

# ELIN ELECTRONICS LIMITED

ELIN HOUSE, 4771, BHARAT RAM ROAD, 23 DARYA GANJ, NEW DELHI-110 002  
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**Transcript of the 41st Annual General Meeting of Elin Electronics Ltd held on Saturday, the September 30th, 2023.**

**Lata Rani Pawa:**

Dear shareholders

Good morning.

I, Lata Rani Pawa, Company Secretary of the Company welcome all the members to the 41st Annual General Meeting, which is being held through video conferencing.

I hope all of you are safe and in good health. This meeting is being held through video conferencing in compliance with circulars issued by the Ministry of Corporate Affairs and The Securities and Exchange Board of India. The deemed venue for this meeting is the registered office of the Company.

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

1. Mr. Mangilal Sethia, Executive Director and Chairman of the Company, attending the meeting from Corporate Office, New Delhi
2. Mr. Kamal Sethia, Managing Director, attending the meeting from Corporate office of the Company, New Delhi. He is the Chairman of CSR Committee, Risk Management Committee and also Member of Audit Committee and Stakeholder Relationship Committee of the Company
3. Mr. Kamal Singh Baid, Independent Director, attending the meeting from New Delhi. He is the Chairman of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and also a member of CSR and Risk Management Committee of the Company
4. Mr. Ashish Chandra Guha, Independent Director, attending the meeting from Noida
5. Dr. Shantilal Sarnot, Independent Director, attending the meeting from New Delhi. He is a member of Nomination and Remuneration Committee of the Company.
6. Mr. Sanjeev Sethia, Executive Director, attending the meeting from the Ghaziabad plant. He is the member of the CSR Committee and Risk Management Committee of the Company
7. Mr. Sumit Sethia, Executive Director, attending the meeting from the Goa plant of the Company.
8. Ms. Shilpa Baid, the Independent Director attending the meeting from New Delhi, she is a member of the Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee of the Company.
9. Mr. Raj Karan Chhajer, Chief Financial Officer, attending the meeting from Corporate Office of the Company, New Delhi.
10. Mr. Akash Sethia, Investor Relation Officer, attending the meeting from New Delhi.



Factories:-

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CIN : L29304WB1982PLC034725

GSTIN: 09AAACE6449G1ZJ

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

The following auditors and scrutinizers are also present at the meeting.

1. Mr. Sunil Bhansali, Partner M/s Oswal Sunil and Company, statutory auditors for the financial year 22-23 and Ms. Divya Mathur, Partner M/s S L Batliboi Company LLP statutory auditors.
2. Mr. Akshat Garg, representing M/s Akshat Garg and Associates, Secretarial Auditors and Mr. Pramod Prasad Agarwal, representing P. P. Agarwal and Company, Scrutinizer have also joined from their respective locations.

The AGM Notice the stand-alone and consolidated financial accounts for the financial year ended 22-23, together with the Board's Report and Auditors' Report, has been sent electronically to all the Member registered with the Company or the RTA or the Depositories as on the cut-off date.

Now, I will take you through certain important points regarding the participation and voting at this AGM.

-All the members who have joined this meeting are by default placed on mute to avoid any disturbance from background noise and ensure smooth and seamless conduct of the meeting.

-Members who have not voted through remote e-voting can cast their votes through the e-voting facility during the AGM and 30 minutes after the conclusion of the agenda.

-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 to by the Company suitably by E-mail.

Members may know that the Register of Directors and KMP and their shareholding maintained under section 170 of the Act, the register of contract or arrangement in which Directors are interested under section 189 of the Act shall be available for inspection during the AGM at the website of the Company.

Members may know that pursuant to the provisions of the Articles of Associations of the Company, the Chairperson of the Board shall preside a Chairperson at every general meeting. Members may further note that Mr. Mangilall Sethia, Chairman of the Company, due to his health reasons, has authorised Mr. Kamal Sethia, Managing Director of the Company, to chair the proceeding of this Annual General Meeting.

The requisite quorum for this meeting is present. Now, I request Mr. Kamal Sethia to chair the meeting and apprise the shareholders about the business performance of the Company.

Kamal, Sir, please.

**Kamal Sethia:**

Thank you, Lata.



Dear shareholders,

Good Morning.

It gives me immense pleasure to greet you all at the 41st Annual General Meeting of Elin Electronics Limited. Since a valid quorum is present, I now call the meeting to order with a warm welcome to all the members, my fellow Directors, the auditors, and the Company officials present today at this AGM.

The annual report for FY 2022-23 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 the website of the Company and Stock Exchanges.

Please note that this time, physical copies of the annual report have not been sent as permitted by the Ministry of Corporate Affairs. However, if you wish to receive a 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 22-23 are taken as read as same has already been sent to the members. The Independent Auditor report on Standalone and Consolidated financial statements and the Secretarial Audit report, which are circulated as part of the annual report, do not contain any qualification. With your kind permission, I also take these reports as read.

The Board of Directors engaged the services of CDSL as the agency to provide an e-voting facility on all the resolutions set forth in the notice of the AGM. The remote e-voting period commenced on Tuesday, September 26th 2023, at 9:00 am and ended on Friday, September 29th 2023 at 5:00 pm.

With immense pride and gratitude as Managing Director of Elin, I am delighted to celebrate the milestone in our history- the successful listing of Elin Electronics on the Stock Exchange. This joyous occasion marks unveiling of our first annual report following the successful listing on the Stock Exchanges, i.e., BSE Ltd and National Stock Exchange of India Limited.

The global EMS market is on track to reach USD 790 billion by 2030, with a stable 6% CAGR forecasted from 22-30. In India, it is estimated, anticipated to surge to US\$135 billion by 25-26 at a remarkable rate of 30.3% CAGR. The growth is propelled by factors like urbanisation, e-tail boom, tech advancement, favourable policies, Make in India, China plus One and the advantages of the EMS model. With a focus on domestic manufacturing and collaborating efforts, we contribute to India's prominence in electronic system design and manufacturing. Additionally, the prosperity of the sector is enhanced by positive Government policies and a thriving manufacturing sector. Initiatives like Make In India and PM Gati Shakti and production-linked incentive programs drive innovation and progress in the nation.

On the financial performance, I would say that our Company is a manufacturer of end-to-end products and solutions for major multinational and domestic brands. Our consolidated figure reveals revenue of Rs. 10754 million as of 22-23. Our EBITA was Rs.674 million in 22-23 and



Rs.799 million in 2021-22, and PAT was Rs.268 million in 22-23 and Rs.392 million in 21-22. However, the EBITA margin was impacted by certain one-offs and non-recurring charges. We made additional provisions for warranty Rs.15 million and slow and non-moving inventory Rs.30 million, both of which were non-cash adjustments. Additionally, we incurred a one-time revenue expenditure of Rs 5 million due to the introduction of SAP and legal and professional charges of Rs 30 million related to the IPO. The decline in revenue stems from consumption slowdown and fan regulation changes as Bureau of Energy Efficiency Norms for energy efficiency. Our Company's proactive measures include achieving debt-free status, controlled working capital and substantial Capex investment, marking one of our highest annual investments ever, reflecting our strong commitment to growth and expansion. Despite challenges, we prioritise innovation efficiency and new product introduction, ensuring profitability and sustainable progress.

Elin Electronics stands as an environment steward with green initiatives that leave a lasting impact. Waste management initiatives, electronic recycling and plastic reduction, emphasised our dedication to a greener future. Water-saving measures and energy-efficient practices further underscore our sustainability effort, reducing CO2 emissions and conserving valuable resources. Our vision is to embrace technology integration and solar-powered solutions, empowering efficiency and environmental consciousness. Our Company contributes to leading with environmental responsibility by adhering to certification and standards.

We have a strong role and responsibility towards the community. At Elin, we prioritise social responsibility with impactful CSR initiatives promoting environment preservation, health, education, livelihood and Community Development. From health check-ups to tree plantations, we nurture positive change and help in the creation of a brighter and sustainable future.

The big picture is that at Elin, we envision a promising future driven by diversified revenue and strengthening our ODM and EMS business. Our upcoming product launches include BLDC and TPW fans, heated hairbrushes, electric sterilisers, trimmers, oil fill radiators, chimneys, OTGs, PLDGs, BLDC mg motors, and ACU ODU motors. This will pave the way for growth. On average, we should see a new product category launch every 2 quarters for the next 2 years. Our key priorities for 23-24 include diversifying revenue through customers and products, fortifying the ODM and EMS business and optimising lean manufacturing for cost efficiency. With strong roots and legacy, we embark on the journey of excellence and boundless priorities.

As a closing note, I would say that our journey from a vision to a publicly traded Company has been an exhilarating adventure made possible by the support of our Board Members, Shareholders, Partners and the collective effort of our passionate team. With excitement in our hearts and determination in our minds, let us move forward together. As we march ahead, we carry the legacy of Elin Electronics Limited, shaped by our shared commitments to a brighter, tech-driven future.

Thank you for being an integral part of our journey, and here's to many more years of success, growth and transformative impact. Now, I request Lata to take up the business specified in the notice. Lata.

**Lata:** Thank you, Chairman, Sir. With your permission, I place the following businesses mentioned in the notice of AGM for the meeting.

### **Ordinary business**

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended on 31<sup>st</sup> March 2023, together with the reports of the Board of Directors and auditors thereon and audited consolidated financial statements of the Company for the financial year ended on 31<sup>st</sup> March 2023, together with the report of the auditors thereon. The resolution is placed before the meeting to be passed as an ordinary resolution.
2. To declare a final dividend of Rs 1 per equity share of face value of Rs 5 each for the financial year ending 31<sup>st</sup> March 2023. The resolution is placed before the meeting to be passed as an ordinary resolution.
3. To appoint a Director in place of Shri. Sanjeev Sethia, DIN: 00354700, who retires by rotation in terms of Section 152, Subsection 6 of the Companies Act, 2013 and being eligible offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.
4. To appoint a Director in place of Shri Sumit Sethia, DIN: 00831799, who retires by rotation in terms of Section 152, Subsection 6 of the Companies Act, 2013 and, being eligible, offers himself for reappointment. The resolution is placed before the meeting to be passed as an ordinary resolution.

### **Special business**

5. Appointment of statutory auditors to fill casual vacancy. The resolution is placed before the meeting to be passed as an ordinary resolution.
6. Appointment of statutory auditors and fixation of remuneration. The resolution is placed before the meeting to be passed as an ordinary resolution.
7. To continue the appointment of Dr. Shantilal Sarnot, DIN: 01899198, as an Independent Director of the Company. The resolution is placed before the meeting to be passed as a special resolution.
8. To ratify the cost auditors. The resolution is placed before the meeting to be passed as an ordinary resolution.
9. To shift the registered office of the Company from the state of West Bengal to the NCT of Delhi. The resolution is placed before the meeting to be passed as a special resolution.

All the items of special business are explained in detail in the Explanatory Statement attached to the notice of AGM. Members may please note that voting on the above businesses is open, and those Members who have not cast their votes may cast their vote until 30 minutes after the conclusion of this AGM. Mr. Kamal Sethia, Chairman of this meeting, will facilitate the question and answer session.

Mr. Bimal Kishan Sarkar, the shareholder of the Company, has sent the following query before the date of the Annual General Meeting.



Q- What are the future plans and programmes to improve Company performance?

Kamal, Sir, please respond to this query.

**Kamal Sethia:** Good morning, Bimal. The plan is to leverage our infrastructure to grow all the segments we are present in. The special focus is on ODM products for appliances and various kinds of motors, which is going to drive our growth in the coming years. Thank you so much. I hope that answers the query.

Now, Mr. Pramod Prasad Agarwal from P. P. Agarwal & Co., Company Secretary, has been appointed as scrutinizer for conducting the e-voting process in a fair and transparent manner. The e-voting shall continue for the next 30 minutes for those who have not yet cast their votes. The meeting shall be concluded at the end of 30 minutes. 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 the meeting. The result 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 41st Annual General Meeting is closed.

Thank you all very much

**Lata:** Thank you all.