

DECEMBER 19, 2022

IPO Note

ELIN ELECTRONICS LIMITED (ELIN)**NOT RATED**

(Note: All the information in this note is taken from RHP)

(For private circulation only)

Offer Details

The offer comprises the Offer for Sale (OFS) and the fresh issue, aggregating up to Rs475 cr. The offer consists of fresh issue of up to Rs175 cr and offer for sale (OFS) of up to Rs300 cr by the selling shareholders. The price band is in the range of Rs.234-247/share.

Details of the offer

Particulars	Details
Price band (Rs/share)	234-247
Opening date of the Issue [^]	20th Dec, 2022
Closing date of the issue	22nd Dec, 2022
No. of shares pre-issue (nos. lakhs)	426
Fresh Issue (nos. lakhs)*	71
Offer for sale (nos. lakhs)*	121
No. of shares post-issue (nos. Lakhs)*	497
Fresh Issue size (Rs Cr)*	175
Offer for sale size (Rs Cr)*	300
Issue size (Rs Cr)*	475
Face Value (Rs/ share)	5
Bid Lot	60 Equity share & in multiple of 60 equity share thereafter
Book Building	
QIBs (Including Anchor)	50%
Non-Institutional	15%
Retail	35%
Book Running Lead managers (BRLM)	Axis Capital Limited/ JM Financial Limited
Registrar to the issue	KFin Technologies Limited

Source: Company's RHP, * Based on upper price band; [^]The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date

Objects of the offer

The 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 the company (~Rs88cr); 2. funding capital expenditure towards upgrading and expanding their existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa (~Rs37.589 cr); and 3. general corporate purposes. The 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. The company expects to receive the benefits of listing of the equity shares on the stock exchanges and enhancement of the company's visibility and brand image and creation of a public market for their equity shares in India.

Shareholding Pattern (%)

	Pre-Issue	Post-Issue [^]
Promoter and Promoter Group	54.0	32.9
Public and Others	46.0	67.1
Total (%)	100.0	100.0

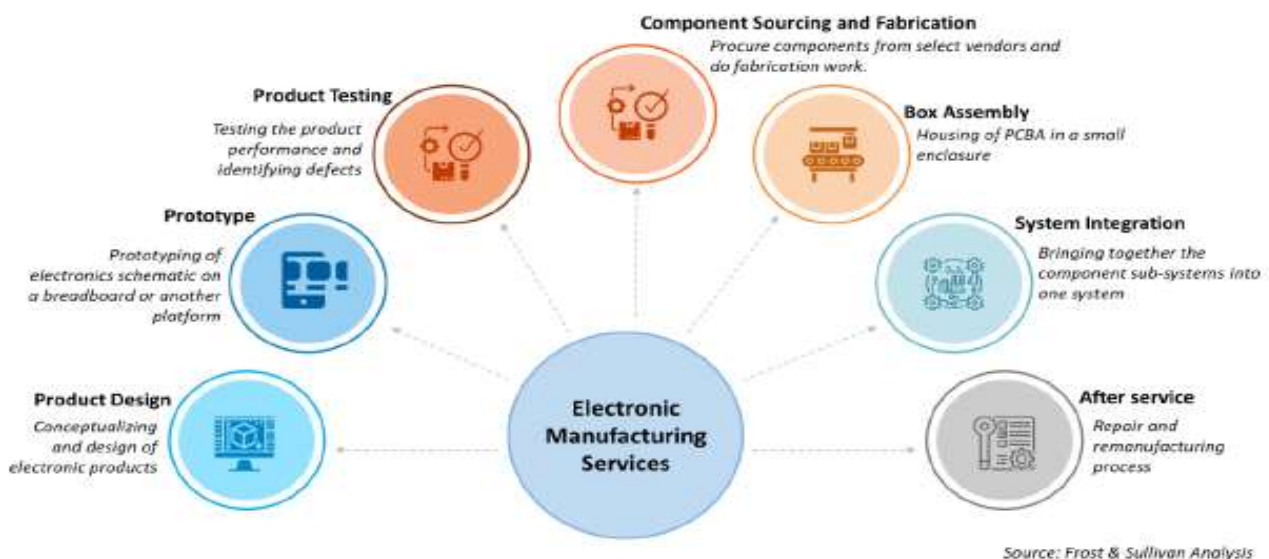
Source: Company's RHP, [^]Based on upper price band

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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 (Electronics Manufacturing Services) 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. 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



Source: Company's RHP

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.

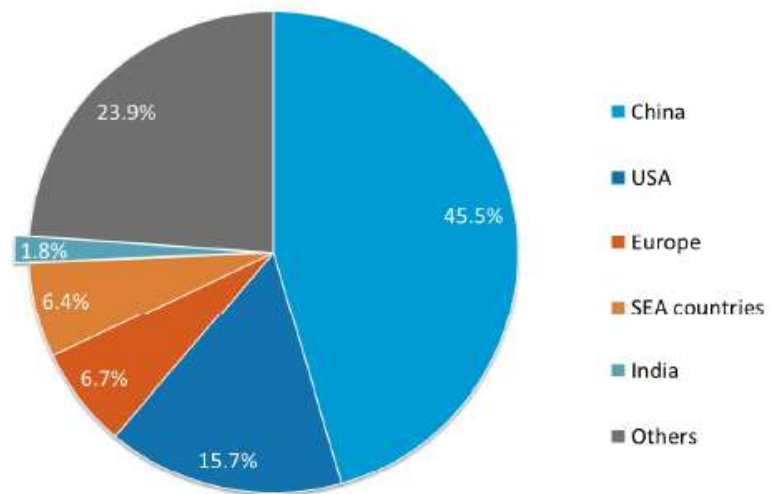
- **Sheet Metal and Plastic Components** - Many EMS companies also manufacture sheet metal and plastic components using facilities such as stamping, injection moulding etc. The process involves various techniques from the initial design stage to the assembly and preparation of the final product.

Definition of OEM and ODM in EMS industry



Source: Company's RHP

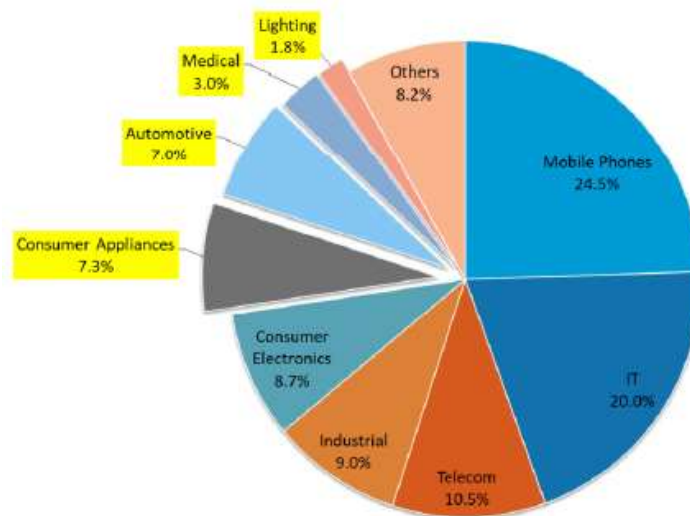
EMS Market break-up by select countries, Global, CY2020



Source: Frost & Sullivan Analysis

Source: Company's RHP

EMS Market break-up by Industry Applications, Global, CY2020



* Segments highlighted in yellow are the key business segments for Elin

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

Source: Frost & Sullivan Analysis

Source: Company's RHP

Consumption of Electronics Products in India (Focus on the Segments where Elin Electronics operates)

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.

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.

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.

Business Overview

ELIN is 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 is one of the largest fractional horsepower motors manufacturers in India. Based on the company’s overall market, the company is projected to be the largest players in this category, with a market share of 12% in Fiscal 2021. (Source: F&S Report) In addition, the company is one of the key players in LED lighting and flashlight with EMS market share of approximately 7% in Fiscal 2021, and is also one of the key players in small appliances vertical with EMS market share of 10.7% in Fiscal 2021. (Source: F&S Report) ELIN manufactures and assembles a wide array of products and provide end-to-end product solutions. The company serves under both original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) business models.

ELIN’s 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 the EMS offerings, the company also manufactures 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. The company manufactures and sells fractional horsepower motors in its own brand name “Elin”. ELIN has three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa).

ELIN’s key customers by business verticals include:

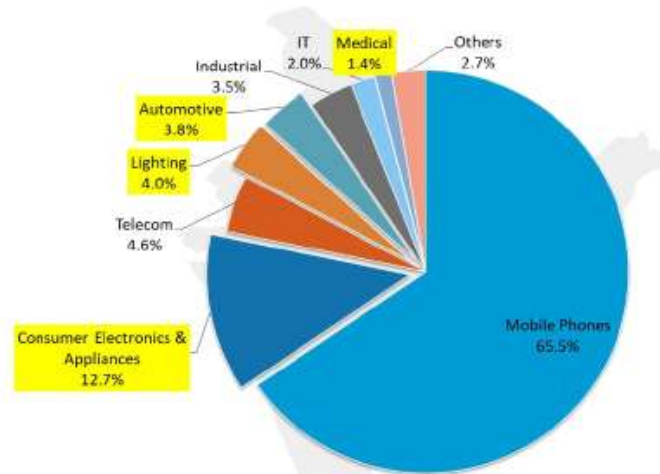
- LED lighting, fans and switches: Signify Innovations and Eveready;
- Small appliances: Philips, Bosch, Faber, Panasonic and Usha;
- Fractional horsepower motors: Havells, Bosch, Faber, Panasonic, Preethi (owned by Philips), Groupe SEB (Maharaja brand) and Usha;
- Medical diagnostic cartridges: Molbio Diagnostics Private Limited; and
- Moulded and sheet metal parts and components: Denso and IFB.

ELIN’s key product vertical wise revenue

Particulars Rs cr	Period/ fiscal ended			
	31-Mar-20	31-Mar-21	31-Mar-22	30-Sep-22
EMS	636	663	856	469
- LED lighting, fans and switches	293	256	333	189
- Small appliances	194	193	255	149
- Fractional horsepower motors	119	184	237	114
- Other EMS products	30	30	31	18
Medical diagnostic cartridges	4	42	17	8
Moulded and sheet metal parts and components	110	123	164	105

Source: Company’s RHP

EMS Market break-up by Industry Applications, India, by Value in %, FY20



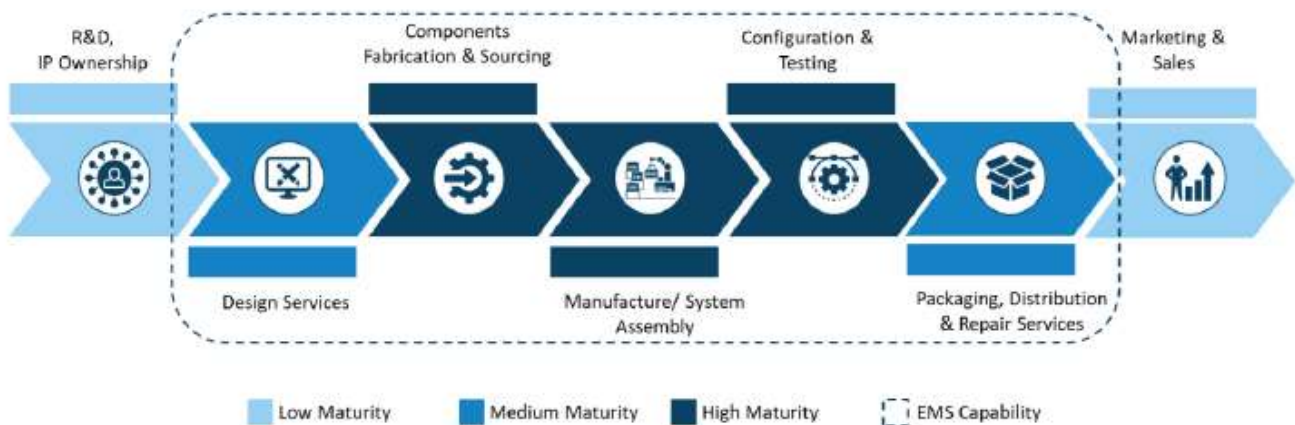
* Segments highlighted in yellow are the key business segments for Elin

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

Source: Frost & Sullivan Analysis

Source: Company's RHP

Value Chain of Elin Electronics's Electronic Manufacturing Services, India, FY21



Source: Frost & Sullivan

Source: Company's RHP

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.

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.

Comparison of ELIN'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

Source: Company's RHP

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'

Key Challenges for EMS industry

- Enhancing Local Value Add
- Supply Chain Realignment
- Component Manufacturing / Lead Time

Key Managerial Personnel

Name	Designation	Background
Mangi Lall Sethia	Chairman & Wholetime Director	He is also a Promoter of this 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	Managing Director	He is also a Promoter of this Company and has been a part of the 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	Wholetime Director	He is also a Promoter of this Company and has been a part of the 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	Wholetime Director	He is also a Promoter of this Company and has been a part of the 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.
Kishore Sethia	Director (Operations)	He has been associated with this 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.
Raj Karan Chhajer	Chief Financial Officer	He has been a part of this 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.
Lata Rani Pawa	Company Secretary and Compliance Officer	She has been associated with this 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.

Source: Company's RHP

Strengths

Established market position in key verticals including leadership in fractional horsepower motors

With its robust R&D set up, the company designs, manufactures and sells 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 company's fractional horsepower motors are spread across multiple industries including small kitchen appliances, electric fans and air conditioners. ELIN has substantial backward integration in manufacturing of fractional horsepower motors. Further, in June 2022, the 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 Rs 10 cr. The demand for motor-driven appliances including small and kitchen appliances is on the rise. The company believes that its market penetration together with expansion plans for their manufacturing facilities as well as backward integration into manufacturing, enable them to be well-positioned to capture the growing demand.

Diversified products resulting in a de-risked business model

ELIN has a diverse product, product vertical and customer base. Further, the company cater to their customers across multiple product verticals. For example, Philips, Bosch and Panasonic are company's customers in both fractional horsepower motors and small appliances verticals. The company's diverse product portfolio enables them to balance out any impact or risk incurred with respect to any single product, product vertical or customer. ELIN is also able to develop designs which are customised to customer specific requirements through its ODM capabilities.

Entrenched relationships with a marquee customer base

ELIN has established and will continue to focus on strengthening their longstanding relationships with well-known domestic and multi-national customers across its product verticals. Out of the company's top 20 customers as at September 30, 2022, it has been serving 11 customers for over 10 years, and has been serving 16 customers for over 5 years. The company believes that their high customer retention capabilities are due to its one-stop-shop facilities and consistently maintaining high standards of manufacturing quality of products in a timely manner. ELIN's relationships with them have enabled them to continuously develop, diversify and improve its product portfolio, plan its production in anticipation of demand from retail customers and ensure continuous focus on quality and timely delivery of orders. The company believes, their strong relationships with well-established customers has not only been instrumental in its success to date, but also will be a strong driver of their future growth and help expand its market share, develop new products and enter newer markets.

High degree of backward integration resulting in higher efficiencies, enhanced quality of products and customer retention capability

ELIN believes that their dedication to manufacturing and their infrastructure ensure customer satisfaction, foster customer loyalty and generate repeat business.

The company's capabilities which enable them to provide end-to-end solutions are –

- In-house manufacturing of components and sub-assemblies
- State-of-art manufacturing facilities
- PCB assembly

The company also has captive manufacturing of fractional horsepower motors and other products. Backward integration provides ELIN, the benefit of greater control on the manufacturing process, quality and the corresponding benefits of cost efficiencies thereby improving its margins.

Strategies

Enhance customer base and relationships through cross-selling and product development

The company caters to their customers across multiple product verticals. The company intends to increase cross-selling of their product to increase customer base in various product verticals and expand into new or adjacent product verticals with its existing customers. ELIN will continue to leverage its existing customer relationships to expand into new product categories.

Expand ODM share of the business

ELIN believes that customers are increasingly looking for ODM capabilities in their manufacturing partners. The company's revenue from ODM contributed to 11.30%, 11.26%, 8.13% and 8.21% of its revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. The company has developed ODM capabilities with respect to lighting products and small appliances. ELIN is also able to retain marquee customers through its ODM capabilities. The company intends to capitalise on their existing OEM experience and increase its customer base and product portfolio through ODM projects with strong R&D setup and capabilities.

Augmenting its R&D capabilities

Leveraging on the experience and knowledge derived from manufacturing operations, the 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. ELIN's R&D centre is enabled for product design with 3-dimensional software, 2-dimensional designing software and PCB designing. Through their focus on R&D and developing products with its customers, the company will be able to continually innovate and refresh its products in line with the demands of their customers as well as end-user preferences for better comfort, quality, performance and aesthetics in their products. By developing products with its customers and by offering a broad range of products across segments, t able to increase customer dependence on them and position themselves as a preferred supplier to its customers across segments.

Expanding operations in medical diagnostics cartridges and manufacturing facilities

ELIN commenced manufacturing medical diagnostic cartridges in the year 2019 in their facility in Goa. This product vertical contributed 1.53% of their revenue from operations in Fiscal 2022. The company intends to expand their customer and product base in relation to medical diagnostics equipment market. ELIN has planned capital expenditure for construction of building and purchase of machinery which will assist in expansion of medical diagnostics cartridges assembly line. The company currently proposes to double their 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. ELIN believes that this expansion will enable them to generate higher revenue.

ELIN has 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. The company may in the future undertake business activities at the land in Bhiwadi (Rajasthan).

Risk Factors

The company is highly dependent on certain key customers for a substantial portion of their revenues. Loss of relationship with any of these customers may have a material adverse effect on ELIN's profitability and results of operations.

If companies with products that ELIN currently manufacture or may manufacture in the future do not continue to outsource manufacturing to electronics manufacturing companies in India, ELIN's sales could be adversely affected.

Financials

Restated Consolidated Statement of Assets and Liabilities

Y/E March (Rs. In Crores)	FY20	FY21	FY22	H1FY23
Assets				
Non-current assets				
Property, plant and equipment	154	161	188	201
Capital work-in-progress	0.0	0.1	0.0	1.8
Right of use assets	0.1	0.1	0.1	0.1
Intangible assets (other than Goodwill)	0.1	0.7	0.4	0.7
Financial assets				
<i>Investments</i>	0.1	0.1	0.1	0.1
<i>Other Financial Assets</i>	1.8	2.5	1.9	2.0
Other non-current assets	15	19	21	21
Total Non-current assets	172	183	211	227
Current Assets				
Inventories	80	115	120	126
Financial assets				
<i>Investments</i>	25	14	1	1
<i>Trade receivables</i>	91	183	177	213
<i>Cash and cash equivalents</i>	9.1	4.7	4.0	0.3
<i>Bank balances other than above</i>	1.2	0.7	0.9	1.2
<i>Loans</i>	-	-	-	-
<i>Other Financial assets</i>	1.0	1.0	1.0	1.0
Current tax assets (net)	0.6	0.6	0.7	0.8
Other current assets	8	7	17	18
Total Current Assets	216	326	322	363
Total Assets	388	508	533	589
Equity and Liabilities				
Equity				
Equity share capital	7	7	20	20
Other equity	221	255	283	300
Total equity	228	262	303	320
Liabilities				
Non-current liabilities				
Financial liabilities				
<i>Borrowings</i>	40	37	34	50
<i>Lease liabilities</i>	0.2	0.2	0.2	0.2
Provisions	0.5	0.9	0.9	0.8
Deferred tax liabilities (Net)	6	8	9	10
Total Non-current liabilities	46	46	44	61
Current liabilities				
Financial Liabilities				
<i>Borrowings</i>	30	77	68	53
<i>Lease liabilities</i>	0.0	0.0	0.0	0.0
<i>Trade payables</i>	68	105	99	131
<i>Other financial liabilities</i>	9	10	9	11
Current tax liabilities (net)	0.6	4.1	2.3	4.2
Other current liabilities	4.8	4.1	5.1	8.8
Provisions	0.8	0.8	0.9	0.8
Total Current liabilities	113	200	185	208
Total Equity and Liabilities	388	508	533	589

Source: Company's RHP

Restated Consolidated Statement of Profit and Loss

Y/E March (Rs. In Crores)	FY20	FY21	FY22	H1FY23
Income				
Revenue from operations	786	862	1,094	604
Other income	1	3	1	0
Total income	786	865	1,095	605
Expenses				
Cost of Material Consumed	543	617	792	448
Purchases of stock-in trade	17	12	28	5
Change in inventories of finished goods, WIP, stock-in trade	(6)	(4)	(5)	(2)
Employee benefits expense	106	108	125	67
Finance costs	12	10	13	7
Depreciation Impairment & amortization expenses	9	12	14	8
Other expenses	70	63	74	43
Total Expenses	751	817	1,042	577
Profit before tax	35	47	53	28
Tax expense:	8	13	14	7
Current tax	5	11	13	7
Deferred tax	2	2	1	0
Profit for the period/year	27	35	39	21
Total Other comprehensive income/(loss) for the period/year	1	(0)	2	0
Total comprehensive income for the period/year	29	35	41	21
Earnings per share - Basic and diluted (Rs) *	6.7	8.5	9.6	5.1

Source: Company's RHP; * Not Annualised for the period ended Sept 30, 2022

Restated Consolidated Cash flow Statement

Y/E March (Rs. In Crores)	FY20	FY21	FY22	H1FY23
Net cash flow from Operating Activities	77	(34)	51	31
Net cash flow from Investing Activities	(42)	(5)	(28)	(24)
Net cashflow from Financing Activities	(28)	34	(24)	(11)
Net (decrease) / increase in cash and cash equivalents	6	(4)	(1)	(4)
Cash and Cash equivalents at beginning of the period / year	3	9	5	4
Cash and Cash equivalents at end of the period / year	9	5	4	0
Change in Cash and Cash equivalents	6	(4)	(1)	(4)

Source: Company's RHP

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

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