

ELIN ELECTRONICS LIMITED

Regd. & Corp. Office : 4771, BHARAT RAM ROAD, 23 DARYA GANJ, NEW DELHI-110 002
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Transcript - 42nd AGM of Elin Electronics Limited held on Monday, 30th September, 2024 at 10:30 AM (IST)

Dear Shareholders, Good Morning!

I, Lata Rani Pawa, Company Secretary of ELIN ELECTRONICS LIMITED welcome all of you to the 42nd Annual General Meeting which is being held through video conferencing in compliance with circulars issued by the Ministry of Corporate Affairs and the SEBI. The deemed venue for this Meeting is the Registered Office of the Company at 4771, Bharat Ram Road, 23 Daryaganj, New Delhi-110002.

I hope all of you are safe and in good health.

For the benefit of Members, I will now introduce our Directors and other Company officials attending this meeting through video conferencing:

Mr. Mangilall Sethia, Executive Director and Chairman of the Company attending the meeting from Registered Office , New Delhi.

Mr. Kamal Sethia, Managing Director attending the meeting from Registered Office , New Delhi. He is the Chairman of CSR Committee, Risk Management Committee, member of Audit Committee and Stakeholders Relationship Committee.

Mr. Kamal Singh Baid, Independent Director attending the meeting from New Delhi. He is the Chairman of Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, member of CSR and Risk Management Committee.

Dr. Shantilal Sarnot, Independent Director attending the meeting from New Delhi. He is the member of Audit Committee & Nomination and Remuneration Committee.

Mr. Ashis Chandra Guha, Independent Director, attending the meeting from Bangalore.



Factories:-

C-142-143-144-144/1-144/2 Industrial Area, Site No.1, Bulandshahar Road, Ghaziabad - 201009 (U.P)
L-84, Verna Industrial Area, Electronic City, Verna, Goa - 403722.
Village: Beli Khol, Post: Manpura - 174101, Teh: Nalagarh, District: Solan (Himachal Pradesh)
CIN : L29304DL1982PLC428372 GSTIN: 09AAACE6449G1ZJ

Mr. Sanjeev Sethia, Executive Director attending the meeting from Ghaziabad Plant. He is the member of CSR Committee and Risk Management Committee.

Ms. Shilpa Baid, Independent Director attending the meeting from New Delhi. She is the member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.

Mr. Sumit Sethia, Executive Director, attending the meeting from Goa Plant.

Mr. Raj Karan Chhajer, Chief Financial Officer, attending the meeting from Registered Office , New Delhi.

Mr. Praveen Tandon, Chief Executive Officer, attending the meeting from Ghaziabad Plant.

Mr. Akash Sethia, Business Strategy & Investor Relations Head, attending the meeting from New Delhi.

Myself, Lata Rani Pawa, Company Secretary and Compliance Officer, attending the meeting from Registered Office , New Delhi.

Mr. Tushar, Representing, M/s. S.R. Batliboi & Co. LLP, Statutory Auditor, Mr. Nishant Bhansali Partner, M/s. Oswal Sunil & Company, Internal Auditors, Mr. Akshat Garg representing M/s Akshat Garg & Associates, Secretarial Auditor and Mr. Pramod Prasad Agarwal representing P.P. Agarwal & Co., Scrutinizer have also joined from their respective locations.

The AGM Notice, the Standalone and Consolidated Financial Accounts for the financial year ended 2023-24, together with the Board's Report and Auditors' Report has been sent electronically, to all the Members who's email-id are registered with the Company/RTA or the Depositories as on the cut-off date.

I will take you through certain important points regarding the participation and voting at this Annual General Meeting.

- Since there is no physical presence of the members, the facility of appointment of proxy is not applicable.
- The members may note that this facility is being made available on first come and first served basis.
- The members who are joining this meeting will be placed on mute mode by the moderator to ensure smooth and seamless conduct of the meeting.
- Members who have not voted through remote e-voting can cast their votes through e-voting facility during the Annual General Meeting.
- Members desiring to seek information/clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by CDSL. These queries will be replied by the Company suitably by email.
- Members may note that the register of Directors and KMP and their shareholding and the Register of contract or arrangement in which Directors are interested shall be available for inspection during the AGM at the website of the Company.

Members may note that pursuant to provisions of Articles of Association of the Company, the Chairperson of the Board shall preside as Chairperson at every general meeting of the Company. Members may further note that Mr. Mangilall Sethia, Chairman, of the Board due to his health reasons is unwilling to act as Chairman of this AGM. The Directors present has elected Mr. Kamal Sethia, Managing Director to chair the proceedings of this Annual General Meeting.

The requisite quorum for this meeting is present as confirmed by the Moderator.

Now I request Mr. Kamal Sethia to chair the meeting and apprise the shareholders about the business performance of the Company.

Mr. Kamal Sethia, Chairman

Thank you Lata

Dear Shareholders.

Good Morning,

It gives me immense pleasure to greet you all at 42nd Annual General Meeting of ELIN ELECTRONICS LIMITED. Since valid quorum is present, I now call the meeting to order with a warm welcome to all Members, my fellow Directors, the Auditors and the Company Officials present today at this AGM.

The Annual Report for FY 23-24 has been e-mailed to all shareholders whose e-mail ids were registered with the Company. Shareholders whose e-mail ids were not available with the Company can access the Annual Report on websites of the Company and the Stock Exchanges.

Please note that this time physical copies of Annual Reports have not been sent as permitted by the Ministry of Corporate Affairs. However, if you wish to receive printed copy of the Annual Report, please make a request to the Company Secretary in this regard.

Notice of AGM, Report of Board of Directors and the Financial Statements for the financial year 2023-24 are taken as read as the same has already been sent to the members. The Independent Auditors' Report on Standalone and Consolidated Financial Statements and the Secretarial Audit Report which are circulated as part of Annual Report, do not contain any qualification. With your kind permission, I also take these Reports as read.

The Board of Directors have engaged the services of Central Depository Services (India) Limited (CDSL) as agency to provide e-voting facility on all the resolutions set forth in the notice of AGM. The remote e-voting period commenced on Friday, September 27, 2024 at 9:00 A.M and ended on Sunday, September 29, 2024 at 5:00 P.M.

Dear Valued Shareholders,

It is with great pride and enthusiasm that I present to you the Annual Report for 2023-24. This past year was a challenging period for the Company as we saw subdued demand due to weak macro/consumption resulting in decline in revenue. Nevertheless, we remain optimistic in our journey as we prepare to navigate a dynamic and ever-evolving market landscape with strategic foresight and unflinching commitment. Fuelled by our focus on constant innovation, perseverance, operational excellence, and customer satisfaction, we achieved major milestones

across our core business domains. Additionally, our robust product pipeline, new product launches and new customers added fortified our position, setting a solid foundation for sustained growth and value creation in the years to come.

Reflecting on the transformative journey of Elin Electronics, it is evident that we are on a path to scale greater heights and excel across all facets of our business. Through our relentless drive to expand capacities, diversify our product portfolio, accomplish operational excellence, build a high-performance team, and optimise capital allocation, we remain dedicated to building on this momentum. Driven by our constant thrust on innovation, we continue to evolve stronger, staying committed to delivering exceptional value to our customers, employees, and shareholders.

Industry Review -

In India, the EMS industry is poised for unprecedented growth, expected to achieve a staggering CAGR of 32% over the next five years, significantly outpacing the growth rate of the global EMS market and reaching USD 80 Billion by 2026. This upward growth trajectory is fuelled by an amalgamation of strategic shifts and market trends: Original Equipment Manufacturers (OEMs) are increasingly outsourcing, the China plus one strategy is gaining traction, and India's domestic electronics ecosystem is steadily flourishing. Moreover, segments like the mobile, consumer electronics, and appliances are projected to surge rapidly with a CAGR of 31.5% over the next five years, unlocking significant opportunities for both strategic and financial investors. Additionally, the EMS industry continues to be stimulated by the growing demand for consumer electronics, the rising adoption of smart devices, and the burgeoning telecom sector. Moreover, pivotal Government initiatives, including the 'Make in India' campaign and the Production Linked Incentive (PLI) scheme further catalysed the industry's growth. Offering the dual benefits of financial incentives and a conducive environment for manufacturing, these initiatives go a long way in strengthening the domestic EMS industry. Additionally, the global pivot away from reliance on single-source manufacturing, particularly from China, positioned India as a viable alternative. With its skilled workforce,

competitive labour costs, and enhanced infrastructure, India has emerged as a favourable destination for EMS providers.

As the global landscape evolves, India's EMS industry is riding a wave of outstanding growth, supported by the proliferation of Internet of Things (IoT) devices, advancements in automotive electronics, and the rapid rollout of 5G technology. Companies are investing heavily in research and development to spearhead innovation and adapt to rapid technological progress. Furthermore, buoyed by the strategic partnerships with multinational corporations and leveraging sound backward integration capabilities, Indian EMS companies are on a strong footing to elevate their value propositions, enhance operational efficiencies, and maintain excellence in quality and service. This compelling growth trajectory is set to firmly establish India as a formidable contender in the global EMS market, shaping the industry's future with strong presence.

Financial Highlights

At Elin Electronics, our EBITDA for the year under review stood at ₹ 496 Million, down from ₹ 674 Million in 2022-23. This decline in EBITDA reflects the impact of negative operating leverage, driven by a marginal fall in revenue and rising costs. Moreover, our full year PAT stood at ₹ 139 Million compared to ₹ 268 Million in 2022-23.

We revised our depreciation on plant and machinery from a single shift to a double shift rate, leading to an impact of ₹ 18.7 Million. Moreover, we reassessed the useful lives of moulds from 15 years to 10 years, resulting in an impact of ₹ 8.3 Million. Cumulatively, the total one-time impact for 2023-24 stood at ₹ 27 Million. Despite these adjustments, our liquidity position remains robust, with net cash and equivalents totalling to ₹ 823 Million as of March 2024. Our working capital cycle as of March 2024 was recorded at 68 days, slightly extended as compared to 66 days in the previous fiscal.

People - The Driving Force of our Success

At Elin Electronics, we recognise that our employees are the crucial driving force behind our sustained success. Enhancing their competitive edge and keeping them at the leading edge of industry's evolving necessities are central to our ethos; and to achieve these objectives, we

embrace a strategic and holistic approach to learning and development. Throughout the past year, we implemented a series of innovative programmes focused on skill, enhancement, employee engagement, diversity and inclusion.

Through our meticulously designed talent development initiatives, we effectively identify and cultivate highpotential employees, preparing them for future leadership roles within the organisation. Furthermore, our innovative role change programme plays a crucial part in optimising workforce allocation and subsequently augmenting overall productivity. Additionally, leveraging our rigorous assessment development programme, we nurture internal talent and guide their progression to the next level. Deploying this focused approach, we continue to foster a culture of holistic growth and advancement, while ensuring that our team is continuously challenged and motivated to excel.

Despite the challenges posed by the current macroeconomic environment for consumer durables and FMEG, we acknowledge the need for addressing company-specific issues. To drive this internal transformation, we decided to inculcate more professionalism within our Company by bringing onboard best-in-class talent. In April 2024, we proudly inducted Mr. Praveen Tandon as our CEO, an esteemed professional with a sound experience of 30 years. His domain of work encompasses a diverse set of expertise in procurement, operations, and business development across leading companies, including Dixon Technologies, IFB, LG Electronics, and Honda. Moreover, Additionally, we are poised to enhance our team by onboarding skilled professionals for key roles in the coming months. While this initiative will involve an immediate impact on costs, we firmly believe that building a strong professional team is foundational for our future growth and success.

Closing Remarks

In alignment with our government's commitment to environmental sustainability, we are excited to announce our partnership for solar energy. Starting in the second quarter of FY 2024-25, we will begin receiving solar energy. This transition not only underscores our dedication to green energy but also provides us with significant financial benefits.

Our vision is to forge a powerhouse organisation by attracting top-tier talent, boosting operational efficiencies, and enhancing employee productivity. We are dedicated to optimising costs and maximising capacity utilisation, with a sharp focus on return on capital employed. We strive to diligently manage both CAPEX and working capital to fuel our growth endeavours. Additionally, we envision to build a lean and well-staffed organisation that will strategically position us to seize the growth opportunities ahead.

As we wrap up a transformative year in our journey, I take the opportunity to extend my deepest gratitude to all our stakeholders who supported and believed in Elin Electronics. Your confidence in our vision and commitment in our progress motivate us to challenge our abilities and go all out for sustained success. To our shareholders, customers, employees, and partners, your invaluable contributions are the foundation of our journey towards greater growth. It is through your enduring support that we are able to pursue our mission of uplifting underserved communities and fostering financial inclusion, while converging organisational growth and community development with purposeful interventions.

Thank you for being an integral part of our journey.

I WILL NOW HAND OVER TO OUR CEO, MR. PRAVEEN TANDON.

MR. PRAVEEN TANDON - CEO

Dear Partners,

I am excited to unveil the remarkable strides Elin Electronics made over the past year. In our journey of dynamic growth and strategic diversification, I am proud to highlight the accomplishments we achieved across multiple facets of our business.

To start with, I am pleased to share that as of April 2024, we successfully transitioned out of exclusivity with Signify for a select range of products in the lighting, segment. This shift is a monumental milestone for us, opening up new avenues for expansion and collaboration with a broader customer base. We have already begun engaging with potential customers and submitting samples, and I am optimistic that these initiatives will lead to promising developments in the upcoming quarters.

Our priority is to support this expansion, and to fulfil this objective we are bolstering our product development team to ensure we continue delivering innovative and high-quality products that exceed client expectations. Moving forward, we are optimistic about capitalizing on opportunities in the Baton and Troffer segments, which form a significant part of the non-lamp lighting business.

Looking at our fan business, I am thrilled to announce significant advancements in the table, pedestal, and wall (TPW) fan segment. We secured a fresh mandate from one of the top 5 OEMs to supply TPW fans, with tooling already in progress. We expect to commence revenue generation from this new order in Q3 of 2024-25, with a steady ramp-up thereafter. Moreover, we seek to scale up production level to approximately 40,000 - 50,000 units per month, reaching this capacity within two quarters from Q3 of 2024-25. In addition, we are making breakthroughs on the global stage with our first export order for fans from a company in the USA, with shipments set to begin in Q3 of 2024-25. We are also excited to have secured a modest order for BLDC fans from one of the top 5 OEMs, which we expect to scale up in subsequent quarters. Furthermore, our integrated capabilities in metalwork, plastics, motor manufacturing, and EMS uniquely position us for success in the BLDC ceiling fan segment.

As a strategic imperative, we continue to go ahead with our diversification efforts by venturing into newer products within small appliances as well as the medium appliance category with the upcoming launch of an Oven Toaster Grill and an OFR Radiator Heater. Our beauty & personal care business continues to grow strongly on the back of newer product categories as well as healthy volume growth within existing categories. We have added marquee customers to our small & medium appliances category and remain very optimistic for growth in this category. This well-thought-out expansion is in sync with our vision of widening our product portfolio, as we align our capabilities to cater to evolving market demands.

I am deeply proud of the significant progress we have made and the exciting opportunities that lie ahead. Our commitment to innovation, quality, and customer satisfaction remains resolute. I extend my sincere gratitude to our dedicated team, loyal customers, and supportive shareholders for their trust and encouragement. Together, we will continue to scale new heights and drive sustainable growth, shaping a future of shared success and collective prosperity for Elin Electronics.

Now I request Lata to take up the businesses specified in the Notice.

Ms. Lata Rani Pawa, Company Secretary

Thank you Praveen Sir.

I will now take up the Items as set forth in the Notice of this Annual General Meeting:

ORDINARY BUSINESS	
1	To receive, consider and adopt the - a) Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2024 together with the Reports of the Board of Directors and Auditors thereon; and b) Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2024 together with the Report of Auditors thereon; The resolution is placed before the meeting to be passed as an Ordinary Resolution.
2	To appoint a Director in place of Mr. Mangilall Sethia (DIN: 00081367), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The resolution is placed before the meeting to be passed as an Ordinary Resolution.
3	To appoint a Director in place of Mr. Kamal Sethia (DIN: 00081116), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment. The resolution is placed before the meeting to be passed as an Ordinary Resolution.

SPECIAL BUSINESS	
4	To approve Elin Electronics Employee Stock Option Plan 2024. The resolution is placed before the meeting to be passed as a Special Resolution.
5	To Ratify remuneration of Cost Auditors. The resolution is placed before the meeting to be passed as an Ordinary Resolution.

All the items of Special Business are explained in detail in the Explanatory Statement attached to the Notice of 42nd Annual General Meeting. Members may please note that voting on the above businesses is open and those Members who have not casted their votes, may cast their votes until 15 minutes after the conclusion of this Annual General Meeting.

Mr. Akash Sethia, Business Strategy & Investor Relations Head will facilitate question and answer session.

Mr. Akash Sethia

Thank you, Lata, for the pre received questions. Can you just read the questions and I will just. Just try my best to answer them. Thank you.

Ms. Lata Rani Pawa (CS)

Okay sir, Mr. Bimal Krishna Sarkar, Shareholder of the Company has placed the following question before the date of annual general meeting?

The question is what are the future plans and program to improve company performance.

Mr. Akash Sethia

Thank you, Bimal ji, for your question. Let me just take you through each of the verticals in a short time starting with the lighting segment. We remain very very confident about the prospects going forward based on the fact that we have now been able to transition out of the exclusivity with signify you will see progress in terms of our revenue scaling up over the next several quarters around the lighting segment.

Moving on to the fan segment, we are very very confident about growth coming forward based on the fact that we have added a number of customers in our TPW fan segment as well as a BLDC fan segment. In terms of a small appliance business segment, this growth is going to be driven by new product launches across both our appliances category under the kitchen and home care segment plus the beauty and personal care segment. The motors business is a derivation in some way on the appliances business. As and when appliances grow, the demand for captive motors also increases.

We remain very very optimistic about delivering at least high teen kind of growth in terms of revenue over the next few years. Parallely, we will also maintain laser sharp focus on costs as well as capital efficiency. With these measures, we hope that shareholder value is going to be supreme. Thank you so much.

Ms. Lata Rani Pawa

Thank You Akash Sir.

Now, I request Mr. Kamal Sethia, Chairman to close this meeting with a Vote of Thanks.

Mr. Kamal Sethia,

Dear Members please note that Mr. Pramod Prasad Agarwal from P.P. Agarwal & Co., Company Secretaries has been appointed as Scrutinizer for conducting e-voting process in a fair and transparent manner.

Members may note that the voting on the CDSL platform will continue to be available for the next 15 minutes. Therefore, members who have not cast their vote yet are requested to do so.

The Combined results for remote e-voting and e-voting during this AGM will be placed on the website of the Company within 48 hours from the conclusion of meeting. The results will also be submitted to the Stock Exchanges as per the relevant provisions of the Companies Act and the listing regulations.

With this, all the items of today's AGM have now been transacted. Thank you for attending this meeting. And I once again want to sincerely appreciate and look forward to your continued support and guidance.

With this, I declare that the 42nd Annual General Meeting is closed.

Thank you all very much.