



Certificate on Utilization of Loans

Date: November 18, 2022

To,

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

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
P.B. Marg, Worli
Mumbai 400 025
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India

(Axis Capital Limited and JM Financial Limited referred to as the “**Book Running Lead Managers**”)

Dear Sir/Madam,

Sub: Proposed initial public offering of equity shares of face value of ₹ 5 each (the “Equity Shares”) of Elin Electronics Limited (the “Company” and such offer, the “Offer”)

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

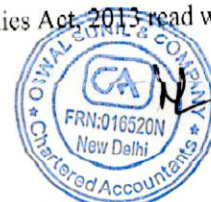
We, **Oswal Sunil & Company, Chartered Accountants**, - statutory auditors of the Company, have been informed that the Company proposes to file the (i) Red Herring Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies, West Bengal at Kolkata (“**Registrar of Companies**” and such Red Herring Prospectus, the “**RHP**”); Prospectus with SEBI, the Stock Exchanges and the Registrar of Companies (the “**Prospectus**”); and any other documents or materials to be issued in relation to the Offer (collectively with the RHP and Prospectus, the “**Offer Documents**”)

We have received a request from the Company to provide a certificate in respect of terms and details of terms loans of the Company outstanding as on October 31, 2022.

The preparation of the accompanying statement of terms and details of terms loans of the Company outstanding as on October 31, 2022 is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the statement, applying an appropriate basis of preparations that is reasonable in the circumstances. The accompanying statement of terms and details of terms loans of the Company outstanding as on October 31 30, 2022, is being prepared by the Company and initialled by us for identification purpose.

We have relied on the following records and documents provided to us by the Company:

- (i) examined the restated consolidated financial information of the Company as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and the six months period ended September 30, 2022, prepared in accordance with Indian Accounting Standards (“**Ind AS**”), Companies Act, 2013 read with the Companies



(Indian Accounting Standards) Rules, 2015, as amended, including the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, each as amended (together the “Companies Act”), the SEBI ICDR Regulations and the Guidance Note on Reports in Company’s Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (the “ICAI”), as amended from time to time, to the extent applicable (“Guidance Note”) (the “Restated Consolidated Financial Information”),

- (ii) Obtain minutes of the meetings of the Board of Directors of the Company (the “Board”), minutes of annual general meetings and extra-ordinary general meetings of the Company, minutes of the meetings of various committees of the Board,
- (iii) examined return of charge filed by the Company with Registrar of Companies, West Bengal at Kolkata (“RoC”), relevant forms and documents filed with the relevant RoC
- (iv) verified bank statements, loan documentation, loan and bank ledger extracts from Company’s financial reporting system, relevant statutory registers and the books of accounts as prepared and provided by the management of the Company,
- (v) obtain trial balance for the period from October 01, 2022 to October 31, 2022 and
- (vi) made enquiries with the officials of the Company and obtain written representation from the Company.

On the basis of the examination carried out by us and the information, explanations and representations provided to us by the management of the Company, we hereby confirm that the particulars of statement of terms and details of term loans of the Company and the purpose for which such loans were availed, as mentioned in **Annexure I**, are correct and are in line with the terms of sanction letters of such loan.

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. We have conducted our examination in accordance with the applicable guidance note issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI.

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 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 which results into 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: 22532900BDNVTG5370

Annexure I - Statement of terms and details of working capital and term loans of Elin Electronics Limited ("the Company") as October 31, 2022

S. No.	Name of Lenders	Nature of Borrowings	Date of Commencement ⁽³⁾	Purpose	Amount Sanctioned as on October 31, 2022 (₹ in million)	Amount Outstanding as on October 31, 2022 ⁽²⁾ (₹ in million)	Amount proposed to be repaid / prepaid (₹ in million)	Repayment Schedule	Interest Rate (%)	Pre-Payment Clause
1	Hong Kong and Shanghai Banking Corporation Ltd	Fund Based Limits (overdraft)	September 22, 2022	Working Capital	160.00	114.46	114.46	Repayable on demand	Overnight MCLR + 0.15%	-
2	HDFC Bank Ltd	Fund Based Limits (Cash Credit)	February 07, 2022	Working Capital	200.00	87.42	87.42	Repayable on demand	1 Year MCLR + 0.1%	-
3	Citi Bank N.A.	Fund Based Limits (Cash Credit)	June 09, 2022	Working Capital	200.00	40.90	40.90	Repayable on demand	8.00%	-
4	DBS Bank Limited	Fund based limits (cash credit)	June 04, 2022	Working Capital	190.00	-	-	Repayable on demand	Quarterly MCLR	-
				Sub Total		242.78	242.78			
5	Hong Kong and Shanghai Banking Corporation Ltd	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.
6	Hong Kong and Shanghai Banking Corporation Ltd	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.
7	Hong Kong and Shanghai Banking Corporation Ltd	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.
8	HDFC Bank Ltd	Fund Based Limits (Term Loan)	August 28, 2020	Capital Expenditure	150.00	94.78	91.24	Monthly instalment of ₹ 2.49 million	7.30%	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.



9	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	TL 150 Million – 1 Month T-Bill + 2.5% TL 75 Million – 12 Months T-Bill +2.88%	Prepayment penalty at the rate of 2% of principal outstanding, at the discretion of Citibank N.A.
10	Citi Bank N.A.	Fund Based Limits (Term Loan)	June 09, 2022 ⁽⁵⁾	Capital Expenditure	250.00	250.00	250.00	Monthly instalment of ₹ 4.99 million	TL 190 Million – 3 Month T-Bill + 2.34% TL 60 Million – 3 Month T-Bill + 2.36%	Prepayment penalty at the rate of 2% of principal outstanding, at the discretion of Citibank N.A.
				Sub Total		653.53	637.22			
				Grand Total		896.21	880.00			

Notes:

1. The above table does not include the details of loans availed by "Subsidiary" company.
2. Outstanding Balance as on October 31, 2022 is as per Books of Accounts and debit balances, if any at said date is mentioned as "-".
3. Date of Original Sanction letter in case of Term Loans and Latest Renewal Letters in case of Working Capital Loans
4. Amount proposed to be repaid / prepaid is as approved by Board of Directors in their meeting held on November 12, 2022.
5. The tenor of Citi Bank N.A term loan includes a one-year moratorium.
6. The Management confirms that the aforesaid loans were utilised for the purpose for which they were obtained.

For **ELIN ELECTRONICS LIMITED**

Kamal Sella

Authorised Signatory/ Director

Director

Place: New Delhi

Date: 18 NOV 2022

