



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 of the red herring prospectus of the Company dated December 12, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered Office: 143, Cotton Street, Kolkata – 700 007, West Bengal, India; Tel: 033 48046584
Corporate Office: 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110002, India; Tel: +91 011 43000400; Contact Person: Lata Rani Pawa, Company Secretary and Compliance Officer; Tel: + 011 43000400
E-mail: cs@elinindia.com; Website: www.elinindia.com; Corporate Identity Number: U29304WB1982PLC034725

OUR PROMOTERS: MANGI LALL SETHIA, KAMAL SETHIA, KISHORE SETHIA, GAURAV SETHIA, SANJEEV SETHIA, 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 BY THE SELLING SHAREHOLDERS (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER").

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

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

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

PRICE BAND: ₹ 234 TO ₹ 247 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH

THE FLOOR PRICE IS 46.80 TIMES AND THE CAP PRICE IS 49.40 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY

BIDS CAN BE MADE FOR A MINIMUM OF 60 EQUITY SHARES AND IN MULTIPLES OF 60 EQUITY SHARES THEREAFTER

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

Risks to Investors:

- Our top 5 customers accounted, cumulatively, for 69.03%, 62.93%, 63.20% and 65.43% of our revenue from operations in Fiscals 2020, 2021 and 2022 and the six-month period ended September 30, 2022, respectively. Further, our top 10 customers accounted, cumulatively, for 80.81%, 77.90%, 77.14% and 81.04% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.
- Our past profitability ratios have been low. There is no guarantee that the profitability ratios will improve in future and our company will be able to generate higher returns.
- The Offer Price, Enterprise Value to EBITDA, Enterprise Value to Net Sales and Price Earning ratio on the Offer Price of our Company may not be indicative of the market price of the Equity Shares on listing or thereafter.

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%####

Notes:

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

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

(₹ in million)

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

Net cash used in operating activities for Fiscal 2021 was ₹ 336.43 million 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 on account of COVID-19 restrictions.

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

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

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

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

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

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

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

* Issues handled where there were no common BRLMs.

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING DATE: MONDAY, DECEMBER 19, 2022

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

BID/OFFER CLOSING 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.

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

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BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book 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 of the RHP.

Quantitative Factors

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

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

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	24.40	25.76
Based on Diluted EPS for Financial Year 2022	24.40	25.76

* 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	13.69	14.39

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	1.00	1.05

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 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.

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%
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 the RHP (including as set forth above), have been approved by the Audit Committee pursuant to its resolution dated November 30, 2022. Further, the Audit Committee has on November 30, 2022 taken on record that other than the key performance indicators set forth above, our Company has not disclosed any other such key performance indicators during the last three years preceding the date of this Red Herring Prospectus to its investors.

For further details of our key performance indicators, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 179 and 300, respectively.

Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

9. Comparison with Listed Industry Peers

Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Face Value (₹ 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:

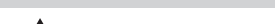
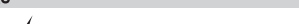
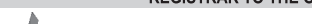
- EPS: Basic & Diluted EPS refers to the EPS sourced from the financial results of the respective company for the year ended March 31, 2022
- P/E Ratio: P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 11, 2022 divided by the Basic EPS provided under Note 1.
- 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.
- 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
- Listed peers are as identified by the management and relied upon by us.

All the financial information for Elin Electronics Limited mentioned above is on a consolidated basis from the Restated Consolidated Financial Statements for the year ended March 31, 2022 and the six months period ended September 30, 2022.

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

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

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BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 Axis Capital Limited 1 st 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 7 th Floor, Cnergy, 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@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M Murali Krishna SEBI registration number: INR000000221	Lata Rani Pawa C/o Elin Electronics Limited 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110 002 Telephone: 011 43000400; E-mail: cs@elinindia.com Website: www.elinindia.com Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

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

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	

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

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.

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