,023.32
(ii) Lease Liabilities	-	-	2.04	-	-	1.97
(iii) Trade payables	-	-	1,312.97	-	-	992.38
(iv) Other financial liabilities	-	-	106.19	-	-	93.78
Total Financial liabilities	-	-	2,448.92	-	-	2,111.44

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
(i) Investments- Equity Instruments(level 2)	-	0.58	-	-	0.51	-
(ii) Investments- Mutual Funds (level 1)	135.61	-	-	250.80	-	-
(iii) Trade receivables	-	-	1,826.32	-	-	908.21
(iv) Cash and cash equivalents	-	-	46.76	-	-	90.73
(v) Bank balances other than (iii) above	-	-	7.03	-	-	12.42
(vi) Loans	-	-	-	-	-	-
(vii) Other Financial Assets	-	-	35.22	-	-	28.40
Total financial assets	135.61	0.58	1,915.33	250.80	0.51	1,039.76
Financial liabilities						
(i) Borrowings	-	-	1,137.66	-	-	698.93
(ii) Lease Liabilities	-	-	1.98	-	-	2.01
(iii) Trade payables	-	-	1,045.80	-	-	681.60
(iv) Other financial liabilities	-	-	99.46	-	-	92.48
Total Financial liabilities	-	-	2,284.90	-	-	1,475.01

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

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

Significant estimates:

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

45.2 Management of Financial Risk**Liquidity risk**

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

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Elin Electronics Limited
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)

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

	Notes Nos.	Carrying amount	Less than 12 months	More than 12 months	Total
As at Sept. 30, 2022					
Borrowings (excluding lease liabilities)	20, 22	1,027.71	525.99	501.73	1,027.71
Lease Liabilities	36	2.04	0.06	1.99	2.04
Trade payables	23	1,312.97	1,312.97	-	1,312.97
Other liabilities	24	106.19	106.19	-	106.19
As at March 31, 2022					
Borrowings (excluding lease liabilities)	20, 22	1,023.32	683.67	339.64	1,023.32
Lease Liabilities	36	1.97	0.05	1.91	1.97
Trade payables	23	992.38	992.38	-	992.38
Other liabilities	24	93.78	93.78	-	93.78
As at March 31, 2021					
Borrowings (excluding lease liabilities)	20, 22	1,137.66	766.21	371.45	1,137.66
Lease Liabilities	36	1.98	0.05	1.93	1.98
Trade payables	23	1,045.80	1,045.80	-	1,045.80
Other liabilities	24	99.46	99.46	-	99.46
As at March 31, 2020					
Borrowings (excluding lease liabilities)	20, 22	698.93	298.27	400.66	698.93
Lease Liabilities	36	2.01	0.05	1.95	2.01
Trade payables	23	681.60	681.60	-	681.60
Other liabilities	24	92.48	92.48	-	92.48

Market Risk

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

Interest Rate Risk

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

Currency risk

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

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

Credit Risk

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

Trade Receivables

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

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

Financial instruments and cash deposits

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

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

Capital management

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

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

Particulars	As at	As at	As at	As at
	Sept. 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Gross Debt	1,027.71	1,023.32	1,137.66	698.93
Less : Cash and Cash equivalents (Note 13)	3.47	40.14	46.76	90.73
Net Debt (A)	1,024.24	983.18	1,090.90	608.20
Total Equity (B)	3,201.49	3,030.70	2,622.54	2,277.52
Net Debt to Equity Ratio (A/B)	0.32	0.32	0.42	0.27

46 Foreign Currency Exposure

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

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

Particulars		As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade payable	USD/INR	131.89	55.43	88.56	41.98
	<i>Amount in FC</i>	<i>16,40,410.17</i>	<i>7,21,605.82</i>	<i>12,11,297.42</i>	<i>5,45,608.90</i>
	JPY/INR	-	0.15	-	-
	<i>Amount in FC</i>	<i>-</i>	<i>12,540.00</i>	<i>-</i>	<i>-</i>
	CNY/INR	0.08	-	-	0.00
	<i>Amount in FC</i>	<i>6,612</i>	<i>-</i>	<i>-</i>	<i>40.00</i>
Trade receivable	USD/INR	13.79	8.59	19.44	14.31
	<i>Amount in FC</i>	<i>1,75,184.95</i>	<i>1,14,174.75</i>	<i>2,65,834.04</i>	<i>1,85,949.87</i>

Foreign currency sensitivity analysis:

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

Impact on profit or loss		As at Sept 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
INR strengthens by 5%	USD Impact	(5.91)	(2.34)	(3.46)	(1.38)
	JPY Impact	-	0.01	-	-
	CNY Impact	0.00	-	-	(0.00)
INR weakening by 5%	USD Impact	5.91	2.34	3.46	1.38
	JPY Impact	-	0.01	-	-
	CNY Impact	(0.00)	-	-	0.00

47 Tax Reconciliation

Particulars		For the period ended Sep 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit as per Restated consolidated statement of profit and loss (before tax)		275.78	528.73	474.92	351.05
Current Tax rate @ Applicable Tax Rates		69.41	133.07	119.53	116.02
<i>Adjustment:</i>					
Allowability of Depreciation & Employee Benefits		(5.14)	(11.42)	(13.08)	(40.52)
Amount of eligible / ineligible expenditure		(0.42)	2.89	(0.73)	2.03
Tax deductions, Exemptions & Losses Set Off		-	-	(1.38)	(13.63)
Taxation of Capital Gains		-	2.18	-	-
Other adjustments		2.50	1.56	5.56	(9.49)
Tax Provision as per Books		66.35	128.28	109.90	54.40

48 Financial Ratios

Ratios/Measure	Methodology	Sept 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
a) Current ratio	Current assets over current liabilities	1.74	1.74	1.63	1.90
b) Debt equity ratio	Debt over total shareholders' equity	0.32	0.32	0.42	0.27
c) Debt service coverage ratio	Earnings available for debt services over total debt	0.35	0.65	0.50	0.70
d) Return on equity %	PAT over total average equity	6.63%	13.85%	14.23%	12.88%
e) Inventory turnover ratio	Cost of goods sold over average inventory	3.64	6.95	6.41	6.85
f) Trade receivables turnover ratio	Revenue from operations over average trade receivables	3.09	6.08	6.31	6.88
g) Trade payables turnover ratio	Net Purchases over average trade payables	3.97	8.05	7.65	6.88
h) Net capital turnover ratio	Revenue from operations over average working capital	1.04	2.08	1.89	2.03
i) Net profit %	Net profit over revenue	3.42%	3.58%	4.04%	3.50%
j) Return on capital employed %	EBIT over Capital employed	8.09%	15.82%	14.90%	15.44%
k) Return on investment	Interest income, net gain on sale of investments and net fair value gain over average investments.	1.66%	8.28%	11.07%	1.71%

Notes:-
Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of PPE etc.
"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

Working Capital implies Current Assets less Current Liabilities.

Capital employed refers to sum of tangible net-worth, total debts and deferred tax liability as at close of year.

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

The above ratios have been computed on the basis of the Restated Consolidated Financial Information and ratios for current period are not annulised.

Explanation for variances exceeding 25%

k) Return in Investment is decreased due to sale of Mutual Fund investments in previous year resulting into lesser returns compared to last year.

49 Other Statutory Information as at September 30, 2022

- i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- iii) 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:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- iv) 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:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- v) The Group does not have any such transaction which is not recorded in the books of accounts that has been 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.
- vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- vii) The Group is not declared wilful defaulter by and bank or financial institution or lender during the year.
- viii) The Group has certain charges which are either pending for registration of modification or satisfaction with the ROC, as the instrument for modification or satisfaction of charge is pending to be executed between the company and lenders. Pending such execution of instrument, the Group does not have any other charges or satisfaction as on September 30, 2022 which is yet to be registered with ROC beyond the statutory period.
- ix) The group has submitted Stock and Debtors statement to the bank on monthly basis and also in Quarterly Information Statements which are materially in agreement with the books of accounts.
- x) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.
- xi) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Group as at the balance sheet date.
- xii) The Group does not have any transactions with companies which are struck off.

50 Amalgamation of Asian Magnetic Devices Pvt Ltd and Rosebud Holding Pvt Ltd in Elin Electronics Limited :

- i) On 3rd Nov'2018, the Board of Parent Company had approved a Scheme of Amalgamation ("Scheme") for amalgamation of Asian Magnetic Devices Pvt Ltd ("ASIAN") and Rosebud Holding Pvt Ltd ("ROSEBUD") (hereinafter referred together as "Transferor Companies") with the Parent Company, Elin Electronics Limited ("EEL" or "Parent Company" or referred as "Transferee Company") in accordance with the provisions of Sections 230 – 232 read with other relevant provisions of the Companies Act, 2013.
- ii) The Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") approved and sanctioned the Scheme by its Order dated 26th September 2019. Certified copy of the Order of the Hon'ble NCLT was filed with the Registrar of Companies, West Bengal, on 2nd November 2019 and accordingly the Scheme became effective from the said date ("Effective Date").
- iii) As provided for in the Scheme, the Authorised Share Capital of Rs. 0.75 Million of ASIAN and Rs. 20 Million of ROSEBUD had been consolidated with the Authorised Share Capital of the Parent Company and the Authorised Share Capital of the Parent Company stands increased to Rs. 102.5 Million.
- iv) The amalgamation had been accounted for under the Pooling of Interest Method as prescribed in Accounting Standard (AS-14)-"Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules 2006 as amended from time to time.
- v) Consequent to the Scheme becoming effective, the entire business and the undertaking of Transferor Companies together with all the assets and liabilities, duties and obligations including contingent liabilities stand transferred to and vested in the Parent Company. The Appointed Date under the Scheme was 1st April 2018. Accordingly, accounting impact of the amalgamation had been given in the consolidated financial statements for the year ended 31st March 2019. The difference between the book value of net assets of Transferor Companies transferred to the Parent Company and the par value of equity shares allotted by the Parent Company had been charged to General Reserve.
- vi) Pursuant to the Scheme, 6,03,600 Shares held by ASIAN and 4,38,400 Shares held by ROSEBUD in the Parent Company stand cancelled. Also, 1,00,000 shares of ASIAN held by the Parent Company out of its total shares of 4,00,000 stands cancelled.
- vii) On 22nd January 2020, the Board of Directors of the Parent Company issued and allotted to the other shareholders of ASIAN, its shares in the ratio of 5 (five) equity shares of Rs. 10 each fully paid up of the Parent Company for every 1 (one) equity share of ASIAN; and to all the other shareholders of ROSEBUD, its shares in the ratio of 1 (one) equity share of Rs. 10 each fully paid up of the Parent Company for every 4 (four) Equity Shares of ROSEBUD, based on the shareholding as on the record date. In aggregate 18,50,000 equity shares of Rs. 10 each were allotted.

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Elin Electronics Limited
Annexure VI : Notes to Restated Consolidated Financial Information
(All amounts are in INR Millions, unless otherwise stated)

51 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary.

Name of the Enterprises	Relationship	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of total consolidated net assets	Amounts (In Rs)	As % of total consolidated Profit or Loss	Amounts (In Rs)
Elin Electronics Limited					
March 31, 2020	Holding Company	76.03%	1,731.51	75.30%	216.47
March 31, 2021		76.47%	2,005.51	79.41%	274.00
March 31, 2022		77.21%	2,340.08	81.90%	334.29
September 30, 2022		76.92%	2,462.67	77.23%	163.43
Elin Appliances Private Limited					
March 31, 2020	Wholly owned Subsidiary	23.97%	546.01	24.70%	71.01
March 31, 2021		23.53%	617.03	20.59%	71.02
March 31, 2022		22.79%	690.63	18.10%	73.87
September 30, 2022		23.08%	738.82	22.77%	48.19

52 Figures for the period ended September 30, 2022 in the Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash flows and the respective notes are for the period of six months (April 01, 2022 to September 30, 2022), whereas the details in said statements and notes for the other years presented are for 12 months. To this extent, figures reported for period ended September 30, 2022 are not comparable with other year figures. Previous year figures have been regrouped in line with current period presentation.

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

For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Nishant Bhansali
Partner

Raj Karan Chhajjer
Chief Financial Officer

Lata Rani Pawa
Company Secretary and Compliance Officer

M.No.: 532900

PAN: AAAPC0561C

M.No.: A30540

New Delhi, November 12, 2022

New Delhi, November 12, 2022

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ELIN ELECTRONICS LIMITED
Annexure VII - Statement of Adjustments to the Restated Consolidated Financial information
(All amounts are in INR Millions, unless otherwise stated)

Summarised below are the restatement adjustments made to equity for the period/ years ended September 30, 2022, March 31, 2022, March 31, 2021 and 31 March 2020, and their consequential impact on the equity of the Group:

	For the period April 01, 2022 to Sept. 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Total Equity as per Audited Special Purpose Consolidated Ind AS Financial Statements	3,201.49	3,031.20	2,622.71	2,277.79
B. Adjustment:				
Material restatement adjustments				
(i) Audit qualification	-	-	-	-
(ii) Adjustments due to prior period items/ other adjustments				
- Difference on Account of Change in Provision for Income Tax	-	(0.50)	(0.17)	(0.27)
	-	(0.50)	(0.17)	(0.27)
C. Total impact of adjustments in (i+ii)	-	(0.50)	(0.17)	(0.27)
D. Total equity as per restated consolidated financial information (A+C)	3,201.49	3,030.70	2,622.54	2,277.52

Summarised below are the restatement adjustments made to the net profit after tax for the period/ years ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020 their impact on the profit / (loss) of the Group:

	For the period April 01, 2022 to Sept. 30, 2022	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Net profit after tax as per Audited Special Purpose Consolidated Ind AS Financial Statements	206.18	391.81	348.46	275.82
B. Adjustments:				
Material restatement adjustments				
(i) Audit qualifications	-	-	-	-
(ii) Adjustments due to prior period items/ other adjustments				
- Difference on Account of Change in Provision for Income Tax	0.50	(0.34)	0.11	(0.94)
	0.50	(0.34)	0.11	(0.94)
C. Total impact of adjustments in (i+ii)	0.50	(0.34)	0.11	(0.94)
D. Net profit after tax as per restated consolidated financial information (A+C)	206.68	391.47	348.57	274.87

Note to adjustment:

1. **Adjustments for audit qualification:** None

2. **Material regrouping**

Appropriate adjustments have been made in the restated consolidated financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the Division II Ind AS Schedule III of the Companies Act, 2013 ('the Act') and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Group has presented the Restated consolidated financial information as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 following the requirements of Schedule III of the Act.

3. **Material restatement adjustments**

a. **Difference on Account of Change in Provision for Income Tax:**

Since the Restated Profit is changed so that Provision for income Tax also got changed.

b. **Others**

The income tax provisions and actual income tax paid being not material restated in respective year

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

ELIN ELECTRONICS LIMITED**Annexure VII - Statement of Adjustments to the Restated Consolidated Financial information***(All amounts are in INR Millions, unless otherwise stated)***4. Non-adjusting items:****a. Qualifications and Emphasis of Matters in the Auditors' report which do not require any corrective adjustments in the Restated Financial Information:****i. Annexure to Auditor's report for the financial year ended March 31, 2022****Emphasis of matter – Covid-19**

We draw attention to Note 35 of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period. Our opinion is not modified in respect of above matters.

ii. Annexure to Auditor's report for the financial year ended March 31, 2021**Emphasis of matter – Covid-19**

We draw attention to Note 27(k) of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period. Our opinion is not modified in respect of above matters.

iii. Annexure to Auditor's report for the financial year ended March 31, 2020**Emphasis of matter – Amalgamation**

We draw attention to Note 27(j) of the consolidated financial statements which describes the scheme of amalgamation ("the scheme") becoming effective on 2nd November 2019, the appointed date being 1st April 2018. We further refer to note 27(o) of the consolidated financial statements which states that pursuant to the scheme and consequential effects thereof, the audited consolidated financial statement of the previous year ended 31st March 2019, issued on 14th June 2019, have been restated to give effect of the scheme. Our opinion is not modified in respect of above matters.

Emphasis of matter – Covid-19

We draw attention to Note 27(k) of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period. Our opinion is not modified in respect of above matters.

b. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information:**i. Annexure to Auditor's report for the financial year ended March 31, 2022**

Clause (vii) (b): According to the information and explanations given to us, disputed statutory dues outstanding over six months as at March 31, 2022 aggregating to Rs. 4.24 Millions (Net of advance) that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	3.50	Oct 1995 – Sep 2011	High Court, Mumbai
Goa Value Added Tax, 2005	Value Added Tax	0.74	2017-18	Commercial Tax, Goa
Custom Act, 1962	Custom Duty	-	2019	Add. Commissioner Raigard, Maharashtra

ii. Annexure to Auditor's report for the financial year ended March 31, 2021

Clause (vii) (b): According to the information and explanations given to us, disputed statutory dues outstanding over six months as at March 31, 2021 aggregating to Rs. 3.50 Millions (Net of advance) that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	3.50	Oct 1995 – Sep 2011	High Court, Mumbai

iii. Annexure to Auditor's report for the financial year ended March 31, 2020

Clause (vii) (b): According to the information and explanations given to us, disputed statutory dues outstanding over six months as at March 31, 2020 aggregating to Rs. 3.50 Millions (Net of advance) that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	3.50	Oct 1995 – Sep 2011	High Court, Mumbai

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The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

ELIN ELECTRONICS LIMITED
Other Financial Information
(All amounts are in INR Millions, unless otherwise stated)
The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the period ended Sept. 30, 2022	As at and for the year ended		
		March 31, 2022	March 31, 2021	March 31, 2020
Restated earnings per Equity Share (in ₹) – Basic & Diluted (Pre-Bonus & share split)	5.06	9.59	51.21	40.38
Restated earnings per Equity Share (in ₹) – Basic & Diluted (Post-Bonus & share split) #	5.06	9.59	8.53	6.73
Return on net worth (%)	6.46%	12.92%	13.29%	12.07%
Net asset value per Equity Share (in ₹) (Post-Bonus & share split)	78.39	74.21	64.21	55.77
EBITDA	433.64	799.31	690.03	562.43
EBITDA Margin (%)	7.17%	7.31%	8.00%	7.16%
Net Profit after tax attributable to Shareholders (INR in Million)	206.68	391.47	348.57	274.87
Weighted average number of equity shares at end of year/period (Pre-Bonus & Split)	4,08,40,200	4,08,40,200	68,06,700	68,06,700
Weighted average number of equity shares at end of year/period (Post-Bonus & Split) #	4,08,40,200	4,08,40,200	4,08,40,200	4,08,40,200
Number of equity shares outstanding at the end of the period/year #	4,08,40,200	4,08,40,200	4,08,40,200	4,08,40,200
Share Capital (INR in Million)	204.20	204.20	68.07	68.07
Reserves (Other equity), as restated (INR in Million)	2,997.29	2,826.50	2,554.47	2,209.45
Net worth, as restated (INR in Million)	3,201.49	3,030.70	2,622.54	2,277.52

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

Notes:

1. The ratios have been computed as follows:

Restated earnings per Equity Share - Basic & Diluted (Pre-Bonus) =	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares (Pre-Bonus)}}$
Restated earnings per Equity Share - Basic & Diluted (Post-Bonus) =	$\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares (Post-Bonus)}}$
Return on net worth (%) =	$\frac{\text{Net profit after tax, as restated}}{\text{Restated Net Worth}}$
Net asset value per Equity Share =	$\frac{\text{Net worth as restated at the end of the year}}{\text{Number of equity shares outstanding at the end of the period/year}}$
EBITDA =	$\text{Profit before Tax + Finance Cost + Depreciation and Amortisation Expenses}$
EBITDA Margin =	$\frac{\text{EBITDA}}{\text{Revenue from operations}}$

2. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard (Ind AS) 33 'Earnings per Share' prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

3. Pursuant to a resolution passed by our Board on September 6, 2021 and a resolution of shareholders dated, September 30, 2021, each equity share of face value of Rs. 10/- each has been split into two equity shares of face value of Rs. 5/- each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 68,06,700 equity shares of face value of Rs. 10/- each to 1,36,13,400 equity shares of face value of Rs. 5/- each.

The Board of Directors pursuant to a resolution dated September 6, 2021 and the shareholders special resolution dated September 30, 2021 have approved the issuance of two bonus equity shares of face value Rs. 5/- each for every one existing fully paid up equity share of face value Rs. 5/- each and accordingly 2,72,26,800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

The same has been considered for calculation of basic and diluted EPS for the years presented in accordance with Indian Accounting Standard (Ind AS) - 33 Earnings Per Share.

4. The above ratios have been computed on the basis of the Restated Consolidated Financial Information.

5. Basic & Diluted EPS and Net Assets Value for the 6 months period ended / as on September 30, 2022 are not annulised.

The Restated Consolidated Financial Statements for the FY 2020 and FY 2021 are compiled from the Special Purpose Ind AS Consolidated Financial Statements of the Company prepared for respective years after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company on its first time adoption of Ind AS as on the transition date.

OTHER FINANCIAL INFORMATION

1. The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Basic Earnings per Equity Shares (in ₹)	5.06	9.59	8.53	6.73
Diluted Earnings per Equity Shares (in ₹)	5.06	9.59	8.53	6.73
Return on net worth (in %)	6.46	12.92	13.29	12.07
Net asset value per Equity Share (in ₹)	78.39	74.21	64.21	55.77
EBITDA (₹ in million)	433.64	799.31	690.03	562.43

Notes:

1. The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

$$\text{Basic earnings per share (₹)} = \frac{\text{Profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$

$$\text{Return on net worth (\%)} = \frac{\text{Net profit/(loss) as restated, attributable to Shareholders (excluding exceptional items)}}{\text{Net worth at the end of the year}}$$

$$\text{Net asset value (NAV) per Equity Share (₹)} = \frac{\text{Net worth, as restated at the end of the year}}{\text{Number of Equity Shares outstanding during the year}}$$

$$\text{EBITDA} = \text{Profit before tax} + \text{Finance cost} + \text{Depreciation and amortisation expense}$$

2. Earnings per share calculations are done in accordance with Indian Accounting Standard (Ind AS) 33 on Earnings per Share as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.
 3. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.
 4. Net worth" means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account and debit balance of non-controlling interest.
 5. The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.
 6. Basic & Diluted EPS and Net Assets Value for the six months period ended / as on September 30, 2022 are not annulised
2. The accounting ratios (as adjusted for changes in capital, if any) derived on a consolidated basis, calculated on total number of equity shares and Net Worth prior to elimination of equity share capital relating to shares held by the Subsidiary:

Particulars	As at			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Basic Earnings per Equity Shares (in ₹)	4.85	9.20	8.19	6.46
Diluted Earnings per Equity Shares (in ₹)	4.85	9.20	8.19	6.46
Return on net worth (in %)	6.46	12.92	13.29	12.07
Net asset value per Equity Share (in ₹)	75.20	71.19	61.60	53.50
EBITDA (₹ in million)	433.64	799.31	690.03	562.43

Notes:

1. The ratios on the basis of Restated Consolidated Financial Statements have been computed as below:

Basic earnings per share (₹) =	$\frac{\text{Profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$
Diluted earnings per share (₹) =	$\frac{\text{Profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$
Return on net worth (%) =	$\frac{\text{Net profit/(loss) as restated, attributable to Shareholders (excluding exceptional items)}}{\text{Net worth at the end of the year}}$
Net asset value (NAV) per Equity Share (₹) =	$\frac{\text{Net worth, as restated at the end of the year}}{\text{Number of Equity Shares outstanding during the year}}$
EBITDA =	Profit before tax + Finance cost + Depreciation and amortisation expense

- Earnings per share calculations are done in accordance with Indian Accounting Standard (Ind AS) 33 on Earnings per Share as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.
- Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year adjusted by the number of Equity Shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. This has been adjusted for all periods presented by giving effect to bonus and subdivision subsequent to the balance sheet date.
- Net worth" means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account and debit balance of non-controlling interest.
- The above ratios have been computed on the basis of the Restated Consolidated Financial Statements.
- Basic & Diluted EPS and Net Assets Value for the six months period ended / as on September 30, 2022 are not annulised

The audited standalone financial statements of our Company and our Material Subsidiary as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 (collectively, the "Audited Financial Statements") are available at <https://www.elinindia.com/investors/>.

The audited special purpose interim consolidated financial statements of our Company and our Material Subsidiary as at and for the six months period ended September 30, 2022 ("Special Purpose Interim Financial Statements") are available at <https://www.elinindia.com/investors/>.

The audited consolidated financial statements of our Company and our Material Subsidiary as at and for the year ended March 31, 2022 ("Audited Consolidated Financial Statements") are available at <https://www.elinindia.com/investors/>.

The audited special purpose consolidated financial statements of our Company as at and for the years ended March 31, 2021 and March 31, 2020 prepared in accordance with the Ind AS by making Ind AS adjustments to the Audited Consolidated IGAAP Financial Statements (the "Special Purpose Audited Financial Statements") are available at <https://www.elinindia.com/investors/>.

The audited consolidated financial statements of our Company as at and for the years ended March 31, 2021 and March 31, 2020 which were prepared in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013 (“**Indian GAAP**”) and other accounting principles generally accepted in India, at the relevant time (“**Audited Consolidated IGAAP Financial Statements**”, collectively with Special Purpose Interim Financial Statements, Audited Consolidated Financial Statements and Special Purpose Audited Financial Statements, the “**Other Financial Statements**”), are available at <https://www.elinindia.com/investors/>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the Other Financial Statements and the reports thereon do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements and the Other Financial Statements and the reports thereon should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of the entities specified above or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements and the Other Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Indian Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' for the six months ended September 30, 2022 and the years ended March 31, 2022, March 31, 2021, and March 31, 2020 as reported in the Restated Consolidated Financial Statements, see "*Financial Statements – Note 42 - Related Party Disclosures*" on page 285.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for Fiscals 2020, 2021 and 2022 and for six months ended September 30, 2022. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Statements, which have been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Financial Statements" on page 239.

Unless the context otherwise requires, in this section, references to "we", "us", "the Group" or "our" refers to Elin Electronics Limited on a consolidated basis and references to "the Company" or "our Company" refers to Elin Electronics Limited on a standalone basis.

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Assessment of Electronics Manufacturing Services (EMS) Industry in India" dated November 2022 (the "F&S Report"), exclusively prepared and issued by Frost and Sullivan who were appointed on August 24, 2021, and commissioned by and paid for by us. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. For risks in relation to commissioned reports, see "Risk Factors – Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks." on page 48. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 16.

OVERVIEW

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*)

We manufacture and assemble a wide array of products and provide end-to-end product solutions. We serve under both original equipment manufacturer ("**OEM**") and original design manufacturer ("**ODM**") business models. Under the OEM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers' prospective customers under their brands. We have developed ODM capabilities with respect to lighting products and small appliances.

Our key diversified product portfolio in EMS includes (i) LED lighting, fans and switches including lighting products, ceiling, fresh air and TPW fans, and modular switches and sockets; (ii) small appliances such as dry and steam irons, toasters, hand blenders, mixer grinders, hair dryer and hair straightener; (iii) fractional horsepower motors, which is used in mixer grinder, hand blender, wet grinder, chimney, air conditioner, heat convector, TPW fans etc.; and (iv) other miscellaneous products such as terminal block for air conditioners, stainless steel blade for mixer grinders, die casting, radio sets. In addition to our EMS offerings, we also manufacture medical diagnostic cartridges for use in diagnostic devices, and plastic moulded and sheet metal parts and components, largely for customers in the auto ancillary and consumer durables sectors. We manufacture and sell fractional horsepower motors in our own brand name "Elin".

We offer innovative solutions to our customers, which include leading international and national consumer electronics brands. Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with leading consumer electronics and appliances brands in India. Our key customers by business verticals include:

- *LED lighting, fans and switches:* Signify Innovations and Eveready;
- *Small appliances:* Philips, Bosch, Faber, Panasonic and Usha;
- *Fractional horsepower motors:* Havells, Bosch, Faber, Panasonic, Preethi (owned by Philips), Groupe SEB (Maharaja brand) and Usha;
- *Medical diagnostic cartridges:* Molbio Diagnostics Private Limited; and
- *Moulded and sheet metal parts and components:* Denso and IFB.

Our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022 was ₹ 7,855.84 million, ₹ 8,623.78 million, ₹ 10,937.54 million and ₹ 6,044.57 million, respectively. Our key product vertical wise revenue for the periods indicated is set out below:

(₹ in million)

Particulars	Period/ fiscal ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
EMS	6,358.94	6,631.85	8,555.48	4,694.72
- LED lighting, fans and switches	2,928.05	2,557.82	3,326.12	1,888.20
- Small appliances	1,939.00	1,933.71	2,550.89	1,491.65
- Fractional horsepower motors	1,190.51	1,843.97	2,369.03	1,136.18
- Other EMS products	301.38	296.35	309.44	178.70
Medical diagnostic cartridges	42.32	420.95	167.32	80.67
Moulded and sheet metal parts and components	1,097.18	1,232.96	1,635.31	1,054.55

We have decades of experience in EMS sector. Since inception, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. In 1973, we commenced manufacturing of tape deck mechanism for use in audio cassette players. In 1977, we commenced manufacturing of motors as a backward integration. In 1999, we started manufacturing of small appliances. In 2001, we commenced manufacturing of LED lighting and subsequently progressed into manufacturing of flashlights in 2007. In 2019, we started manufacturing fans. The most recent product vertical that we have entered into is the manufacturing of medical diagnostic cartridges, which we commenced in 2019. In the past, we have also manufactured, in collaboration with well-known global companies, tape deck mechanism, motors and compact disc mechanism.

We have an experienced Board of Directors and management team. Our management, including key managerial personnel have expertise and experience in the EMS industry.

We have three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa). As on October 31, 2022, our large scale setup included 157 units of molding machines and 104 units of power presses which enable us bringing efficiencies and economies of scale. Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines and full power backup for 100% capacity that enable us to meet the quality requirements of our customers in a timely manner. In line with our focus to provide end-to-end product solutions and to develop better control on our supply chain and improve our margins, we have backward integrated our major manufacturing processes. We have developed in-house capabilities in SMT lines, die and mold manufacturing, injection molding, sheet metal components, semi-automated motor assembly, testing labs and surface coating. Our tool room has sophisticated machinery to produce quality tools and dies which in turn supports quality components and sub-assemblies. We have equipped our facilities to improve our cost efficiency, reduce dependency on third party suppliers and provide better control on production time and quality of critical components used in the manufacturing of products.

We have a centralized R&D centre in Ghaziabad (Uttar Pradesh), recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India (“**DSIR**”) since 1992, focusing on the research and development on all aspects of OEM and ODM models including concept sketching, design refinement, generating optional features and testing. This enables us to address our consumers’ diverse needs, introduce new and innovative products in the market, enhance existing products with emerging technologies, and optimize costs across our products through value analysis and value engineering. As on October 31, 2022, our R&D team consisted of 171 employees, including engineers, designers and other workers. During Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, expenditure on research and product development including capital expenditure was ₹ 65.70 million, ₹ 60.46 million, ₹ 61.02 million and ₹ 31.14 million, respectively. Our revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively.

Our key financial performance indicators are:

Particulars	Period/ fiscal 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

Particulars	Period/ fiscal ended			
	March 31, 2020	March 31, 2021	March 31, 2022	September 30, 2022
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*

* Not annualised

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 26. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Revenue from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Our top five customers accounted, cumulatively, for 65.43%, 63.20%, 62.93% and 69.03% of our total revenue in the six-month period ended September 30, 2022, and for the years ending March 31, 2022, 2021 and 2020, respectively. Our largest customer (across our business verticals) accounted for 26.87% of our consolidated total revenue in the six-month period ended September 30, 2022 and 27.01%, 25.93% and 33.10% of our total revenue for the Fiscals 2022, 2021 and 2020, respectively.

Our general purchasing arrangements with our key customers typically include terms, among others, relating to product specifications, project book, delivery schedule, warranties, supply of spare parts, supply chain security and pricing policy. Our key customers also provide us with annual operating plan and enter into scheduling agreements only for the purposes of providing non-binding information for production and manufacturing planning and such orders and agreements do not constitute purchase orders or commitment. Based on these arrangements, our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. There can be no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers.

Seasonality

Our small appliances segment is subject to seasonality. Our sales are generally highest in the second quarter in the run up to the festival season in India. In relation to the category of motors which are utilised in small appliances the seasonality is subject to the similar patterns. For the LED, fans and switches segment, flashlights are sold generally in the peak summer months in India which map with the first quarter of a financial year when there is load shedding. We typically do not observe or anticipate any seasonality in other segments.

Availability and cost of Raw Material

We undertake procurement of raw materials from various sources with the suppliers selected on a purchase order basis. The cost of goods sold by us in our operations was ₹ 4,513.07 million, ₹ 8,156.74 million, ₹ 6,246.91 million and ₹ 5,538.01 million for the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively. Our cost of goods sold consumed constituted 74.63%, 74.51%, 72.23% and 70.42% and our other expenses (excluding tax expenses and Other comprehensive Income) constituted 20.81%, 20.66%, 22.28% and 25.11% of our total income for the for the six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020, respectively.

Shortage in supply of raw materials we use in our business may result in an increase in the price of the products. Our ability to pass on increased raw material costs is impacted by a lag in the time period varying from one to three months depending on settlement cycle with customers and will correspond to an increase or decrease in our profit in absolute terms. For example, increase in raw material prices tend to increase our expenditures by approximately the same amount, resulting in our expenditures being a higher percentage of our revenues, consequently decreasing our profit margin.

We have been in the industry for over four decades and have a pool of long-standing suppliers. Further, when selecting new suppliers, we take into consideration their reputation, product quality, price, reliability, infrastructure, delivery time and credit terms.

Our results of operations may be impacted by our ability to formulate and adjust business strategies in accordance with market demand as influenced by changing Government regulations and policies and competitive landscape.

Competition

We operate in a competitive and fragmented industry. Our Company faces potential competition from various EMS providers along with imports predominantly from China. An increase in competition can impact our market share, which may lead to price reductions. For detail on our competition see “*Our Business - Competition*” on page 201.

Global economic conditions affecting demand

Our electronics manufacturing sector is sensitive to global demand and availability of disposable incomes. Additionally, any factor that impacts our customers would have an impact on our financial statements. General economic factors, include, among others:

- global and local economic or fiscal instability;
- global and local political and regulatory measures and developments, such as tax incentives or other subsidies and environmental policies;
- global and local fiscal and monetary dynamics, such as rises or falls in interest rates (resulting in greater or lesser ability by customers to borrow money), foreign exchange rates and inflation rates;
- general levels of GDP growth in a country or region, and growth in personal disposable income in that country or region;
- demographic conditions and population dynamics, such as the absolute size of a market and the growth rates of the population in that market;
- economic development, shifting of wealth in India, in particular growth in the middle class, and change in consumer preferences;
- cost of raw material and labour; and
- global oil prices.

Product Mix

In response to a very dynamic operating environment, our Company focuses on high-growth and seeks to provide one stop shop facility to its customers. Our revenues are also affected by the selling prices of the products and the mix of product types by our customers. The profit margin for each type of products manufactured by us varies. Although we believe that the production lines will continue to be readjusted according to customers’ orders, we are committed to maximise our revenues and profits by optimising our product lines. A change in product mix may decrease the operating margins of our Company, which could have a material adverse effect on our business, financial condition and results of operations.

Our success is also dependent on the success achieved by our customers in developing and marketing their products. If technologies or standards supported by our customers become obsolete or fail to gain widespread commercial acceptance, our customers may experience a reduced demand for their products which may affect our sales, a decline in sales and in operating margins depending on the nature of the product and the end user demand and all of these combined may gradually result in a loss of customers including key ones.

Impact of COVID-19

In March 2020, the World Health Organization declared a global pandemic related to the rapidly growing outbreak of a novel strain of coronavirus known as COVID-19. Although the ultimate impacts of COVID-19 remain uncertain in light of a surge in COVID-19 infections and the re-imposition of regional and local lockdowns due to such surge, the pandemic is accelerating the use of electronic items. We believe the pandemic has pushed people to look to alternative mechanisation of personal and home electronics, and our customers are well suited the options consequently increasing demand. Therefore, while it remains possible that sustained or deepened impact on consumer demand resulting from COVID-19 or the related economic recession could negatively impact our performance, we believe that we are well positioned to weather the pandemic.

Ultimately, the magnitude and duration of the impact to our operations is impossible to predict due to:

- uncertainties regarding the duration of the COVID-19 pandemic, surges of infections and new strains, how long related disruptions will continue and the efficacy and speed of the roll-out of COVID-19 vaccines;
- the impact of governmental orders and regulations that have been, and may in the future be, imposed; and

- the deterioration of economic conditions in India, which could have an adverse impact on discretionary consumer spending.

In response to the COVID-19 disruptions, in addition to managing our inventory exposure, we have implemented a number of measures to protect the health and safety of our workforce, proactively reduce operating costs, conserve liquidity and position us to emerge from the current crisis in a healthy financial position. These measures include restrictions on non-essential business travel, the institution of work-from-home policies wherever feasible and the implementation of strategies for workplace safety at our facilities that remain open. We follow the guidance from public health officials and government agencies, including implementation of enhanced cleaning measures, social distancing guidelines and wearing of masks.

The impact assessment does not indicate any adverse impact on the ability of the Company and its Subsidiary to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Company has, at the date of approval of the Restated Consolidated Financial Statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Restated Consolidated Financial Statements may differ from that estimated as at the date of approval of the Restated Consolidated Financial Statements.

Basis of preparation of financial statements

The Restated Consolidated Financial Statements have been prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note.

Significant accounting policies

Basis of consolidation

The restated consolidated financial information of the Company and its subsidiary (the “**Group**”) is combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra- group balances and intra-group transactions. Profits or losses resulting from intra-group transactions are eliminated in full. The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The carrying amount of the Company's investment in subsidiary is offset (eliminated) against the Parent Company's portion of equity in subsidiary.

The detail of consolidated entity as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership			
		As at September 30, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Elin Appliances Private Limited	India	100%	100%	100%	100%

A summary of the significant accounting policies applied in the preparation of the Restated Consolidated Financial Information are as given below. These accounting policies have been applied consistently to all periods presented in the Restated Consolidated Financial Information.

1.1 Current vs non-current classification

The Group presents assets and liabilities in the restated consolidated statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

1.2 Business combination

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

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

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

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

1.3 Property, plant and equipment

Recognition and Initial Measurement

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

Cost of asset includes:

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

Subsequent measurement

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

Depreciation and useful lives

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

Particulars	Useful life as per Schedule II
Computers	3 Years
Servers	6 Years
Office Equipment	5 Years
Furniture and fixtures	10 Years

Plant & Machinery	15 Years
Plant & Machinery (for medical products)	3 Years
Dies, tools and Moulds	15 Years
Factory Building	30 Years
Building (other than factory building)	60 Years
Electric Installation and Equipments	10 Years
Motor Cycles	10 Years
Motor Vehicles & Lorry	8 Years

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

Derecognition

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

1.4 Intangible assets

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

1.5 Impairment of non-financial assets

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

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

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

1.6 Inventories

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

1.7 Revenue recognition

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

a) Sale of products and Services

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

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

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

b) Other Revenue

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

c) Contract balances

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

d) Right of return

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

The Group has adopted Ind AS 115 from April 1, 2020 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on April 01, 2020. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Group. The Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2020 while preparing Restated Consolidated Ind AS Financial Information for the years ended March 31, 2021 and March 31, 2020.

The Group has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has

recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.

1.8 Taxes

a) Current tax

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

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

b) Deferred tax

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

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

Deferred tax is recognized in restated consolidated statement of profit and loss except to the extent it relates to items recognized outside profit or loss, in which case is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

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

1.9 Foreign currencies

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

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

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the restated consolidated statement of profit and loss in the period in which they arise. These exchange differences are presented in the restated consolidated statement of profit and loss on net basis.

1.10 Employee benefit

a) Short-term employee benefits

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the restated consolidated statement of profit and loss in the period in which the employee renders the related services.

b) Post-employment benefits

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

The Group makes specified monthly contribution towards provident fund ('PF') and employee state insurance scheme ('ESI') which is a defined contribution plan. The Group's contribution is recognized as an expense in the restated consolidated statement of profit and loss during the period in which the employee renders the related service.

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

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

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

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

Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to restated consolidated statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognized in the restated consolidated statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

c) Other long-term employee benefits

Benefits under the Group's compensated absences constitute other long-term employee benefits, recognized as an expense in the restated consolidated statement of profit and loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the restated consolidated statement of profit and loss as employee benefit expenses.

1.11 Cash and cash equivalents

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

For the purpose of the restated consolidated statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

1.12 Borrowing Cost

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

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan. All other borrowing costs are recognised in the Restated consolidated statement of profit and loss in the period in which they are incurred.

1.13 Provisions, contingent assets and contingent liabilities

a) Provisions

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

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

b) Contingent liabilities

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

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

c) Contingent assets

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

1.14 Leases

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

a) Group as a lessee

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

i) Right-of-use assets

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

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

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the restated consolidated statement of profit and loss.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the 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 recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

iii) Short term lease and leases of low value assets

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

iv) Single discount rate

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

The Group has given adjustments for lease accounting in accordance with Ind AS 116 from April 01, 2020, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the restated consolidated statement of assets and liabilities.

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

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

b) Group as a lessor

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

1.15. Financial instruments

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

a) Financial assets

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

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

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

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Restated Consolidated Statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost

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

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Restated Consolidated Statement of Profit and Loss.

Equity investments at FVOCI

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

Impairment of financial assets

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the restated consolidated statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Restated

Consolidated Statement of Assets and Liabilities. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

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

Derecognition of financial assets

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

If the Group enters into transactions whereby it transfers assets recognized on its restated consolidated statement of assets and liabilities but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

b) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

The Group has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the restated consolidated statement of profit and loss. Any gain or loss on derecognition is also recognized in the restated consolidated statement of profit and loss.

Derecognition of financial liabilities

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

c) Reclassification of financial assets and liabilities

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

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the restated consolidated statement of assets and liabilities if there is a currently enforceable contractual legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.16. Fair value measurement

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

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

1.17. Earnings per share

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

1.18. Segment reporting

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

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

1.19. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all stipulated conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognized in the Restated consolidated statement of Profit and Loss over the useful life of the related

depreciable asset by way of reduced depreciation charge.

1.20. Restated consolidated statement of cash flows

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

1.21. Standard issued but not yet effective

The Ministry of Corporate Affairs has notified the certain amendments to Ind AS which are effective from April 1, 2022. The amendments are effective for annual reporting periods beginning on or after April 1, 2022. The amendments are not expected to have a material impact on the Group.

1.22. Significant accounting estimates and judgments

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

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

Significant judgements

- ***Allowances for uncollected trade receivables***

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

- ***Contingencies***

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

- ***Taxes***

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

- ***Recoverability of deferred taxes***

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

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

with future tax planning strategies.

- ***Impairment of other financial assets***

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

- ***Impairment of non-financial assets***

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

Significant estimates

- ***Defined benefit plans***

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

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

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

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

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

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

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

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

- ***Fair value measurement of financial instruments***

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

PRINCIPAL COMPONENTS OF INCOME

Income

Our total income include revenue from operations and other income.

Revenue from Operations

We recognise revenue primarily from the following services:

- **Sale of Products:** We generate our revenue by sale of products manufactured by us. Our key diversified product portfolio in EMS includes (i) LED lighting, fans and switches including lighting products, ceiling, fresh air and TPW fans, and modular switches and sockets; (ii) small appliances such as dry and steam irons, toasters, hand blenders, mixer grinders, hair dryer and hair straightener; (iii) fractional horsepower motors, which is used in mixer grinder, hand blender, wet grinder, chimney, air conditioner, heat convactor, TPW fans etc.; and (iv) other miscellaneous products such as terminal block for air conditioners, stainless steel blade for mixer grinders, die casting, radio sets. In addition to our EMS offerings, we also manufacture medical diagnostic cartridges for use in diagnostic devices, and plastic moulded and sheet metal parts and components, largely for customers in the auto ancillary and consumer durables sectors.
- **Sale of Services:** Our services primarily include revenue from job work done and processing charges received for third party customers.

Other Operating Revenue

We also generate operating revenue from scrap sales and export incentives.

Other income

Other income primarily includes interest income on bank deposits, dividend received, fair value gain on investments, profit from sale of current investments and other interest income that include rent, sale of property, plant and equipment.

Expenses

Our expenses primarily include cost of material consumed, purchase of stock in trade, change in inventories of finished goods, work-in-progress and stock-in trade, employee benefits expenses, finance costs, depreciation, impairment and amortization expenses and other expenses.

Employee benefits expenses primarily include (i) salary, bonus and allowances; (ii) contribution to provident and other funds; and (iii) staff welfare expenses.

Finance costs primarily include (i) interest expenses on financial liabilities measured at aortised costs on borrowings, lease liabilities and other interest costs, and (ii) other borrowing costs.

Other expenses primarily include:

- Manufacturing expenses such as power, fuel and water charges, carriage inwards expenses, processing charges, consumable stores, testing and calibration expenses and repairs and maintenance expenses;
- Selling and distribution expenses including advertisements and sale promotion expenses and carriage octroi;
- Establishment expenses include among others rent, rates and taxes, auditors' remuneration, legal and professional charges, communication expenses, travelling and conveyance expenses, vehicle running and maintenance, insurance expenses, sitting fees for directors, research and product development expenses and miscellaneous expenses.

RESULTS OF OPERATIONS

The following table sets forth select financial data for the six months ended September 30, 2022 and Financial Years 2020, 2021 and 2022, the components of which are also expressed as a percentage of total income for such period / years.

Particulars	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months ended September 30, 2022	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Revenue								
Revenue from operations	7,855.84	99.90	8,623.78	99.71	10,937.54	99.92	6,044.57	99.55
Other income	7.88	0.10	25.23	0.29	9.14	0.08	2.86	0.05
Total Income	7,863.72	100.00	8,649.02	100.00	10,946.68	100.00	6,047.42	100.00
Expenses								

Particulars	Fiscal 2020		Fiscal 2021		Fiscal 2022		Six months ended September 30, 2022	
	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)	(₹ million)	Percentage of Total Income (%)
Cost of Material Consumed	5,425.68	69.00	6,168.18	71.32	7,924.07	72.39	4,476.12	74.02
Purchases of stock-in trade	167.89	2.13	119.07	1.38	282.97	2.59	53.42	0.88
Change in inventories of finished goods, work-in progress and stock-in trade	(55.55)	(0.71)	(40.34)	(0.47)	(50.30)	(0.46)	(16.47)	(0.27)
Total cost of goods sold	5,538.02	70.42	6,246.91	72.23	8,156.74	74.51	4,513.07	74.63
Employee benefits expense	1,062.93	13.52	1,080.23	12.49	1,252.44	11.44	670.78	11.09
Finance Costs	117.04	1.49	96.76	1.12	127.04	1.16	74.22	1.23
Depreciation & amortization expenses	94.34	1.20	118.35	1.37	143.53	1.31	83.65	1.38
Other Expenses	700.35	8.91	631.85	7.31	738.19	6.74	429.94	7.11
Total expenses	7,512.67	95.54	8,174.10	94.51	10,417.95	95.17	5,771.64	95.44
Profit before tax	351.05	4.46	474.92	5.49	528.73	4.83	275.78	4.56
Tax Expenses								
Current tax	54.40	0.69	109.90	1.27	128.28	1.18	66.35	1.10
Deferred tax expense/(credit)	21.78	0.28	16.45	0.19	8.98	0.08	2.75	0.05
Total tax expenses	76.18	0.97	126.35	1.46	137.76	1.26	69.10	1.14
Profit for the quarter/year	274.87	3.50	348.57	4.03	391.47	3.57	206.68	3.42
Other comprehensive income/(loss) (OCI)								
Items that will not be reclassified subsequently to Statement of Profit and Loss								
Remeasurement of net defined benefit plans	16.72	0.21	(4.83)	(0.06)	22.30	0.20	6.50	0.11
Income tax	(4.21)	(0.05)	1.22	0.01	(5.61)	(0.05)	(1.64)	(0.03)
Gain on equity instruments designated through OCI	0.09	0.00	0.07	0.00	-	-	0.08	0.00
Other comprehensive income for the year	12.61	0.16	(3.55)	(0.04)	16.69	0.15	4.95	0.08
Total comprehensive income for the quarter/year	287.48	3.66	345.02	3.99	408.16	3.72	211.63	3.50

SIX MONTHS ENDED SEPTEMBER 30, 2022

Income

Total income was ₹ 6,047.42 million in the six months ended September 30, 2022.

Revenue from Operations

Revenues from operations were ₹ 6,044.57 million in the six months ended September 30, 2022 that comprised sale of products of ₹ 5,886.19 million, sale of service of ₹ 8.87 million, scrap sale of ₹ 149.24 million and export incentives of ₹ 0.28 million.

Other Income

Other income was ₹ 2.86 million in six months ended September 30, 2022 and comprised primarily of fair value gain on investments of ₹ 0.08 million, interest income of ₹ 0.38 million and profit on sale of property, plant and equipment of ₹ 2.13 million.

Expenses

Total expenses were ₹ 5,771.64 million in the six months ended September 30, 2022. The cost of material consumed was ₹ 4,476.12 million, purchase of stock in trade was ₹ 53.42 million. The increase in value of inventories of finished goods was ₹ 16.47 million.

Employee benefits expenses were ₹ 670.78 million which comprised salary, bonus and allowances amounting to ₹ 620.36 million, contribution towards provident and other funds of ₹ 36.44 million and staff welfare expenses of ₹ 13.98 million.

Finance costs were ₹ 74.22 million in the six months ended September 30, 2022 with primarily interest expense on borrowings of ₹ 70.82 million, other borrowing costs of ₹ 2.99 million and interest expense on lease liabilities of ₹ 0.08 million.

Depreciation and amortisation expense were ₹ 83.65 million in the six months ended September 30, 2022 comprising of depreciation on property, plant & equipment of ₹ 82.06 million, ₹ 1.58 million on intangible assets and ₹ 0.01 million on lease liability.

Other expenses were ₹ 429.94 million in the six months ended September 30, 2022, primarily comprising of the following:

- Manufacturing Expenses of ₹ 329.20 million comprising of power, fuel and water charges of ₹ 97.77 million and processing charges of ₹ 137.76 million;
- Selling and Distribution expenses of ₹ 16.25 million; and
- Establishment expense of ₹ 84.49 million.

Profit before Tax

Profit before tax was ₹ 275.78 million in the six months ended September 30, 2022.

Tax Expenses

Tax expenses were ₹ 69.10 million in the six months ended September 30, 2022.

Profit for the period

Profit for the six-month period ended September 30, 2022 is ₹ 206.68 million.

FISCAL 2022 COMPARED TO FISCAL 2021

Income

Total income increased by 26.57% from ₹ 8,649.02 million in Fiscal 2021 to ₹ 10,946.68 million in Fiscal 2022 primarily on account of growth in LED lighting, fans and switches segment, small appliances segment and fractional horsepower motors segment. This was partially set off by a decline in medical diagnostic cartridges.

Revenue from Operations

Revenues from operations increased by 26.83% 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.

Sale of products increased by 26.54% from ₹ 8,412.67 million in Fiscal 2021 to ₹ 10,645.65 million in Fiscal 2022, on account of growth in LED lighting, fans and switches segment, small appliances segment and fractional horsepower motors segment. This was partially set off by a decline in medical diagnostic cartridges.

Sale of services increased by 13.88% from ₹ 14.63 million in Fiscal 2021 to ₹ 16.66 million in Fiscal 2022, on account of increase in third party job work and processing charges.

Scrap sale increased by 39.68% from ₹ 195.30 million in Fiscal 2021 to ₹ 272.79 million in Fiscal 2022, on account of higher generation of scrap which in turn was due to higher processing and fabrication of material and finished goods, and export incentives increased by 105.93% from ₹ 1.18 million in Fiscal 2021 to ₹ 2.43 million in Fiscal 2022, on account of higher export.

Other Income

Other income decreased by 63.77% from ₹ 25.23 million in Fiscal 2021 to ₹ 9.14 million in Fiscal 2022 primarily on account of (i) decrease in fair value gain on investments, which was ₹ 6.01 million in Fiscal 2022 as compared to ₹ 11.23 million in Fiscal 2021; (ii) loss on sale of current investments of ₹ 0.14 million in Fiscal 2022 owing to decrease in NAV of investment, as compared to gain on sale of current investments ₹ 9.07 million to Fiscal 2021; (iii) decrease in interest earned on bank deposits from ₹ 1.90 million in Fiscal 2021 to ₹ 1.24 million in Fiscal 2022.

Expenses

Total expenses increased by 27.45% from ₹ 8,174.10 million in Fiscal 2021 to ₹ 10,417.95 million in Fiscal 2022 on account of an increase in cost of material consumed by 28.47% from ₹ 6,168.18 million in Fiscal 2021 to ₹ 7,924.07 million in Fiscal 2022 due to increase in cost of basic raw materials such as copper, steel and plastics and an increase in production for the year.

Employee benefits expenses increased by 15.94% from ₹ 1,080.23 million in Fiscal 2021 to ₹ 1,252.44 million in Fiscal 2022, primarily due to annual increment of salary for employees. Salary, bonus and allowances increased by 15.55% from ₹ 1,005.86 million in Fiscal 2021 to ₹ 1,162.29 million in Fiscal 2022 primarily due to annual increment of salary for employees. Further, the contribution to provident and other funds increased by 21.06% from ₹ 53.90 million in Fiscal 2021 to ₹ 65.25 million in Fiscal 2022 due to increase in salaries and wages; and staff welfare expenses, increased by 21.63% from ₹ 20.48 million in Fiscal 2021 to ₹ 24.91 million in Fiscal 2022 due to increase in expenses owing to meal plans and canteen expenses typically provided in our facilities.

Finance costs increased by 31.29% from ₹ 96.76 million in Fiscal 2021 to ₹ 127.04 million in Fiscal 2022, due to increase in interest expenses on borrowings, by 30.41% from ₹ 93.15 million in Fiscal 2021 to ₹ 121.48 million in Fiscal 2022 on account of increased sales and thereby increased customers bills discounting facility availed by us.

Depreciation and amortisation expense increased by 21.28% from ₹ 118.35 million in Fiscal 2021, to ₹ 143.53 million in Fiscal 2022, due to addition of property, plant and equipment primarily plant and machinery and dies, moulds and tools.

Other Expenses

Other expenses increased by 16.83% from ₹ 631.85 million in Fiscal 2021 to ₹ 738.19 million in Fiscal 2022, due to following:

- Manufacturing Expenses increased by 19.88% from ₹ 455.85 million in Fiscal 2021 to ₹ 546.49 million in Fiscal 2022 primarily due to increased in power, fuel and water charges by 13.64% from ₹ 142.63 million in Fiscal 2021 to ₹ 162.08 million in Fiscal 2022 and processing charges by 36.22% from ₹ 176.05 million in Fiscal 2021 to ₹ 239.82 million in Fiscal 2022;
- Establishment expense increased by 6.94% from ₹ 152.41 million in Fiscal 2021 to ₹ 162.99 million in Fiscal 2022 primarily due to increase in rent expenses by 72.44% from ₹ 3.81 million in Fiscal 2021 to ₹ 6.57 million in Fiscal 2022 primarily due to addition of new rented premises at our Ghaziabad (Uttar Pradesh) facility; and increase in rates and taxes by 153.39% from ₹ 2.13 million in Fiscal 2021 to ₹ 5.41 million in Fiscal 2022 primarily due to fee paid to jurisdictional registrar of companies; and increase in vehicles running and maintenance by 34.82% from ₹ 14.16 million in Fiscal 2021 to ₹ 19.09 million in Fiscal 2022.

The Selling and Distribution expenses increased by 21.70% from ₹ 23.59 million in Fiscal 2021 to ₹ 28.71 million in Fiscal 2022 due to increase in carriage and octroi expenses by 22.59% from ₹ 22.71 million in Fiscal 2021 to ₹ 27.84 million in Fiscal 2022 primarily due to increase in freight rates.

Profit before Tax

Profit before tax increased by 11.33% from ₹ 474.92 million in Fiscal 2021 to ₹ 528.73 million in Fiscal 2022 primarily due to increase in total revenue.

Tax Expenses

Tax expenses increased by 8.63% from ₹ 126.35 million in Fiscal 2021 to ₹ 137.26 million in Fiscal 2021, primarily due to increase in profit.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 12.31% from ₹ 348.57 million in Fiscal 2021 to ₹ 391.47 million in Fiscal 2022.

FISCAL 2021 COMPARED TO FISCAL 2020

Income

Total income increased by 9.99% from ₹ 7,863.72 million in Fiscal 2020 to ₹ 8,649.02 million in Fiscal 2021 primarily on account of strong growth in the fractional horsepower motors segment and medical diagnostic cartridges segment. This was partially set off by a decline in LED, fans and switches segment.

Revenue from Operations

Revenues from operations increased by 9.78 % 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.

Sale of products increased by 9.58 % from ₹ 7,677.14 million in Fiscal 2020 to ₹ 8,412. 67 million in Fiscal 2021, on account of strong growth in the fractional horsepower motors segment and medical diagnostic cartridges segment. This was partially set off by a decline in LED, fans and switches segment.

Sale of services decreased by 42.16% from ₹ 25.29 million in Fiscal 2020 to ₹ 14.63 million in Fiscal 2021, on account of lower third party job work and processing charges.

Scrap sale increased by 30.59% from ₹ 149.55 million in Fiscal 2020 to ₹ 195.30 million in Fiscal 2021, on account of higher generation of scrap which in turn was due to higher processing and fabrication of material and finished goods, and export incentives reduced by 69.43% from ₹ 3.86 million in Fiscal 2020 to ₹ 1.18 million in Fiscal 2021, on account of lower exports.

Other Income

Other income increased by 220.18% from ₹ 7.88 million in Fiscal 2020 to ₹ 25.23 million in Fiscal 2021 primarily on account of (i) fair value gain on investments of ₹ 11.23 million in Fiscal 2021 as compared to a loss of ₹ 1.58 million in Fiscal 2020; (ii) increase in gain on sale of current investments from ₹ 1.17 million in Fiscal 2020 to ₹ 9.07 million to Fiscal 2021. However, the interest income decreased from ₹ 3.70 million in Fiscal 2020 to ₹ 1.90 million in Fiscal 2021 owing to lower bank deposits.

Expenses

Total expenses increased by 8.80 % from ₹ 7,512.67 million in Fiscal 2020 to ₹ 8,174.10 million in Fiscal 2021 on account of an increase in cost of material consumed by 13.68 % from ₹ 5,425.68 million in Fiscal 2020 to ₹ 6,168.18 million in Fiscal 2021 due to increase in cost of basic raw materials such as copper, steel and plastics and an increase in production for the year.

Employee benefits expenses marginally increased by 1.63% from ₹ 1,062. 93 million in Fiscal 2020 to ₹ 1,080.23 million in Fiscal 2021, primarily due to induction of new employees. Salary, bonus and allowances increased by 3.02% from ₹ 976.38 million in Fiscal 2020 to ₹ 1,005.86 million in Fiscal 2021 on account of 4,468 employees, as of March 31, 2020 to 5,499 employees as of March 31, 2021. However, the contribution to provident and other funds decreased by 14.37% from ₹ 62.94 million in Fiscal 2020 to ₹ 53.90 million in Fiscal 2021 due to regulatory exemption provided due to the

Covid-19 pandemic to employers; and (iii) staff welfare expenses, decreased by 13.28% from ₹ 23.62 million in Fiscal 2020 to ₹ 20.48 million in Fiscal 2021 including reduction in expenses owing to meal plans and canteen expenses typically provided in our facilities. Further, lockdown owing to the pandemic caused reductions or deductions in salary resulting in lower increase in average salary.

Finance costs decreased by 17.33% from ₹ 117.04 million in Fiscal 2020 to ₹ 96.76 million in Fiscal 2021, due primarily to a significant decrease in interest expenses on borrowings, by 17.92% from ₹ 113.49 million in Fiscal 2020, to ₹ 93.15 million in Fiscal 2021 on account of lower interest rate on borrowed funds.

Depreciation and amortisation expense increased by 25.45% from ₹ 94.34 million in Fiscal 2020, to ₹ 118.35 million in Fiscal 2021, due to addition of property, plant & equipment primarily plant and machinery and dies, moulds and tools.

Other Expenses

Other expenses decreased by 9.78% from ₹ 700.35 million in Fiscal 2020 to ₹ 631.85 million in Fiscal 2021, significantly due to a decrease in establishment expenses and marginally due to decrease in manufacturing expenses

- Manufacturing Expenses decreased by 0.86% from ₹ 459.79 million in Fiscal 2020 to ₹ 455.85 million in Fiscal 2021 primarily due to decrease in power, fuel and water charges by 3.3 % from ₹ 147.59 million in Fiscal 2020 to ₹ 142.63 million in Fiscal 2021 and processing charges by 7.1 % from ₹ 189.59 million in Fiscal 2020 to ₹ 176.05 million in Fiscal 2021;
- Establishment expense decreased by 29.95% from ₹ 217.58 million in Fiscal 2020 to ₹ 152.41 million in Fiscal 2021 primarily due to reduction in bad debts written off, decrease in research and product development expenses by 7.8 % from ₹ 65.55 million in Fiscal 2020 to ₹ 60.46 million in Fiscal 2021 and decrease in travelling and conveyance expenses by 27.50% from ₹ 24.87 million in Fiscal 2020 to ₹ 18.03 million in Fiscal 2021 primarily due to lock down restrictions imposed during COVID-19 pandemic.

The Selling and Distribution expenses marginally increased by 2.64% from ₹ 22.98 million in Fiscal 2020 to ₹ 23.59 million in Fiscal 2021 due to increase in carriage and octroi expenses by 36.72% from ₹ 16.61 million in Fiscal 2020 to ₹ 22.71 million in Fiscal 2021 primarily due to increase in freight rates.

Profit before Tax

Profit before tax increased by 35.28% from ₹ 351.05 million in Fiscal 2020 to ₹ 474.92 million in Fiscal 2021 primarily due to increase in total revenue.

Tax Expenses

Tax expenses increased by 65.86% from ₹ 76.18 million in Fiscal 2020 to ₹ 126.35 million in Fiscal 2021, primarily due to increase in profit.

Profit for the Year

For the various reasons discussed above, profit for the year increased by 26.81% from ₹ 274.87 million in Fiscal 2020 to ₹ 348.57 million in Fiscal 2021.

LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through cash flows from operations and borrowings. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Offer, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

Particulars	Fiscal			Six months ended September 30, 2022
	2020	2021	2022	
	(₹ million)			
Net cash from/ (used in) operating activities	768.14	(336.43)	512.82	314.26
Net cash from/ (used in) investing activities	(424.17)	(49.48)	(278.04)	(240.34)
Net cash from/ (used in) financing activities	(284.41)	341.94	(241.40)	(110.59)
Net increase/ (decrease) in cash and cash equivalents	59.56	(43.97)	(6.62)	(36.67)
Cash and cash equivalents at the beginning of the year	31.17	90.73	46.76	40.14
Cash and cash equivalents at the end of the year/ period	90.73	46.76	40.14	3.47

For further information, see “Financial Statements – Annexure IV – Restated Consolidated Statement of Cash Flows” on page 247.

Operating Activities

Six months ended September 30, 2022

Net cash generated from operating activities for the six months ended September 30, 2022 was ₹ 314.26 million. Our operating profit after adjusting for finance costs, depreciation and other non operating costs but before changes in operating assets and liabilities was ₹ 155.53 million.

Fiscal 2022

Net cash inflow from operating activities for fiscal 2022 was ₹ 512.82 million. Our operating profit after adjusting for finance costs, depreciation and other non operating costs but before working capital changes was ₹ 261.37 million.

The difference was primarily attributable to decrease in trade receivables by ₹ 53.01 million, increase in inventories by ₹ 47.22 million, decrease in trade payables by ₹ 53.43 million and increase in other current assets by ₹ 97.68 million.

Fiscal 2021

Net cash used in operating activities for fiscal 2021 was ₹ 336.43 million. Our operating profit after adjusting for finance costs, depreciation and other non operating costs but before working capital changes was ₹ 194.23 million.

The difference was primarily attributable to increase in trade receivables by ₹ 919.10 million, increase in inventories by ₹ 350.93 million, decrease in trade payables by ₹ 365.81 million and increase in other non current assets by ₹ 37.91 million.

Fiscal 2020

Net cash generated from operating activities for fiscal 2020 was ₹ 768.14 million. Our operating profit after adjusting for finance costs, depreciation and other non operating costs but before working capital changes was ₹ 257.94 million.

The difference was primarily attributable to decrease in trade receivables by ₹ 466.46 million, decrease in inventories by ₹ 19.08 million, decrease in other non-current assets by ₹ 34.69 million and decrease in trade payables by ₹ 292.75 million.

Total trade receivables (net of provisions for doubtful debts) has increased from ₹ 908.21 million as of March 31, 2020 to ₹ 1,826.32 million as of March 31, 2021 primarily due to (a) delay in payment by certain of the customers of the Company on account of COVID-19 restrictions; (b) higher demand of fractional horsepower motors wherein the Company typically extends average credit of 60 days to its customers. The total trade receivables (net of provisions for doubtful debts) as of March 31, 2022 and September 30, 2022 were ₹ 1,773.73 million and ₹ 2,134.99 million, respectively, primarily due to higher demand of fractional horsepower motors wherein our Company typically extends average credit of 60 days to its customers.

Investing Activities

Six months ended September 30, 2022

Net cash used in investing activities for the six months ended September 30, 2022 was ₹ 240.34 million, primarily on account of payments for property, plant and equipment including capital work in progress (“CWIP”) of ₹ 241.73 million.

This was partially offset by proceeds received from sale of property, plant and equipment of ₹ 5.30 million, dividend of ₹ 0.04 million and interest of ₹ 0.45 million.

Fiscal 2022

Net cash used in investing activities for Fiscal 2022 of ₹ 278.04 million, primarily on account of payments for property, plant and equipment including CWIP of ₹ 423.97 million. This was partially offset by proceeds from sale of property, plant and equipment of ₹ 14.43 million, proceeds from sale of investment (net) of ₹ 129.92 million, dividend of ₹ 0.27 million and interest of ₹ 1.30 million.

Fiscal 2021

Net cash used in investing activities for Fiscal 2021 of ₹ 49.48 million, primarily on account of investment in fixed/Intangible assets including CWIP of ₹ 196.79 million. This was partially offset by proceeds received from sale of fixed assets ₹ 16.00 million, sale of investment of ₹ 135.50 million, dividend of ₹ 1.07 million and interest of ₹ 2.30 million

Fiscal 2020

Net cash used in investing activities for Fiscal 2020 of ₹ 424.17 million, primarily on account of investment in fixed assets of ₹ 326.24 million and investment in Mutual Fund of ₹ 117.63 million. This was partially offset by proceeds received from sale of fixed assets of ₹ 12.92 million, dividend of ₹ 3.60 million and interest of ₹ 3.18 million

Financing Activities

Six months ended September 30, 2022

Net cash used in financing activities for the six months ended September 30, 2022 was ₹ 110.59 million, primarily on account of proceeds from borrowings of ₹ 84.12 million which was partially set off by the repayment of borrowings of ₹ 79.72 million, dividend paid of ₹ 40.84 million and finance costs paid of ₹ 74.14 million.

Fiscal 2022

Net cash used in financing activities for fiscal 2022 was ₹ 241.40 million, primarily on account of proceeds from borrowings of ₹ 16.23 million which was set off by the repayment of borrowings of ₹ 130.57 million and finance costs paid of ₹ 126.89 million and lease liabilities paid of ₹ 0.17 million.

Fiscal 2021

Net cash from financing activities for fiscal 2021 was ₹ 341.94 million, primarily on account of proceeds from borrowings of ₹ 603.15 million which was partially set off by the repayment of borrowings of ₹ 164.42 million and finance costs paid of ₹ 96.62 million and lease liabilities paid of ₹ 0.17 million.

Fiscal 2020

Net cash from financing activities for fiscal 2020 was ₹ (284.41) million, primarily on account of the repayment of borrowings of ₹ 167.51 million and finance costs paid of ₹ 116.90 million.

INDEBTEDNESS

As of September 30, 2022, we had total borrowings (consisting of long term and short term borrowings) of ₹ 1,027.71 million. For further information on our indebtedness, see “*Financial Indebtedness*” on page 330.

Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfer or ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender’s waiver or consent. There were no defaults in repayment of principal or interest to lenders during six months ended September 30, 2022 and Fiscals 2022, 2021 and 2020.

CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

There are no claims against us that was not acknowledged as debt as at September 30, 2022. We do not have any pending litigations which would impact our financial position or any commitments to be executed on capital account as at September 30, 2022. Set forth below are our contingent liabilities not provided for in respect of and as at September 30, 2022:

Particulars	Amount (₹ in million)
Unexpired letter of credit	40.40
Guarantees given by banks on behalf of the Group	13.74
Claims against the Group towards sales tax, provident fund, GST, income tax and others in dispute not acknowledged as debt	44.81

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

For further details, see “*Outstanding Litigation and Other Material Developments*” and “*Financial Statements*” beginning on pages 332 and 239, respectively.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth the maturity profile of our financial liabilities based on their contractual undiscounted maturities as of September 30, 2022:

Particulars	Amount (₹ in million)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	101.74
Term loan from Banks*	680.17

* net off of ₹ 0.78 million as finance charge.

The weighted average rate of interest for the term loans as at September 30, 2022 is 7.92%. The repayment schedule as at September 30, 2022 is set out below:

For the Fiscal	Amount (₹ in million)
Fiscal 2023	86.86
Fiscal 2024	182.67
Remaining payable upto 2028-29	410.65

CAPITAL EXPENDITURES

Our historical capital expenditure was, and we expect our future capital expenditure to be, primarily for Capacity enhancement. In Fiscals 2020, 2021 and 2022 and in the six months ended September 30, 2022, our capital expenditure towards additions to fixed assets (property, plant and equipment including capital work in progress and intangible assets) were ₹ 326.24 million, ₹ 204.34 million, ₹ 423.97 million and ₹ 246.13 million, respectively.

The following table sets forth the net block of our capital assets for the periods indicated:

Particulars	As of March 31,			As of September 30, 2022
	2020	2021	2022	
	(₹ million)			
Property, plant and equipment	1,544.22	1,605.15	1,875.47	2,014.26
Right-of-use Assets	0.78	0.76	0.75	0.74
Capital Work in Progress	0.28	0.56	0.24	17.96
Intangible Assets	0.94	6.73	4.15	6.98
Total	1,546.22	1,613.21	1,880.61	2,039.94

RELATED PARTY TRANSACTIONS

We have entered into transactions with certain related parties, including our subsidiaries, our Promoter, certain KMPs and relatives. In particular, we have entered into various transactions with such parties in relation to, amongst others, and remuneration to KMPs and relatives. In Fiscals 2020, 2021 and 2022 and in the six months ended September 30, 2022, the aggregate amount (net of elimination) of such related party transactions was ₹ 50.45 million, ₹ 56.48 million, ₹ 52.21

million and ₹ 36.63 million, respectively. For further information relating to our related party transactions, see “*Financial Statements – Note 42: Related Party Disclosures*” on page 285.

CHANGES IN ACCOUNTING POLICIES

First time adoption of Ind AS

The restated consolidated statement of assets and liabilities of the Group as at September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, the restated consolidated information of profit and loss (including other comprehensive income), the restated consolidated information of changes in equity and the restated consolidated information of cash flows for each of the period/year ended September 30, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and restated other consolidated financial information (together referred as ‘Restated Consolidated Financial Information’) has been prepared under Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

Pursuant to the Companies (Indian Accounting Standard) Second Amendment Rules, 2015, the Group voluntarily adopted March 31, 2022 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) - notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules 2016 (as amended from time to time) as and consequently April 1, 2020 as the transition date for preparation of its statutory financial statements for the year ended March 31, 2022. The financial statements for the year ended March 31, 2022, were the first financials, prepared in accordance with Ind-AS. Up to the financial year ended March 31, 2021, the Group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP” or “Previous GAAP”) due to which the Special Purpose IndAS Consolidated Financial Statements were prepared as per SEBI letter.

The information for the years ended March 31, 2021 and March 31, 2020 included in the restated consolidated financial statements have been compiled from special purpose consolidated financial statements of respective years being prepared by the management in accordance with the Indian Accounting Standard (IndAS) (the “Special Purpose Ind AS Consolidated Financial Statements”). The Special Purpose IndAS Consolidated Financial Statements for the year ended March 31, 2021 and March 31, 2020 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2020) and as per the presentation, accounting policies and grouping/classifications followed on its first time adoption of Ind AS as on the transition date.

For details of basis of preparation of the Restated Consolidated Financial Statements, see “*Financial Statements – Annexure V – 2.1 Basis of preparation*” on page 248.

AUDITOR’S OBSERVATIONS

There have been no reservations, qualifications or adverse remarks highlighted by our statutory auditors in their auditor’s reports on the audited standalone and consolidated financial statements as of and for the years ended March 31, 2020, 2021 and 2022 and as of and for the six months ended September 30, 2022.

However, the auditors have included a statement on certain emphasis of matter and on matters specified in the Companies (Auditors Report) Order, 2016/ 2020 as amended and applicable, in their reports included as an annexure to the auditor’s report on our audited standalone and consolidated financial statements as of and for the years ended March 31, 2020, 2021 and 2022. For further information, see “*Financial Statements – Annexure VII - Note to adjustments - Note 4 – Non-adjusting terms*” on page 294.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our management monitors and manages key financial risks relating to the operations of our Company by analysing exposures by degree and magnitude of risk. We are primarily exposed to liquidity, market, interest rate, currency, credit and customer credit (trade receivables) risk.

Our senior management has overall responsibility for the establishment and oversight of our Company's risk management framework. The senior management ensures that our Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with our Company's policies and risk objectives. Risk management policies are reviewed regularly to reflect changes in market conditions and our Company's activities.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial investments. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

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 price. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our Company's exposure to interest rate risk is mitigated as all debt obligations are on fixed interest rate.

Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our Company is exposed to currency risk to the extent of its operation activities which are in foreign denominations. The appropriateness of the risk policy is reviewed periodically with reference to the approved risk management policy adopted by the Company.

Liquidity Risk

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

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Red Herring Prospectus, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Except as described in this Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in "*Significant Factors affecting our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" beginning on page 26. To our knowledge, except as described or anticipated in this Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 179 and 300, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

NEW PRODUCT SEGMENTS

Except as set out in this Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new product segments. For further information, see “*Business – Competitive Strategies*” on page 182.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 179, 128 and 26, respectively, for further details on competitive conditions that we face across our various business segments.

SEGMENT REPORTING

Our operation predominantly comprises of only one segment. For further information, see “*Financial Statements – Note 43: Segment Reporting*” on page 287.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

For details on our dependency on our key customers, please see “*Risk Factors – We are highly dependent on certain key customers for a substantial portion of our revenues. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.*” on page 26.

Significant developments after September 30, 2022 that may affect our future results of operations

Except as disclosed in this Red Herring Prospectus, there have been no significant developments after September 30, 2022, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Statements as at September 30, 2022, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” on pages 300, 239 and 26, respectively.

Particulars	Pre-Offer as at September 30, 2022 (in ₹ million)	As adjusted for the Offer*
Total borrowings:		
Non-current borrowings (A)	501.73	[●]
Current borrowings (B)	525.99	[●]
Total borrowings (C)	1,027.71	[●]
Total equity:		
Equity share capital	204.20	[●]
Other equity	2,997.29	[●]
Total equity (D)	3,201.49	[●]
Total non – current borrowings / total equity (A/D)	0.16	[●]
Total borrowings / total equity (C/D)	0.32	[●]

* Post-Offer capitalisation will be determined after finalisation of Offer Price.

Note

- The above statement does not include lease liability as per Ind AS 116 disclosed under financial liability in the Restated Consolidated Financial Statements.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiary avail loans in the ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements, reimbursement of capital expenditure and for general corporate purposes. As on the date of this Red Herring Prospectus, our Company and Subsidiary have obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, *inter alia*, effecting a change in our shareholding pattern, amendment in constitutional documents, change in the composition of Board. For details regarding the borrowing powers of our Board, see “*Our Management – Borrowing Powers of Board*” and “*Risk Factors*” on pages 219 and 26.

As on October 31, 2022, the aggregated outstanding borrowings of our Company and Subsidiary amounted to ₹ 944.69 million on a consolidated basis. Set forth below is a brief summary of our aggregate borrowings:

Category of Borrowings	Sanctioned Amount (in ₹ million)	Outstanding Amount** (in ₹ million)
<i>Fund Based Borrowings</i>		
Cash credit#	840.00	133.76
Overdraft	160.00	114.46
Term loan (as originally sanctioned)	1,090.00	665.09
Sub-total (A)	2,090.00	913.31
<i>Non-Fund Based Borrowings</i>		
Bank Guarantee*	(220.00)	13.74
Letter of Credit	100.00	17.64
Sub-total (B)	100.00	31.38
Total (A+B)	2,190.00	944.69

[^]As certified by Oswal Sunil & Company, Chartered Accountants by way of certificate dated November 18, 2022

* Sublimit against Cash Credit and Letter of Credit Limit

** Balance as per Books of Accounts as on October 31, 2022 and does not include accounts having debit balances as at said date.

Debit Balance of Cash Credit Accounts as on October 31, 2022 have not been considered in Outstanding Amount

Principal terms of the facilities sanctioned to our Company and Subsidiary:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Company and Subsidiaries.

1. **Interest:** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum, subject to a minimum interest rate. The spread varies amongst different facilities and typically ranges from 5.75% to 8.50% in case of our Company, and 6.90% to 10.15% in case of our Subsidiary.
2. **Tenor:** The tenor of the facilities availed by our Company and Subsidiary typically ranges from 90 days to seven years.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to, *inter alia*:
 - a) Create pari-passu first charge on fixed and current assets;
 - b) Create pari-passu second charge on fixed and current assets;
 - c) Cash margins;
 - d) Personal guarantees by the Directors; and
 - e) Deposit under lien for various amounts.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Pre-payment:** The prepayment fee or penalty attracted in respect of certain loans is typically 2.00% of the sanction amount or principal outstanding of prepayment or entire working capital limit, as applicable.
5. **Penal Interest:** In the event of non-payment of interest or default in payment of facilities on due date or on expiry of working capital limits, penal interest is typically charged at a percentage over and above the applicable interest rate, on the overdue amount, which ranges from 1% per annum to 18% per annum. Further, penalty may also be levied by the banks at a fixed amount or at specified percentage, under relevant facility agreements, on occurrence of certain events *inter-alia* delay in submission of stock statements, additional insurance cover on security, non-submission of documents, breach of covenants *etc.*
6. **Re-payment:** Certain facilities are repayable on demand.

7. **Events of Default:** Borrowing arrangements entered into by us contain certain standard events of default, including, *inter alia*:
- a) Occurrence of default in the payment of any monies in respect of the facilities on the due dates (whether at stated maturity, by acceleration or otherwise) for payment thereof or otherwise.
 - b) Default in the performance of any covenant, condition, or agreement on the part of the borrower in accordance with transaction documents.
 - c) Borrower and/or any other relevant person have, voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, or are voluntarily or involuntarily dissolved, becomes bankrupt or insolvent.

On the happening of any event of default, the Bank are entitled to, without any notice to the borrower, (i) set off, appropriate or adjust the term deposits, (ii) call upon the borrower to make payment of all monies in respect of the facilities, (iii) terminate the facilities or suspend or cancel the facilities or reduce the availability of the amounts of the facilities, or (iv) adjust such monies against the limits.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

8. **Restrictive Covenants:** *Certain borrowing arrangements entered into by us contain restrictive covenants, including, inter alia, that borrowers without prior written consent or intimation:*
- a) Enter into any merger or amalgamation or do a buy-back;
 - b) Change the general nature of its business or undertake any expansion or invest in any other entity;
 - c) Permit any change in its ownership or control or management or enter into arrangement whereby its business or operations are managed or controlled, directly or indirectly by any other person;
 - d) Make any amendments to its constitutional documents;
 - e) Opening current account with another bank or a bank which is not a consortium/MBA;
 - f) Prepay outstanding principal amount together with interest thereon;
 - g) Change equity, management and operating structure of the Company;
 - h) Effect any material changes in the shareholding of the borrower;
 - i) Make any corporate investments or investment by way of share capital or debentures or advance funds or monies to or place deposits with, any other company, body, person or concern.

This is an indicative list and there may be additional restrictive covenants under the various borrowing arrangements entered into by us.

For details, see “*Risk Factors*” on page 26.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Directors, Promoters or Subsidiary (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties, including for all criminal proceedings; (iii) outstanding claims relating to direct and indirect taxes, in a consolidated manner involving the Relevant Parties; and (iv) other pending civil litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated November 12, 2022:

Any pending civil litigation (including tax proceedings) (other than litigations mentioned in point (i) to (iii) above) involving the Relevant Parties shall be considered “material” for the purposes of disclosure in this Red Herring Prospectus, if:

- (a) the aggregate monetary amount of claim involved, whether by or against the Relevant Parties, in any such pending proceeding is in excess of ₹ 109.47 million i.e., 1% of the total revenue of the Company on a consolidated basis, as per the restated audited consolidated financial statements (included in the Offer Documents) for Fiscal 2022; or*
- (b) where the monetary impact is not quantifiable as per the threshold mention in point (a) above, but an outcome in any such litigation would materially and adversely affect the Company or Subsidiary’s business, prospects, operations, financial position, or reputation.*

have been considered “material” and accordingly have been disclosed in this Red Herring Prospectus.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or governmental authorities or notices threatening criminal action) shall not in any event, be considered as litigation until such time that any of the Relevant Parties, as the case may be, is impleaded as a defendant in proceedings before any court, tribunal or governmental authority or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced..

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is in excess of 5 % of the total outstanding dues i.e. trade payables/ of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements. The trade payables of our Company as on September 30, 2022 was ₹ 1,312.97 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 65.65 million as on September 30, 2022.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Litigation involving our Company

Litigation against our Company

A. Outstanding criminal proceedings

1. Our Company was issued a Closure Letter dated July 28, 2018 (“**Closure Letter**”) by the Regional Office of the U.P. Pollution Control Board, Ghaziabad (the “**Board**”) pursuant to a report by the Hon’ble National Green Tribunal (the “**Tribunal**”) dated July 6, 2018 listing out 119 industries that were found to be non-compliant with the effluent discharge standards, including our unit at BS Road, Industrial Area, Ghaziabad and demanding the stoppage of discharge of effluents from all units concerned. Our Company replied to the said Closure Letter on July 30, 2018 stating in absence of a show cause notice and an opportunity for hearing, the principles of natural justice have been violated by the Board and have also asked for a copy of the report given by the Tribunal (the “**Report**”). Subsequently, on August 4, 2018, our Company received a letter from the Board stating regarding compliance of the mandatory provisions of the Water (Prevention of Pollution and Control) Act, 1974, directing that our unit maintains and operates properly, the installed effluent treatment plant and also confirm to the Report, to which we issued a reply dated August

10, 2018, stating that our Company has always found to be achieving norms laid down by the Board and the Central Pollution Control Board. Our Company further issued a letter to the Board dated August 13, 2018, regarding compliance of the order passed by the Tribunal requesting for our name to be removed from the list of non-complying units. Subsequently, the Board filed a complaint No. 3165/2018 (the “**Complaint**”) against our Company and one of our Promoters, Mr Kishore Sethia before the Special Court of Judicial Magistrate (Water & Air Pollution Control), Lucknow (the “**Magistrate**”) under section 43 of the Water (Prevention & Control of Pollution) Act, 1974. Subsequently, our Company filed a criminal miscellaneous petition dated September 16, 2019 before the High Court of Allahabad at Lucknow (the “**Court**”) under section 482 of the Code of Criminal Procedure, 1973 seeking quashing of the proceedings under the Complaint pending before the Magistrate and challenged the summoning order dated April 20, 2019. The Court passed an order on November 6, 2019 granting a stay in the proceedings in the Complaint and proceedings of order dated April 20, 2019. This matter is currently pending.

B. Regulatory or statutory authorities

1. Dinesh Kumar Sharma, an erstwhile employee of the Company (the “**Claimant**”), had filed an application under section 2-A of the U.P. Industrial Disputes Act, 1987 dated August 3, 2009, before the Assistant Labour Commissioner, Ghaziabad, Uttar Pradesh (the “**Commissioner**”), stating that his services were terminated illegally and contrary to the principles of social and natural justice. Our Company submitted a written statement before the Presiding Officer, Labour Court, U.P. at Ghaziabad, (the “**Court**”) dated November, 2011, stating that the Claimant was involved in grave acts of misconducts and also failed to comply with the provisions of Rule 12(1) of the U.P. Industrial Dispute Rules, 1957, rendering him ineligible to claim relief from the Court. Subsequently, our Company also submitted a rebuttal of the affidavit and claim statement of the Claimant before the Court in case no. 19/2011, on August 16, 2013 denying the claims made by the claimant as they were false and vague and stating that the services of the workman were terminated properly and legally. The matter is currently pending.
2. Harish Chand, an erstwhile employee of the Company (the “**Workman**”), filed an application under section 2-A of the U.P. Industrial Disputes Act, 1987 dated June 16, 2010, before the Assistant Labour Commissioner, Ghaziabad, Uttar Pradesh (the “**Commissioner**”), stating that he was wrongly relieved from his duty and was not paid the amount of compensation due to him. Our Company submitted a written statement before the Presiding Officer, Labour Court, U.P. at Ghaziabad, (the “**Court**”) dated November 29, 2013, stating that there existed relation of the Company and the Workman in continuity on the alleged date of termination and that he failed to comply with the provisions of Rule 12(1) of the U.P. Industrial Dispute Rules, 1957, rendering him ineligible to claim relief from the Court. Subsequently, our Company also submitted a rebuttal of the affidavit and claim statement of the Claimant before the Court in case no. 83/2013, on December 5, 2014, denying the claims made by the claimant and stating that the workman had been paid the wages due to him. The matter is currently pending.
3. An order was passed against our Company on May 26, 2017 by the Assistant Provident Fund Commissioner, Goa (the “**Commissioner**”) under section 7A of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, assessing and determining certain provident fund dues for the period from October 1995 to September 2011 (the “**Order**”) and determining an amount of ₹ 4,664,751 as dues from our Company. Our Company filed an appeal dated July 5, 2017 before the Employee Provident Fund Appellate Tribunal (“**Tribunal**”) against the impugned Order. The Tribunal granted a stay on the proceedings before the Commissioner vide order dated July 14, 2017. Subsequently, our Company intimated the Employee Provident Fund Organisation, Panaji, Goa, vide letter dated July 27, 2017, regarding the stay and also attached cheque no. 000001 dated July 27, 2017 for ₹ 11,66,188. The matter is currently pending.

C. Outstanding material civil litigation

NIL

Litigation by our Company

A. Outstanding criminal proceedings

NIL

B. Outstanding material civil litigation

NIL

C. Regulatory or statutory authorities

NIL

Litigation involving our Subsidiary

- A. Outstanding criminal proceedings
NIL
- B. Outstanding material civil litigation
NIL
- C. Regulatory or statutory authorities
NIL

Litigation involving our Promoters

Litigation against our Promoters

- A. Outstanding criminal proceedings
1. For details in relation to notice issued by the U.P. Pollution Control Board, Ghaziabad, to one of our Promoters, Kishore Sethia, see “-Litigations involving our Company – Litigations filed against our Company – Outstanding criminal proceedings – 1” on page 332.

Outstanding litigation involving our Group Company which has a material impact on our Company

As on the date of this Red Herring Prospectus, there are no outstanding litigation involving our Group Companies which has a material impact on our Company.

Litigation involving our Directors (other than Promoters)

As on the date of this Red Herring Prospectus, there are no outstanding civil, criminal or tax litigations involving our Directors. Further, no actions have been initiated against our Directors by any regulatory/ statutory authorities.

Tax Proceedings

(in ₹ million)

Nature of cases	Number of cases	Amount involved
Company		
Direct Tax	Nil	Nil
Indirect Tax	23	5.76
Subsidiary		
Direct Tax	5	31.18
Indirect Tax	Nil	Nil
Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Promoter		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	28	36.94

Outstanding dues to Creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 65.65 million, which is 5% of the total outstanding dues i.e. trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, i.e. as of September 30, 2022, were considered ‘material’ creditors. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2022 by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (in ₹ million)
Micro, small and medium enterprises	191	283.97
Material creditors	1	136.81
Other creditors	825	892.19
Total	1,017	1,312.97

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at <https://www.elinindia.com/investors/>.

Material Developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 300, there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, consents, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, consents, registrations, and permits obtained by our Company and our Material Subsidiary, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these material approvals, licenses, consents, registrations, and permits are valid as on the date of this Red Herring Prospectus. Certain material approvals, licenses, consents, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired material approvals, licenses, consents, registrations, and permits are submitted in accordance with applicable requirements and procedures. For details in connection with the applicable regulatory and legal framework, see “Risk Factors” and “Key Regulations and Policies” on pages 26 and 204, respectively.

In view of the key approvals listed below, our Company can undertake this Offer, current business activities and operations.

I. Material approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see “*Other Regulatory and Statutory Disclosures – Authority for the Offer*” on page 339.

II. Incorporation details of our Company and Material Subsidiary

Certificate of incorporation dated March 26, 1982 issued by the RoC to our Company, in the name of ‘*Elin Electronics Private Limited*’. Fresh certificate of incorporation dated November 22, 1987 issued by the RoC to our Company, consequent upon change of name from ‘*Elin Electronics Private Limited*’ to ‘*Elin Electronics Limited*’, pursuant to conversion of our Company from a private limited company to a public limited company. The CIN of our Company is U29304WB1982PLC034725.

Elin Appliances Private Limited (EAPL) was incorporated on August 21, 2002 at Jalandhar as Connect Cables India Private Limited as a private limited company under the Companies Act, 1956 and a certificate of incorporation was issued by the Registrar of Companies, Himachal Pradesh. A fresh certificate of incorporation was issued on November 27, 2002 when the name of the company was changed to ECI Cables Private Limited. Subsequent to the change of the name of company to Elin Appliances Private Limited, a fresh certificate of incorporation was issued on January 14, 2004. Its CIN is U29300HP2002PTC025355. It has its registered office at Beli Khol, Manpurat, Nalagarh, District- Solan, Himachal Pradesh.

III. Material approvals in relation to our Company

Our Company has received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

A. Tax related approvals

1. Permanent Account Number AAACE6449G issued by the Income Tax Department, Government of India, under Section 139A of the Income-tax Act, 1961.
2. Tax Deduction and Collection Account Number issued by the Income Tax Department under Income-tax Act, 1961.
3. Our Company has obtained goods and services tax identification numbers under the applicable provisions of the goods and services tax legislations applicable in the states and union territories where we operate. The GST registration number of our Company is 07AAACE6449G2ZM, for the state of New Delhi, where our Corporate Office is located.
4. Import-export code number is 0599048611, which is issued by the Additional Director General of Foreign Trade, New Delhi under the Foreign Trade (Development and Regulation) Act, 1992.

B. Material approvals in relation to our business operations

1. Consent to operate issued by the respective pollution control board under the Water (Prevention and Control of Pollution) Act, 1974 and Environmental Clearances wherever applicable.

2. Consent to operate issued by the respective pollution control board under the Air (Prevention and Control of Pollution) Act, 1981 for our manufacturing facilities.
3. Authorisation for generation, storage and disposal of hazardous wastes under the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016.
4. License to work a factory issued by the relevant State Government under the Factories Act, 1948.
5. No objection certificate issued by the fire department of the local municipal corporations of the respective states where our manufacturing facility is located.
6. Registrations/ verifications under the Legal Metrology Act for our manufacturing facilities.
7. Certifications from the respective electricity authorities under the Electricity Act, 2003.
8. Food License issued by the Department of Food Safety and Drug Administration, Government of India under Food Safety and Standards Act, 2006.
9. Certificate of registration of research institution for customs duty exemption issued by the Department of Scientific and Industrial Research, Ministry of Science and Technology.
10. Industrial Entrepreneurs Memorandum for manufacture IEM263435 dated August 2, 2019 for ceiling fans and IEM263433 dated August 2, 2019 for relay issued by the Secretariat for Industrial Assistance, Ministry of Commerce and Industry for our facility at Ghaziabad.

C. Labour and commercial approvals

1. Certificate of registration issued by the Employees' Provident Fund Organization, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 for all manufacturing facilities.
2. Certificate of registration issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948 for all manufacturing facilities.
3. Certificate for registration issued by the Labour Department of U.P. under the Contract Labour (Regulation & Abolition) Act, 1970 for our facility in Ghaziabad.

IV. Approvals in relation to our Products

1. Certificate of registration SQ/ISO 9001/701 issued by Ministry of Electronics and Information Technology, Government of India for our facility in Baddi. Certificate of registration ISO 9001:2015 issued by DNV Business Assurance, Chennai for our facility in Ghaziabad and by TUV SUD South Asia Private Limited for our facility in Goa.
2. Certificate of registration ISO 14001:2015 issued by Swiss Cert Pvt. Ltd., Delhi for our facility in Baddi, by DNV Business Assurance, Chennai for our facility in Ghaziabad, and by TUV SUD South Asia Private Limited for our facility in Goa.
3. BIS certifications issued by Bureau of Indian Standards for our manufacturing facilities in Ghaziabad and Baddi.
4. Certificate of registration ISO 9001: 2015 issued by Ministry of Electronics and Information Technology, Government of India for our facility in Baddi

V. Material approvals in relation to our Material Subsidiary

Our Material Subsidiary has received the following material approvals, licenses, consents, registrations, and permits pertaining to its business:

A. Tax related approvals

1. Permanent Account Number AABCE3127E issued by the Income Tax Department, Government of India, under Section 139A of the Income-tax Act, 1961.

2. Tax Deduction and Collection Account Number issued by the Income Tax Department under Income-tax Act, 1961 is DELE02733D.
3. The GST registration number of our Material Subsidiary is 02AABCE3127E1ZF, for the state of Himachal Pradesh where the office of our Material Subsidiary is located in.
4. Import-export code number is 0504015010, which is issued by the Additional Director General of Foreign Trade, Delhi under the Foreign Trade (Development and Regulation) Act, 1992.

B. Material approvals in relation to business operations

1. Consent to operate issued by the Himachal Pradesh State Pollution Control Board under the Environmental Protection Rules, 1986.
2. Registration and License to work a factory (registration number L&E(FAC)9-201469-60) issued by the Labour Department, Himachal Pradesh Government under the Factories Act, 1948.
3. No objection certificate issued by the Directorate of Fire Services Himachal Pradesh, Shimla-2, Government of Himachal Pradesh.
4. Registration/ approval (certificate no. HPR-878 dated June 9, 2014) as provided under the Legal Metrology Act issued by the Office of Controller, Legal Metrology, (Weights and Measures) Himachal Pradesh for our manufacturing facility.
5. Office Order from Himachal Pradesh State Electricity Board Limited under the Electricity Act, 2003.
6. Udayam Certificate UDYAM-HP-11-0002058 issued by the Ministry of Micro, Small and Medium Enterprises, Government of India.

C. Labour and commercial approvals

1. Certificate of registration HP/3346 dated January 11, 2010 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.
2. Certificate of registration HP-14-40048-09 dated January 11, 2010 issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.

D. Approvals related to our Products

1. BIS certifications issued by Bureau of Indian Standards for our manufacturing facility in Baddi.
2. Certificate of registration ISO 14001:2015 issued by Swiss Cert Pvt. Ltd., Delhi for our facility in Baddi.

VI. Material approvals applied for by our Company or Material Subsidiary but not received

As on the date of this Red Herring Prospectus, there are no material approvals applied for which has not been received by our Company or Material Subsidiary.

VII. Material approvals applied for by our Company or Material Subsidiary but not received

As on the date of this Red Herring Prospectus, there are no material approvals which are to be applied for by our Company or Material Subsidiary.

VIII. Intellectual Property Registrations

As on date of this Red Herring Prospectus, our Company has obtained a copyright for its artistic work and 10 trademark registrations under the Trademarks Act, 1999. We have registered the "Elin" trademark under various classes with the Registrar of Trademarks in India under the Trademarks Act, 1999, which are currently valid. These trademarks are registered in the name of our Company. The other registered trademarks we have are "Asian" and "Ventis".

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on September 6, 2021 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated September 30, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to its resolution dated November 8, 2021. Further, our Board has taken on record the approval for the revised Offer for Sale by the Selling Shareholders, pursuant to its resolutions dated November 18, 2022 and December 7, 2022.

The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on November 17, 2021. Further, our Board has approved this Red Herring Prospectus pursuant to resolution dated December 12, 2022.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 57.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated December 14, 2021 and December 28, 2021 respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

The Selling Shareholders confirm that they have not been prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India.

Confirmation in relation to RBI Circular dated July 1, 2016

Neither our Company, nor any of our Promoters or Directors have been declared as fraudulent borrowers by the lending banks or financial institution or consortium, in terms of the Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs dated July 1, 2016, as amended, issued by the Reserve Bank of India.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters, members of the Promoter Group, and each of the Selling Shareholders confirm that they are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable, as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Except as disclosed in this Red Herring Prospectus, our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Consolidated Financial Statements included in this Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Consolidated Financial Information:

(₹ in million)

S. No.	Particulars	Fiscal 2022	Fiscal 2021	Fiscal 2020
A.	Restated net tangible assets ⁽¹⁾	3,118.03	2,692.68	2,331.39
B.	Restated monetary assets ⁽²⁾	49.35	53.79	103.15
C.	Monetary assets as a percentage of net tangible assets (B/A)	1.58	2.00	4.42
D.	Net worth ⁽³⁾	3,030.70	2,622.54	2,277.52
E.	Restated pre-tax operating profits ⁽⁴⁾	790.16	664.79	554.55

Notes:

1. "Restated net tangible assets" means the sum of all the net assets of our Company excluding intangible assets and right of use assets reduced by total liabilities excluding deferred tax liability (Net) of our Company.
2. "Restated monetary assets" means cash and cash equivalents and bank balances other than cash and cash equivalents (excludes bank deposits with remaining maturity of more than twelve months and fixed deposits held as margin money).
3. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits (inclusive of net gain consequent to fair valuation of certain assets on transition to Ind AS) 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.
4. "Restated pre-tax operating profit" means restated profit before tax excluding other income, interest expenses, depreciation & amortization expenses and comprehensive income.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

- (i) Our Company, our Promoters, members of the Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;
- (ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
- (iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);
- (iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
- (v) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Red Herring Prospectus;
- (vi) Our Company has entered into tripartite agreements dated November 17, 2021 and November 16, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares

- (vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form;
- (viii) Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money will be refunded forthwith; and
- (ix) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.
- (x) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (“SEBI”) SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING AXIS CAPITAL LIMITED AND JM FINANCIAL LIMITED (“BRLMs”), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 17, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THIS RED HERRING PROSPECTUS.

All legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders, and our Company

All information shall be made available by our Company, Selling Shareholders and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank(s) on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Promoters, members of the Promoter Group, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Chennai and Mumbai only. This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

Neither the delivery of this Red Herring Prospectus nor the offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any 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 under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein,

including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is as set forth below:

“BSE Limited (“the Exchange”) has given vide its letter dated December 14, 2021 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- a) *warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) *warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- c) *take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, is as set forth below:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1384 dated December 28, 2021 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid 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 in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Listing

The Equity Shares proposed to be issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund

Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum or such other rate as may be prescribed by the SEBI from time to time, for the delayed period, subject to applicable law

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, CFO, Bankers to our Company, the BRLMs, Registrar to the Offer, Frost & Sullivan have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s) to act in their respective capacities, has been obtained as required under the Companies Act, 2013. All such consents have not been withdrawn until the date of this Red Herring Prospectus.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 18, 2022 from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Red Herring Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) their examination report dated November 12, 2022 on the Restated Consolidated Financial Statements; and (ii) the statement of special tax benefits dated November 18, 2022 included in this Red Herring Prospectus. Such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.

Our Company has received written consent from Er. B.P. Singh, Independent Chartered Engineer dated November 18, 2022 in relation to (i) the details of our aggregate installed capacity and capacity utilisation; (ii) details of our R&D infrastructure; (iii) details of land area of our manufacturing facilities; (iv) details of power source and back-up at our Company’s manufacturing facilities; (v) production capacity for medical diagnostics cartridges; (vi) details of SMT lines and capacity CPH, to include its name as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this RHP, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer with respect to the certificates issued by him and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in “*Capital Structure*” on page 72, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

Our Company does not have any listed group company or any listed subsidiary or a listed associate entity.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years by our Company.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public or rights issue in the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our Company does not have any corporate promoters or any listed subsidiary.

Price information of past issues handled by the BRLMs

1) Axis Capital Limited

- Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date	+/- % change in closing	+/- % change in closing	+/- % change in closing
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					(in ₹)	price, [+/- % change in closing benchmark]-30th calendar days from listing	price, [+/- % change in closing benchmark]-90th calendar days from listing	price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Uniparts India Limited ⁽¹⁾	8,356.08	577.00	December 12, 22	575.00	-	-	-
2.	Keystone Realtors Limited ⁽¹⁾	6,350.00	541.00	November 24, 2022	555.00	-	-	-
3.	Bikaji Foods International Limited ^{(1)#}	8,808.45	300.00	November 16, 2022	321.15	-	-	-
4.	DCX Systems Limited ⁽¹⁾	5,000.00	207.00	November 11, 2022	286.25	+17.10%, [+0.63%]	-	-
5.	Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) ^{\$(2)}	7,550.00	330.00	September 26, 2022	450.00	+31.92%, [+3.76%]	-	-
6.	Tamilnad Mercantile Bank Limited ⁽¹⁾	8,078.40	510.00	September 15, 2022	510.00	-8.43%, [-3.36%]	-	-
7.	Paradeep Phosphates Limited ⁽¹⁾	15,017.31	42.00	May 27, 2022	43.55	-10.24%, [-3.93%]	+27.50%, [+7.65%]	+31.19%, [+11.91%]
8.	Prudent Corporate Advisory Services Limited ^{^(1)}	4,282.84	630.00	May 20, 2022	660.00	-20.71%, [-5.46%]	-2.10%, [+10.92%]	+26.23%, [+13.89%]
9.	Life Insurance Corporation Of India ^{@(1)}	205,572.31	949.00	May 17, 2022	867.20	-27.24%, [-3.27%]	-28.12%, [+9.47%]	-33.82%, [+13.76%]
10.	Vedant Fashions Limited ⁽²⁾	31,491.95	866.00	February 16, 2022	935.00	+3.99%, [-0.20%]	+14.53%, [-8.54%]	+37.67%, [+2.17%]

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾ BSE as Designated Stock Exchange

⁽²⁾ NSE as Designated Stock Exchange

Offer Price was ₹ 285.00 per equity share to Eligible Employees

\$ Offer Price was ₹ 299.00 per equity share to Eligible Employees

^ Offer Price was ₹ 571.00 per equity share to Eligible Employees

@ Offer Price was ₹ 904.00 per equity share to Retail Individual Bidders and Eligible Employees and ₹ 889.00 per equity share to Eligible Policyholders

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023*	9	269,015.39	-	1	3	-	1	1	-	1	-	-	2	-
2021-2022	25	609,514.77	-	2	6	6	5	6	3	4	3	5	3	7
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

2) JM Financial Limited

1. Price information of past issues handled by JM Financial Limited

Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by JM Financial Limited

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 th calendar days from listing
1.	Uniparts India Limited [#]	8,356.08	577.00	December 12, 2022	575.00	Not Applicable	Not Applicable	Not Applicable
2.	Archean Chemical Industries Limited*	14,623.05	407.00	November 21, 2022	450.00	Not Applicable	Not Applicable	Not Applicable
3.	Bikaji Foods International Limited ^{#9}	8,808.45	300.00	November 16, 2022	321.15	Not Applicable	Not Applicable	Not Applicable
4.	Global Health Limited*	22,055.70	336.00	November 16, 2022	401.00	Not Applicable	Not Applicable	Not Applicable
5.	Fusion Micro Finance Limited*	11,039.93	368.00	November 15, 2022	359.50	Not Applicable	Not Applicable	Not Applicable
6.	Electronics Mart India Limited*	5,000.00	59.00	October 17, 2022	90.00	46.02% [6.31%]	Not Applicable	Not Applicable
7.	Harsha Engineers International Limited*	7,550.00	330.00	September 26, 2022	450.00	31.92% [3.76%]	Not Applicable	Not Applicable
8.	Paradeep Phosphates Limited [#]	15,017.31	42.00	May 27, 2022	43.55	-10.24% [-3.93%]	27.50% [7.65%]	31.19% [11.91%]
9.	Life Insurance Corporation of India ^{#8}	205,572.31	949.00	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [9.47%]	-33.82% [13.76%]
10.	Campus Activewear Limited ^{*7}	13,997.70	292.00	May 05, 2022	360.00	11.92% [0.70%]	41.71% [6.72%]	91.04% [11.14%]

Source: www.nseindia.com and www.bseindia.com

[#] BSE as Designated Stock Exchange

* NSE as Designated Stock Exchange

Notes:

- Opening price information as disclosed on the website of the Designated Stock Exchange.
- Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
- For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
- In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
- 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.
- Restricted to last 10 issues.
- A discount of ₹ 27 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
- A discount of ₹ 45 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion and Retail Individual Investors. A discount of ₹ 60 per Equity Share was offered to Policy holders.

9. A discount of ₹ 15 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
 10. Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30 th calendar days from listing date			Nos. of IPOs trading at premium on as on 30 th calendar days from listing date			Nos. of IPOs trading at discount as on 180 th calendar days from listing date			Nos. of IPOs trading at premium as on 180 th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2022-2023	10	3,12,020.53	-	1	1	-	2	1	-	1	-	1	1	-
2021-2022	17	2,89,814.06	-	1	2	5	5	4	1	2	3	4	3	4
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	Axis Capital Limited	www.axiscap.co.in
2.	JM Financial Limited	www.jmfl.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, UPI Circulars and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts beyond the date of receipt of the complaint, the Book Running Lead Managers shall be liable to compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount for the period of such delay, to the extent applicable.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its

obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission, or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned herein.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of this Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES. We comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with SEBI circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be four Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has also appointed Lata Rani Pawa, Company Secretary of our Company, as the Compliance Officer for the Offer and she may be contacted in case of any pre-Offer related problems. For details, see “*General Information*” on page 63.

Our Company has constituted a Stakeholders’ Relationship Committee comprising of three directors as members of whom two are Independent Directors as members to review and redress shareholder and investor grievances. For details, see “*Our Management - Stakeholders’ Relationship Committee*” on page 223.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company vide its letter dated November 17, 2021 has sought an exemption under Regulation 300(1) of the SEBI ICDR Regulations from providing specific information, confirmations and disclosures to be included in this Red Herring Prospectus (subsequently, the Prospectus in relation to the Offer) from Saroj Dugar, sister of Suman Sethia and sister in law of Kamal Sethia or other body corporates in which he is interested, as members of the ‘promoter group’ of our Company. Subsequently, SEBI vide its letter dated February 23, 2022 granted a one-time relaxation on the exemption sought by our Company

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of voting and the right to receive dividend. Further, in the case of Offer for Sale, the dividend for the entire year shall be payable to the Allottees. In addition, the Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For details, see “*Description of Equity Shares and Terms of Articles of Association*” on page 376.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For details, in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on pages 238 and 376, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 5 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, in consultation with the BRLMs, and advertised in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta , a Hindi national daily newspaper and Kolkata edition of Arthik Lipi , a Bengali newspaper, Bengali being the regional language of West Bengal, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “*Objects of the Offer - Offer Expenses*” on page 106.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 376.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and KFin Technologies Limited:

- Tripartite agreement dated November 17, 2021 amongst our Company, NSDL and KFin Technologies Limited.
- Tripartite agreement dated November 16, 2021 amongst our Company, CDSL and KFin Technologies Limited.

Our Company has entered into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of this Red Herring Prospectus with RoC.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares for Retail Individual Bidders and Minimum Application Size for NIBs. For further details, see “*Offer Procedure*” on page 357.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	Tuesday, December 20, 2022 ⁽¹⁾
BID/OFFER CLOSES ON	Thursday, December 22, 2022 ⁽²⁾

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date, i.e., Monday, December 19, 2022, in accordance with the SEBI ICDR Regulations.

⁽²⁾ UPI mandate end time and date shall be at 05.00 PM on the Bid/Offer Closing date.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Tuesday, December 27, 2022
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Wednesday, December 28, 2022
Credit of Equity Shares to demat accounts of Allottees	On or about Thursday, December 29, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Friday December 30, 2022

* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that it shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until (except Bids by Anchor Investors):

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB’s on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB’s shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Working Days during the Bid / Offer Period. and revisions shall not be accepted on Saturdays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids and revisions by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, 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 Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale.

The Selling Shareholders shall reimburse, in proportion to the portion of its Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that such Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 72 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association*" beginning on page 376.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ 4,750 million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹ 1,750 million and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹ 3,000 million by the Selling Shareholders. The Offer shall constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹ 5 each.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation ⁽²⁾	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	The allotment of specified securities to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. For details see, “Offer Procedure” on page 357	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on page 357

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply ^{(3) (4)}	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ In case of all other Bidders: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank(s) through the UPI Mechanism (for RIBs using the UPI Mechanism) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding [^]	Only through the ASBA process (except for Anchor Investors) (excluding the UPI Mechanism)	Only through the ASBA process (including the UPI Mechanism for a Bid size of up to ₹ 500,000)	Only through the ASBA process (including the UPI Mechanism)

* Assuming full subscription in the Offer

[^] SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchanges shall, for all categories of investors viz. RIB, QIB, NII and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

- (1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.
- (2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations.
- (3) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.
- (4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For details, see “*Terms of the Offer*” on page 349.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s) (in case of UPI Bidders), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraws the Offer at any stage and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) interest in case of delay in allotment or refund; and (xiii) disposal of applications.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on or after May 1, 2021, and the provisions of this circular are deemed to form part of this Red Herring Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism and pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders, out of which: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000 provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category 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 at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID (for UPI Bidders), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, in compliance with applicable laws.

Investors 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

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019, until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019, and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by UPI Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Company has appointed Axis Bank Limited and ICICI Bank Limited as Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI

ASBA Bidders (other than Retail Individual Investors using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. All ASBA Bidders were required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank(s), as applicable at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

Non Institutional Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

*Excluding electronic Bid cum Application Forms

Notes:

- (1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)
- (2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders using UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

The Sponsor Bank(s) shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. For all pending UPI Mandate Requests, the Sponsor Bank(s) shall initiate requests for blocking of

funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

ASBA Bidders (other than those using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details or the UPI ID, as applicable, in the relevant space provided in the ASBA Form, are liable to be rejected.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. Modification of Bids shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any 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 under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any “person related to the Promoters/ Promoter Group” shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters/ Promoter Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation by our Promoters and members of the Promoter Group in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their Non- Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary (“NRO”) accounts or accept the UPI mandate request (in case of UPI Bidders) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 375. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Rules.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia*, the following conditions:

- (a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids will be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("ODI") which have obtained separate FPI registration for ODI and proprietary derivative

investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category I FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 (“**SEBI VCF Regulations**”) as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended (“**SEBI FVCI Regulations**”) prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company’s investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the “**Banking Regulation Act**”), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank’s own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company’s paid up share capital and reserves. However, a banking

company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

- (a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum

Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

- (a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid are required to be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid could not be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund were aggregated to determine the minimum application size of ₹ 100 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will completed on the same day.
- (e) Our Company, in consultation with the BRLMs, finalised allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion was not less than:
 - maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
 - minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
 - in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made, is required to be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: there shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to each of the Anchor Investors from the date of Allotment.
- (i) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs

sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) could apply in the Offer under the Anchor Investor Portion.

- (j) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion were not considered multiple Bids

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus and the Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an UPI Bidders using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidders using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidders bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidders using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Bid cum Application Form;
6. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
9. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
11. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
12. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
13. UPI Bidders bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

14. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank(s), as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
17. Ensure that the Demographic Details are updated, true and correct in all respects;
18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
19. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
22. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
24. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
25. In case of QIBs and NIBs (not using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
26. The ASBA bidders shall ensure that bids above ₹ 500,000, are uploaded only by the SCSBs;
27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. of the Bid/ Offer Closing Date;
28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

29. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form; and
30. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.
31. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).
32. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and
33. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
Bids by Eligible NRIs for a Bid Amount of less than ₹ 200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 200,000 would be considered under the Non-Institutional Category for allocation in the Offer.
34. Investors 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
11. If you are a UPI Bidders and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
12. Anchor Investors should not Bid through the ASBA process;
13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
20. Do not submit a Bid using UPI ID, if you are not a UPI Bidders;
21. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
22. Do not Bid for Equity Shares in excess of what is specified for each category;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
26. If you are an UPI Bidders which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
28. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders;
29. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders);
30. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;
31. UPI Bidders bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected;
32. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000; and
33. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders were requested to note that Bids could be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. ASBA Form by the UPI Bidders by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by UPI Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page 63.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see “*General Information – Book Running Lead Managers*” on page 64.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through this Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, Non-Institutional Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The Allotment of Equity Shares to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names

will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

- (a) In case of resident Anchor Investors: “Elin Electronics Limited IPO-ANCHOR RESIDENT ACCOUNT”
- (b) In case of Non-Resident Anchor Investors: “Elin Electronics Limited IPO-ANCHOR INVESTOR NON-RESIDENT ACCOUNT”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) All editions of The Financial Express, an English national daily newspaper, (ii) All editions of Jansatta, a Hindi national daily newspaper, and (iii) Kolkata editions of Arthik Lipi, a Bengali newspaper, Bengali being the regional language of West Bengal, where our Registered Office is located, each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- No further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc
- Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed.
- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently.
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.
- It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer.

Undertakings by the Selling Shareholders

The Selling Shareholders undertakes in respect of itself as a ‘selling shareholder’ and its portion of the Equity Shares offered by it in the Offer for Sale that:

- it is the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by it pursuant to the Offer for Sale;
- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Red Herring Prospectus with SEBI
- the Equity Shares offered for sale by the Selling Shareholder in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the Equity Shares being offered for sale by the Selling Shareholder pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;
- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and
- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company in consultation with the BRLMs.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who—

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name
shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020.

FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. The FDI Policy will be valid and remain in force until superseded in totality or in part thereof. Under the FDI Policy, 100% foreign investment is permitted under automatic route in manufacturing sector.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within 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 in accordance with any 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 under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

Preliminary

The following regulations comprised in these Articles of Association, were adopted pursuant to the special resolution passed at the Annual general meeting of the Company held on 30.09.2021, in substitution for and to the entire exclusion of, the earlier regulations comprised in the existing Articles of Association of the Company.

Applicability of Table ‘F’

Subject to anything to the contrary hereinafter provided, the regulations contained in Table “F” in the First Schedule to the Companies Act, 2013, as amended from time to time, in so far as they are applicable to a public company, will apply to the Company save in so far as they are expressly or by implication excluded by these Articles. In case of any conflict between the provisions herein contained and the regulations contained in Table “F”, the provisions herein will prevail.

Definitions And Interpretation

1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

“Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable.

“Annual General Meeting” means the annual general meeting of the Company convened and held in accordance with the Act.

“Articles of Association” or “Articles” mean these Articles of association of the Company, as may be altered from time to time in accordance with the Act.

“Board” or “Board of Directors” means the board of directors of the Company in office at applicable times.

“Company” means ELIN ELECTRONICS LIMITED, a company incorporated under the laws of India.

“Depository” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

“Director” shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles.

“Effective Date” shall be such date on which the Equity Shares are listed on the Stock Exchanges, pursuant to the IPO.

“Equity Shares” shall mean the issued, subscribed and fully paid-up equity shares of the Company having the face value set out in the Memorandum;

“Exchange” shall mean BSE Limited and the National Stock Exchange of India Limited.

“Extraordinary General Meeting” means an extraordinary general meeting of the Company convened and held in accordance with the Act;

“General Meeting” means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

“IPO” means the initial public offering of the Equity Shares of the Company;

“Member” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners

whose names are recorded as such with the Depository;

“Memorandum” or “Memorandum of Association” means the memorandum of association of the Company, as may be altered from time to time;

“Office” means the registered office, for the time being, of the Company;

“Officer” shall have the meaning assigned thereto by the Act;

“Ordinary Resolution” shall have the meaning assigned thereto by the Act;

“Register of Members” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

“Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act;

“the seal” means the common seal of the Company; and

“Special Resolution” shall have the meaning assigned thereto by the Act.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

Share capital and variation of rights

3. The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.
4. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:
 - (a) Equity share capital:
 - (i) with voting rights; and/or
 - (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and
 - (b) Preference share capital.
5. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par (subject to the compliance with the provision of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Board of Directors thinks fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
6. The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for

services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

7. Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:
 - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived; or;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of Share Capital by the amount of the shares so cancelled. A cancellation of Shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

8.
 - (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, -
 - (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
 - (ii) Every certificate shall be under the seal, if any, and shall specify the shares to which it relates and the amount paid-up thereon, shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary.

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.
 - (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

9. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

10.
 - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees not exceeding the amount payable under applicable law for each certificate as may be fixed by the Board. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer. and no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf.

- (ii) The provisions of Articles (10) and (11) shall mutatis mutandis apply to debentures of the company.
11. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
12. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
13. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
14. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
15. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Further Issue of Shares

16. (1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
- (A) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares at the date;
- (i) The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

- (ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
- (iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company

- (B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or
 - (C) to any person(s), if it is authorized by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer (if required under law) subject to such conditions as may be prescribed under the Act and the rules made thereunder;
- (2) Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.
 - (3) Nothing in sub-clause (ii) of Clause (1)(A) shall be deemed:
 - (i) To extend the time within which the offer should be accepted; or
 - (ii) To authorize any person to exercise the right of renunciation for a second time that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.
 - (4) Notwithstanding anything contained in Article 16 (3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Lien

- 17. (i) The company shall have a first and paramount lien-
 - (a) on all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures. ; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
 - (iii) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- 18. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made-

 - (a) unless a sum in respect of which the lien exists is presently payable; or

- (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
19. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
 - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
 - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
 20. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
 - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

21. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
 - (iii) A call may be revoked or postponed at the discretion of the Board.
22. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
 23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
 24. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.
 - (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
 25. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
 - (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
 26. The Board-
 - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

Transfer of shares

27. The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share, debenture or other security held in a material form.
28. (i) A common form of transfer shall be used.
- (ii) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (iv) The instrument of transfer shall be in writing and all provisions of the Act and statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
29. The Board may, subject to the right of appeal conferred by section 58 decline to register -
- (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
- (b) any transfer of shares on which the company has a lien.
30. The Board may decline to recognise any instrument of transfer unless-
- (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
- (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (c) the instrument of transfer is in respect of only one class of shares.
31. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
32. Subject to the provisions of the Act, Securities Contracts (Regulation) Act, 1956 or any law for the time being in force and these Articles, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles, applicable laws, or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member or in debentures of the Company, after providing sufficient cause, within a period of one month, or such other time period as prescribed under applicable laws for transfer or transmission of securities, from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send to the transferee and transferor notice of the refusal, giving reasons for such refusal. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

Transmission of shares

33. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
34. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -
- (a) to be registered himself as holder of the share; or

- (b) to make such transfer of the share as the deceased or insolvent member could have made.
 - (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 35.
- (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
 - (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
 - (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
36. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

37. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
38. The notice aforesaid shall -
- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
39. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 40.
- (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
 - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 41.
- (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
 - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
- 42.
- (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

43. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

44. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

45. Subject to the provisions of section 61, the company may, by ordinary resolution, -

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

46. Where shares are converted into stock, -

- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

- (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

47. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, -

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

48. (i) The company in general meeting may, upon the recommendation of the Board, resolve -

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards -

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
49. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall -
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power -
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

50. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals as required under the Act, SEBI Regulations or any other competent authority, as may be permitted by law.

General meetings

51. All general meetings other than annual general meeting shall be called extraordinary general meeting.
52. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

53. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
54. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
55. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
56. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
57. On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have second or casting vote.

Adjournment of meeting

58. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

59. Subject to any rights or restrictions for the time being attached to any class or classes of shares, -
- (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
60. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
61. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
62. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
63. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
65. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

66. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
67. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
68. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:
- Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

69. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

70. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.

The following shall be first Directors of the Company:

1. **SRI BAHADURMAL SETHIA**
 2. **SRI BRIDHI CHAND SETHIA**
 3. **SRI MANGI LALL SETHIA**
 4. **SRI VINAY KUMAR SETHIA**
 5. **SRI BUDH SINGH SETHIA**
71. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them -
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
 - (b) in connection with the business of the company.
72. The Board may pay all expenses incurred in getting up and registering the company.
73. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
74. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
75. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
76. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

POWERS OF BOARD

77. The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
78. The Board may, from time to time and at its discretion, subject to the provisions of Sections 73, 179, 180, and 185 of the Act, raise or borrow and secure the payment of any sum or sums of money for the purpose of the Company Any such money be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and securities of the Company or by other means as the Board deems expedient. The Board of Directors shall not except with the consent of the Company by way of a special resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the

Company's bankers in the ordinary course of business) exceeds the aggregate of paid up capital of the Company, its free reserves and securities premium.

79. Subject to the Act and these Articles, The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other tangible security on the undertaking of the whole or any part of the Company (both present and future) but shall not create a charge on its capital for the time being or issue debentures with the right to conversion into or allotment of shares without the sanction of the Company by a special resolution in the General Meeting.

Proceedings of the Board

80. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
81. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
82. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
83. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
84. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
85. (i) A committee may elect a Chairperson of its meetings.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
86. (i) A committee may meet and adjourn as it thinks fit.
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
87. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
88. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

89. Subject to the provisions of the Act, -
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

90. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

- 91. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

92. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

93. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

- 94. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

95. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

96. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

- 97. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

98. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

99. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

100. No dividend shall bear interest against the company.

- 101. (i) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within

the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called “Unpaid Dividend Account of Elin Electronics Limited”.

- (ii) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.
- (iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.
- (iv) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Term of Issue Of Debenture

102. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

Management

103. The Business of the Company shall be carried on by the Board of Directors through a Managing Director, and / or in such manner as they shall think fit, subject to the control and superintendence of the Board of Directors at all times.
104. Subject to the provisions of Sections 196, 197, and 203 and Schedule V of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. The Managing Director shall exercise such powers as may be delegated to him by the Board subject to its overall control and supervision. The Managing Director shall report all material actions undertaken, or proposed to be undertaken, by him in the exercise of powers delegated to him to the Board of Directors at their meetings.
105. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as the Board may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
 - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
106. Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in the Act thereof, the Board may, from time to time, entrust to and confer upon a Managing Director or other senior management personnel, for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
107. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

Accounts

108. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open

to the inspection of members not being directors.

- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

109. Subject to the provisions of Chapter XX of the Act and rules made thereunder -

- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

110. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Dematerialization of Securities

111. The Company shall recognize interest in dematerialized securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other Applicable Law.

112. Dematerialization/Re-materialization of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities, re-materialize its securities held in Depositories and/or offer its fresh securities in the dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

113. Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its Record, the name of the allottees as the beneficial owner of that Security.

114. Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

115. Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except

only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

116. Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialized and dematerialized forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus/ Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, (i) may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days; and (ii) will also be available for inspection on the website of our Company at <https://www.elinindia.com/investors/>, from date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

- a) Offer Agreement dated November 17, 2021 amongst our Company, the Selling Shareholders and the BRLMs.
- b) Registrar Agreement dated November 17, 2021 amongst our Company, the Selling Shareholders and the Registrar to the Offer.
- c) Cash Escrow and Sponsor Bank Agreement dated December 9, 2022 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).
- d) Share Escrow Agreement dated March 9, 2022 amongst the Selling Shareholders our Company and the Share Escrow Agent.
- e) Syndicate Agreement dated December 12, 2022 amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.
- f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.
- g) Monitoring Agency Agreement dated November 2, 2022 entered into between our Company and the Monitoring Agency.

B. Material Documents

- a) Certified copies of updated MoA and AoA of our Company, updated from time to time.
- b) Certificate of incorporation dated March 26, 1982 issued to our Company, under the name Elin Electronics Private Limited by the RoC.
- c) Fresh certificate of incorporation dated November 22, 1987 issued by the RoC, consequent upon change of name from 'Elin Electronics Private Limited' to 'Elin Electronics Limited', pursuant to conversion of our Company from a private limited company to a public limited company.
- d) Scheme of Amalgamation of Asian Magnetic Devices Private Limited and Rosebud Holding Private Limited with our Company under sections 230 to 232 and other relevant provisions of the Companies Act, 2013.
- e) Resolutions of the Board of Directors dated September 6, 2021, authorising the Offer and other related matters.
- f) Resolutions of Board of Directors dated November 9, 2021, November 18, 2022 and December 7, 2022, taking on record the approval for the Offer for Sale by the Selling Shareholders.
- g) Shareholders' resolution dated September 30, 2021, in relation to the Fresh Issue and other related matters.

- h) Resolution of the Board of Directors dated November 17, 2021, approving the DRHP.
- i) Resolution of the Board of Directors dated December 12, 2022, approving this Red Herring Prospectus for filing with the RoC and subsequently with SEBI and Stock Exchanges.
- j) Copies of the annual reports of our Company for the Financial Years 2022, 2021 and 2020.
- k) Written consent dated November 18, 2022 from Oswal Sunil & Company, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) their examination report dated November 12, 2022 on our Restated Consolidated Financial Statements; and (ii) their report dated November 18, 2022 on the Statement of Special Tax Benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.
- l) The statement of special tax benefits dated November 18, 2022 issued by the Statutory Auditors.
- m) Consent of the Selling Shareholders, the Directors, the BRLMs, the Syndicate Members, legal counsels, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, lenders of the Company, Promoters, Key Managerial Personnel, Company Secretary and Compliance Officer, Chief Financial Officer, Frost & Sullivan as referred to in their specific capacities.
- n) Report titled “*Assessment of Electronics Manufacturing Services (EMS) Industry in India*” dated November 2022 by F&S.
- o) Due Diligence Certificate dated November 17, 2021 addressed to SEBI from the BRLMs.
- p) In principle listing approvals dated December 14, 2021 and December 28, 2021 issued by BSE and NSE respectively
- q) Tripartite agreement dated November 17, 2021 amongst our Company, NSDL and the Registrar to the Offer
- r) Tripartite agreement dated November 16, 2021 amongst our Company, CDSL and the Registrar to the Offer
- s) Consent from Er. B.P. Singh, Independent Chartered Engineer dated November 18, 2022 in relation to (i) the details of our aggregate installed capacity and capacity utilisation; (ii) details of our R&D infrastructure; (iii) details of land area of our manufacturing facilities; (iv) details of power source and back-up at our Company’s manufacturing facilities; (v) production capacity for medical diagnostics cartridges; (vi) details of SMT lines and capacity CPH, to include its name as required under section 26(1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this RHP, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in his capacity as an independent chartered engineer with respect to the certificates issued by him.
- t) Certificate from Statutory Auditors in relation to utilisation of loans dated November 18, 2022.
- u) Certificate from Statutory Auditors in relation to key performance indicators dated December 7, 2022.
- v) SEBI final observation letter dated February 23, 2022 bearing reference number SEBI/HO/CFD/DIL2/P/OW/2022/07243/1.

For details of quotations obtained in connection with one of the objects of the Offer (namely, funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa), see “*Objects of the Offer - Details of the Objects of the Fresh Issue*” on page 100. Such quotations will be made available to the Investors upon request until the Bid/ Offer Closing Date in the Offer.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Mangi Lall Sethia
Chairman and Wholetime Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kamal Sethia
Managing Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sanjeev Sethia
Wholetime Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sumit Sethia
Wholetime Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Kamal Singh Baid
Independent Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shilpa Baid
Independent Director

Place: New Delhi
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Shanti Lal Sarnot
Independent Director

Place: New Delhi

Date: December, 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, SCRA, SCRR , and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Ashis Chandra Guha
Independent Director

Place: Kolkata
Date: December 12, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the rules, regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Raj Karan Chhajer
Chief Financial Officer

Place: New Delhi
Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Kamal Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Kamal Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Kishore Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Kishore Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Gaurav Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Gaurav Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Sumit Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Sumit Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Suman Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Suman Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Vasudha Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Vasudha Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I, Vinay Kumar Sethia, hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus about or in relation to myself, as the Promoter Selling Shareholder and my portion of the Offered Shares, are true and correct. I assume no responsibility as a Promoter Selling Shareholder, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

Name: Vinay Kumar Sethia

Place: New Delhi

Date: December 12, 2022

DECLARATION BY THE OTHER SELLING SHAREHOLDERS

The Other Selling Shareholders hereby confirm and certify that all statements, disclosures and undertakings made or confirmed by them in this Red Herring Prospectus about or in relation to themselves, as the Other Selling Shareholders and their portion of the Offered Shares, are true and correct. They assume no responsibility as an Other Selling Shareholders, for any other statements, disclosures, and undertakings, including, any of the statements made or confirmed by or relating to the Company or any other Selling Shareholders or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF THE OTHER SELLING SHAREHOLDERS, ACTING THROUGH KAMAL SETHIA AND VINAY KUMAR SETHIA, DULY APPOINTED POWER-OF-ATTORNEY HOLDER

Name: **Kamal Sethia**
Place: New Delhi
Date: December 12, 2022

Name: **Vinay Kumar Sethia**
Place: New Delhi
Date: December 12, 2022