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AIMTRON

Tomorrow Today

AIMTRON ELECTRONICS LIMITED



Our Company was originally incorporated as a Private Limited Company under the name "Aimtron Electronics Private Limited" on April 19, 2011 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Dadra and Nagar Haveli, Gujarat. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Extraordinary General Meeting, held on October 20, 2023 and consequently the name of our Company was changed from "Aimtron Electronics Private Limited" to "Aimtron Electronics Limited" vide a fresh certificate of incorporation dated October 31, 2023, issued by the Registrar of Companies, Ahmedabad, Gujarat bearing CIN: U31900GJ2011PLC065011.

Registered Office: Plot No 1/A, G.I.D.C.Estate, Vadodara, Waghodia, Gujarat, India, 391760.
Tel No: +91-9687632057; **E-mail:** cs@aimtron.com; **Website:** www.aimtron.in; **CIN:** U31900GJ2011PLC065011
Contact Person: Priyanka Shah, Company Secretary & Compliance Officer

OUR PROMOTERS: MUKESH JERAM VASANI, NIRMAL M. VASANI AND SHARMILABEN LAKHANBHAI BAMBHANIYA

“THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON SME PLATFORM OF NSE.”

We are engaged in the business of providing products and solutions towards electronics system design and manufacturing (“ESDM”) services with a focus on high value precision engineering products. We provide product and solutions right from printed circuit board (“PCB”) design and assembly to the manufacturing of complete electronic systems (“Box Build”).

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 54,04,800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE “EQUITY SHARES”) OF AIMTRON ELECTRONICS LIMITED (“AEL”) AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹[●] LAKHS (“PUBLIC ISSUE”) OUT OF WHICH 2,81,600 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 51,23,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.48% AND 25.10% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- QIB PORTION: NOT MORE THAN 50.00% OF THE NET ISSUE
- NON-INSTITUTIONAL PORTION: NOT LESS THAN 15.00% OF THE NET ISSUE

- RETAIL PORTION: NOT LESS THAN 35.00% OF THE NET ISSUE
- MARKET MAKER PORTION: UPTO 2,81,600 EQUITY SHARES OR 5.21% OF THE ISSUE

PRICE BAND: RS. 153 TO RS. 161 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 15.3 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 16.1 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 800 EQUITY SHARES AND IN MULTIPLES OF 800 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS:

- We have in the past been in non-compliance with certain reporting requirements under FEMA Regulations, within the prescribed period. Consequently, we may be subject to regulatory actions and penalties for any such non-compliance and our business, financial condition and reputation may be adversely affected.
- Our business is dependent on the sale of our products and services to certain key customers including our Group Companies. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- The Merchant Banker associated with the Issue has handled 48 public issues in the past three years out of which 2 Issues closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is

- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of Red Herring Prospectus is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 161) is “X” times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year	6.00	26.83	0-148
Last 18 months	6.62	24.33	0-148
Last 3 years	7.13	22.57	0-148

- The Weighted average cost of acquisition compared to Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ 153)	Cap price* (i.e. ₹161)
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	2.5	61.2 times	64.4 times
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA	NA	NA

Note:
^There were no secondary transactions as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.
** To be updated at Prospectus stage.*

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page 29, 118 and 166 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 15.3 times of the face value at the lower end of the Price Band and 16.1 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

- a) We offer a diversified range of products.
- b) Engineering expertise with complex product manufacturing capability
- c) Long term and well-established relationships with OEM customers
- d) Quality Assurance
- e) Experienced and Qualified Management and Employee base
- f) Stable financial performance.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 118 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “Financial Information of the Company” on page 166 of this Red Herring Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each):

As per the Restated Financial Statements:

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	Financial Year 2020-2021	29.6	1
2.	Financial Year 2021-2022	(3.38)	2
3.	Financial Year 2022-2023	10.67	3
	Weighted Average	9.14	6
	Period ending December 31, 2023	6.71	

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is ₹10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year/ period.
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of diluted potential equity shares outstanding during the year/ period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 153 to ₹ 161 per Equity Share of Face Value of ₹ 10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2022-2023	14.34	15.09
P/E ratio based on the Weighted Average EPS, as restated.	16.74	17.61
Industry P/E Ratio*		(P/E) Ratio
Highest (Kaynes Technology India Limited)		171.11
Lowest (Vinyas Innovative Technologies Limited)		35.67
Industry Average		78.77

* For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.

3. Average Return on Net worth (RoNW) *

Sr. No	Period	RoNW (%)	Weights
1	Financial Year 2020-2021	73.30	1
2	Financial Year 2021-2022	(8.84)	2
3	Financial Year 2022-2023	27.64	3
	Weighted Average	23.09	6
	Period ending December 31, 2023	23.82	

Notes:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/ period
- 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.

4. Net Asset Value (NAV) per Equity Share:

(Rs. in Lakhs)

Sr. No.	NAV per Equity Share	Outstanding at the end of the year
1.	As at March 31, 2021	40.38
2.	As at March 31, 2022	38.24
3.	As at March 31, 2023	38.60
4.	As at December 31, 2023	28.19
5.	NAV per Equity Share	
	At Floor Price	[+]
	At Cap Price	[+]
6.	Issue Price	[+]

Notes: -

- NAV per share =Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year/ period.
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers:

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RONW (%)	Book Value (₹)	Total Income (₹ in lakhs)
			Basic	Diluted				
Aimtron Electronics Limited	[+]	10	10.67	10.67	[+]	27.64%	38.60	7239.98
Peer Group								
Kaynes Technology India Limited	3,394.80	10	19.84	19.61	171.11	9.91%	165.17	11,37,51.20
Vinyas Innovative Technologies Limited	699.90	10	19.62	19.62	35.67	16.13%	121.67	23,452.40
Avalon Technologies Limited	492.95	2	9.27	9.08	53.18	9.78%	82.01	95,906.90
Syrma SGS Technology Limited	418.45	10	7.59	7.50	55.13	7.98%	87.13	209213.70

Notes:

- Source – All the financial information for listed industry peers mentioned above is sourced from the Annual Reports of the aforesaid companies for the year ended March 31, 2023 and stock exchange data dated May 21, 2024 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price of the respective scrips.
- The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2022-23
- NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2023.
- RoNW has been computed as net profit after tax divided by closing net worth.
- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated May 22, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this RHP. Further, the KPIs herein have been certified by M/s S P V P & CO. Chartered Accountants, by their certificate dated May 22, 2024.

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 119 and 207 respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” on page 1.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company

(Rs. In Lakhs except percentages and ratios)

Key Financial Performance	December 31, 2023	FY 2022-23	FY 2021-22	FY 2020-21
Revenue from operations ⁽¹⁾	6,707.26	7158.36	2631.92	5277.93
EBITDA ⁽²⁾	1654.10	1648.94	(70.67)	2040.33
EBITDA Margin ⁽³⁾	24.66%	23.04%	(2.69%)	38.66%
PAT	976.66	863.19	(180.15)	1571.72
PAT Margin ⁽⁶⁾	14.56%	12.06%	(6.84%)	29.78%
Net Worth ⁽⁴⁾	4099.92	3123.26	2038.96	2144.26
Return on Net Worth ⁽⁶⁾	23.82%	27.64%	(8.84%)	73.30%
RoCE (%) ⁽⁵⁾	27.93%	25.33%	(5.55%)	87.29%

*Not Annualized

Notes:

- Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- Net worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.
- Return on Net Worth is ratio of Profit after Tax and Net Worth
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current).

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Return on Net Worth (%)	Return on Net Worth provides how efficiently our Company leverages its net assets to generate income.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

Continued on next page

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Lucknow