

Date: 6 August, 2024

To
The Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051

Ref.: Megatherm Induction Limited / NSE /2024-25/33
Symbol: MEGATHERM
ISIN: INE531R01010

Dear Sir/Madam,

Sub: Regulation 34 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') – Annual Report for the Financial Year 2023-24

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2023-24 which is being sent to the shareholders through electronic mode.

The Notice of AGM and Annual Report 2023-24 is also uploaded on the website of the Company at <https://megatherm.com>.

The e-voting shall be open for 3 days, commencing at **9.00 a.m. (IST) on Tuesday, 27th August, 2024** and ending at **5.00 p.m. (IST) on Thursday, 29th August, 2024** for all the shareholders whose names appear in the Register of Members on **Friday, 23rd August, 2024**.

Kindly take the same into your records.

Yours faithfully,
For Megatherm Induction Limited

(Abanti Saha Basu)
Company Secretary & Compliance Officer

Place: Kolkata

UNLOCKING VALUE. BUILDING TRUST.



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Reporting scope and boundary

This report covers financial and nonfinancial information and activities of Megatherm Induction Limited [formerly known as Megatherm Induction Private Limited] ('the Company' or 'MIL') during the period April 1, 2023, to March 31, 2024. In this, we aspire to provide an incisive view of our performance and strategy across business segments. The content of this Report depicts both quantitative and qualitative disclosures on our performance.

Forward-looking statements

This Report contains statements about expected future events and financials of Megatherm Induction Limited, which are forward-looking. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate and actual future results and events may differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update these forward-looking statements which reflect events or circumstances, after the publication of this document.

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Precautionary approach

We follow a precautionary approach towards minimising our operational impact on the environment. We have implemented best-in-class technology for our manufacturing operations to limit our ecological footprint, and we continue to enhance our efforts towards the same. At all our plants, we have implemented environment, health, and safety (EHS) management systems to monitor and address any concerns.

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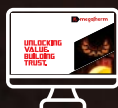
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https://megatherm.com/wp-content/uploads/2024/08/MIL_Balance_Sheet_Mar_2024.pdf



UNLOCKING VALUE. BUILDING TRUST.

There comes a time when it is necessary to establish goals for the purpose of constructing a sustainable future.

And then there's the time for witnessing the steadfast progress of your work in the direction you've intended.

This year brought a glimpse of the latter for Megatherm.

Over the last few years, we laid the groundwork. We drew the strategies, made the investments, and put in the requisite work.

And this year, we saw our efforts at strengthening the company, creating avenues for growth, and thereby creating sustainable value for our stakeholders bear positive results, as we achieved our key business milestones and performed quite well both on the revenue and profit fronts.

With that, we are confidently scaling up the ladder of healthy business development, operational excellence, and scalable possibilities.

And thereby, we are empowering a sustainable future for all our stakeholders!



At the heart of our operations is a dedication to innovation, efficiency, and excellence.



We believe that by unlocking value at every stage of our processes – be it through advanced technologies, sustainable practices, or strategic investments – we not only enhance our performance but also drive meaningful growth.



Our focus on value creation ensures that we deliver superior products and services, fostering satisfaction and loyalty among our customers.



Building trust is equally paramount.



Trust is the cornerstone of our relationships with clients, partners, employees, and the communities we serve.

This year, we have taken significant strides to strengthen this trust by adhering to the highest standards of governance, ethical practices, and social responsibility, but most importantly by getting Megatherm listed on the stock exchange.

Together, we are not just shaping a prosperous future; we are building a legacy of trust and value that will endure for generations to come.

**It is earned through
transparency, reliability, and
consistent performance.**

As you explore this annual report, you will discover how our efforts to unlock value and build trust are intertwined, propelling us towards a future of sustained excellence and impact.

From our innovative solutions and robust financial performance to our commitment to social and environmental responsibility, we invite you to join us on this journey of growth and trustworthiness.



RESPECT

We are one of India's emerging players engaged in the manufacturing of induction heating and melting products with more than three decades of enriching industry experience.

We are one of the very few players in India with an ability to provide complete turnkey solutions.



SUSTAINABILITY

We grew our earnings before interest, taxes, depreciation, and amortization (EBIDTA) at a CAGR of 62% over the last 3 years.

We grew our profit after tax (PAT) at a CAGR of 132.9% over the last 3 years.



REACH

Today, MIL has product present in more than 51 countries.

We have a widespread domestic and international presence spread across 5 continents.



CAPABILITY

Supplier of top-quality upstream and downstream equipment and machinery for steelworks, such as induction melting furnaces, induction heating & hardening equipment, transformers, ladle refining furnaces, continuous casting machines, and fume extraction systems, among others.

We have over the years developed capabilities of working on complex manufacturing processes and producing goods like induction furnace, arc furnace, transformers etc. which require precision and engineering competence, among others.



CREDIBILITY

We have successfully completed about 3,000 installations till date.

We have established longstanding relationship with some renowned players across diverse industries, such as primary & secondary steel manufacturers, auto ancillaries, DI pipe and diverse engineering products manufacturer, ordnance factories and railways, among others.

What
defines
Megatherm
Induction
Limited?

ABOUT US

This is the story of Megatherm Induction Limited.

We embarked on our journey with a commitment to protecting the interests of our stakeholders.

But, with each passing year, we grew from strength to strength.

We did so...

By raising our benchmark

By imbibing the spirit of pushing the boundaries

By hiring the best of the people

By pioneering the development of new products

By seeking opportunities in uncertainty

By keeping our commitments made to our stakeholders

Thus, after more than three decades of existence, we have been successful in making a mark of ourselves in the Indian foundry industry.

What resulted was a multi-decadal sustainable performance that allowed us to get listed on the National Stock Exchange and further cement our position in the industry.



our encompassing product portfolio, we made our presence felt not just in steel, foundry, forging and various other metal working sectors, but also in auto ancillaries, DI pipe and diverse engineering industries, ordnance factories, and railways, among others.

Today, MIL also offers turnkey solutions for steel plants, which include the planning, engineering, delivery, assembly, and commissioning of steel plants with its own or outsourced systems and machines, as well as customer service with maintenance contracts and spare parts business.

WHO WE ARE

From a humble beginning in 1989, Megatherm Induction Limited has emerged as one of the pioneers in the field of induction heating and melting solutions using electrical induction such as induction melting furnaces and induction heating equipment. Established with a vision to innovate and excel, we have become a trusted name in the industry, known for our

cutting-edge technology, superior quality, and unwavering commitment to our clients.

Supplier of top-quality upstream and downstream equipment and machinery, such as induction melting furnaces, induction heating & hardening equipment, transformers, ladle refining furnaces, continuous casting machines, and fume extraction systems, among others. Thanks to

WE ARE MANAGED BY

Guided by Mr. Shesadri Bhusan Chanda (Chairman & Managing Director) and aptly aided by Mr. Satadri Chanda (Whole-time Director & CFO), the Company is managed by professionals with a deep sectoral understanding. The top management is aided by strong multi-competence teams, helping introduce innovative products and help expand the market footprint.



Our Purpose

To maximise stakeholders' value through delivering best-in-class solutions aiming at energy efficiency, reliability, aesthetics and user friendliness within acceptable cost parameters.



Our Vision

To attain market leadership in all products and solutions that we provide.



Our Mission

Product

Continuous improvement and innovation in performance and quality.

Production and delivery

To establish systems & processes most suitable for streamlining production and supply chain.

Service

Align, engage, and serve to customers' delight.

Resources

Investment in people, processes, systems, and technologies.



Our Values

We are driven by a core set of values that define who we are and guide our actions:



Customer-Centricity

Customers' delight is the core of our existence, and their needs will be the primary focus in all engagements.



Commitment

We honour our commitments to all stakeholders.



Teamwork

We feed off our mutual strengths and deal with adversities with sensitivity, trust, and abiding respect.



Agility

We are agile and flexible in our approach and processes to address evolving market challenges.



Innovation

We foster a culture of inquisitiveness and encourage diversity of ideas to reach optimum solutions.

OUR PRODUCT PORTFOLIO

What we have on offer

Backed by our enviable research and development capabilities, deep industry knowledge, and a keen understanding of customer needs, we have developed an array of top-notch products. Thanks to our innovative portfolio, we have been able to cater to a broad range of customer demands across various industries. Over the years, we have adapted our product offerings to keep up with changing consumer preferences and market trends.

Induction melting furnace



- Electrical furnace used to melt iron and steel, copper, aluminium, and precious metals or make alloys of different compositions
- It finds application in industries such as automobile casting, DI pipe casting, Manganese steel casting, heavy engineering casting, casting of railway components, and metal roll manufacturing, among others.

Induction billet heaters



- Heating of ferro-magnetic and austenitic quality steel billets to the forging temperature of 1200 – 1250 celsius.
- It finds application in heating of non-ferrous metals such as aluminium, copper and its alloys like brass and bronze.

Induction hardening & heat-treating equipment



- Utilizes the principle of electromagnetic induction to produce heat inside the surface layer of the metal.
- It finds application in manufacturing air/gas cylinders, annealing of tube and pipe, pipe stress relieving, and heating of billets for tube manufacturing, among others.

Induction power source



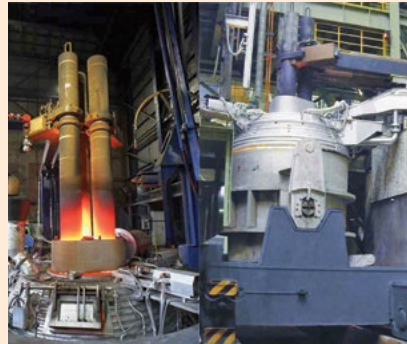
- Converters accept multi-phase 50 Hz AC power from the grid, which is rectified to DC and then inverted back into a single-phase medium or high frequency AC power. Conversion process is effected through Power Electronics Technology using Power Semiconductor Devices.

Transformers



- We manufacture converter transformers, electric arc and ladle refining furnace transformers, distribution transformers and power transformers.
- It finds application in induction melting / heating equipment, AC-DC drives, and industrial rectifier, among others.

Ladle refining furnace



- To adjust the chemical composition & raise the temperature of molten metal.
- To hold the molten steel for casting operations
- Acts as a buffer between the steelmaking furnace and the continuous casting machines

Electric arc furnace



- Melts all types of scrap irrespective of chemical composition or size and melts direct reduced iron (D.R.I) / Sponge Iron.
- It finds application in steelmaking and smelting of non-ferrous metal.

Continuous casting machine (CCM)



- Converts liquid steel into cast semis of the desired size such as billets, blooms, slabs or strips.
- The liquid steel is poured into molds, where it solidifies into a shell. The shell is then pulled out by rollers and cooled further.

Rail hardening machine



- Used for heat treatment & hardening of rails with a power range is 200 kw - 300 kw.

Fume extraction system



- Used to extract fumes emanating from melting furnaces due to burning of Silica / Slag / Impurities during the metal melting process.

WHERE WE ARE

Trusted Globally. Delivering Globally.

WHERE WE ARE

Headquartered in Kolkata, India, we have our state-of-the-art manufacturing facility located at Kharagpur.

In terms of product presence, the Company has its product presence in more than 51 countries spread across 5 continents and has successfully completed more than 3,000 installations till date. Our ability to scale and concentrate on efficient implementation enables us to offer our clients a more advantageous value proposition in terms of quality, cost, and versatility.



Europe
(e.g. Poland, France)

South America
(e.g. Argentina, Brazil, etc)

Africa

(e.g. South Africa, Kenya, Tanzania, Ghana, Nigeria)

Saarc

(e.g. Bangladesh, Nepal, Bhutan)

South East Asia

(e.g. Indonesia, Malaysia)

Gulf

(e.g. Saudi Arabia, UAE)

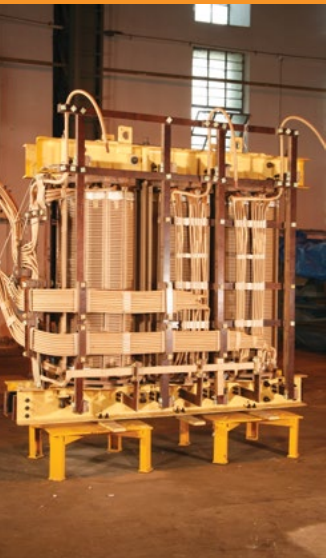


OUR JOURNEY

Growing stronger steadily

A successful yesterday, a promising tomorrow.

MIL has endured the test of time in the Indian foundry industry, overcoming challenges and growing stronger every year. Each obstacle only fuelled our unwavering spirit, keeping us resolute in our mission. We have used these experiences to fortify our business model, setting the stage for the next phase of our growth.



- Commercialised our state-of-the-art manufacturing facility at Kharagpur.
- Successfully achieved 475 KWh/t for mild steel in 15T furnace, marking the launch of the green furnace. Executed our first 40T furnace export order to outside SAARC, the largest furnace exported outside SAARC by MIL



Crossed the milestone of ₹100 crore of revenue in FY19.

Grew our revenue at a CAGR of 35% since FY21 to cross the revenue mark of ₹250 crore in FY23.

Continued to strengthen our market position and brand reputation by getting MIL listed on the National Stock Exchange on February

2024



2023

2019

2018

Megatherm Induction Limited got incorporated.

2010



CELEBRATING OUR MILESTONE EVENT

MIL's IPO ceremony

A successful yesterday, a promising tomorrow.

This IPO represents a significant milestone in the history of the Company, as it will enable us to accelerate our growth, expand our market reach, and continue delivering sustainable value to our stakeholders.

Some of the key moments from the ceremony.



CHAIRMAN'S MESSAGE

“This milestone marks a significant chapter in the journey of Megatherm Induction Limited, and is a testament to our resilience, commitment, and the unwavering trust you, our valued shareholders, have placed in us.”



Our listing on the National Stock Exchange (NSE) has enhanced our visibility in the market and positioned us for accelerated growth and innovation.

Dear Shareholders,

It is always a matter of pride and pleasure to pen down my thoughts. This year, the occasion is particularly momentous, as I proudly present our first annual report following our successful listing on the stock exchange. It captures our collective achievements for the year gone by and outlines the exciting opportunities ahead.

Our listing on the National Stock Exchange (NSE) has enhanced our visibility in the market and positioned us for accelerated growth and innovation. This milestone marks a significant chapter in the journey of Megatherm Induction Limited, and is a testament to our resilience, commitment, and the unwavering trust you, our valued shareholders, have placed in us. It represents the culmination of years of hard work and dedication, and also the beginning of an exciting new chapter in the Company's history.

As I contemplate on India's macroeconomic future, the outlook appears bright. India's growth story

remains sound, with the Economic survey projecting a +7.0% increase in Gross Domestic Product (GDP) for FY25 as well. This indicates that India is well poised to enter a new phase of expansion. The government's strong focus on infrastructure development, technological innovation, and transforming the country into a global manufacturing powerhouse sets the stage for substantial economic growth in the coming years. In recent times, as cities continue to modernize and new business avenues emerge, there has been a surge in demand for steel products. Yet, despite this increase, India's per capita steel consumption remains among the lowest when compared to other advanced and emerging economies. This discrepancy highlights a vast potential for growth in the Indian steel industry. Moreover, with robust economic momentum, key sectors such as automobiles, railways, and power have shown impressive progress over recent years and are poised for sustainable growth in the future. By seizing these opportunities and expanding our market reach, we are well-positioned to thrive in India's dynamic industrial landscape.

Against this backdrop, throughout FY24, we have made efforts in our mission to build a sustainable future for MIL. Our focus on innovation, quality, and customer satisfaction has driven us to achieve remarkable growth and expand our footprint both domestically and internationally. We have invested significantly in process improvement and research and development, ensuring that our products remain at the forefront of technological advancements and continue to set industry standards. Harnessing our core strengths, we remained agile throughout the year, adapting to the evolving needs and aspirations of our customers. In FY24, we strategically realigned our focus, exploring new applications within our existing product lines and embracing innovation within our existing portfolio.

Leveraging our expertise and available resources, we focused on building our in-house capabilities for different ancillary activities that were previously outsourced. In terms of our export business, we continued to build on our product prowess in some of our key international markets while focusing on growing our presence in new emerging economies.

Looking ahead, our vision for growth centers around exploring new applications in the fields of induction melting, induction heating, and various types of transformers.

Our focus on innovation, quality, and customer satisfaction has driven us to achieve remarkable growth and expand our footprint both domestically and internationally.

At Megatherm Induction Limited, we recognize and value the significance of incorporating environmental, social, and governance (ESG) factors into our business practices. We focused on reducing the carbon emissions of our clients, conserving natural resources, empowering our farmer community, and encouraging ethical business practices.

As we navigate the dynamic business environment, we remain steadfast in our mission to deliver value to our stakeholders and contribute meaningfully to India's industrial growth story. Looking ahead, our vision for growth centers around exploring new applications in the fields of induction melting, induction heating, and various types of transformers. We are dedicated to enhancing our product offerings, investing in research and development, and forging strategic partnerships to drive innovation and meet the evolving demands of our customers.

On behalf of every member of the MIL family, we thank our stakeholders for the trust they have reposed in us. We are truly grateful for their continued cooperation throughout our journey. I am confident that with your continued support and our collective efforts, Megatherm Induction Limited will continue to thrive and create sustainable value for all stakeholders.

Our journey has just begun, and with your continued support, we will achieve even greater heights. Together, we will achieve a better and sustainable future.

Thanks

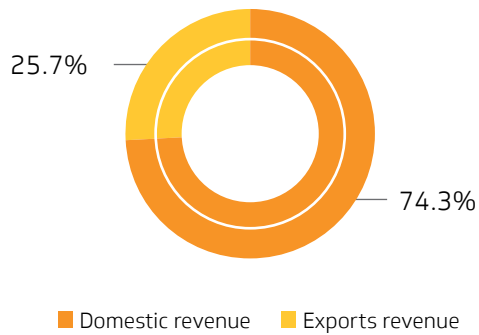
Shesadri Bhusan Chanda
Chairman & Managing Director

UNLOCKING VALUE

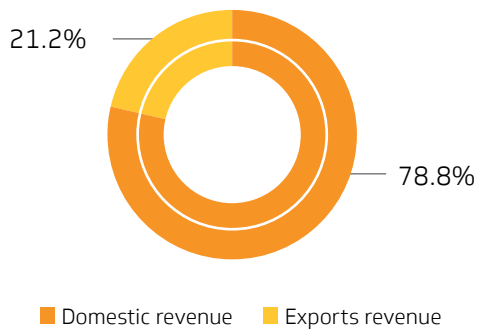
By delivering on commitments

REGION-WISE REVENUE BREAKUP

Revenue breakup in FY23



Revenue breakup in FY24

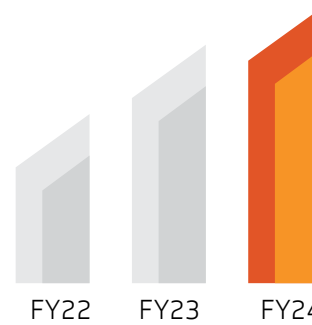


FINANCIAL METRICS

Total revenue

(₹ in million)

1,878.30 2,658.80 3,062.50



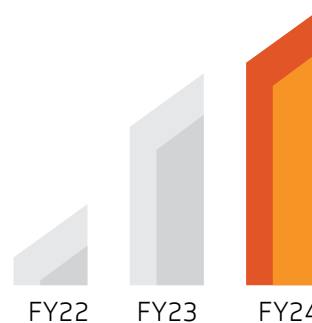
↑ 17.7%

↑ 15.18%

EBIDTA

(₹ in million)

84.76 275.40 360.4



↑ 62%

↑ 30.86%

FINANCIAL METRICS

EBIDTA Margin

(in %)

4.50 10.36 **11.77**



FY22 FY23 FY24

↑ 37.8% ↑ 13.6%

PAT

(₹ in million)

16.4 140.0 **207.2**



FY22 FY23 FY24

↑ 132.9% ↑ 47.99%

PAT Margin

(in %)

0.87 5.3 **6.8**



FY22 FY23 FY24

↑ 98.50% ↑ 28.30%

Return on Capital Employed [RoCE]

(in %)

0.12 0.33 **0.23**



FY22 FY23 FY24

Debt-equity ratio

1.10 0.85 **0.30**



FY22 FY23 FY24

EPS

(₹)

1.79 10.11 **14.13**



FY22 FY23 FY24

↑ 99.10% ↑ 39.76%

Net worth

(₹ in million)

366.20 506.30 **1,203.50**



FY22 FY23 FY24

↑ 48.70% ↑ 137.70%

Net fixed-assets

(in %)

420.20 586.33 **641.12**



FY22 FY23 FY24

↑ 15.10% ↑ 9.34%

↑ 3 year CAGR growth

↑ Y-o-y growth

MR. SATADRI CHANDA, WHOLE-TIME DIRECTOR & CFO, MEGATHERM INDUCTION LIMITED, REFLECTS ON STRATEGIC PROGRESS, THE YEAR'S PERFORMANCE, AND THE GROWTH OPPORTUNITIES AHEAD.



Mr. Satadri Chanda
Whole-Time Director & CFO

MIL exhibited agility and recorded a revenue of ₹3,062.50 million in FY24, up by 15% over FY23. Our PBT and EBITDA stood at ₹276 million and ₹360.40 million, after registering a 28% and 31% y-o-y growth, respectively.

Q: WERE YOU PLEASED WITH THE PERFORMANCE OF THE COMPANY IN FY24?

A: It has been an excellent year at MIL, with significant strategic progress. A landmark moment of the fiscal year has been our listing on the National Stock Exchange. This is a watershed event in the history of MIL, as it helps showcase our broader vision and dedication to the investor community. This event signifies our evolution into a comprehensive solutions provider with a focus on innovation and sustainability. In terms of our financial performance, it was another exciting year as we recorded our highest-ever revenue and PAT in FY24. All our key financial measures were achieved, with revenue and EBITDA both showing double-digit growth and productivity benefits well ahead of our target.

Coming to the financial performance of the Company, MIL exhibited agility and recorded a revenue of ₹3,062.50 million in FY24, up by 15% over FY23. Our PBT and EBITDA stood at ₹276 million and ₹360.40 million, after registering a 28% and 31% y-o-y growth, respectively. In terms of profitability also, we showcased commendable growth and grew by 48% in FY24 to stand at ₹207.20 million. We also delivered margin expansion and double-digit EPS growth.

In FY24, while exploring new areas and technologies, we also focused on strengthening our core. We advance our strategy by improving our business mix, enhancing backward integration capabilities, and increasing wallet share from existing clients, while also acquiring new clients domestically and internationally. We improved our technological capabilities and added new equipment to our plants to streamline processes further. Our journey in FY24 began on a high, propelled by the eagerness with which the market accepted our products across different categories. We saw a palpable upswing in revenues and heightened profitability thanks to the rising acceptability of our products.

Q. WHAT WERE SOME OF THE KEY OPERATIONAL HIGHLIGHTS FOR THE COMPANY IN FY24?

A: On the operational front, we undertook several key initiatives that helped us save costs and boost our bottom line. As part of our strategic initiative, one of the major initiatives that we undertook in FY24 was centered on backward integration. As part of our backward integration focus, we focused on building our capabilities to bring in the majority of our ancillary activities in-house, which were previously outsourced. In line with this strategy, we invested in setting up fabrication shops, machining shops, and more heating ovens, in the last few years. Further, we invested in plasma cutting machines and CNC machines, among others. This not only helped us in reducing our turnaround time but also enabled us to save cost.

As part of our risk diversification efforts, we focused on enhancing the adoption of newer technologies to make our products more value-efficient. It also helped us clock more than 100% capacity utilisation. As a part of our sustainable growth strategy, we continued to explore new product lines which could prove to be a game changer in the days ahead.

Furthermore, the year marked a significant journey in our ongoing focus - operationalizing our Unit 3 at the Kharagpur facility. The development of this unit was initiated during the early part of FY24, and we expect to commercialise the same in the last quarter of FY25. Dedicated to the transformer segment, once it is operational, this is expected to further boost our manufacturing capacity.

Q. WHAT ARE YOUR CAPEX INVESTMENTS IN FY24 AND TARGETS FOR THE NEXT FEW YEARS?

A: We anticipate our annual capital expenditures to remain consistent with the levels seen in FY24, likely staying within a similar range for the coming years.

A significant portion of these investments will be dedicated to developing new products for portfolio expansion or enhancing capabilities through necessary technological upgrades. A lot of our focus is on sweating our existing assets; thus a part of the investment would also be directed

Further, we invested in plasma cutting machines and CNC machines, among others. This not only helped us in reducing our turnaround time but also enabled us to save cost.

towards further improving our backward integration capabilities. We ensure that all our capital expenditure is closely monitored and controlled to maximize its value to the Company. I believe this will encourage an efficient yet scientific capital allocation which will result in higher asset turns as well as return ratios

Q. WHAT GIVES YOU CONFIDENCE IN THE GROWTH POTENTIAL OF THE BUSINESS?

A: I believe MIL is well-positioned to deliver sustainable organic growth for several reasons: in each of our business segments, we are one of the leading players and have a growing market share; we operate in large markets with attractive growth rates; our portfolio of highly functional products helps us address consumer needs effectively.

Further, we have a strong international presence and have been expanding our export business in growth-focused countries. We have undertaken several marketing initiatives, such as regular prospective client visits, enhanced participation in trade fairs, a digital marketing program, and product marketing using dedicated channels to prospective clients.

Lastly, our robust financial health, combined with the decreasing external debts, and the influx of funds from our IPO, empowers us with the confidence and resources to invest in diverse growth initiatives and fortify our core strengths.

Q. HOW DO YOU SEE THE EXPORT BUSINESS SHAPING UP IN FY24?

A: Our export business typically contributes between 20% and 30% to our overall revenue, and in FY24, it accounted for approximately 23%. We plan to proactively increase our presence at globally renowned trade fairs, establish marketing offices in key international locations, and periodically communicate the benefits of our products to clients. These strategic initiatives helped us attract new clients in FY24, and we anticipate this to positively impact our export revenue in FY25.

Q. CAN YOU SAY MORE ABOUT MIL'S INNOVATION MINDSET AND WHY IT IS IMPORTANT?

A: Today, more and more customers are asking for products that are efficient, reliable, and affordable. All these play directly into MIL's areas of expertise. Leveraging our extensive R&D and innovation capabilities, we develop products that are not only sustainable but also highly beneficial for our clients. A prime example of this is our green series induction heating and melting solutions, which thanks to our cutting-edge processes and R&D expertise, have enabled our clients to significantly reduce their energy costs.

We've invested regularly over the last five years to periodically upgrade the technology used in our manufacturing process and bring to the table customer-centric meaningful innovations (for example, tie up with L&T and a Swiss company for developing new SFC control logic). MIL's core strength lies in our engineering capabilities. By integrating our engineering knowledge, application capabilities, industry insights, and operational excellence, we deliver high-quality induction heating and melting solutions.

Q. WHERE DOES MIL GO FROM HERE?

A: At MIL, we are poised to grow from strength to strength. We execute our strategy through our growth framework, which is based on four pillars with serving customers at the core. We have been executing this framework over the past few years, successfully driving growth across the business.

Our steadfast commitment to customers, efficient operational management, and optimized capacity utilization allowed us to grow and expand our market share. Our sustained emphasis on cost optimization kept fixed costs in check, while productivity enhancements yielded tangible results, ensuring the long-term sustainability of our business. Over the years, we invested in our product lines, technology upgrades, automation, and research and development, bolstering our product range and positioning us for future success.

Q. WHAT ARE YOUR AIMS FOR THE COMING YEAR AND BEYOND?

A: I am optimistic and excited about the future of our business. Over the next 5-6 years, we have set ambitious revenue targets aiming to achieve 3x to 4x of the current financial year. To realize this goal, we have devised a comprehensive strategy that includes new capital expenditure, exploring new applications in our existing product portfolio, launching an aggressive marketing campaign to promote our entire product range, and building a robust sales team and network to capture new opportunities effectively.

We have a compelling purpose and a clear strategy providing the ability to invest in growth. We are on a mission to bring positive change to communities, the environment, the economy, and everyone connected to Megatherm Induction Limited. For that, we count on your unending trust and support. I would like to thank our Board, senior leadership, team members, trade partners, and customers for their faith in our ability to create sustainable value.

Awards & Accolades



Manufacturing and MSME Conclave 2022
Green Manufacturing of the year



40 Under 40 Achievers of the Year 2023
Award for among the most innovative and influential leader under the age of 40 by Times Group



Manufacturing and MSME Conclave 2022
Business Excellence Award



Star Performer of the Year 2012-2013
Award for Export Excellence 2012-13 EEPC India, Eastern Region



Star Performer of the Year 2007-2008
Award for Miscellaneous General Purpose Machinery, EEPC India, Eastern Region

OUR INVESTMENT PROPOSITIONS

What makes Megatherm Induction Limited an interesting investment story?

The allure of investing in MIL lies in the captivating narrative we offer within our investment propositions.

Our fundamental approach to business has undergone a profound transformation under our experienced management team, marked by a commitment to long-term investment strategies while concurrently delivering robust and cash-generating profit growth in the immediate term.

Our growth as one of India's emerging engineering players, coupled with strategic diversifications in related product lines, forms the cornerstone of our growth trajectory. This strategic alignment positions us favourably for sustained long-term investments made by state as well as private sectors.



29.5%

Growth in our revenue*

Our investments in backward integration, cutting-edge technology, quality processes, capacity enhancements, process improvements and spare parts business are set to help us build a growth-focused yet sustainable business model.



76.6%

Growth in our net profit*

These initiatives, combined with our diverse industry presence, are likely to help in evolving our offerings and help us meet the evolving needs and preferences of our valued clients, ensuring a prosperous future.



56.9%

Growth in our EPS*

In essence, these factors collectively constitute the compelling narrative that underscores why MIL stands as an intriguing investment opportunity, poised for an exciting future.

Our key growth enablers

Our growing market presence

Strategic product diversification

Well-invested and **state-of-the-art** infrastructure

Strategic partnerships or acquisitions

Focused research & development

Well-financed and proactive working capital management

Resilient and growing industry space

Engaged and agile workforce set up for success

*CAGR growth in revenue, EPS, and net profit from FY21 till FY24

OUR PRIDE

Our esteemed clientele



Building on our strengths

Staying ahead of our peers

Building a globally trusted brand goes beyond manufacturing and offering products; it demands the apt synchronisation of different strengths that helps distinguish a company. Our competitive edge lies in our manufacturing prowess, diversified operations, skilled workforce, and unwavering commitment to excellence. These core pillars not only reinforce our standing as an emerging industry leader but also guarantee that our customers receive products and services of the highest quality.



SUPERIOR MANUFACTURING PROWESS

Advanced technological capabilities are crucial for developing innovations that meet our customers' evolving needs promptly while ensuring a stable product supply. At MIL, our state-of-the-art manufacturing and testing facility at Vidyasagar Industrial Park in Kharagpur, West Bengal, has been instrumental in building a world-class portfolio. Our in-house testing laboratory, which conducts rigorous tests on raw materials and ensures production aligns with predetermined standards, further strengthens our manufacturing capabilities.

Our manufacturing facility boasts of equipment and infrastructure capable of carrying out end-to-end manufacturing activities, capable of meeting customized & stringent requirements of customers including product design and development, material sourcing, designing, testing and equipment effectiveness. Additionally, our strategically located manufacturing facilities benefit from access to skilled labour, robust infrastructure, and close proximity to raw materials, leading to significant savings in logistics. Today, MIL boasts of delivering products delivered in

a cost-effective manner without compromising on quality.

LONG-STANDING CUSTOMERS RELATIONS

We have established long-standing relationships with our customers by consistently delivering high-quality products at competitive prices. Through proactive customer engagement, we have emerged as the trusted choice partner for most of our clients. This can further be attributed to our expertise, spanning many decades, that has given us the reputation of a reliable partner.



FOCUSED IN-HOUSE ENGINEERING & DEVELOPMENT

At MIL, a steadfast commitment to research and development has always been essential. This unwavering focus is the cornerstone of our ability to deliver top-quality products and solutions. Our dedicated R&D team, consisting of experienced engineers with extensive expertise in various engineering applications and problem-solving, plays a pivotal role in this strategy. Their efforts enable us to provide comprehensive engineering solutions to our customers, keeping us ahead of the curve.

Today, MIL is renowned for having the best R&D team, one that has driven numerous technological advancements over the years. Our key R&D focus areas include cost optimization through process improvements, developing new and more efficient, environmentally friendly products, enhancing existing products, and overall sustainability. This dedication ensures we continue to innovate, enhance efficiency and increase the reliability of equipment.

UNPARALLELED TECHNICAL PROWESS

Committed to customer delight and performance excellence, MIL is led and guided by one of the doyens of

the industry, Mr. Shesadri Bhusan Chanda. A gold medallist in Electrical Engineering and with more than four decades of experience in the induction industry, he is one of the pioneers to bring induction heating & melting technology in India. Aided by a team of 100+ engineers, he has been instrumental in guiding MIL to its current position of market strength.

QUALITY FOCUS

Quality is fundamental to MIL's culture and success. Our quality focus maximizes customer satisfaction and loyalty through continuous improvement. Maintaining product quality is of paramount importance for the company from both customer point of view and regulatory point of view. MIL's state-of-the-art lab and testing facility, equipped with advanced instruments, meets stringent global quality standards. Our manufacturing facilities have been certified in accordance with international standards of quality management systems, such as ISO 9001:2015 from SGS United Kingdom Limited, reflecting our commitment to quality.

BUILDING AN INFRASTRUCTURE FOR TOMORROW

Over the years, we have consistently built our infrastructure with the

addition of new and updated machineries and technology. Further, we have built a fantastic supply chain mechanism to provide us with a consistent supply required raw-materials and enable us to lead market growth. Across our key business segments, we continue to invest in the supply chain to support growth, efficiency and our sustainability targets. Beyond the supply chain we are investing in both our digital capability and IT infrastructure to ensure that the business is future fit to realise our growth ambitions.

CONSUMER INSIGHT

Our starting point is understanding how we can best meet the diverse needs of our domestic and international clients. We aim to build a longer-term view, understanding emerging trends and the wider context of the categories in which we operate. By putting our clients at the heart of what we do, we can innovate and develop products that our clients expect and deliver scalable turnkey solutions that maximize the growth opportunity for our customers. Our insight is underpinned by our providing solutions for customers' ambition to help consumers make informed choices.

OUR BUSINESS MODEL

Unlocking Value.

By adopting value enhancing business model

INPUTS



Financial capital

Financial resources that the Company has or obtains through financing activities.

Equity share capital:

₹188.40 million

Net worth: ₹1,203.45 million



Manufacturing capital

Tangible assets used by the Company to conduct its business activities

1 Manufacturing unit

Gross block of fixed assets:

₹145.41 million



Intellectual capital

R&D knowledge, intangible, knowledge-based assets



Human capital

Harmonious blend of expertise and proficiency of our formidable workforce helps us grow sustainably

282 employees



Social and relationship capital

Ability to share, relate and collaborate with stakeholders, promoting community development and well-being

CSR expenditure: ₹1.89 million



Natural capital

We try to make the optimum use of the natural resources.

OUR BUSINESS OBJECTIVE

Investing in sustainability

Our unwavering commitment to sustainability drives our success. By strategically investing in technology and R&D, we've positioned ourselves for long-term viability while minimizing our environmental footprint.

Improving efficiency

Our commitment to cost reduction and operational efficiency has enabled us to maximize resources and deliver exceptional results for our clients. By continually refining our processes and streamlining operations, we have emerged as a cost-effective supplier.

Diversifying product portfolio

We have successfully diversified our portfolio to serve various industries. By entering new markets and exploring fresh opportunities, we have reduced our dependence on any single sector. This strategic move positions us for sustained growth and unlock value for our stakeholders.



RFQ Receipt
from Customer



Receipt of
Purchase Order



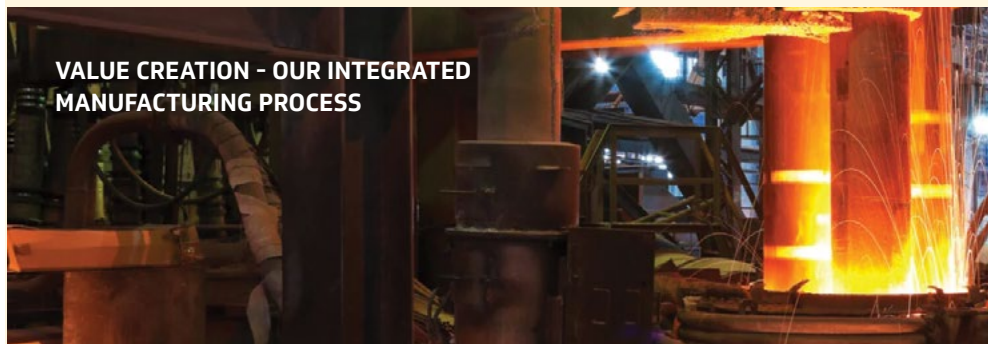
Designing &
Drawing

VALUE CREATION - OUR INTEGRATED MANUFACTURING PROCESS

Packaging & Dispatch



Inspection



As a responsible business entity, we are not merely focused on incremental progress; rather, we strive for a significant leap forward across every measurable parameter. The core objective of our business is growth – whether it's revenue growth, market share expansion, stakeholders return or diversification. By emphasizing “growth,” we focused on our commitment to unlocking value and building trust.

KEY ENABLERS OF OUR BUSINESS GROWTH

Research & development

Our strong culture of innovation and commitment to product differentiation drives the creation of cutting-edge new products.

Quality management

Effective quality management is essential for our sustained growth, as it ensures the desired product quality at both the input and output stages..

Relationship management

Build a deep and nurtured relationship by consistently catering to our client's needs.

After sales service

Our after-sales service encompasses maintenance contracts and spare parts supply, ensuring that we support our customers long after the initial sale. With a dedicated team, we prioritize building lasting relationships with our diverse and extensive customer base, emphasizing reliability and continued support.



Material
Management



Fabrication
Work



Assembling



OUTPUTS

- Induction heating and melting products
- Transformers
- Ladle refining furnaces
- Continuous casting machines
- Fume extraction systems
- Electric arc furnaces
- Turnkey solutions

THE VALUE WE CREATE



For Shareholders

Our priority is to invest in growth and pay attractive returns on investment.



For Customers

We focus on introducing products that meet their requirements. And, through continuous innovation, we're always looking for new engineering ways to offer new products and technologies.



For Employees

We are committed to the health, safety and wellbeing of our employees, and to providing a culture that is inclusive and performance driven.



For Clients

We have long-term, mutually beneficial relationships with our business partners, ensuring growth sustainability.



For Communities

We have a long history of community involvement, helping to make lasting contributions to the places where we live and work.



For the Planet

We care for our planet by reducing our carbon footprint and enhanced resource utilization, beneficially using our waste, using less water and supporting sustainable development.

OUR GROWTH STRATEGY

Building Momentum.

By leveraging opportunities.

Striding into the future with the backdrop of a dynamic world, growth remains the cornerstone of our Company. We aim to leverage our strengths to create more opportunities that results in sustainable growth.



Prudence as a virtue

At MIL, our growth strategy revolves around the philosophy of exercising caution and employing sound judgment. It is our belief that true success extends beyond mere financial gains in the present. By prioritizing prudence, we ensure our decisions are thoughtful, responsible, and geared towards long-term success.



Seizing opportunities for growth

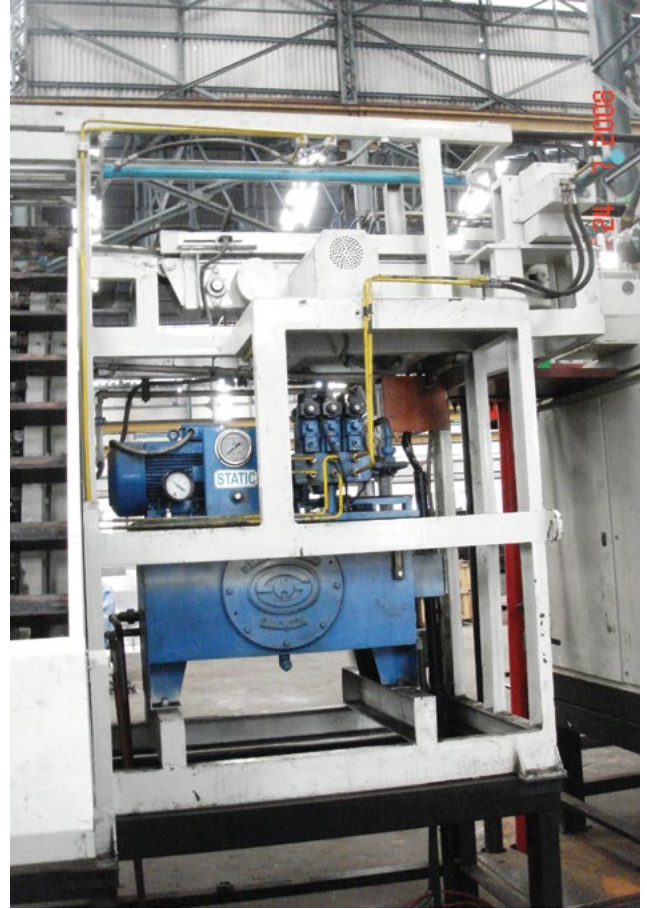
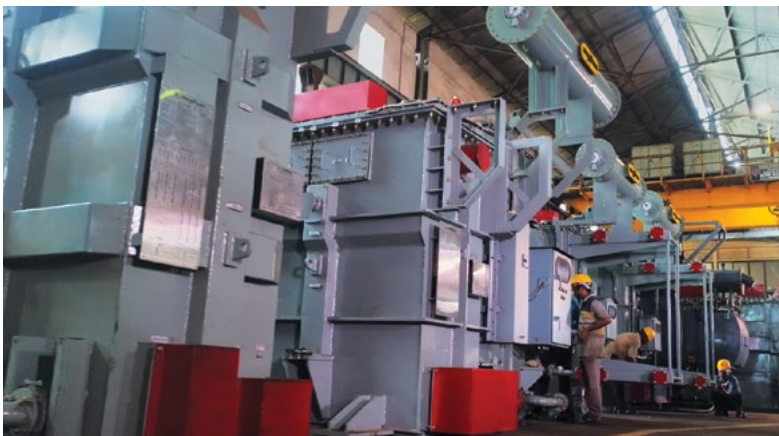
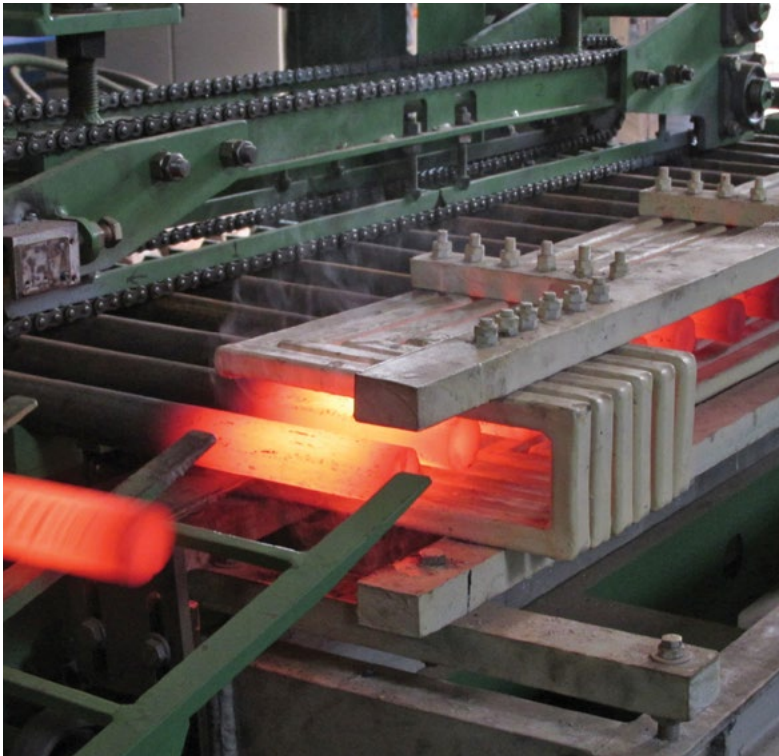
We believe that fortune favours the brave. By keeping a close eye on market trends in key industries like manufacturing, power, and automobiles, we plan to seize growth opportunities and expand our operations more extensively and profoundly.



Portfolio amplification

Regular capex investment on upgrading machinery, technological upgradation and process improvement is likely to catalyse growth and propel us towards higher production levels. By ramping up our operations, we are poised to unleash our full potential and broaden our offerings portfolio.





Greenfield expansion

Our operations at the Kharagpur facility have been a cornerstone of our success. With ample land available at our disposal for expansion, we are well-positioned to grow into new product segments as needed to seize emerging market opportunities.



Reducing our environmental impact

As a responsible corporate citizen, we recognize the significant impact our business has on the environment. Our dedication to environmental stewardship and social responsibility is genuine and unwavering. We strive to make our operations cleaner, greener, and more efficient by adhering to best practices and implementing sustainable processes.

GROWING TOGETHER

Unlocking Value with our People

Our mission is to build an organization where people also succeed along with the Company.



At MIL, we believe our people are the cornerstone of our success, and we strive to offer them rewarding and fulfilling careers. A skilled and dedicated workforce is essential to our business, and we actively attract and retain talent that aligns with our long-term growth strategy. Our team is our greatest strength, driving our sustained growth and success. As a responsible employer, we value the talent, commitment, skill, and enthusiasm our employees bring to our business.

We are committed to developing our talent and investing in our people. Our focus is on creating a unique working environment that allows both our employees and our business to thrive. We aim to inspire innovation and add greater value to our customers and the environment.

Our talent management process is designed to develop, promote, nurture, and retain the best industry talent. We are dedicated to maintaining high-quality standards through a strong commitment to employee development, which enhances productivity and adaptability in a changing business landscape.

This year, we launched numerous Employee Engagement Initiatives to connect with our people. We conducted online sessions with health professionals to ensure the well-being of our employees and their families during these turbulent times. These initiatives helped strengthen our bond and create a healthy working environment, whether at home or in the office.

63%

Percentage of employees who have been associated with MIL for over 10 years

55

Number of new hires in FY24

We are in the process of adding more diversity to our workforce with respect to gender and age.

SUSTAINABILITY AT MIL

Our commitment to ESG practices

At Megatherm Induction Limited, the environment, social and governance (ESG) framework showcases our intent.

The environmental aspect emphasises the use of sustainable resources, minimising resource

consumption, implementing efficient waste management, reducing fossil fuels and reducing our carbon footprint.

The social aspect of our ESG framework focuses on investing in people, nurturing a positive

organisational culture, building strong external stakeholder relationships and fulfilling our social responsibilities.

The governance element of our ESG framework outlines how we conduct our business, including strategic direction, ethical values, codes of conduct, and board composition adhering to the requirements of

Corporate Governance set out by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI).

MIL has minimised environmental impact essentially by adopting environmentally friendly manufacturing practices, technologically advanced machineries, and optimum resource utilization. This helped us to reduce carbon emissions and minimising our ecological footprint.

OUR ESG PRIORITIES



Environment

- Focus on reducing our carbon footprint
- Implemented efficient inventory and logistics management to reduce carbon emissions
- Promoted material reuse and recycling to reduce waste
- Implemented urban forest development and saplings plantation



Society

- Our priority has been to prioritize the health and safety of our personnel
- Prioritised safety of employees and communities
- Provided financial help to social and environmental causes
- Promoted women's empowerment; encouraged representation from diverse background and regions



Governance

- Strong Board with respected Independent Directors
- 2 Independent Directors among 5 Board members
- Effective Board committee structures and committees
- Policy against sexual harassment

WE ARE GUIDED BY

Our Board of Directors



Mr. Shesadri Bhusan Chanda
Chairman & Managing Director

Mr. Shesadri Bhusan Chanda has been with the company since its inception. He earned his Bachelor of Electrical Engineering from Jadavpur University in 1977, graduating as a gold medalist and top of his class, while also receiving numerous awards. Mr. Chanda has gained extensive experience working in multinational companies and has been a pioneer in introducing Induction Heating & Melting technology in India. He has trained many professionals in this field and played a key role in the growth of this industry in the country. With around 45 years of experience in the Induction, Electrical, and Metallurgical industries, he oversees the overall business operations of the company, including strategic planning, operations, finance, and policy formulation for business development.



Mr. Satadri Chanda
Chief Financial Officer (CFO) &
Whole-Time Director

Mr. Satadri Chanda serves as a promoter, whole-time director, and CFO of our company. He earned his Bachelor of Technology in Electronics and Communication Engineering from West Bengal University of Technology in 2012 and his Master of Science in Industrial and Systems Engineering from Virginia Polytechnic Institute and State University, USA, in 2014. Mr. Chanda has two years of experience in KPMG's Management Consulting (Strategy & Operations) division and over seven years of experience in the induction, electrical, and metallurgical equipment industry. He has been instrumental in formulating and implementing strategies and plays a pivotal role in business development, diversification, sales, administration, and finance functions of the Company.



Ms. Christina Paul Chowdhury
Non-Executive Director

Ms. Christina Paul Chowdhury earned her Master of Business Administration with a specialization in Marketing from Christ University, Bangalore, India, in 2015. Additionally, she holds a Master of Science in Business with a focus on Marketing from Virginia Commonwealth University, USA. With over seven years of experience in marketing and business promotion, Christina oversees the marketing and digital presence of the Company.



Mr. Siddhartha Sen
Independent Director

Mr. Siddhartha Sen earned his Bachelor's degree in Electrical Engineering from Jadavpur University in 1977. He went on to complete his Master of Technology in Electrical Engineering at the Indian Institute of Technology Kharagpur in 1980 and obtained his Doctor of Philosophy from the same institute in 1992. With approximately 45 years of experience in Electrical Engineering and academia, Mr. Sen has built a distinguished career in his field.



Mr. Ankit Rathi
Independent Director

Mr. Ankit Rathi joined the board on September 16, 2023, following an Extraordinary General Meeting, for a term of two years. He is a certified member of the Institute of Chartered Accountants of India and has approximately eight years of post-qualification experience in auditing. Currently, he serves as a partner at A D V & Associates, a chartered accountancy firm based in Mumbai.

Corporate Information as on 19th July, 2024

BOARD OF DIRECTORS

Mr. Shesadri Bhusan Chanda,
Chairman & Managing Director

Mr. Satadri Chanda,
Whole-Time Director and CFO

Ms. Christina Paul Chowdhury,
Non-Executive Director

Mr. Ankit Rathi,
Independent Director (wef 16th September, 2023)

Mr. Siddhartha Sen,
Independent Director

AUDIT COMMITTEE

Mr. Siddhartha Sen, Chairman

Mr. Ankit Rathi, Member

Mr. Shesadri Bhusan Chanda, Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Siddhartha Sen, Chairman

Mr. Shesadri Bhusan Chanda, Member

Ms. Christina Paul Chowdhury, Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Siddhartha Sen, Chairman

Mr. Ankit Rathi, Member

Ms. Christina Paul Chowdhury, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Shesadri Bhusan Chanda, Chairman

Mr. Siddhartha Sen, Member

Mr. Satadri Chanda, Member

INTERNAL COMPLAINTS COMMITTEE

Ms. Shaswati Datta, Presiding Officer

Mr. Suman Panja, Member

Ms. Abanti Saha Basu, Member

Mr. Kallol Dutta, External Member

CHIEF FINANCIAL OFFICER

Mr. Satadri Chanda

COMPANY SECRETARY

Ms. Abanti Saha Basu
(w.e.f. 15th September, 2023)

STATUTORY AUDITORS

MSKA & Associates
Chartered Accountants
Floor 4, Duckback House, 41, Shakespeare Sarani,
Kolkata 700017

INTERNAL AUDITORS

MATR & Associates
Room No 501, 5th Floor, Karnani Mansion,
25A, Park Street, Kolkata – 700 016

SECRETARIAL AUDITORS

M/S. Anjan Kumar Roy & Co.,
Company Secretaries, GR 1, Gouri Bhaban,
28A, Gurupada Halder Road, Kolkata – 700026

COST AUDITORS

Amit Khetan & Co.
Cost Accountants
16/1A Abdul Hamid Street,
(Formerly Known as British India Street)
Unit:- 6D, 6th Floor, Kolkata:- 700 069

REGISTERED AND CORPORATE OFFICE

Megatherm Induction Limited
Plot- L1 Block GP, Sector V, Electronics Complex
Salt Lake City Kolkata-700091

MANUFACTURING UNIT

Plot H 1, Vidyasagar Industrial Park,
Village: Rupnarayanpur, Post: Jakpur, Kharagpur – 721301

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East),
Mumbai – 400 093, Maharashtra

Website of the Company: <https://megatherm.com>

Investor E-mail: cs@megatherm.com /
investor@bigshareonline.com

CIN : L31900WB2010PLC154236

Financial Year : 1st April, 2023 to 31st March, 2024

NSE Symbol : MEGATHERM

ISIN: INE531R01010

LISTING OF EQUITY SHARES

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.

BANKERS

Indian Bank

LEGAL ADVISORS

JSG Legal, Advocates and Solicitors,
Unit 917, 9th Floor, Delta House,
4, Government Place (N), Kolkata-700001

DIRECT TAX CONSULTANTS

Khaitan & Co. LLP
Emerald House, 1B Old Post Office Street, Kolkata 700001

INDIRECT TAX CONSULTANTS

Deloitte Haskins & Sells Chartered Accountants LLP
13 & 14th Floor, Building – Omega
Bengal Intelligent Park, Block EP & GP Sector - V,
Salt lake Electronics Complex, Kolkata - 700 091

STATUTORY REPORTS

NOTICE OF ANNUAL GENERAL MEETING

Dear Member(s),

Notice is hereby given that the 14th Annual General Meeting of the Members of **Megatherm Induction Limited (CIN: L31900WB2010PLC154236)** will be held at **11:30 A.M.** on **Friday, 30th August, 2024** through Video Conferencing/ Other Audio Visual Means (VC/OAVM) facility at the deemed venue i.e. at Registered Office of the Company at **Plot- L1 Block GP, Sector V, Electronics Complex, Saltlake City, Kolkata-700091** to transact the following business:

ORDINARY BUSINESS

Item No. 1

Review and Adoption of Audited Financial Statements for the financial year ended 31st March, 2024

To receive, consider and adopt the audited Financial Statements of the Company comprising the Balance Sheet for the year ended 31st March, 2024, Statement of Profit and Loss for the financial year ended 31st March, 2024 together with the Directors' Report and Auditors' Report thereon.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements of the Company comprising the Balance Sheet as at 31st March 2024, Statement of Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the Report of the Board of Directors and Auditors' thereon as placed before the meeting, be and are hereby received, considered and adopted."

Item No. 2

Appointment of Director in the place of retiring Director

To appoint a Director in place of Mr. Satadri Chanda, who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section

152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Satadri Chanda (DIN 02302312) who is liable to retire by rotation and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

Item No. 3

To ratify the remuneration of the Cost Auditor for the financial year 2024-25.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and all other applicable provisions of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration of M/s. Amit Khetan & Co., Cost Accountants, (Firm Registration Number 102559), Cost Auditor of the Company for the financial year 2024-25 as appointed by the Board of Directors at a remuneration of ₹40,000/- (Rupees Forty Thousand only) plus taxes & reimbursement of out-of-pocket expenses, to be paid to M/s. Amit Khetan & Co., Cost Accountants, (Firm Registration Number 102559), be and is hereby confirmed and ratified."

By Order of the Board
For Megatherm Induction Limited
(CIN: L31900WB2010PLC154236)

Sd/-
(Abanti Saha Basu)
Company Secretary & Compliance Officer
Membership No. A69276

Place: Kolkata
Date: 19th July, 2024

NOTES:

1. In compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Listing Regulations, General Circular Nos.14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/ 2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021, and General Circular No. 3/2022 dated May 5, 2022, respectively, issued by the Ministry of Corporate Affairs (collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue in accordance with the MCA Circulars, the SEBI Circulars, the Act and the Listing Regulations. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Notice of the AGM along with its annexures is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participants as on 2nd August, 2024. In case you wish to have a physical copy of the notice of AGM along with its annexures, you are kindly requested to send a request for the same at cs@megatherm.com.
3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://megatherm.com>. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
4. The Members can attend and participate in the AGM through the VC / OAVM facility ONLY, the details of which are provided by the Company in the Notice of the AGM. Accordingly, please note that no provision has been made to attend and participate in the AGM of the Company in person. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 ("the Act") and as required under Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Special Business under Item No. 3 of the accompanying Notice is annexed hereto.
8. Statement giving details of the Director seeking reappointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting ("SS-2").
9. All documents referred to in the AGM Notice will be available for electronic inspection without any fee by the members from the date of circulation of this AGM Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@megatherm.com.
10. In case shareholders/ investor have any queries regarding E-voting, the Members may write an e-mail to the Company at cs@megatherm.com for any queries/ information.

11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
12. The facility for e-voting shall be made available at the AGM to the Members attending the meeting, who have not cast their votes through remote e-voting facility.
13. The Members, who will cast their votes by remote e-voting prior to the AGM and attending the AGM, shall not be entitled to cast their votes again at the AGM.
14. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the 'cut-off date' i.e. Friday, 23rd August, 2024.
15. The Board of Directors has appointed M/s. Anjan Kumar Roy & Co., Company Secretary in Practice having Membership No.: FCS 5684 and Certificate of Practice No.: 4557, as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.
16. The Scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or a person authorized by him in writing, who shall countersign the same and declare voting results (consolidated) within two working days from the conclusion of the AGM. The voting results along with the consolidated Scrutinizer's Report, will be placed on the website of the Company (<https://megatherm.com>), on the website of Stock Exchange (www.nseindia.com) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairperson and in his absence, any Director/officer of the Company authorized by the Chairperson.
17. For the smooth conduct of proceedings of the AGM, Members can submit questions/queries in advance with regard to the resolution to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address cs@megatherm.com at least seven (7) days in advance before the start of the meeting i.e. by 23rd August, 2024 by 02.00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
18. Members, who would like to ask questions during the AGM with regard to the resolution to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, along with their questions/queries to reach the Company's email address cs@megatherm.com in at least seven (7) days in advance before the start of the meeting i.e. by 23rd August, 2024 by 02.00 p.m. Those Members who have registered themselves as speakers shall only be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.
19. We thank you for registering your email address and contributing to the cause of Green Initiative.
20. The intructions of shareholders for remote e-voting are as under:
 - i. The remote e-voting period begins on Tuesday, 27th August, (9:00 am IST) and ends on Thursday, 29th August, 2024 (5:00 pm IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, 23rd August, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd August, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:




Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="783 389 1289 685" style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	<ol style="list-style-type: none"> 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akroyco@yahoo.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password.

In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@megatherm.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@megatherm.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/

have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@megatherm.com. The same will be replied by the company suitably.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3:

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on 28th May, 2024, had approved the re-appointment and remuneration of M/s. Amit Khetan & Co., Cost Accountants, as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2025, at a remuneration of ₹40,000/- (Rupees Forty Thousand only) plus taxes & re-imbusement of out-of-pocket expenses in connection with the audit. M/s. Amit Khetan & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/ or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2025.

The Board recommends the Resolution as set out at Item No. 3 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise except to the extent of their respective shareholding, if any, in the resolution set out at Item No.3 accompanying Notice.

By Order of the Board
For Megatherm Induction Limited
(CIN: L31900WB2010PLC154236)

Sd/-

(Abanti Saha Basu)

Company Secretary & Compliance Officer

Membership No. A69276

Place: Kolkata

Date: 19th July, 2024

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Satadri Chanda
DIN	02302312
Date of Birth	01-09-1989
Date of Appointment	22-10-2010
Qualifications	MS Industrial & System Engineering, Virginia Tech, USA.
Experience	He has 2 years work experience in KPMG's Management Consulting (Strategy & Operations) division and over 7 years work experience in Induction, Electrical and Metallurgical equipment industry.
Expertise in specific functional areas	He is instrumental in formulating and implementing strategy and plays pivotal role in business development, diversification, sales and administration and finance functions of our company.
Directorships held in other companies	Megatherm Electronics Private Limited SC Aqua Vitae Private Limited
Memberships / Chairmanships of committees of other public companies	NA
Number of shares held in the Company	3,600
Inter-se Relationship between Directors	Son of Mr. Shesadri Bhusan Chanda, Managing Director and spouse of Mrs. Christina Paul Chowdhury, Non-executive Director.

Director's Report

To

**The Members of
MEGATHERM INDUCTION LIMITED
(Formerly Known as Megatherm Induction Private Limited)**

The Directors of your Company have pleasure in presenting the 14th Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended on 31st March 2024 with Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review along with previous year's figures is given here under:

Financial Results	(Amount in ₹ Lacs)	
	For the Financial Year ended 31st March 2024	For the Financial Year ended 31st March 2023
(a) Revenue from operations	30,625.46	26,588.15
(b) Other Income	112.22	55.69
(c) Total Revenue [(a) + (b)]	30,737.68	26,643.84
(d) Net Profit/Loss (before depreciation and tax)	3,098.55	2,226.29
Less: Depreciation	338.53	242.82
(e) Net Profit/Loss before tax	2,760.02	1,983.47
Less: Provision for Tax (including for deferred tax)	687.63	583.06
(f) Net Profit/Loss after tax	2,072.39	1,400.41
(g) Proposed Dividend	-	-
(h) Dividend Tax	-	-
(i) Transfer to General Reserve	-	-
(j) Surplus Carried Forward	2,072.39	1,400.41
(k) Earning per Share- Basic and Diluted (in ₹)	14.13	10.11

The above performance is based on standalone basis.

Consolidated figures are not applicable. The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014.

STATE OF COMPANY'S AFFAIRS / OPERATIONS:

Your Company is engaged in the business of manufacturing and selling of Capital Equipment like Induction Melting and Heating Equipment, Arc Melting Furnace products, Ladle Refining Furnace etc. It is imperative that affair of your Company is managed in a fair and transparent manner. The total revenue for FY 2023-24 was ₹30,737.68 Lacs (₹26,643.84 Lacs in FY 2022-23). Your Company has earned profit before tax of ₹2,760.02 Lacs as against ₹1,983.47 Lacs in the Previous Year. Your Company has earned profit after tax of ₹2,072.39 Lacs as against ₹1,400.41 Lacs in the Previous Year. Your Company expects with the growing emphasis and importance of health in the Country, the Company expects to receive more orders in the years to come and will eventually lead to increase in demand for the Company.

INITIAL PUBLIC OFFER (IPO):

During the year under review, your Company made an Initial Public Offer (IPO) through fresh issue of 49,92,000 equity shares of face value of ₹10 each of the Company at an issue price of ₹108 per Equity Share aggregating to ₹5,391.36 Lacs. The issue opened on January 29, 2024 and closed on January 31, 2024. The Company successfully completed the IPO process and the equity shares of the Company were listed on the Emerge Platform of the National Stock Exchange of India Limited ("the NSE") on February 5, 2024. Your Directors are pleased to present to you this first Annual Report of Company post the successful IPO. This is surely a milestone in our corporate strategy, and the Directors hereby place on record gratitude to all the shareholders and other stakeholders for their overwhelming response to the Company's IPO and for reiterating their faith in its long-term growth story. The Directors of your Company believes that the listing of the Company would provide the right platform to take its brand to greater heights, enhance

visibility and provide liquidity to the shareholders.

SHARE CAPITAL:

The Authorised Share Capital of the Company was increased from ₹15,00,00,000/- (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of ₹10/- (Rupees Ten) each to ₹19,00,00,000/- (Rupees Nineteen Crore Only) divided into 1,90,00,000/- (One Crore Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten only).

The Issued and Paid-up Capital of the Company as on 31st March, 2024 was ₹18,84,07,290/- comprising of 1,88,40,729 number of equity shares of face value of ₹10/- each.

The Company had come up with the Initial Public Offering (the "IPO") of ₹53,91,36,000/- comprising of 49,92,000 shares @ ₹108/- per share having Face Value ₹10/- per share and Securities Premium of ₹98/- per share on the Emerge Platform of the National Stock Exchange of India Limited ("the NSE") on February 5, 2024.

Prior to the IPO, the Company had issued Equity Shares by way of Bonus Issue to the existing shareholders in the ratio of 1:2 comprising of 46,16,243 (Forty Six Lacs Sixteen Thousand Two Hundred Forty Three) number of Equity Shares against the existing 92,32,486 (Ninety Two Lacs Thirty Two Thousand Four Hundred Eighty Six) total no. of the equity shares existing as fully paid up in the Company.

M/s Bigshare Services Private Limited, duly registered under the Securities and Exchange Board of India, has been appointed as the Registrar and Share Transfer Agent to an Issue of the Company in accordance to the Regulation 7 of the Securities Exchange Board of India (Listing and Obligations of Disclosure Requirements) Regulations, 2015.

ALTERATION OF ARTICLES OF ASSOCIATION:

The Company had with the approval of the members adopted a new set of Articles of Association. The Company has received approval of the Ministry of Corporate Affairs to the said alterations.

SWEAT EQUITY SHARES:

As per the provisions of Section 54(1)(d) of the Companies Act, 2013 and in terms of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any Sweat Equity Shares.

DIFFERENTIAL VOTING RIGHTS:

As per the provisions of Section 43(a)(ii) of the Companies Act, 2013 and in terms of Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any shares with Differential Voting Rights.

EMPLOYEE STOCK OPTIONS:

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 and in terms of Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any Employee Stock Options.

DEBENTURES/BONDS/WARRANTS OR ANY NON-CONVERTIBLE SECURITIES:

During the year under review, the Company has not issued any debentures, bonds, warrants or any nonconvertible securities. As on date, the Company does not have any outstanding debentures, bonds, warrants or any non-convertible securities.

LISTING & DEPOSITORY FEE:

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited (NSE Emerge). The trading symbol of the Company is 'MEGATHERM'. The Company has paid Listing fees for the financial year 2023-24 according to the prescribed norms & regulations.

DEMATERIALIZATION OF EQUITY SHARES:

During the year under review the entire shareholding is in dematerialization mode.

DEPOSITORY SYSTEM:

As the Members are aware, the shares of your Company are trade-able compulsorily in electronic form and your Company has established connectivity with both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The ISIN allotted to the Company's Equity shares is INE531R01010.

DETAILS OF UTILISATION OF FUNDS & STATEMENT OF DEVIATION(S) OR VARIATION(S):

Pursuant to Regulation 32 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no deviation/variation in the utilization of proceeds as mentioned in the objects stated in the Prospectus dated February 1, 2024, in respect of the Initial Public Offering of the Company.

CREDIT RATING:

During the year under review, CRISIL Ratings has upgraded its ratings to 'CRISIL BBB/Stable' for Long Term Rating and 'CRISIL A3+' for Short Term rating on the bank facilities of your Company.

WEBSITE:

<https://megatherm.com> is the website of the company. All the requisite details, policies are placed on this website of the company.

DIVIDEND :

The Directors of your Company, after considering holistically the relevant circumstances, has decided that it would be prudent not to recommend any Dividend for the year ended 31st March, 2024.

TRANSFER TO RESERVES:

During the year under review, no amount has been transferred to General Reserve. No amount was transferred to the reserves, except total amount of Net Profit of ₹2072.40 Lacs has been carried forward to the Reserves & Surplus as stood in the notes forming part to the Financial Statements.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of the report.

DIRECTORS' RESPONSIBILITY STATEMENT :

In accordance with the provision of Section 134(5) of Companies Act, 2013 your director to the best of their knowledge and belief confirm and state that:-

1. In preparation of the Balance Sheet and the Statement of Profit and Loss Account of the Company for the year ended on 31st March, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so

as to give a true and fair view of the profit of the Company for that period.

3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the maintenance of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting any other irregularities.
4. Also the directors have prepared the annual accounts on a going concern basis.
5. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPOSITION OF BOARD

Sr. No.	Name	Designation
1	Mr. Shesadri Bhusan Chanda	Chairman & Managing Director
2	Mr. Satadri Chanda	Whole-Time Director and CFO
3	Mrs. Christina Paul Chowdhury	Non-Executive Director
4	Mr. Ankit Rathi	Independent Director
5	Mr. Siddhartha Sen	Independent Director

NUMBER OF BOARD MEETINGS DURING THE YEAR:

The Board of Directors and Member of various Committees are met during the year on following dates:

Details of Meeting of Board of Directors of the company:

Sr. No.	Date of Meeting	Board Strength	No's of Directors Attended
1	29 th May, 2023	5	5
2	10 th June, 2023	5	5
3	10 th July, 2023	5	5
4	20 th July, 2023	5	5
5	7 th August, 2023	5	5
6	9 th August, 2023	5	5
7	4 th September, 2023	5	5
8	15 th September, 2023	5	5
9	18 th September, 2023	5	5
10	26 th September, 2023	5	5
11	28 th September, 2023	5	5
12	27 th October, 2023	5	5
13	9 th November, 2023	5	5
14	4 th December, 2023	5	5

Sr. No.	Date of Meeting	Board Strength	No's of Directors Attended
15	4 th January, 2024	5	5
16	18 th January, 2024	5	4
17	25 th January, 2024	5	5
18	1 st February, 2024	5	5
19	1 st February, 2024	5	5
20	15 th March, 2024	5	5

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the SEBI (LODR) Regulations, 2015 / Companies Act, 2013.

I. Details of Meeting of members of Committees:

Sr. No.	Date of Meeting	Committee Strength	No. of Members present
Audit Committee:			
1	20 th July, 2023	3	3
2	4 th September, 2023	3	3
3	14 th September, 2023	3	3
4	9 th November, 2023	3	3
5	4 th December, 2023	3	3
6	15 th March, 2024	3	2
Nomination and Remuneration Committee:			
1	20 th July, 2023	3	3
2	15 th September, 2023	3	3
3	26 th September, 2023	3	3
Corporate Social Responsibility Committee:			
1	20 th July, 2023	3	3
2	28 th March, 2024	3	3
Stakeholder Relationship Committee:			
1	5 th February, 2024	3	3
2	28 th March, 2024	3	3

In respect of all above meetings, proper notices were given and the proceedings were properly recorded and the Minutes Book maintained for the purpose.

All the recommendations of the Committee meetings were duly accepted by the Board.

GENERAL MEETINGS:

Following are the Details of meeting of Members of the Company:

Sr. No.	Date of Meeting	Type of Meeting
1	25 th September, 2023	Annual General Meeting
2	12 th July, 2023	Extra Ordinary General Meeting
3	8 th August, 2023	Extra Ordinary General Meeting
4	5 th September, 2023	Extra Ordinary General Meeting
5	16 th September, 2023	Extra Ordinary General Meeting

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act 2013 during the period under review.

DECLARATION REGARDING INDEPENDENT DIRECTORS :

The Company has received a declaration from all the independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

Particulars of Contracts entered into with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 is attached as an '**Annexure-I**' to this Report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014:

Disclosure of particulars of Employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as an '**Annexure – II**' which forms part of this Report.

PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:

The details of loans and advances and investments, if any, are specified in the notes to the Balance Sheet. The Company has not provided any guarantee or provided any Security for the loans availed by others.

EXPLANATION TO AUDITORS' REPORT :

The Auditors' Report to the Members for the year, under review, does not contain any qualification(s) or observation(s). The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Further, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of your Company during the year under review.

STATUTORY AUDITORS:

M/s. M S K A & Associates, Chartered Accountants (FRN: 105047W) were appointed as Statutory auditors at the 11th Annual General meeting of the Company for a period of five years and accordingly they continue to hold office till the conclusion of the 16th Annual General Meeting.

There is no qualification or adverse remarks made by the auditors in their report.

No fraud is reported by the auditors.

COST AUDITORS:

M/s. Amit Khetan & Co, Cost Accountants, (Registration No. 102559) have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2023-24 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2024 would be filed as stipulated by the applicable provisions of law. The Company is making and maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

INTERNAL AUDITORS:

During the year the Board of Directors has appointed M/s MATR & Associates, Chartered Accountants (Registration No. 333104E) as Internal Auditors of the Company. The audit conducted by the Internal Auditors is based on an internal audit plan, which is reviewed each year in consultation with the Audit Committee. These audits are based on risk based methodology and inter-alia involves the review of internal controls processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the year for corrective action. The Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor.

SECRETARIAL AUDITORS:

The Company has appointed M/s. Anjan Kumar Roy & Co. Company Secretaries (CP No. 4557), a Peer Reviewed Firm, as Secretarial Auditors of the Company in accordance with the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24. The report of the Secretarial Auditor MR-3 for the financial year 2023-24 is enclosed as an 'Annexure - III' to this Board's Report, which is self-explanatory. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURE UNDER RULE 8 (5) OF COMPANIES ACCOUNTS RULES, 2014:

- a) **Disclosure of financial Summary / Highlights :**
As stated in financial Results of the Directors Report.
- b) **Disclosure of Change in Nature of Business :**
There is no change in nature of Company Business.
- c) **Details of Directors / Key Managerial Personnel Appointed / Resigned:**
During the year under the review, following Directors / Key Managerial Personnel were Appointed / resigned:

NAME OF DIRECTORS/ KMP	DESIGNATION	DIN	APPOINTMENT DATE	DATE OF CHANGE IN DESIGNATION	RESIGNATION DATE
MR. PRITHWIS KUMAR KUNDU	INDEPENDENT DIRECTOR	08619226	-	-	15 TH SEPTEMBER, 2023
MR. ANKIT RATHI	INDEPENDENT DIRECTOR	08456577	16 TH SEPTEMBER, 2023	-	-
MRS. NISHA BHOPALKA	COMPANY SECRETARY	-	-	-	31 ST AUGUST, 2023
MRS. ABANTI SAHA BASU	COMPANY SECRETARY	-	15 TH SEPTEMBER, 2023	-	-

d) Details of Subsidiary Companies / Joint Ventures / Associate Companies:

The Company has no Subsidiary/joint venture / associate company.

e) Details regarding Deposit covered under Chapter V of the Companies Act, 2013.

The Company has not invited any deposit other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (VI) of Companies (Accounts) Rules, 2014.

f) Details of Deposit which are not in compliance with requirements of Chapter V of the Act.

Not Applicable.

g) Details of Significant and Material Orders passed by Regulators or Courts or Tribunals.

There was no regulatory or Court or Tribunal Order passed against the Company.

h) Internal Financial Control System :

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

i) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, under review.

j) Disclosure with respect to Maintenance of Cost Records

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

COMMITTEES OF BOARD:

The Board of Directors has constituted the following Committees, viz.;

(i) AUDIT COMMITTEE:

The Audit Committee was reconstituted on 18th September, 2023. The Constitution, composition and functioning of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013. All the recommendations of Audit Committee have been accepted by the Board of Directors of the Company. The Audit Committee comprises of:

Name of Directors	Status in Audit Committee	Nature of Directorship
Mr. Siddhartha Sen	Chairman	Independent Director
Mr. Ankit Rathi	Member	Independent Director
Mr. Shesadri Bhusan Chanda	Member	Chairman & Managing Director

(ii) STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee was reconstituted on 18th September, 2023. The Constitution, composition and functioning of the Stakeholder Relationship Committee also meets with the requirements of Section 178 of the Companies Act, 2013. All the recommendations of Stakeholder Relationship Committee have been accepted by the Board of Directors of the Company. The Stakeholder Relationship Committee comprises of:

Name of Directors	Status in Stakeholder Relationship Committee	Nature of Directorship
Mr. Siddhartha Sen	Chairman	Independent Director
Mr. Shesadri Bhusan Chanda	Member	Chairman & Managing Director
Mrs. Christina Paul Chowdhury	Member	Non-Executive Director

(iii) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was reconstituted on 18th September, 2023. The Constitution, composition and functioning of the Nomination & Remuneration Committee also meets with the requirements of Section 178 of the Companies Act, 2013. All the recommendations of Nomination & Remuneration Committee have been accepted by the Board of Directors of the Company. The Nomination &

Remuneration Committee comprises of:

Name of Directors	Status in Nomination & Remuneration Committee	Nature of Directorship
Mr. Siddhartha Sen	Chairman	Independent Director
Mr. Ankit Rathi	Member	Independent Director
Mrs. Christina Paul Chowdhury	Member	Non-Executive Director

(iv) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was reconstituted on 18th September, 2023. The Constitution, composition and functioning of the Corporate Social Responsibility Committee also meets with the requirements of Section 135 of the Companies Act, 2013. All the recommendations of Corporate Social Responsibility Committee have been accepted by the Board of Directors of the Company. The Corporate Social Responsibility Committee comprises of:

Name of Directors	Status in Corporate Social Responsibility Committee	Nature of Directorship
Mr. Shesadri Bhusan Chanda	Chairman	Chairman & Managing Director
Mr. Siddhartha Sen	Member	Independent Director
Mr. Satadri Chanda	Member	Whole Time Director & CFO

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

On appointment, the concerned Directors were issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Familiarization Program for Independent Directors includes regular industry trend updates, site visits, pertinent training programs, information access, and frequent interactions with senior management. Your Company is working to cultivate an enlightened and involved Board that supports efficient governance and value creation by actively engaging independent directors and providing them with the necessary resources.

INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the workmen and the management continued to remain cordial during the year under review.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

During the year under review, Your Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a Prevention of Sexual Harassment (POSH) policy in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is also available on our website, i.e. <https://megatherm.com>. Your Company has constituted an Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. POSH Committee has equal representation of men and women and is chaired by senior woman of the Company.

The composition of Internal Complaints Committee is as follows:

Name	Designation	Status in Committee
Mrs. Shaswati Datta	Head – HR & Administration	Presiding Officer
Mr. Suman Panja	Senior Manager – Design & Engineering	Member
Mrs. Abanti Saha Basu	Company Secretary	Member
Mr. Kallol Dutta	Ex-Additional Labour Commissioner	External Member

There was no complaints pertaining to sexual harassment during the year.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company is committed to principles of professional integrity and ethical behavior in the conduct of its affairs. The Whistle-blower Policy provides for adequate safeguards against victimisation of director(s) / employee(s) who avail of the mechanism. It is affirmed that no person has been denied access to the Audit Committee. The Compliance officer is mandated to receive the complaints under this policy. Whistle Blower policy is available on the website

of the Company at <https://megatherm.com>. The Policy ensures complete protection to the whistle-blower and follows a zero tolerance approach to retaliation or unfair treatment against the whistle-blower and all others who report any concern under this Policy. During the year under review, the Company did not receive any complaint of any fraud, misfeasance etc. The Company's Whistle Blower Policy (Vigil Mechanism) has also made employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any.

RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing or mitigating the same. The Company periodically reviewed to ensure smooth operation and effective management control, the key risks associated with the business and measures and steps in place to minimize the same.

PERFORMANCE EVALUATION:

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of sub-section (3) of Section 178 of the Act dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link <https://megatherm.com>.

BOARD EVALUATION

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The questionnaire for Board evaluation was prepared taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing

shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on December 4, 2023. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and the Board in their respective meetings.

Further, the Board has expressed its satisfaction and has been thankful to all its Independent Directors for sharing their knowledge and expertise which has been proved beneficial towards the progress of the Company.

EXTRACTS OF ANNUAL RETURN:

The Annual Return of the Company is displayed on website of the Company i.e. <https://megatherm.com/>

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) read with Schedule V Part B of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as an 'Annexure - IV'.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Companies Act, 2013 is as under:

A) Conservation of Energy:

The information on conservation of energy stipulated under Section 134(3) (m) of the Companies Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure - V'.

B) Technology Absorption:

The information on technology absorption stipulated under Section 134(3) (m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure - V'.

C) Foreign Exchange Earnings and Outgo:

The detail regarding foreign exchange earnings and outgo is specified in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has constituted a Corporate Social Responsibility (CSR) committee comprising of all three existing directors out of which 1 is independent namely Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and Mr. Siddhartha Sen. The Board of Directors of the Company has adopted a CSR Policy which is available on the website of the Company namely <https://megatherm.com>. The implementation and monitoring of CSR is in compliance with CSR Policy of the Company. Details of our CSR activities and the corresponding expenditure for each activity are provided as an 'Annexure-VI' in this report.

VOLUNTARY REVISION OF FINANCIAL STATEMENT AND / OR BOARD REPORT:

No application was made for voluntary revision of financial statements and / or Board Report during the year.

COMPLIANCE SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS:

No Application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

DETAILS OF DIFFERENCE BETWEEN OF AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE UNDERTAKING LOAN FROM THE BANK OF FI, ALONG WITH REASONS THEREOF:

Not Applicable.

OTHERS:

No Employee stock option was issued.

No Sweat Equity Shares were issued.

No amount was required to be transferred to Investor Education and Protection Fund.

Various policies required are disclosed on the website of the Company namely <https://megatherm.com/>

Other Disclosures required to be made in the Directors Report are either nil or not applicable.

ACKNOWLEDGMENT:

Your Directors are thankful to regulatory and government authorities, bankers, clients, and suppliers of the Company for their co-operation and also wish to place on record the contribution made by all the workers, members of the staff and executives of the Company at all levels for the progress of the Company.

The Directors of your company also express appreciation of the confidence, which the members have reposed in them.

CAUTIONARY STATEMENT:

The Boards Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of the Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Kolkata : 28th May, 2024

ANNEXURE – I

FORM AOC-2

[Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1). Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2024, which were not at arm's length basis.

2). Details of material contracts or arrangement or transactions at arm's length basis:

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Sale of Product or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹19,56,90,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Sale of Product or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹34,24,79,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Purchase of Product or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹18,16,59,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Purchase of Product or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹3,03,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Rent and Electricity Expense
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹67,47,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Labour Charges
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹48,47,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Shesadri Bhusan Chanda
Nature of relationship	Managing Director of the Company
Nature of Contract/ Arrangement/ Transaction	Salaries/ Managerial Remuneration
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹62,40,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Satadri Chanda
Nature of relationship	Director of the Company
Nature of Contract/ Arrangement/ Transaction	Salaries/ Managerial Remuneration
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹87,00,000
Date of Approval by the Board	During ordinary course of business
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Trademark on Lease
Duration of the contracts	15 Years
Terms of the contracts or arrangements or transactions including the value, if any	₹4,00,00,000
Date of Approval by the Board	10.07.2023
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Assets Purchased
Arrangements or transactions	One time
Terms of the contracts or arrangements or transactions including the value, if any	₹7,38,86,000
Date of Approval by the Board	10.07.2023
Amount paid as advances, if any	NA

Further the details required to be disclosed in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

The details of the related party transactions are disclosed in note 34 (c) to the financial statement which sets out related party disclosures.

For and on behalf of the Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Kolkata : 28th May, 2024

Annexure-II

DETAILS OF REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name of Director/KMP	Designation	Ratio to median remuneration	% increase in remuneration in Financial Year 2023-24
Mr. Shesadri Bhusan Chanda	Managing Director	22:1	0%
Mr. Satadri Chanda	Whole-time Director & CFO	30:1	5%
Mrs. Abanti Saha Basu	Company Secretary	1.6:1	NA

- The percentage increase in the median remuneration of employees for the financial year ended 31st March, 2024 is 11%
- The number of permanent employees on the rolls of the company as on 31st March, 2024 is 282.
- The average increase in the managerial remuneration for the FY. 2023-24 is 8.3% and the average increase in the salary of employees other than managerial personnel for the FY 2023-24 is 11.7%.
- The remuneration stated above is in accordance with the remuneration policy of the company.

Annexure-III

SECRETARIAL AUDIT REPORT
For the financial year ended on 31st March, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Megatherm Induction Limited
Plot- L1 Block Gp, Sector V,
Electronics Complex, Saltlake City
Kolkata-700091

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Megatherm Induction Limited (CIN: L31900WB2010PLC154236)** (here in after to be referred as the **“Company”**) for the financial year ended 31st March, 2024 (herein after to be referred as **“audit period”**). Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the records, minute books, documents, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
 - (i) We have examined the records, minute books, documents, forms, returns filed, and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) viz. :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
 - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; -Not Applicable during the audit period.
 - f) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021, as

amended; - Not Applicable during the audit period.

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended, regarding the Companies Act and dealing with client.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended; - Not Applicable during the audit period.
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; - Not Applicable during the audit period.

And to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions of the above mentioned Acts, Regulations and Rules made thereunder, during the aforesaid audit period.

- (ii) We have also examined the secretarial compliance on test check basis of the records maintained by the Company for the audit period, with the provisions of the following laws specifically applicable to the Company and as shown to us during our audit;
 - i) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - ii) The Environment Protection Act, 1986
 - iii) Public Liability Insurance Act, 1991, and
 - iv) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is in the process of identifying environmental pollutants under The Environment (Protection) Act, 1986. The Environmental Audit Report for financial year ended 31st March, 2024 is In the process of being submitted.

The Annual Report on Hazardous waste (Management, Handling and Transboundary

Movement) Rules, 2008 for financial year ended 31st March, 2024 is in the process of being submitted.

Insurance policy for Public damage under The Public Liability Insurance Act is yet to be taken.

- (iii) We have also examined the Structured Digital Database pursuant to Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 maintained by the Company for the financial year ended on 31st March, 2024 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions pursuant to Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, during the aforesaid audit period

- 4. (i) We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013 during the aforesaid audit period.
- (ii) We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with National Stock Exchange of India Limited also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable during the audit period.
- 5. That on the basis of the audit as referred above, to the best of our knowledge, understanding, and belief, we are of the view that during the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraphs 3(i), Paragraph 3(ii), Paragraph 3(iii), Paragraph 4(i) and Paragraph 4(ii) of this report.

6. We further report that,
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors, and Woman Director. The changes in the composition of the Board of Directors during the audit .
 - b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
 - c) Majority decision is carried through and recorded as part of the minutes.
7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, generally applicable to Company.
8. I. During the period under review, the Company has Successfully made an Initial Public Offer of Equity Shares and thereafter the Equity Shares of the Company have got listed at the NSE SME EMERGE Platform.
- II. During the period under review, the Company has allotted Bonus Shares in the proportion of 1 Equity Shares for every 2 Equity Shares held in the Company and that the said Bonus Issue has taken place prior to the Initial Public Offer of the Company.
9. This report is to be read with our letter of even date which is annexed as **Annexure A**, forming an integral part of this report.

FOR, ANJAN KUMAR ROY & CO.
Company Secretaries

Place : Kolkata
Date : 28 May, 2024

ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: F005684F000452064
Peer Review Certificate No. 869/2020

'Annexure A'

(To the Secretarial Audit Report of M/s. Megatherm Induction Limited for the financial year ended 31st March, 2024)

**To
The Members,
Megatherm Induction Limited
Plot- L1 Block Gp, Sector V,
Electronics Complex, Saltlake City
Kolkata-700091**

Our Secretarial Audit Report for the financial year ended 31st March, 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**FOR, ANJAN KUMAR ROY & CO.
Company Secretaries**

**Place : Kolkata
Date : 28 May, 2024**

**ANJAN KUMAR ROY
Proprietor
FCS No. 5684
CP. No. 4557
UDIN: F005684F000452064
Peer Review Certificate No. 869/2020**

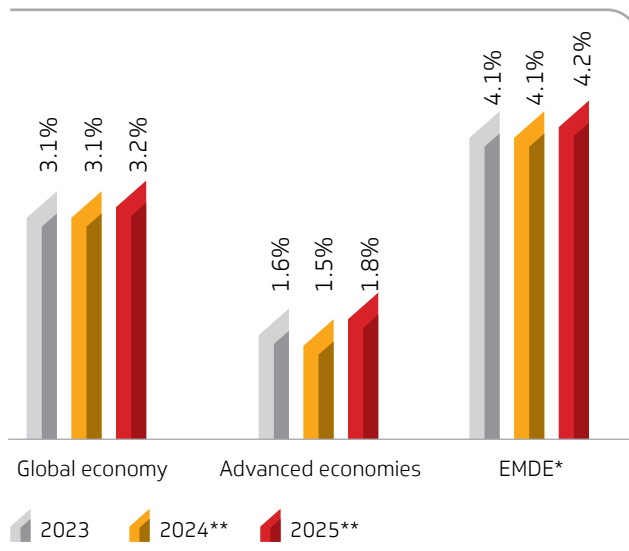
Annexure-IV

Management Discussion and Analysis

GLOBAL ECONOMIC GROWTH

The International Monetary Fund (IMF) reports that the global economy started 2024 with a 3.1% growth rate, expected to rise to 3.2% in 2025. This growth is mainly due to the strong US economy, emerging markets, and China's fiscal support. However, challenges like restrictive monetary policies and low productivity could hinder progress, requiring careful policy management for continued growth.

Global economy growth



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024>)

[*Emerging Market and Developing Economies] [**Projected]

The IMF forecasts a slight dip in advanced economies' growth from 1.6% in 2023 to 1.5% in 2024, then an increase to 1.8% in 2025. The US is expected to perform better than anticipated, while the euro area's growth is set to recover from 0.5% in 2023 to 0.9% in 2024 and 1.7% in 2025. Emerging markets are likely to maintain a 4.1% growth in 2024, with China at 4.6% and India at a robust 6.5% for both 2024 and 2025.

Global inflation should decrease to 5.8% in 2024 and 4.4% in 2025, with advanced economies experiencing a sharper decline to 2.6%. In contrast, emerging markets will see a modest reduction to 8.1%. Trade growth is expected at 3.3% in 2024 and 3.6% in 2025, below the historical average of 4.9%. Despite trade challenges, increased

government and private spending, along with easing labor markets, could boost trade.

Outlook

The global economy is improving, with a lower risk of recession, thanks to the U.S. economy's strength. Yet, global growth may slow due to tight monetary policy and slow trade. The U.S. should see growth from consumer spending and job strength, while the Euro area and China face slower growth due to various economic pressures.

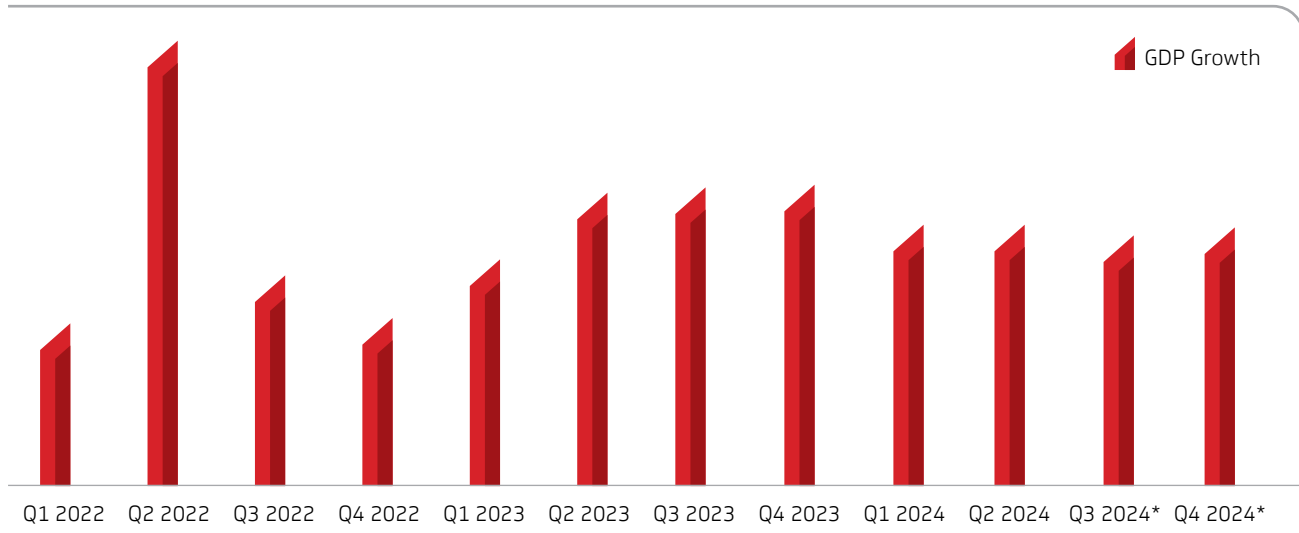
Challenges like geopolitical tensions, financial stress, inflation, and climate issues pose as an impediment global growth. Global cooperation is needed to tackle these and support emerging economies, which are struggling with fiscal challenges and high borrowing costs amid slow trade and tight financial conditions.

INDIAN ECONOMY OVERVIEW

One of the fastest growing economies in the world, the Indian economy is anticipated to experience a consistent growth of 6.7% annually from 2024 to 2031, as per the latest report by CRISIL. This projection slightly surpasses the pre-pandemic average of 6.6%. CRISIL attributes this growth trend to capital, highlighting the government's investment-driven approach during a period when the private sector hesitated to make substantial investments. The government's notable increase in capital expenditure, supporting infrastructure projects and offering interest-free loans to states, is identified as a pivotal factor.

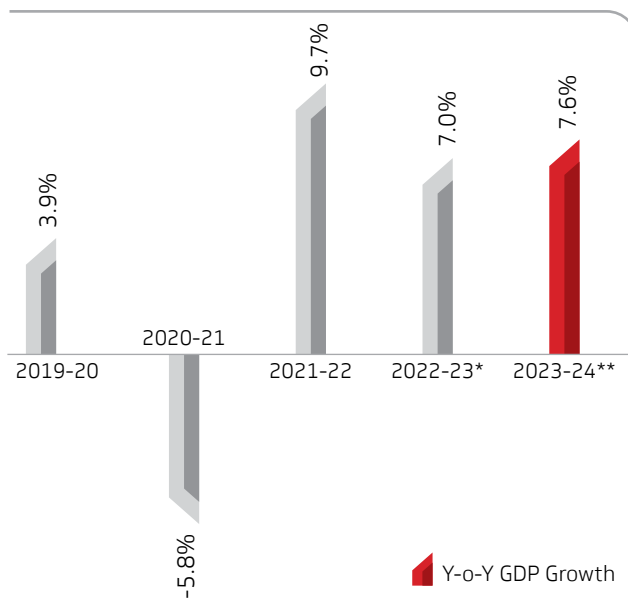
Expected to grow by 7.3% in the current financial year (FY24), according to the first advance estimate released by the National Statistical Office, reflects both global and domestic optimism in the country's economy on the back of robust manufacturing activity and infrastructure spending. India's inflation level stood at 5.7%, primarily driven by fluctuating vegetable prices and food grain inflation. India's economy grew at its fastest pace in one-and-half years in the final three months of 2023, led by strong manufacturing and construction activity. Additionally, the Government's emphasis on monitoring the Middle East conflict's impact on energy and logistics costs helped the Indian economy remain resilient throughout the 2023 despite the challenging global environment.

Indian economic growth projects



[Source: <https://tradingeconomics.com/india/gdp-growth-annual>] [*Projected]

Year-on-year growth (%) in GDP



[Source: Ministry of statistics and programme implementation]
[*First revised estimate; **Second advance estimate]

India's GDP growth was fueled by a 31% increase in Central Government and 43% increase in State Government capital expenditure. The mining sector thrived due to policy reforms and high demand, while manufacturing benefited from lower global commodity prices. Construction saw a boost from government spending and urban demand for housing and office spaces. Financial, real estate, and professional services are also expected to grow significantly, driven by credit expansion and demand for real estate and professional services.

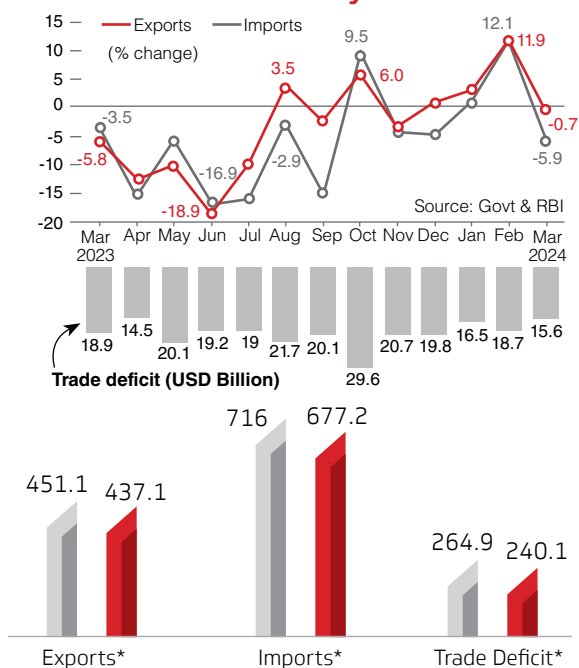
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EXPORT SCENARIO

India's strong GDP growth fundamentals and expected global easing of monetary tightening helped spur global demand, thereby resulting in a positive growth sentiment for the exports during the fiscal.

Due to geopolitical conflicts and interruptions in trade routes, India experienced a 3% decline in merchandise exports, amounting to \$437 billion in the fiscal year 2023-24. Concurrently, imports decreased by 5.4%, totaling \$677 billion. This contraction in trade activity contributed to a reduction in the trade deficit, which shrank to \$240 billion in FY24 from \$265 billion in the preceding fiscal year. Over the entire year, the country's exports of goods and services reached an unprecedented high of \$776.7 billion, while imports combined to approximately \$855 billion.

Trade deficit at 11 months low - India's export statics in the last financial year



(Source: <https://timesofindia.indiatimes.com/business/india-business/goods-exports-dip-3-imports-5-in-2023-24/articleshow/109326390.cms>) [* in USD (\$) billion]

Petroleum products significantly impacted export figures, with a 14% reduction to \$84 billion in the last fiscal year, partly due to decreasing global prices. Conversely, electronics and pharmaceuticals stood out as key sectors. Mobile phones drove electronics exports up by 23.6%, surpassing \$29 billion, while pharmaceutical exports from the country are believed to have grown by 9.7%, reaching \$27.8 billion. Engineering goods also saw an increase, with shipments exceeding \$109 billion, a 2.1% increase. Similarly, on the import side, there was a 14% decrease in crude oil imports, amounting to \$179.6 billion.

INDIAN MSME SECTOR

The Indian Micro, small and medium-sized enterprises (MSMEs) is one of the pillars the Indian economy as it is one of the primary drivers of economic development, innovation, and employment in India. MSMEs sector is characterized by minimal investment, increased job opportunities, operational flexibility, reduction in regional disparities and import substitution. In India, more than 95% units are engaged in the MSME sector and contribute to approx. 30% of India GDP, 45% of manufacturing output, 40% of the country's total export and creates around 11.10 crore jobs.

The introduction of micro, small, and medium enterprise (MSME) financing in India has served as a catalyst for the expansion of the MSME sector. This growth has been further supported by the emergence of neo-banks and digital payment channels. The digitalization of MSMEs has brought about numerous benefits, including access to a larger client base, reduced reliance on staff, increased production efficiency during economic downturns, streamlined transactions between buyers and sellers, and more.

The Government of India has been actively promoting initiatives to bolster the growth of MSMEs in the country, leading to a significant shift from offline to online business operations within the sector. MSMEs are increasingly leveraging technology to enhance their processes, improve efficiency, and deliver prompt services to their customers and clients. This transition underscores the sector's commitment to embracing digital advancements and adapting to the evolving business landscape.

Key Budget takeaways for the Indian MSME Sector

Credit Guarantee for MSMEs: A significant initiative aimed at supporting first-generation entrepreneurs in their pursuit of self-employment. The scheme encourages entrepreneurs by providing credit guarantee funding for third-party guarantee-free and collateral-free loans. A part of the Credit Guarantee scheme, the government revamped the Credit guarantee trust for the small micro-enterprises scheme with a required infusion of ₹9,000 crore, effective April 1, 2023.

Increased allocation for MSME sector: The budget allocation for the MSME for FY2021-22 was more than doubled to ₹15,700 crore from ₹7,000 crore in 2019-20. In the Union Budget 2023-24, the allocation was further enhanced to ₹22,138 crores.

Changes in presumptive taxation rules: The government has raised turnover limits for presumptive

taxation, increasing it from ₹2 crore to ₹3 crore for micro units and from ₹50 Lacs to ₹75 Lacs for certain professionals this fiscal year. However, those opting for presumptive taxation must ensure cash receipts don't exceed 5% of total receipts. Also, under this system, individuals and businesses are relieved from maintaining account books or undergoing audits.

Reduced cost of financing for MSMEs: With the new credit guarantee programme, the government plans to reduce the cost of financing for MSMEs by 1% and enable them to obtain an additional 2 Lacs crore in collateral-free credit guarantees. Further, another programme called Raising and Accelerating MSME Performance (RAMP) with an outlay of ₹6,000 crore was also announced as part of the budget.

Subordinated Debt for MSMEs: Under this scheme, the government announced subordinate debt for MSMEs in the tune of ₹20,000 crore (\$3 trillion) Automatic loans without collateral for businesses, particularly MSMEs MSME Fund of Funds equity infusion of ₹50,000 crore MSMEs are now being registered using "Udyam Registration" for the convenience of doing business There are no international bids for purchases under ₹200 crores.

Vishwas-I voluntary initiative: During the MSME Budget 2023, the FM also stated that MSME suppliers who were unable to fulfil contracts during the Coronavirus pandemic will get 95% of their forfeited amount back from the government and the government undertakings with which they were working. The FM announced this relief measure under the Vivad Se Vishwas-I voluntary initiative, which was launched in 2020 to resolve pending direct tax disputes. This move will benefit MSMEs who do not have access to institutional financing.

Contractual dispute settlement (Vivad Se Vishwas-II): Under the Vivad se Vishwas II scheme, all commercial disputes involving the government or government undertakings will be settled through a "voluntary settlement scheme," containing standardized terms. The settlements will be graded according to the pendency of the dispute.

Enhancing last-mile connectivity: About 100 transport infrastructure projects have been identified in the Union Budget, that will help sectors like coal, fertilizer, food grain, steel and shipping. These projects, amounting to ₹75,000 crore, will be funded in part by private players to the tune of ₹15,000 crore.

Ensuring infra boost for Tier-I and Tier-II cities:

The government has earmarked ₹10,000 crore for the creation of the Urban Infrastructure Development Fund (UIDF), which will empower small cities to set up the infrastructure necessary for maintaining adequate sanitation and hygiene. The government aims to make these cities more sustainable and cleaner through this move.

Outlook

India's economic growth outlook for FY2025 looks promising, according to the latest report from the Finance Ministry. This positive forecast is fueled by strong growth and robust fundamentals. Economic activity will be driven by a healthy rabi harvest, sustained manufacturing profitability, resilience in the services sector, and improved household consumption and private capex cycle.

Strong private consumption has contributed to the Indian economy's resilience and high growth rates in the past three years. This has led to the establishment of new plants and the acquisition of machinery to meet increasing capacity utilization. According to the Reserve Bank of India, India's GDP is expected to grow by over 7% in FY25 also.

Despite these positive trends, there are some challenges on the horizon. Geopolitical tensions, supply chain disruptions, higher logistics costs, volatility in international financial markets, and geoeconomic fragmentation are concerns that the government will need to address.

Overall, the economic outlook for India in FY25 is optimistic, with strong growth prospects supported by various factors. It will be important for policymakers to navigate potential challenges effectively to ensure continued economic growth and stability.

GLOBAL STEEL INDUSTRY

According to the World steel forum, the global steel demands expected to witness a rebound of 1.7% in 2024 to reach 1,793 MT Steel demand, whereas the same is forecasted to grow by 1.2% in 2025 to reach 1,815 MT.

In 2024, it is anticipated that demand in China will stabilize compared to 2023 levels, as the decrease in real estate investments is counterbalanced by increased steel demand from infrastructure projects and manufacturing activities. However, in 2025, a downward trend is predicted for China's steel demand, with a projected 1% decline.

For 2023, our apparent steel use (ASU) estimate for China is based on official statistics and suggests a 3.3% drop. This represents a downwards revision of our 2023 steel demand growth rate estimate by around 5 percentage points from our previous forecast made in October 2023. Chinese steel demand in Q4 last year had indeed been weaker than what we expected back in October 2023. However, indicators of major steel using sectors suggest that the actual steel demand was better than the estimated ASU.

According to the official statistics, China's apparent steel use (ASU) in 2023 saw a decline of 3.3%. This marks a downward adjustment of our previous growth rate forecast by approximately 5% points from our October 2023 projection. Despite weaker steel demand in Q4 of the preceding year than anticipated, indications from key steel-consuming sectors suggest that actual demand may have surpassed the estimated ASU.

The steel demand in emerging markets like MENA and ASEAN is projected to experience a surge in growth during the period of 2024-2025 following a notable deceleration in 2022-2023. Based on our observations, it's anticipated that in 2024 steel demand in the ASEAN region is expected to witness a decline due to mounting challenges, including political instability and erosion of competitiveness.

The developed world is also expected to show a strengthening recovery with 1.3% in 2024 and 2.7% in 2025, as we expect to see steel demand finally showing a meaningful pick up in the EU in 2025 and continued resilience in the US, Japan, and Korea.

The EU (and the UK) remains the region currently facing the biggest challenges. The region and in particular its steel using sectors are challenged on a multitude of

fronts - geopolitical shifts and uncertainty, high inflation, monetary tightening and partial withdrawal of fiscal support, and still high energy and commodity prices. The persistence of these downside factors resulted in a major drop in the region's steel demand in 2023 to the lowest level since the year 2000 and to substantial downward revisions of the forecast for this year. After only a technical rebound in 2024, the region's steel demand is expected to finally show a meaningful recovery with a 5.3% growth in 2025. The forecasted steel demand for the EU in 2024 is only 1.5 Mt higher than the pandemic trough in 2020.

Trends in the Global Steel Industry

The residential construction downturn driven by high interest rates and high construction costs have dragged down steel demand across most major steel using regions. In 2023 a sharp drop-in housing activity in the US, China, Japan and the EU, and weakness in housing activity is expected to stretch well into 2024 in most major markets on the lagged impact of monetary tightening. A meaningful recovery in residential construction is expected to begin only from 2025 onwards. Weakness in global manufacturing activity on high costs and uncertainties, tight financing conditions and weak global demand also hampered global steel demand in 2023. Leading indicators suggest the start of a recovery in global manufacturing activity in 2024.

Strong investment activity in manufacturing facilities and public infrastructure have underpinned global steel demand in 2023. Investment in manufacturing facilities is driven by major economies' ambition to develop strategic sectors and ensure supply security for strategic components and materials against a backdrop of increasing geopolitical tensions. It is believed that the green transition of the world economy, which requires an economic transformation of unprecedented magnitude and scope, is one of the major factors behind the strength in public infrastructure investments. For example, a recent Economics Committee study estimated that global steel demand for new wind energy installations will triple by 2030 to around 30 Mt when compared with early 2020s. While the share of steel demand for wind energy installations will remain relatively low in total global demand, it may give quite a noticeable support to overall steel demand in certain regions such as Europe.

We expect to see continued strength in investments in public infrastructure and manufacturing facilities. However, we also observe that high construction costs and labour shortages emerge as major constraints for many major economies, and this might constrain further growth in public infrastructure and manufacturing facility investments in the short-term.



The developed world is also expected to show a strengthening recovery with 1.3% in 2024 and 2.7% in 2025, as we expect to see steel demand finally showing a meaningful pick up in the EU in 2025 and continued resilience in the US, Japan, and Korea.

Regions	million tonnes			y-o-y growth rates, %		
	2023	2024 (f)	2025 (f)	2023	2024 (f)	2025 (f)
European Union (27) & United Kingdom	136.8	140.7	148.1	-10.0	2.9	5.3
Other Europe	44.3	47.9	46.1	13.5	8.1	-3.7
Russia & other CIS + Ukraine	56.1	58.4	58.9	8.6	4.1	0.8
USMCA	131.7	133.6	136.2	-1.0	1.4	1.9
Central and South America	45.7	45.5	46.8	0.9	-0.5	2.8
Africa	35.0	36.9	38.5	-1.7	5.4	4.4
Middle East	54.9	57.2	58.7	-0.4	4.1	2.6
Asia and Oceania	1,258.5	1,273.1	1,281.9	-1.0	1.2	0.7
World	1,763.0	1,793.1	1,815.2	-1.1	1.7	1.2
World excl. China	867.3	897.4	928.4	1.3	3.5	3.5
Developed Economies	359.4	364.2	374.1	-4.2	1.3	2.7
China	895.7	895.7	886.7	-3.3	0.0	-1.0
Em. and Dev. Economies excl. China	507.9	533.2	554.3	5.5	5.0	4.0
ASEAN (5)	73.4	75.9	79.2	1.1	3.5	4.3
MENA	69.3	72.6	74.8	-2.2	4.7	3.0

f - forecast

ASEAN (5): Indonesia, Malaysia, Philippines, Thailand, Vietnam

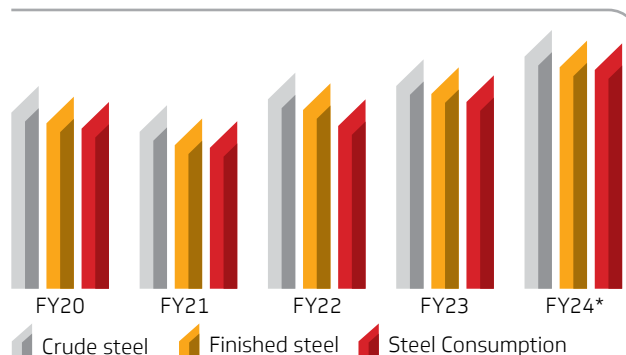
INDIAN STEEL INDUSTRY OVERVIEW

The steel industry has played a crucial role in contributing to the economic growth of India. The steel sector in India has gained international recognition, and the country has made notable strides towards achieving self-reliance in manufacturing, particularly in the steel industry. Currently, India holds the distinction of being the world's second-largest producer and consumer of steel. Backed by both rapid economic development and government initiatives focused on bolstering the steel industry, it is primed for continued expansion. India has set ambitious goals to reach a crude steel capacity of 300 million tonnes (MT) by FY31 and 500 MT by 2047. With the potential for increased economies of scale and deeper market penetration with specialized value-added steel products, the 25 years holds great promise for the Indian steel sector.

In FY24, India steel industry shone as a standout performer in the worldwide steel market, propelled by robust internal demand. The nation's steel consumption is projected to rise at an impressive rate of approximately 7.7% in 2024, mirroring the 8.6% growth experienced in 2023. This is in stark contrast to the global expansion rates of 1.8% and 1.9%, which are largely fueled by advancements in the infrastructure and construction industries.

The expansion of India's construction and infrastructure sectors is largely attributed to increased governmental expenditure in infrastructure and the real estate industry, coupled with a resurgence in private sector investment. The ongoing positive outlook in the infrastructure domain, along with sustained investments, are anticipated to bolster the capital goods sector, thereby expecting to create a sustained demand for the structural steel and steel products. Furthermore, the automotive sector is expected to maintain its robust growth trajectory. Collectively, these factors are likely to catalyze a surge in the country's steel consumption.

India's Crude and Finished steel production and consumption (in million tonne)



(Source: <https://steel.gov.in/sites/default/files/Monthly%20Summary%20for%20the%20Month%20of%20January-2024.pdf>)

[* From April 2023 to January 2024]

The Indian steel industry's expansion has been fueled by the ready access to indigenous raw materials, including iron ore, and the availability of affordable labor. As a result, the steel industry has played a pivotal role in bolstering India's manufacturing sector.

The steel consumption per person in India is estimated at around 78 kg, in contrast to the global average of approximately 233 kg. Based on these figures, it is evident that there is a substantial opportunity to raise per capita steel consumption and, as a result, boost steel demand in the country. Taking into consideration the current scenario, it can be observed that the building, construction, and infrastructure sectors hold the largest share of domestic consumption. The future outlook for these sectors is promising, with the potential to propel Indian finished steel consumption to 230 MT in FY31.

Key focus areas that likely to help drive steel demand in India

Currently, approximately 36% of India's population resides in urban areas. By 2030, urban population is expected to contribute about 75% to the GDP. Consequently, a considerable increase in steel utilization within the urban areas will greatly enhance the demand of steel.

The potential demand areas in urban housing include steel-based buildings, bridges, steel reinforced pavements and roads, pre-engineered buildings, urban transport systems, crash barriers, transit buildings, solar rooftop panels, and steel pipes for water and sewerage transportation.

Approximately 64% of the population resides in rural areas, where per capita steel consumption stands at a mere 21 kg, amounting to only 1/10th of the urban consumption. The scope to increase per capita consumption in the rural segment, is significant.

The potential applications can be steel structures for rural houses and public facilities (Anganwadi, bio toilet, public library, etc), steel-based grain silos and cold storage, warehouses, steel pipes for irrigation, metal roofing, steel doors and windows, and farm equipment, among others.

Key factors to drive demand for steel



Infrastructure sector

This sector is focused on the growth and broadening of facilities such as airports, railways, pipelines for fuel transport, electricity generation and distribution networks, as well as roads and bridges. It predominantly relies on public funding. The Economic Survey of 2018 projects that an investment of approximately ₹4.5 trillion is needed by the year 2040 for the advancement of India's infrastructure. Furthermore, the Economic Survey of 2019-20 suggests that to reach a US\$ 5 trillion economic milestone, India must allocate roughly US\$ 1.4 trillion, or about ₹110 Lacs crore, towards infrastructure over the ensuing five years.



Building and construction sector

The sector focuses on the development of urban housing, rural housing, commercial real estate, and industrial construction (warehouses, data centres, etc.). At present, about 29% of the steel demand in the country is in real estate constituting residential, commercial, and institutional buildings. However, the market share of steel frame-based construction is lower than 10%; for the developed nation, the share is as high as 80%.



Automobile sector

As a result of the rapid urbanization and increased per capita income, this sector has been growing consistently. The sector's contribution to national GDP reached about 7.1% in FY23

from 2.77% in 1992-93. The total export of automobiles grew by 35.9% in FY22. Being the largest two- and three-wheel manufacturer in the world, the sector aims to double its size to ₹15 Lacs crore by the end of 2024. The automobile sector is anticipated to undergo substantial growth over the next 10 years.



Engineering and packaging sector

The engineering and packaging sector includes capital goods, consumer durables, general engineering products and electrical goods, among others. The sector is expected to grow by 10-12% in FY24. About US\$ 112 billion of capital goods are expected to be produced by 2025. This sector is expected to have a significant share of ~21% in the total finished steel consumption of India by FY31.



Rapid urbanization

The development of tier-II and tier-III cities and smart cities, along with the emergence of smart cities, combined with swift demographic expansion, evolving dynamics of nuclear families, and the transition from temporary housing to permanent homes facilitated by state initiatives, are all expected to drive the demand for steel. It is anticipated that by the year 2030, India's urban population will reach approximately 630 million, contributing to 75% of the nation's GDP.



Real estate growth

Steel demand in India is set to rise with growth in construction and urban development, including affordable housing. The real estate sector is expected to reach US\$ 1 trillion by 2030, making up 18-20% of GDP. Demand for data center real estate could grow by 15-18 million sq. ft. by 2025. Urban and rural housing developments, along with better connectivity, will further drive steel consumption.



Government infrastructure spending to boost demand for steel

According to the National Infrastructure Pipeline, about ₹1.5 Lacs crore of infrastructure projects is likely to be implemented over the next few years. The government's budget support for road infrastructure rapidly increased, reaching about ₹1.4 Lacs crore in FY23. Capital expenditure on railway infrastructure steadily increased over the past four years, with a budget of ₹2.5 Lacs crore allocated in FY23. The railway sector is also poised for growth, driven by governmental plans for railway network expansion, alleviation of freight line congestion, expansion of metro systems, and initiation of high-speed rail projects. The number of airports with civilian flights doubled in the past nine years, from 74 in 2014 to 148 in 2023.

Green steel demand in India

India's pursuit of net-zero emissions by 2070 is driving the demand for green steel, with commitments from companies to purchase at least 10% low-emission steel by 2030. The EU's carbon border adjustment mechanism (CBAM) and potential domestic carbon pricing may further increase this demand. The automotive industry, eyeing India's market potential and their own net-zero goals, is expected to be an early adopter of green steel. Government steel procurement, particularly for infrastructure and construction, could also boost the green steel market if aligned with Green Public Procurement (GPP) and Green Corporate Procurement (GPC) policies. Additionally, carbon pricing mechanisms, harmonized with international systems, could incentivize the steel sector's decarbonization by making it more cost-effective to reduce emissions.

GLOBAL PIPING INDUSTRY

The global pipe market is projected to be valued at US\$ 146.38 billion by 2024 and rise to US\$ 238.67 billion by 2034. The pipes are anticipated to expand at a moderate CAGR of 5.01% from 2024 to 2034.

The pipe market experienced a CAGR of 2.38% from 2019 to 2023. This subdued growth rate can be attributed to factors such as economic fluctuations, limited infrastructure investments, and challenges in certain end-user industries.

Despite steady demand for pipes in construction, utilities, and industrial applications, the market faced constraints like regulatory hurdles and pricing pressures during this period.

Looking ahead to the forecasted period from 2024 to 2034, the market is expected to witness a significant acceleration in growth, with a forecasted CAGR of 5.01%. This optimistic projection is underpinned by several factors including increased infrastructure spending, particularly in emerging economies, technological advancements driving demand for advanced piping systems, and growing focus on sustainable and eco-friendly piping materials.

The expansion of industries such as oil and gas, water and wastewater management, and construction is anticipated to contribute to the robust growth trajectory of the pipe market during this forecasted period.

Pipe Market Drivers

- Innovations in pipe materials, manufacturing processes, and design enhance durability, efficiency, and performance, driving adoption in diverse sectors and applications.
- Stringent environmental regulations promoting eco-friendly and sustainable piping materials boost demand for alternatives such as plastic pipes and composite materials.
- Increasing awareness about water scarcity and the importance of water conservation drives the adoption of efficient irrigation systems and water distribution networks, thus increasing demand for pipes.

Pipe Market Challenges

- Fluctuations in raw materials prices such as metals, plastics, and resins impact production costs and profitability for pipe manufacturers, requiring effective supply chain management and pricing strategies.
- Limited public funding for infrastructure projects in certain regions and economic downturns can dampen demand for pipes, particularly in the construction sector, posing challenges to market growth.
- Corrosion and durability concerns, particularly in harsh environments or corrosive fluids, can affect the longevity and performance of pipes, requiring continuous innovation in materials and coatings to address these challenges effectively.

INDIAN PIPING INDUSTRY

The Indian pipe industry is a dynamic sector, driven by growing demand from infrastructure, oil and gas, power, and water and sanitation industries. While the market shows promise with a projected growth rate, it faces challenges due to inflation from the Ukraine conflict and the lingering impact of the pandemic, raising raw material and energy costs for end-users.

The pipes market is primarily driven by various factors such as a rise in the number of new residential and commercial buildings, development of water supply pipelines, an increase in the number of wastewater treatment facilities, public agriculture irrigation systems, and other infrastructure in developing economies. In addition, the rise in the number of industrial facilities, including food and beverages, chemical and petrochemicals, pharmaceuticals, and other industrial facilities globally, also positively affects the pipes market growth.

In CY23, the proportion of India's iron and steel pipes and tubes was 5.5% of the total steel market, compared to a 9% global average. By CY30, this figure is projected to rise to approximately 8.3%, with the Indian structural steel tube market expanding at an estimated compound annual growth rate (CAGR) of around 12%, reaching close to 17.3 million tonnes per annum (mtpa) from 7.7 mtpa in CY23. Volume-wise, ERW pipes make up about 70%, while stainless steel and SAW pipes account for the remaining 30%.

Per capita, India's usage of steel pipes and tubes is at 6 kilograms, significantly lower than the worldwide average

of 21 kilograms, suggesting considerable potential for expansion.

The upcoming commissioning of new blast furnaces and hot-rolled coil (HRC) mills within the next three to four years is expected to guarantee a consistent supply of HR coils domestically. The prices for domestic HRC have nearly reached their lowest point, which is advantageous for manufacturers of HRC-based steel pipes. The current spot premium for HRC-based pipes is also near the long-term average of ₹15,430, indicating that manufacturers using scrap are unlikely to capture a substantial market share compared to those using HRC.

The Indian piping sector's growth is driven by various factors, notably the development of infrastructure across commercial, residential, industrial, and agricultural domains. PVC pipes are extensively utilized in these sectors for water distribution, irrigation, waste disposal, and managing cables.

The Indian government's focus on initiatives such as Smart Cities, affordable housing, and rural development has contributed to the increasing demand for both PVC and steel pipes.

In recent years, the Indian pipe industry has witnessed significant growth, with the market size estimated to reach USD 1,041 billion by 2026.

The growth for the Indian piping industry is likely to be driven by a number of factors, including:

Increasing infrastructure development: The Indian government is investing heavily in infrastructure development, which is creating a strong demand for pipes for various projects, such as roads, bridges, and railways.

Rising oil and gas consumption: India's oil and gas consumption is growing steadily, which is driving demand for pipes for upstream and downstream operations. Government's "One Nation, One Gas Grid" initiative is expected to create a demand for 4 MT of steel pipes over the next few years.

New opportunities in solar industry: Government's increased focus on green energy is likely to push domestic demand for steel products and impact growth of the sector positively,

Growing power demand: India's power demand is also growing rapidly, which is creating a demand for pipes for power transmission and distribution projects.

Increasing urbanization: India's urbanization is leading to a growing demand for pipes for water supply and sanitation projects.

Government's focus on defense industry: The general push for indigenization of equipment will drive the need for steel pipes and tubes finding usage in constructing ships, submarines, aircraft, and armored vehicles.

However, the piping industry is expected to face a number of challenges, including:

- **Raw material price volatility:** The prices of raw materials, such as steel and PVC, are volatile, which can affect the profitability of pipe manufacturers.
- **Competition from imports:** The Indian pipe industry faces competition from imports from countries such as China and Vietnam.
- **Environmental regulations:** The Indian government is implementing stricter environmental regulations, which is increasing the cost of production for pipe manufacturers.

Here are some of the key trends in the Indian pipe industry:

- The demand for seamless pipes is growing, as they are more durable and corrosion-resistant than welded pipes.
- The demand for plastic pipes is growing, as they are lighter and easier to transport than steel pipes.
- Pipe manufacturers are adopting new technologies, such as continuous casting and extrusion, to improve their efficiency and productivity.

The Indian pipe industry is a promising sector with a bright future. The industry is well-positioned to benefit from the growing demand for pipes from various end-user industries and is expected to continue to grow in the coming years.

GLOBAL FOUNDRY MARKET

The foundries market size has grown strongly in recent years. It will grow from \$179.84 billion in 2023 to \$189.69 billion in 2024 at a compound annual growth rate (CAGR) of 5.5%. The growth observed in the historical period can be attributed to several factors, including increased demand from the automotive and aerospace industries, growth in construction and infrastructure development, manufacturing of consumer goods, requirements within the energy sector, and the globalization of supply chains.

The foundries market size is expected to see steady growth in the next few years. It will grow to \$229.96 billion in 2028 at a compound annual growth rate (CAGR) of 4.9%. Forecasted growth is driven by the transition to electric vehicles, renewable energy projects, material science advancements, stricter environmental regulations, and increased demand for customization. Major trends include digital twin technology, advancements in casting processes, smart foundries, and the demand for lightweight materials.

The Asia-Pacific was the largest region in the foundries market in 2023. Western Europe was the second-largest region in the foundries market. The regions covered in the foundries market report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, Africa. The countries covered in the foundries market report are Australia; China; India; Indonesia; Japan; South Korea; Bangladesh; Thailand; Vietnam; Malaysia; Singapore; Philippines; Hong Kong; New Zealand; USA; Canada; Mexico; Brazil; Chile; Argentina; Colombia; Peru; France; Germany; UK; Austria; Belgium; Denmark; Finland; Ireland; Italy; Netherlands; Norway; Portugal; Spain; Sweden; Switzerland; Russia; Czech Republic; Poland; Romania; Ukraine; Saudi Arabia; Israel; Iran; Turkey; UAE; Egypt; Nigeria; South Africa.

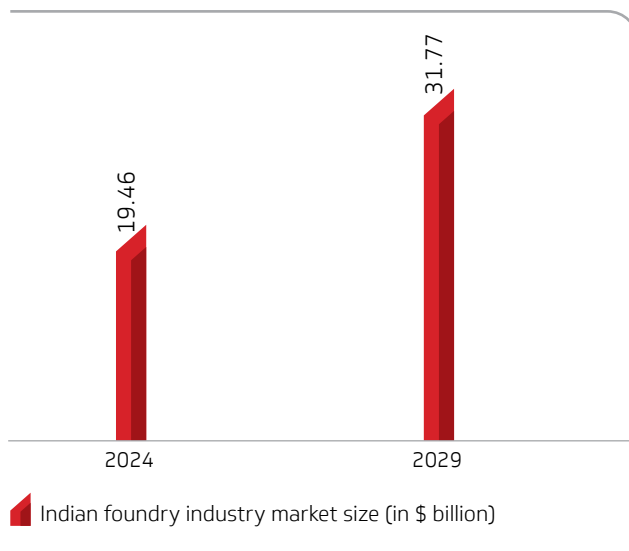
INDIAN FOUNDRY INDUSTRY OVERVIEW

The India Foundry Market is projected to reach USD 31.77 billion by 2029, with an estimated size of USD 19.46 billion in 2024, experiencing a compound annual growth rate (CAGR) of 10.30%. The ramifications of the COVID-19 pandemic were evident in December 2020 when over 400 small foundries in Coimbatore ceased operations due to escalating raw material costs. This closure had far-reaching consequences, impacting numerous employees across various sectors including pumps, textile machinery,

automobiles, and engineering. Additionally, in March 2023, several foundry units in Kolhapur temporarily halted production, granting employees three to four days of leave owing to a surge in raw material prices triggered by the Russia-Ukraine conflict.

India emerged as the 2nd largest producer of castings in the world and has ambitious growth plans with new capacities being added at rapid pace. With nearly 4,500 units (out of which 85% can be classified as small-scale units & 10% as medium & 5% as large-scale units), the Indian foundry industry produced 12 Million MT of various grades of Castings as per International standards in 2023. The Indian foundry industry recorded a turnover of approx. USD 20 billion with exports approx. USD 3.54 billion.

Indian foundry industry market size



(Source: <https://www.mordorintelligence.com/industry-reports/india-foundry-market>)

Indian Foundry market industry – Driving factors

- The Indian foundry market is primarily driven by rapid industrialization and urbanization, which have increased the utilization of the metal casting process across the country. The surge in automobile manufacturing is also a significant factor boosting market growth.
- India stood as one of the world's leading countries in vehicle production. In the financial year 2023, the total vehicle production in India reached around 25.93 million units, marking an increase from the previous year, as reported by the Society of Indian Automobile Manufacturers (SIAM). In 2020, the production value experienced a contraction primarily due to

the introduction of the new Bharat Stage VI (BS-VI) emissions standards on April 1, 2020, and an overall scaled-down production due to the lower stock of the old BS-IV vehicles. The coronavirus pandemic in India further exacerbated the subsequent decline in production.

- According to the Society of Indian Automobile Manufacturers (SIAM), in 2022, India produced approximately 22.93 million vehicles, encompassing commercial vehicles, passenger cars, tricycles, and two-wheelers. The automotive industry experienced a 13.63% growth in sales in 2022 compared to 2021. Specifically, motorcycle sales increased by 4.7% in 2022 over the previous year, according to SIAM.
- Another significant driver for the Indian foundry market's growth is the increasing government expenditure on infrastructure expansion, stimulating demand for various machinery and equipment such as pumps, cranes, fans, motors, and conveyor belts. This surge in demand, in turn, amplifies the need for metal castings.
- Consequently, there is an escalated demand for auto parts necessary for automobile manufacturing. To address this growing demand for metal castings in India, foundries are investing in new technology and equipment. The anticipated benefits from these investments include lower power consumption, improved production efficiency, higher utilization rates, and increased profit margins for Indian foundries. Therefore, the burgeoning automobile industry is expected to drive the growth of the Indian foundry market during the forecast period.

Indian Foundry market industry – Government Initiatives

- The Indian Foundry Industry data indicates approximately 500,000 direct and 15,00,00 indirect employees, making it a significant source of employment, primarily for socially and economically disadvantaged sections. Forecasts suggest the potential creation of an additional 2 million jobs over the next decade due to the industry's labor-intensive nature.
- According to the 56th World Casting Census by Modern Castings USA (January 2023), China, India, and the US lead global casting production, with production ramping up after a COVID-induced two-year hiatus. China reported 54.05 million tonnes of casting, followed by India as the world's second-largest producer, with 12.49 million tonnes.

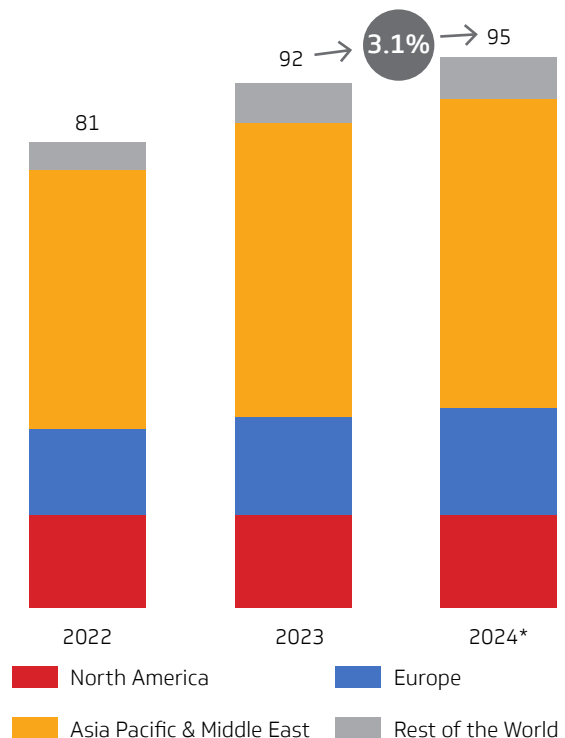
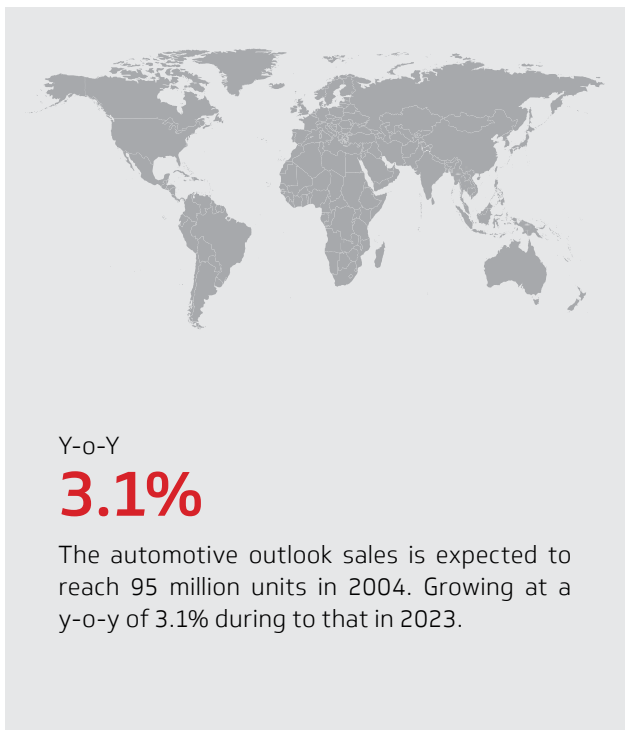
- India's foundries are actively upgrading their facilities and technologies to enhance productivity and expand capacity, responding to escalating demand. A majority of these foundries fall under the MSME sector, which has demonstrated consistent growth. The Ministry of Micro, Small and Medium Enterprises (India) and the India Brand Equity Foundation reported nearly 13.8 million micro-enterprises, constituting 96 percent of the MSME sector. Small and medium enterprises accounted for three and 0.28 percent, respectively, totaling more than 14 million registered MSMEs.
- In the second financial year of 2023, over two trillion INR (USD 24 billion) was disbursed in the MSME segment in India, as reported by SIDBI. Reinforced implementation of initiatives like the Public Procurement Policy, Pradhan Mantri MUDRA Yojana, Make in India, Startup India, and Skill India are catalysts fostering the growth of the MSME sector. This surge in government support is expected to further propel the foundry market in the foreseeable future.

Global Automotive Industry

The Global Automotive Outlook 2024 will have global passenger and commercial vehicles combined sales projected to 95 million units in 2024, witnessing a YoY growth of 3.1% during the forecasted period. The combined sales volume of passenger vehicles and commercial vehicles witnessed a YoY growth of 12.3% from 2022 to 2023, wherein passenger vehicles segment dominated the sales of the cars in 2023 with over 60% of the share. Further, within the regional market Asia and ME region combined accounted for more than half of the market share. With the internal Combustion Engine (ICE) vehicles held the major share, the Electric Vehicle (EV) segment grew at a rate of 30-35% over 2023. Dedicated to achieving zero emission target, the OEM's have planned to invest over USD 500 Billion by 2030 to EV production facilities.

Globally there are more than 2.7 million public charging points by the end of 2022, out of which almost a million were set up in 2022 alone. Further it is estimated that over more than one million charging stations were installed by the end of 2023.

Automotive Outlook Market Global Forecast to 2024 (Million Units)



(Source: <https://www.marketsandmarkets.com/Market-Reports/global-automotive-industry-outlook-77960341.html>) [* Projected]

INDIAN AUTOMOTIVE INDUSTRY

India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. India's automobile sector is split into four segments, i.e., two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles, each having a few market leaders. Two-wheelers and passenger vehicles dominate the domestic demand.

In terms of market size, the Indian passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027 while registering a CAGR of over 9% between 2022-27. The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.

India has a strong market in terms of domestic demand and exports. In November 2023, total passenger vehicle sales reached 3,34,130. Sales of Passenger Vehicles in November 2023 have been the highest, with a marginal growth of 3.7%, compared to November 2022. This is because India has significant cost advantages, as automobile firms save 10-25% on operations vis-a-vis Europe and Latin America. The Indian automotive industry is targeting to increase the export of vehicles by five times during 2016-26. In FY23, total automobile

exports from India stood at 47,61,487. This sector's share of the national GDP increased from 2.77% in 1992-1993 to around 7.1% presently. It employs about 19 million people directly and indirectly.

In November 2023, the total production of passenger vehicles, three-wheelers, two-wheelers, and quadricycles was 2.22 million units. In (April-November) 2023-24, the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles was 15.56 million units.

In the first quarter of 2023-24, total production of passenger vehicles, commercial vehicles, three wheelers, two wheelers, and quadricycles was 6.01 million units.

India is currently shifting focus to electric cars to reduce emissions. India accomplished a significant milestone, with the sale of 8,32,434 EVs in 2023-24 (till August 2023). In terms of electric vehicles (EVs), in Q4 FY22, sales reached a new high of 60,94,960 units. Overall, in 2022-23, 2,12,04,162 EVs were sold in India, indicating a 168% YoY growth over last year's sales. A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, the projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.

GROWING DEMAND

- Rising middle-class income and a huge youth population will result in strong demand.
- In November 2023, the total production of passenger vehicles, three-wheelers, two-wheelers, and quadricycles was 2.22 million units.
- The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.

OPPORTUNITIES

- India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.
- Focus is shifting to electric vehicles to reduce emissions.
- By 2030, the Indian government has committed that 30% of the new vehicle sales in India would be electric.

POLICY SUPPORT

- Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and the Indian automotive industry to lay down the roadmap for the development of the industry.
- FAME Scheme was extended for a further period of 2 years up to March 31st, 2024.

INDIAN DEFENCE SECTOR

India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defense systems. Military rotorcraft, submarines, artillery, tactical communications, electronic warfare, and military land vehicles are some of the other well-known segments. Some of the major defence manufacturing companies in India are Bharat Earth Movers Ltd. (BEML), Bharat Electronics Ltd. (BEL), and Hindustan Aeronautics Ltd. (HAL).

The Indian defence manufacturing industry is a significant sector of the economy. The industry is likely to accelerate with rising concerns about national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North Eastern State of Arunachal Pradesh, respectively. Over the last five years, India has been ranked among the top importers of defence equipment to gain technological advantages over rival countries such as China and Pakistan. To modernise its armed forces and reduce dependency on external dependence for defence procurement, several initiatives have been taken by the government to encourage 'Make in India' activities via policy support initiatives.

India has the world's third-largest defence expenditure, as of 2021, and expects to export equipment worth US\$ 15 billion by 2026. India's military spending of US\$ 76.6 billion ranked third highest in the world in 2021. This was up by 0.9% from 2020 and by 33% from 2012.

As per the Union Budget 2022-23, 25% of the defence R&D budget has been earmarked for private industry and start-ups which will pave the way for the innovation of new defence technologies in India. Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector. Defence exports grew by 334% in the last five years; India now exports to over 75 countries due to collaborative efforts.

According to the Global Power Index, the Indian defence sector ranks fourth in terms of firepower with a score of 0.0979 (with 0.0 being the perfect score). The Indian government has set the defence production target at US\$

25 billion by 2025 (including US\$ 5 billion from exports by 2025). India is one of the world's biggest defence spenders with a total outlay of ₹5.25 Lacs crore (US\$ 66 billion), accounting for 13.31% of the total budget and indicating an increase over the budget estimates of 2021-22 by ₹46,970 crore (US\$ 5.9 billion).

The value of defence production in the country crossed ₹1 Lac crore (US\$ 12 billion) for the first time on the back of key reforms to spur growth in the sector that holds vast potential. The figure stood at ₹1,08,330 crore (US\$ 13.07 billion) in FY23 compared to ₹95,000 crore (US\$ 11.47 billion) in FY22 and ₹54,951 crore (US\$ 6.63 billion) five years ago.

India's defence import value stood at US\$ 463 million for FY20 and US\$ 469.5 million in FY21. India targets to export military hardware worth ₹35,000 crore (US\$ 5 billion) in the next five years. As of 2019, India ranked 19th in the list of top defence exporters in the world by exporting defence products to 42 countries. Defence exports in the country stood at ₹15,920 crore (US\$ 1.94 billion) in 2022-23.

Defence exports grew by 334% in the last five years and India now exports to over 75 countries due to collaborative efforts.



The Indian defence manufacturing industry is a significant sector of the economy. The industry is likely to accelerate with rising concerns about national security. Demand for defence equipment in India has been growing due to the ongoing territorial disputes with Pakistan and China over the ownership of the Northern State of Kashmir and the North Eastern State of Arunachal Pradesh, respectively.

GROWING DEMAND

- Demand growth is likely to accelerate with rising concerns of national security.
- Till October 2022, a total of 595 Industrial Licences have been issued to 366 companies operating in Defence Sector.
- Defence exports grew by 334% in last five years; India now exporting to over 75 countries due to collaborative efforts.
- The Ministry of Defence has set a target of achieving defence exports worth

COMPETITIVE ADVANTAGE

- India has the world's third-largest defence expenditure, as of 2021, and expects to export equipment worth US\$ 15 billion by 2026.
- The Government of India opened the defence industry for private sector participation to provide impetus to indigenous manufacturing.
- As per the Union Budget 2022-23, 25% of defence R&D budget has been earmarked for private industry and start-ups which will pave the way for innovation of new defence technologies in India.

GOVERNMENT SUPPORT

- Under the Atmanirbhar Bharat Initiative, four positive indigenization lists of 411 products have been promulgated by Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.
- SRIJAN portal launched to promote indigenization. 19,509 defence items, have been displayed on the portal for indigenisation

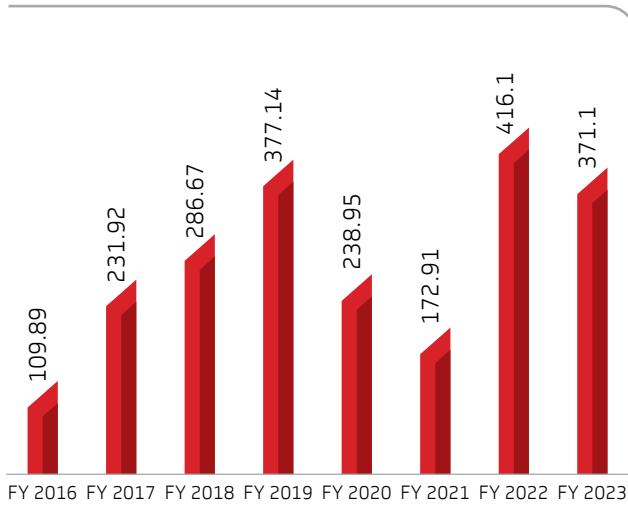
INDIAN RAILWAYS SECTOR

The Indian railway system is regarded as the foundation and lifeblood of the economy. Indian railways span thousands of kilometres practically covering the entire nation, making it the fourth largest in the world after the US, China, and Russia. The Railways Board, which has a monopoly over the provision of rail services in India, oversees overseeing the whole infrastructure. Due to its low cost and effective operations, railways continue to be the most popular means of transportation for most Indians when travelling long distances.

India's railway network is recognised as one of the largest railway systems in the world under single management. The railway network is also ideal for long-distance travel and movement of bulk commodities, apart from being an energy-efficient and economic mode of conveyance and transport. Indian Railways is the preferred carrier of automobiles in the country.

The government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects.

India has the fourth largest railway network with over 22,593 operating trains (9141 freight and 13,452 passengers) with a daily passenger count of 24 million passengers and 203.88 million tonnes of freight. In FY22 passenger traffic stood at 3.54 billion as compared to 1.28 billion in FY21. In FY23, railway freight volume stood at 1,509 MT which depicted year-on-year growth of 6.59%. Since August 2020, the Indian Railways has run 450 Kisan Rail services and was able to transport over 1.45 Lacs tonnes of agricultural produce & perishables RailTel, a PSU under the Railway Ministry, which provides fast and free Wi-Fi across the In November 2020, India Railways announced that 40% of dedicated freight corridor (DFC) will be opened for traffic by end-FY21. India is among the top 3 exporters of railways globally as of 2022. In financial year 2023, the export value of railway transport and parts from India amounted to about 371 million U.S. dollars. This was a decrease compared to the nearly 416 million U.S. dollars in the previous year.



(Source: <https://www.statista.com/statistics/883018/india-export-value-of-railway-transport-and-parts>)

In 2022-23, Railways is estimated to earn 69% of its internal revenue from freight and 24% from passenger traffic. The remaining 7% will be earned from other miscellaneous sources such as parcel service, coaching receipts, and sale of platform tickets.

Total revenue from traffic for 2022-23 is estimated to be ₹2,39,803 crore (US\$ 29.18 billion), an increase of 25.37% over revised estimates for 2021-22. Freight revenue is estimated to be ₹1,62,100 crore (US\$ 19.72 billion) in 2022-23, an increase of 14.89% over the revised estimates for 2021-22. The passenger revenue is estimated to be ₹63,300 crore (US\$ 7.70 billion), an increase of 61.42% over a low base in 2021-22.

GROWING DEMAND

- Increasing urbanisation and rising income (both urban and rural) is driving growth in the passenger segment.
- India is projected to account for 40% of the total global share of rail activity by 2050.
- In 2023-24, traffic revenue is estimated to be ₹2,64,600 crore (US\$ 32.18 billion), comprising 99.8% of the total revenue.

ATTRACTIVE OPPORTUNITIES

- Indian Railways is developing and creating technology in areas such as signaling and telecommunication with 15,000 kms being converted into automatic signaling and 37,000 kms to be fitted with 'KAVACH', the domestically developed Train Collision Avoidance System

HIGHER INVESTMENT AND POLICY SUPPORT

- FDI inflows in railway-related components stood at US\$ 1.40 billion from April 2000-September 2023.
- Rail infrastructure will see an investment of ₹50 Lacs crore (US\$ 715.41 billion) by 2030.
- Railway infrastructure investment is expected to increase from US\$ 58.96 billion in 2013-17 RE to US\$ 124.13 billion by 2018-22E.
- Government has allowed 100% FDI in the railway sector.
- In January 2021, the Ministry of Railways rolled out a new iron ore policy governing allocation of rakes and transportation of iron ore.

POWER AND DISTRIBUTION SECTOR

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. The fundamental principle of India's power industry has been to provide universal access to affordable power in a sustainable way. The Ministry of Power has made significant efforts over the past few years to turn the country from one with a power shortage to one with a surplus by establishing a single national grid, fortifying the distribution network, and achieving universal household electrification.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power, to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 426.13 GW as of November 30, 2023.

As of November 30, 2023, India's installed renewable energy capacity (including hydro) stood at 179.57 GW, representing 42.1% of the overall installed power capacity. As of November 30, 2023, Solar energy contributed 72.31 GW, followed by 44.56 GW from wind power, 10.26 GW from biomass, 4.98 GW from small hydropower, 0.57 from waste to energy, and 46.88 GW from hydropower.

The non-hydro renewable energy capacity addition stood at 15.27 GW in FY23, up from 14.07 GW in FY22.

India's power generation witnessed its highest growth rate in over 30 years in FY23. Power generation in India increased by 8.87% to 1,624.15 billion kilowatt-hours (kWh) in FY23. According to data from the Ministry of Power, India's power consumption stood at 130.57 BU in April, 2023.

The peak power demand in the country stood at 243.27 GW in November 2023.

Thermal power plant load is estimated to improve by 63% in FY24, fuelled by strong demand growth along with subdued capacity addition in the sector.

Growing Demand

- India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 426.13 GW as of November 30, 2023.
- Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in FY23 logged a 9.5% growth to 1,503.65 billion units (BU).

Growing Demand

- In the Union Budget 2023-24, the government allocated US\$ 885 million (₹7,327 crore) for the solar power sector including grid, off-grid, and PM-KUSUM projects.
- To meet India's 500 GW renewable energy target and tackle the annual issue of coal demand-supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026.

Policy Support

- 100% FDI allowed in the power sector has boosted FDI inflow in this sector.
- Schemes such as Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) are expected to augment electrification across the country.

Higher Investment

- As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of US\$ 1.4 trillion (₹111 Lacs crore).
- Total FDI inflows in the power sector reached US\$ 17 billion between April 2000-September 2023.

COMPANY OVERVIEW

Megatherm Induction Limited, established as a private limited company in 2010, aims to make a significant impact across the steel, foundry, forging, and various other metalworking sectors. As a subsidiary of Megatherm Electronics Private Limited, the group began its journey in 1989 with the manufacture of induction melting and heating equipment. In 2021, the company expanded into the transformer manufacturing segment to meet the growing demand for power distribution and industrial transformers in the country. Leveraging our extensive experience, we have progressively broadened our product portfolio to include transformers, metallurgical equipment, and auxiliary equipment. Additionally, we have entered the business of installing and setting up steel melt shops. This process involves meticulous planning and a deep understanding of our customers' requirements.

Our company offers comprehensive solutions for steelmaking needs, encompassing equipment such as transformers, induction melting furnaces, static frequency converters, water cooling plants, fume extraction systems, ladle refining furnaces, continuous casting machines, and in-line induction billet heaters. We also manufacture electric arc furnaces for alloy and special steelmaking industries. Our service portfolio includes turnkey solutions for steel plants, involving the design, engineering, supply, erection, and commissioning of steel melt shops using both insourced and outsourced plant machinery. We also provide after-sales services, including maintenance contracts and spare parts supply.

OUR OPERATIONAL PROWESS

At MIL, we proudly own and operate a state-of-the-art manufacturing facility in Kharagpur, West Bengal, with an impressive production capacity of 300 units per year. We specialize in producing induction heating and melting

equipment, including furnaces and transformers. Our manufacturing units are fully equipped with advanced machinery and infrastructure, enabling us to handle the entire manufacturing process from start to finish. With years of experience in metal heating and melting equipment, we are adept at meeting the unique and rigorous requirements of our customers.

We excel at every stage of the manufacturing process, from product design, product engineering and development to material sourcing, testing, and ensuring effectiveness. This comprehensive approach allows us to meet our customers' needs with precision. Our sophisticated manufacturing setup, combined with our extensive industry experience, not only enhances our product quality and efficiency but also provides us with a cost advantage over our competitors. We are committed to delivering high-quality products and timely solutions, tailored to our customers' specifications, all while maintaining cost-effectiveness and without compromising on quality.

FINANCIAL REVIEW

Revenue from operation achieved during FY2024 was ₹30,625.46 lacs, as against ₹26,588.15 lacs in the previous year, registering 15.18% year-on-year (y-o-y) growth. Profit before tax (PBT) was recorded at ₹2,760.02 lacs against ₹1,983.47 lacs during the previous year. Profit after tax (PAT) for the year stood at ₹2,072.39 lacs against ₹1,400.41 lacs in the previous year. For FY2024, EBITDA grew by 30.86% y-o-y to ₹3,604.01 Lacs in FY2024, compared to ₹2,754.40 Lacs in FY2023. EBITDA margin for FY2024 stood at 11.77%, improved by 141 bps on a y-o-y basis. Various cost control measures, coupled with better market dynamics, led to higher growth in EBITDA and PAT.

Total borrowings of MIL as of March 31, 2024, stood at ₹3,615.56 lacs vis-à-vis ₹4,282.04 lacs as on March 31, 2023.

FINANCIAL PERFORMANCE SUMMARY

(₹ in Lacs)

	FY24	FY23	% Change
Revenue	30,625.46	26,588.15	15.18
Gross profit	7,013.04	5,446.78	28.76
EBIDTA	3,604.01	2,754.40	30.86
Depreciation	338.53	242.82	39.42
EBIT	3,377.70	2,567.27	31.57
Finance cost	617.68	583.80	5.80
Profit before Tax (PBT)	2,760.02	1,983.47	39.15
Profit after Tax (PAT)	2,072.39	1,400.41	47.99

SUMMARY OF BALANCE SHEET

(₹ in Lacs)

	FY24	FY23
Equity and liabilities		
Equity share capital	1,884.07	923.25
Other equity	10,150.43	4,139.39
Non-current liabilities	1,081.76	1,817.17
Current liabilities	13,898.95	12,318.06
Total	27,015.21	19,197.87
Assets		
Non-current assets	1,227.53	943.13
Fixed assets	6,411.27	5,863.32
Current assets	19,376.41	12,391.42
Total	27,015.21	19,197.87

KEY RATIOS

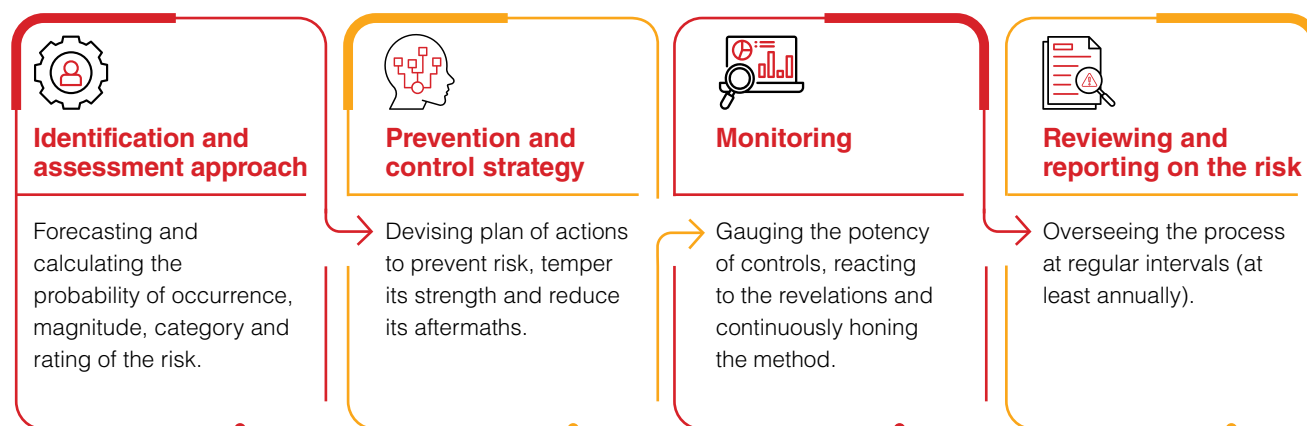
	FY24	FY23	Reason for change
Gross Profit Margin	22.90	20.49	-
EBITDA Margin	11.77	10.36	-
EBIT Margin	11.03	9.66	-
Profit Before Tax Margin	9.01	7.46	-
Profit After Tax Margin	6.8	5.3	-
Inventory turnover ratio	2.94	2.88	-
Current ratio	1.39	1.11	The increase in the Current Ratio is due to the Initial Public Offer (IPO) made by the company during the FY under review.
Net debt-to-equity ratio	0.30	0.85	The decrease in Debt Equity Ratio is due to the IPO made by the company during the FY under review and due to periodical repayment of Debt.
Return on Equity (RoE)	17.22	27.66	The decrease in the RoE is due to the IPO made by the company during the FY under review.
Return of Capital Employed (RoCE)	0.23	0.33	The decrease in the RoCE is due to the IPO made by the company during the FY under review.

RISK MANAGEMENT

A thorough risk-management framework allows us to pro-emptively monitor risks emanating from the internal and

external environment. As a result, we have been able to consistently create value for all our stakeholders, despite industry cycles and economic headwinds.

Our risk management process



Our risk mitigation plan

The Board takes the following steps as a part of its risk management and mitigation plan:

- Defines the roles and responsibilities of the different board committee's
- Participates in major decisions affecting the organisation's risk profile
- Integrates risk-management reporting with the Board's overall reporting framework

The Company functions under a well-defined organization structure. Flow of information is well defined to avoid any conflict or communication gap between two or more departments. Second-level positions are created in each department to continue the work without any interruption in case of non-availability of functional heads. Proper policies are followed in relation to maintenance of inventories of raw materials, consumables, key spares and tools to ensure their availability for planned production programmes. Effective steps are being taken to reduce the cost of production on a continuing basis, taking various changing scenarios in the market.

INFORMATION TECHNOLOGY

Your Company recognizes the critical role of a robust IT infrastructure, both in scale and technology, as the cornerstone of stable IT systems and superior support. Boasting state-of-the-art IT systems, it possesses a comprehensive IT framework essential for managing service administration and delivery. The Company's IT setup is instrumental in generating a variety of business intelligence reports for production management, electronic procurement, paperless transactions, budgeting, forecasting, and cash flow analysis, supporting MIL. It adheres to international benchmarks in information automation, performance metrics, remote working capabilities, and managerial excellence. The technical team is tasked with system programming and providing user support for technological advancements.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has in place strong internal control procedures commensurate with its size and operations. The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardizing operational processes. The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organizational structure of the Company

and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

HUMAN RESOURCE

The Company's seasoned leadership and deep industry expertise furnish it with a distinct edge as it continues to broaden its reach in current markets and venture into new territories. MIL steadfastly invests in its 'Human Capital'. By integrating skilled professional management and essential staff, MIL is fortified to operate autonomously. The company remains committed to fostering a culture of meritocracy, integrity, and adherence to legal and compliance standards. It has introduced numerous governance policies to empower employees to voice concerns without fear of retaliation or bias. The Company's Code of Conduct includes pertinent regulations aimed at preventing sexual harassment and features a whistleblower policy for the prompt reporting and resolution of issues.

The collective growth and unity of the team are the group's core strengths. Training and skill enhancement are pivotal for the personal and organizational development of the workforce. The Company conducts regular training and development programs, inspiring its employees to realize their utmost potential. Additionally, we prioritize a transparent communication hierarchy to facilitate clear dialogue between employees and management. These efforts are instrumental in attracting and retaining elite talent within the industry, contributing to the Company's reputation for having dedicated and content human resources. The Company has effectively put into practice significant HR strategies and people management techniques. As of 31st March 2024, MIL proudly employs over 282 individuals.

HEALTH AND SAFETY MEASURES

The well-being of our staff is of paramount importance. Leadership in our factories spearheads our commitment to health, safety, and environmental (HSE) standards, conducting frequent audits to bolster our workforce's health and safety. With their guidance, we've implemented numerous initiatives to enhance our personnel's safety. Additionally, we have formed teams dedicated to quickly identifying and addressing safety issues at each manufacturing location. Our Company enforces a

comprehensive set of health and safety guidelines that all employees across every site must rigorously follow.

In light of the pandemic, we intensified our focus on these protocols. Beyond adhering to governmental regulations, we've instituted regular sanitization processes and enforced proper social distancing measures. Proactive steps, including routine employee health checks and controlled access via oximeter and thermal screenings, were promptly put in place. Moreover, we initiated wellness programs for our employees and their families, aimed at fostering resilience, adapting to change, and improving overall well-being during these trying times.

CAUTIONARY STATEMENT

The statements made in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

For and on behalf of the Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda

Chairman & Managing Director

DIN: 00961593

Satadri Chanda

Director

DIN: 02302312

Kolkata : 28th May, 2024

ANNEXURE V

PRESCRIBED PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A) Conservation of Energy:**Steps taken on energy conservation**

Many steps towards energy conservation has been taken & implemented successfully.

1. Heatloss Reduction in
 - Coil annealing Furnace
 - Tube annealing Furnace
 - Refractory Curing Furnace

Achieved 15 to 20% Annual Electric Energy Consumption reduced from 52000 KWH to 42000 KWH (approx.)
2. Efficient Lighting:
 - Replace traditional lighting with energy-efficient LED lights.
 - Install motion sensors and timers to ensure lights are only on when needed.
3. Equipment Maintenance:
 - Schedule regular maintenance for all machinery to ensure optimal performance.
 - Replace old or inefficient equipment with energy-saving models.
4. Insulation and Building Design:
 - Improve insulation in walls, roofs, and windows to reduce heating and cooling demands.
 - Consider energy-efficient building designs and retrofits to minimize energy loss.
5. Employee Engagement and Training*:
 - Educate employees about energy-saving practices and involve them in identifying energy-saving opportunities.
 - Encourage a culture of energy conservation through incentives and recognition programs.

B) Technology Absorption:**i) Effort made towards technology absorption:**

A consolidated effort has been initiated towards research and development and upgradation of technology during last one year. An MOU has been signed with IIT Kharagpur in 2023 for collaboration for research and development in the areas of development of design and simulation tools, FPGA based digital controller and exploring newer topologies of power electronic converters suitable for induction furnaces. A sponsored project has taken off in consultancy mode where faculty members from IIT Kharagpur are presently engaged in helping Megatherm towards developing a design and simulation tool for different applications in induction heating.

A consulting company, Enclustra, based in Switzerland has been entrusted to develop a FPGA based digital platform that will provide the control functions and protections for induction furnace operation. They are working in close collaboration with Megatherm to develop the digital platform based on the specific requirements provided by the company.

A dedicated in-house research and development team has been formed to absorb the state of the art technology developed and also work in close collaboration with the consulting agency and IIT Kharagpur, engaged to achieve specific objectives. Several qualified research engineers have been recruited, specifically to carry out research and development activities and generate novel ideas. Several scientific software have been procured to carry out simulation studies in order and predict the performance of the newer designs.

It is envisaged that with these endeavors, the company would be able to improve its product quality and

establish itself as a global market leader among manufacturers of induction furnaces within a short time.

ii) Benefits derived like product improvement

The major achievement in this area is several positive steps taken towards the reorientation of the product manufacturing process line for optimizing the inventory, labor, transport at the same time production time. These could be achieved by meticulous planning without considerable investment. This systematic approach has resulted in faster production, reduction of wastage and production cost. One important example in this direction is in-house production of furnace structures in its Kharagpur plant, which was earlier distributed across few places, some of them outsourced. Another area of product improvement is initiating in-house production of hollow rectangular copper conductors from circular copper tubes. Earlier, these hollow rectangular copper conductors were purchased from the market. In view of high and continuous demand of these conductors of different sizes, procurement sometimes faced bottlenecks, thus slowing down the production process. With incorporation of new production line strategy, the production cost towards inventory, transport and many other heads could be reduced considerably; wastage could be cut down, at the same time production time could be made faster.

iii) Expenditure incurred towards Research and development

- (a) Software Purchase - ₹55.66 Lacs
- (b) Charges committed to Enclustra – ₹32.12 Lacs

Annexure -VI

ANNEXURE TO THE ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2023-24

1. **Brief outline on CSR Policy of the Company:** The main objectives are to promote, carry out, support activities relating to education, healthcare, welfare of children, women, senior citizens, and differently abled persons; and any other activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shesadri Bhusan Chanda	Chairman & Managing Director	2	2
2.	Mr. Siddhartha Sen	Independent Director	2	2
3.	Mr. Satadri Chanda	Whole Time Director & CFO	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** <https://megatherm.com>
4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable
6. **Average net profit of the company as per section 135(5):** ₹948.30 Lacs
7. (a) **Two percent of average net profit of the company as per section 135(5):** ₹18.97 Lacs
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NA
- (c) **Amount required to be set off for the financial year, if any:** NA
- (d) **Total CSR obligation for the financial year (7a+7b-7c):** ₹18.97 Lacs
8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
18.97	-	-	-	-	-

(b) Details of CSR amount spent against both Ongoing Project and other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State./District.			Name.	CSR registration number.
1.	Krira-Shakti	a Sports Project to empower the under-privileged	Yes	West Bengal	1,00,000/-	No	School Of Fitness And Personality Development	CSR00050345
2.	Kharagpur Yuba Sangha Club Proposal For Social Work Project	Social Work	Yes	West Bengal	1,50,000/-	Yes	-	-
3.	'Ankur' Project	Promote Education	Yes	West Bengal	45,000/-	No	Footstep Foundation	CSR00056189
4.	Helmet for Traffic Police	Promote Safety	Yes	West Bengal	17,325/-	Yes	-	-
5.	6 Pcs Cycle for Police Station	Promote Safety	Yes	West Bengal	30,900/-	Yes	-	-
6.	Half Marathon-Run-N-Fly-2024 by Life Safety And Awareness Institute for Sports by Kolkata Police Traffic Dept.	Promote Sports	Yes	West Bengal	10,000/-	Yes	-	-
7.	Doctor Consultation & Vaccination Drives	Animal Welfare	Yes	West Bengal	1,90,400/-	No	Kawif-Kolkata Animal Welfare Indian Foundation	CSR00067387
8.	Krira-Shakti	a Sports Project to empower the under-privileged	Yes	West Bengal	50,000/-	No	School Of Fitness And Personality Development	CSR00050345
9.	No Cost Dialysis	Promote Health Care	Yes	West Bengal	13,00,001/-	No	Kolkata Swasthya Sankalp	CSR00021586
Total					18,93,626/-			

(c) Amount spent in Administrative Overheads: ₹3,500/-

(d) Amount spent on Impact Assessment, if applicable: NA

(e) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹18.97 Lacs

(f) Excess amount for set off, if any: NA

INDEPENDENT AUDITOR'S REPORT

To the Members of Megatherm Induction Limited (Formerly Megatherm Induction Private Limited)

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Megatherm Induction Limited (Formerly Megatherm Induction Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profits and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of

the financial statements for the year ended March 31, 2024 (current year). These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Corporate information, Chairman's statement, Director's report etc but does not include the financial statements and our auditor's report thereon. The Management report, Corporate information, Chairman's statement, Director's report etc is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Corporate information, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT FOR FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance

with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph g(vi) below on reporting under Rule 11(g).
 - c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending

- litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - 1) The Management has represented that, to the best of its knowledge and belief as discussed in note no 44 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - 2) The Management has represented, that, to the best of its knowledge and belief as discussed in note no 44 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (iv) and (v) above, contain any material mis-statement.
 - v. The company has neither declared nor paid any dividend during the year.
 - vi. Based on our examination, the Company has used an accounting software, SAP Business One, for maintaining its books of account during the year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.
3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For M S K A & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Dipak Jaiswal Partner

Membership No. 063682

UDIN: 24063682BKATDG2844

Place: Kolkata

Date: May 28, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED (FORMERLY MEGATHERM INDUCTION PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

Dipak Jaiswal Partner
Membership No. 063682
UDIN: 24063682BKATDG2844

Place: Kolkata
Date: May 28, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED (FORMERLY MEGATHERM INDUCTION PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements are filed with such Banks/ financial institutions which are not in agreement with the books of account.

Quarter Ended	Value as per quarterly return/ statement (In lacs)	Amount as per books of accounts (In lacs)	Difference	Discrepancy (give details)
June 30, 2023	3,718.42	6,315.81	(2,597.39)	The Company has not considered the trade receivables due for more than 90 days and balances with Group Companies in the quarterly statement.
September 30, 2023	4,301.68	6,006.67	(1,704.99)	The Company has not considered the trade receivables due for more than 90 days and balances with Group Companies in the quarterly statement.
December 31, 2023	4,812.01	6,798.70	(1,986.69)	The Company has not considered the trade receivables due for more than 90 days and balances with Group Companies in the quarterly statement.
March, 31, 2024	4,946.98	7,795.69	(2,848.71)	The Company has not considered the trade receivables due for more than 90 days and balances with Group Companies in the quarterly statement.

- iii. According to the information and explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not generally been regularly deposited by the company with the appropriate authorities though delay in deposit have not been serious. As explained to us, the Company does not have any dues on account of sales tax, service tax, duty of excise and value added tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the

provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) The Company does not have any subsidiary, associate or joint venture. Hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.
- x (a) In our opinion and according to the information and explanation given to us, monies raised during the year by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been invested in fixed deposits amounting to Rs 1600 Lacs.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.
- xvi (a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are

not applicable to the Company.

- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
 - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
 - (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 41 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of

the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx) (a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Dipak Jaiswal Partner

Membership No. 063682

UDIN: 24063682BKATDG2844

Place: Kolkata

Date: May 28, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED (FORMERLY MEGATHERM INDUCTION PRIVATE LIMITED)

[Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Megatherm Induction Limited (Formerly Megatherm Induction Private Limited) on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls with reference to financial statements of Megatherm Induction Limited (Formerly Megatherm Induction Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's

internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

Dipak Jaiswal Partner

Membership No. 063682

UDIN: 24063682BKATDG2844

Place: Kolkata

Date: May 28, 2024

Balance Sheet

as at 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

	Note No.	31 March 2024	31 March 2023
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	1,884.07	923.25
(b) Reserves and surplus	4	10,150.43	4,139.39
		12,034.50	5,062.64
2) Non-current liabilities			
(a) Long-term borrowings	5	601.70	1,372.23
(b) Deferred tax liabilities (net)	6	315.77	307.06
(c) Long-term Provision	7	164.29	137.88
		1,081.76	1,817.17
3) Current liabilities			
(a) Short-term borrowings	8	3,013.86	2,909.81
(b) Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		516.94	1,830.68
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,740.82	2,421.17
(c) Other current liabilities	10	6,374.48	4,993.40
(d) Short-term provisions	7	252.85	163.00
		13,898.95	12,318.06
TOTAL		27,015.21	19,197.87
II. ASSETS			
1) Non-current assets			
(a) Property, Plant and Equipment Property and Intangible assets			
(i) Property, Plant and Equipment	11	6,313.24	5,733.75
(ii) Intangible assets	12	93.90	68.05
(iii) Capital work-in-progress	36	4.13	61.52
		6,411.27	5,863.32
(b) Other non-current assets	13	1,227.53	943.13
		7,638.80	6,806.45
2) Current assets			
(a) Current Investment	14	700.00	-
(b) Inventories	15	8,169.73	7,109.34
(c) Trade receivables	16	3,197.58	2,322.00
(d) Cash and Cash Equivalents	17 (a)	3,929.00	1,690.06
(e) Other bank balances	17 (b)	2,131.76	412.44
(f) Short-term loans and advances	18	1,112.25	833.30
(g) Other current assets	19	136.09	24.28
		19,376.41	12,391.42
TOTAL		27,015.21	19,197.87

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

1 to 53

As per our Report of even date attached

For and on behalf of the Board of Directors of

Megatherm Induction Limited
CIN : L31900WB2010PLC154236

For M S K A & Associates

Chartered Accountants
Firm Registration No.:105047W

Shesadri Bhusan Chanda

Chairman & Managing Director
DIN: 00961593

Satadri Chanda

Director & Chief Financial Officer
DIN: 02302312

Dipak Jaiswal

Partner
Membership No 063682

Kolkata : 28th May, 2024

Abanti Saha Basu

Company Secretary
Membership No A69276

Kolkata : 28th May, 2024

Statement of Profit and Loss

for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

	Note No.	31 March 2024	31 March 2023
I. Revenue from operations	20	30,625.46	26,588.15
II. Other Income	21	112.22	55.69
III. Total Income (I + II)		30,737.68	26,643.84
IV. Expenses			
Cost of materials consumed	22	23,625.41	20,329.04
Changes in inventories of finished goods and work-in-progress	23	(1,163.49)	(218.78)
Employee benefits expense	24	1,648.57	1,305.03
Finance costs	25	617.68	583.80
Depreciation and amortisation expense	26	338.53	242.82
Other expenses	27	2,910.96	2,418.46
Total expenses		27,977.66	24,660.37
V. Profit before tax		2,760.02	1,983.47
VI. Tax expenses			
Current tax		688.05	530.97
Income Tax Relating to Earlier years		(9.13)	-
Deferred tax (credit) / charge		8.71	52.09
Net Tax Expenses		687.63	583.06
VII. Profit for the year		2,072.39	1,400.41
VIII. Earnings per equity share [nominal value of share ₹10 each (previous year ₹10 each)]	28		
Basic		14.13	10.11
Diluted		14.13	10.11

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our Report of even date attached

For and on behalf of the Board of Directors of
Megatherm Induction Limited
 CIN : L31900WB2010PLC154236

For M S K A & Associates
 Chartered Accountants
 Firm Registration No.:105047W

Shesadri Bhusan Chanda
 Chairman & Managing Director
 DIN: 00961593

Satadri Chanda
 Director & Chief Financial Officer
 DIN: 02302312

Dipak Jaiswal
 Partner
 Membership No 063682

Abanti Saha Basu
 Company Secretary
 Membership No A69276

Kolkata : 28th May, 2024

Kolkata : 28th May, 2024

Cash Flow Statement

for the year ended 31st March, 2024

(All accounts are in INR Lacs, unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023	
A. Cash Flow from Operating Activities			
Profit Before Tax	2,760.02	1,983.47	
Adjustments for :			
Depreciation & Amortisation	338.53	242.82	
Bad Debts/Advances written off	60.90	25.45	
Provision for Doubtful Debts/Advances	65.04	30.00	
Interest Expenses	617.68	583.80	
Unrealized foreign exchange (Gain)	(1.79)	(11.98)	
Provision for Retirement Benefit	30.58	4.10	
Provision for warranty	17.20	44.53	
Interest Income	(38.89)	(13.82)	
Profit on sale of Investment	(2.72)	-	
Loss on sale/discard of Fixed Assets	-	1.23	
	1,086.53	906.13	
Operating Profit before Working Capital Changes	3,846.55	2,889.60	
Adjustments for :			
(Increase) in trade receivables	(969.86)	(567.80)	
(Increase)/Decrease in loans and advances	(61.28)	721.13	
(Increase)/Decrease in Other Assets	(209.25)	25.08	
Increase in trade payables	(22.81)	378.41	
(Increase) in inventories	(1,060.40)	(258.23)	
(Decrease)/Increase in other current liabilities	1,381.08	(185.05)	113.54
Cash Generated from Operations	2,904.03	3,003.14	
Direct Taxes Paid	(610.43)	(425.49)	
Net Cash from Operating Activities	2,293.60	2,577.65	
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment, including movement in CWIP and capital advances	(1,340.07)	(1,905.32)	
Movement In Investment	(700.00)	-	
Movement In Fixed Deposits	(1,657.05)	(100.30)	
Profit on sale of Investment	2.72	-	
Interest received	25.57	28.30	
Net Cash used in Investing Activities	(3,668.83)	(1,977.32)	
C. Cash Flow from Financing Activities			
Repayment of Long Term Borrowings	(1,251.82)	(730.57)	
Proceeds from Long Term Borrowings	-	1,238.43	

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Increase/ (Decrease) in Cash Credit facility & other borrowings	585.34	(264.63)
Proceeds from issuance of equity share capital (net)	4,899.48	-
Interest paid	(618.83)	(583.80)
Net Cash from Financing Activities	3,614.17	(340.57)
	2,238.94	259.76
Cash and cash equivalents at the beginning of the year	1,690.06	1,430.30
Cash and cash equivalents at the end of the year	3,929.00	1,690.06

Cash Flow Statement for the year ended 31st March, 2024

	As at 31 March 2024	As at 31 March 2023
Cash and Cash Equivalents comprise:-		
Cash in hand	3.35	0.04
Bank Balances with Scheduled Banks :		
Current Account	3,925.65	1,690.02
	3,929.00	1,690.06

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- Figures in () represents cash outflow.

As per our Report of even date attached

For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W

Dipak Jaiswal
Partner
Membership No 063682

Kolkata : 28th May, 2024

For and on behalf of the Board of Directors of
Megatherm Induction Limited
CIN : L31900WB2010PLC154236

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Abanti Saha Basu
Company Secretary
Membership No A69276

Kolkata : 28th May, 2024

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Notes forming part of the Financial Statements

for the year ended 31st March 2024

1 GENERAL INFORMATION

Megatherm Induction Limited (Formerly Megatherm Induction Private Limited) primarily engaged in the business of manufacturing and selling of Capital Equipments like Induction Melting and Heating Equipments, Arc Melting Furnace, Ladle Refining Furnace, Continuous Casting Machines, Transformers etc. and various parts thereof which are required by the Steel Making Industries, Foundry, Forging and Power sector. The Company also carries on business of repairs and contractors for servicing and production, modification, reconstruction etc. of all types of Engineering goods, equipments, plant & machineries.

The Company has manufacturing plant at Kharagpur, West Bengal and sells primarily in Domestic Markets. The Company is Listed Public Limited Company and a Subsidiary of Megatherm Electronics Private Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.01 Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year. The financial statements have been authorized to be issued by the Board of Directors of the Company in the meeting held on May 28, 2024

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the

Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.02 Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.03 Property, Plant and Equipment

Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation, revaluation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Any item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognized in the Statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Any item of Property, Plant and Equipment whose value is less than ₹5,000 is being charged off to Profit and Loss Account

Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during development / acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

2.04 Depreciation on property, plant and equipments

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses Straight Line Methods and has used following useful lives to provide depreciation of different class of its property, plant and equipment and Intangible assets.

Particulars	Year ended March 31, 2024 (Useful life in years)	Year ended March 31, 2023 (Useful life in years)
Leasehold Land	99	99
Buildings	30	30
Plant and Machinery	15	15
Electrical Installation	10	10
Furniture and fixtures	10	10

Computer	3	3
Office equipment	3-5	3-5
Vehicle	8	8

The depreciation charge for each year is recognized in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset.

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting)

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.

The useful life, residual value and the depreciation method are reviewed atleast at each year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

2.05 Amortization of Intangible assets

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Year ended March 31, 2024 (Useful life in years)	Year ended March 31, 2023 (Useful life in years)
Computer Softwares	3	3

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

The amortization period and the amortization method are reviewed at least at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

2.06 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

2.07 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalized until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as expenditure in the period in which they are incurred.

2.08 Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. However, provision for diminution in value is made

to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

2.09 Foreign currency translation

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they occur.

2.10 Revenue recognition

Revenue is recognized to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, and Goods and Service Tax

'Unbilled receivables' included in trade receivables represent cost and earnings in excess of billings as at the balance sheet date.

Revenue from services

Revenue from services is recognized pro-rata over the period of the contract as and when services

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

are rendered and the collectability is reasonably assured. The revenue is recognized net of Goods and service tax.

'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized.

Interest Income

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend Income

Dividend is recognized when the Company's right to receive dividend is established.

2.11 Retirement and other employee benefits**Short Term Employee Benefits**

Employee benefits payable wholly within twelve months of rendering of the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

Defined contribution plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund, Employee Deposit Linked Insurance, ESI and Superannuation Schemes, which are recognized in the Statement of Profit and Loss on accrual basis.

Defined Benefit Plan- Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.

Other long-term benefits**Leave encashment- Encashable**

The employees are entitled for 15 days leave during the calendar year, which can be accumulated up to 30 days. The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss as and when incurred.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

2.13 Inventories

Raw materials, components, stores and spares, and packing material are valued at cost. However, these items are considered to be realizable at replacement cost if the finished goods, in which they will be used, are expected to be sold below cost.

Cost of inventories is computed on a weighted-average basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress and manufactured finished goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

2.14 Income Taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit (Wherever applicable).

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

2.15 As a Lessee:

Finance leases, which effectively transfers to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal

charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management (or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower). However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset (the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013).

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

As a Lessor:

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

2.16 Contingent Liability, Provisions and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The Company records a provision for decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

2.17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.18 Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy related to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant is related to an asset, it is adjusted with the gross value of assets.

When the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

2.19 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

2.20 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 3: SHARE CAPITAL

The Company has only one class of Share Capital having a par value of ₹10 per share, referred to herein as equity shares.

	31 March 2024	31 March 2023
Authorised		
At the commencement of the year	1,500.00	1,000.00
Add: Increased during the year	400.00	500.00
At the end of the year	1,900.00	1,500.00
Issued, subscribed and fully paid up		
1,88,40,729 (March 31, 2023 : 92,32,486) Equity Shares of ₹10/- each	1,884.07	923.25

a. Reconciliation of shares outstanding at the beginning and at the end of the year

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	92,32,486	923.25	92,32,486	923.25
Add: Bonus Shares Issued during the year	46,16,243	461.62	-	-
Add: Fresh Shares Issued during the year	49,92,000	499.20	-	-
At the end of the year	1,88,40,729	1,884.07	92,32,486	923.25

b. Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- c.** Pursuant to the approval of the shareholders in Extra-Ordinary General Meeting held on August 08, 2023, the company has allotted 46,16,243 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (two) equity share outstanding on the record date i.e. August 09, 2023 by capitalization of securities premium. Further, The company has neither issued any shares for consideration other than cash nor bought back any shares during the period of five years immediately preceding the reporting date (31 March 2023 : nil).
- d.** During the year, on 05 February 2024, the company has issued 49,92,000 Equity Shares under SME IPO, which got listed on NSE Emerge Platform on 05 February 2024 having NSE Scrip Code **"MEGATHERM"**. The transaction Costs pertaining to the issue have been debited to the share premium account.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

e. Shares held by holding/ultimate holdings company and/or their subsidiaries/associates

	31 March 2024		31 March 2023	
	Number	Amount	Number	Amount
Equity shares of ₹10 each fully paid up held by: Megatherm Electronics Private Limited, Holding Company	1,36,83,729	1,368.37	91,22,486	912.24

f. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2024		31 March 2023	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹10 each fully paid up held by:				
Megatherm Electronics Private Limited., the Holding Company	1,36,83,729	72.63%	91,22,486	98.81%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

g. Details of Shares held by Promoters at the end of the year

Promoter name	31 March 2024			31 March 2023		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Megatherm Electronics Private Limited	1,36,83,729	72.63%	50.00%	91,22,486	98.81%	-
Shesadri Bhusan Chanda	7,500	0.05%	50.00%	5,000	0.05%	-
Satadri Chanda	3,600	0.03%	50.00%	2,400	0.03%	-

NOTE 4: RESERVES AND SURPLUS

	31 March 2024	31 March 2023
Securities Premium		
At the commencement of the year	1,241.69	1,241.69
Add: Additional Shares issued during the year	4,892.16	-
Less : Utilized for Bonus Shares issued during the year *	(461.62)	-
Less : Share Issue Expenses incurred during the year **	(491.88)	-
Securities Premium	5,180.35	1,241.69
Surplus/(deficit) in the Statement of Profit and Loss		
At the commencement of the year	2,897.70	1,497.29
Profit for the year	2,072.39	1,400.41
At the end of the year	4,970.08	2,897.70
Total Reserves and surplus	10,150.43	4,139.39

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

*Pursuant to the approval of the shareholders in Extra-Ordinary General Meeting held on August 08, 2023, the company has allotted 46,16,243 equity shares of ₹ 10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (two) equity share outstanding on the record date i.e. August 09, 2023 by capitalization of securities premium.

** During the year, on 05 February 2024, the company has issued 49,92,000 Equity Shares under SME IPO, which got listed on NSE Emerge Platform on 05 February 2024 having NSE Scrip Code "MEGATHERM". The transaction Costs pertaining to the issue have been debited to the share premium account.

NOTE 5: LONG-TERM BORROWINGS

	Non-current portion		Current maturities	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Term Loans (secured)				
From banks	601.70	1,372.23	317.79	799.08
Less: Amount disclosed under the head "Short-term borrowings" (Refer Note 8)	-	-	(317.79)	(799.08)
	601.70	1,372.23	-	-

(A) Terms of repayment
Term loans and COVID Loan

Name of the lender	No of Instalment Due	Rate of Interest (%)	Within one year (₹)	After one year but not more than 5 years (₹)	More than 5 years (₹)
Rupee loans (secured)					
Covid Term Loan 20%	4.00	9.25	58.23	-	-
PNB Car Loan - 454800NG0000239	21.00	8.00	2.30	2.18	-
GECLS Loan Account - 7209968838	36.00	9.25	114.25	288.89	-
Axis Bank - AUR031907828586 (2nd Battery Car)	41.00	8.75	3.01	8.39	-
Open Term Loan Account - 7417195951	13.00	10.75	140.00	302.24	-
Total			317.79	601.70	-

(B) Details of security

The term loan and covid loans are secured as under:

Primary :

- i) Equitable mortgage of 10 acres of leasehold land and factory under construction thereon at Vidyasagar Industrial Park.
- ii) Equitable Mortgage of Factory Building and other structure built on 10 Acres of Factory Land allotted by WBSIDC for 99 years and Factory Construction thereon.
- iii) Exclusive First charge on Plant & Machinery and Other Fixed asset acquired through the Term loan.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Collateral :

- i) Equitable mortgage of 5 acres of leasehold land at Vidasagar Industrial Park.
- ii) Equitable Mortgage of Residential Plot at premises No. 05-0685, Plot no. 2128, Block IIC, Rajarhat , New town in the joint name of Mr. S.B. Chanda & Smt. Ayati Chanda
- iii) Equitable Mortgage of Residential Flat at premises No. UDITA Tower Tertiya, Flat no 402, 1050/1, Survey Park Kolkata-700075 in the joint name of Mr. S.B. Chanda & Smt. Ayati Chanda
- iv) Equitable Mortgage of Residential Flat at premises No. 1E Baikunth, 114 NSC Bose Road Kolkata - 700040 in the name of Smt. Ayati Chanda
- v) Equitable Mortgage of Residential Flat at premises No. UDITA Tower Tertiya, Flat no 401/1050/1, Survey Park Kolkata-700075.
- vi) Equitable Mortgage of Commercial Premises at 123 SDF Building Sector-V Salt Lake City Kolkata-700091.
- vii) Pledge of FDR 327.25 Lacs
- viii) Pledge of Share held by Megatherm Electronics Private Ltd (MEPL) (Holding Co.) in the name of Megatherm Induction Limited (MIL) to the extent of 30% of Paid Up Capital of MIL with the Bank.

Guarantee :

Personal Guarantee of Sri Shesadri Bhusan Chanda, Sri Satadri Chanda and Smt. Ayati Chanda

(C) Details of security of Vehicle Loan**Nature of Security**

Loan from Axis Bank is secured by hypothecation of the Vehicle Financed.

Loan from Punjab National Bank is secured by hypothecation of the Vehicle Financed and personal guarantee of Mr. Satadri Chanda

NOTE 6: DEFERRED TAX LIABILITIES (NET)

	31 March 2024	31 March 2023
Deferred tax liabilities		
Difference between book depreciation & tax depreciation	412.70	352.68
Deferred tax assets		
Expenses provided but allowable in Income Tax on payment basis	(96.93)	(45.62)
C/F Losses to be adjusted against future taxable Income	-	-
	(96.93)	(45.62)
Deferred tax liability (net)	315.77	307.06

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 7: PROVISION

	Long-term		Short-term	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provision for employee benefits:				
Provision for gratuity (unfunded) (Refer Note 34 i)	152.33	137.88	15.65	12.67
Provision for Leave Encashment (Refer Note 34 ii)	11.96	-	1.19	-
Other provisions:				
Provision for Warranties (Refer Note 29b)	-	-	154.96	137.76
Provision for Income tax [net of advance tax of ₹613.43 Lacs (previous year ₹424.97 Lacs)]	-	-	81.05	12.57
	164.29	137.88	252.85	163.00

NOTE 8: SHORT-TERM BORROWINGS

	31 March 2024	31 March 2023
Loans repayable on demand		
From banks (secured)		
Rupee loans	2,696.07	2,110.73
Current maturities of long-term debt (Refer note 5)	317.79	799.08
	3,013.86	2,909.81

Note : The secured rupee loans from banks are repayable on demand and other loans are repayable on maturity.

Details of security
Primary Securities :

Bank Borrowings for working capital are secured by first charge over the company's stock of materials, receivables and other current assets, both present & future.

Collateral Securities:

Refer note no 5 (B)

NOTE 9: TRADE PAYABLES

	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises	516.94	1,830.68
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,740.82	2,421.17
	4,257.76	4,251.85

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

(a) Amount remaining unpaid to any supplier at the end of each accounting year:

Particulars	31 March 2024	31 March 2023
Principal	516.94	1,830.68
Interest	1.16	-
Total	518.10	1,830.68

(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.

(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

- (d) The amount of interest accrued and remaining unpaid at the end of each accounting year.
- (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.

31 March 2024		Current					
Particulars	Unbilled Payables	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(j) MSME	-	-	515.85	0.30	0.79	-	516.94
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	237.86	-	3,074.91	249.81	106.88	69.04	3,738.50
(iv) Disputed dues - Others	-	-	-	-	-	2.25	2.25
Total	237.86	-	3,590.76	250.11	107.67	71.29	4,257.69

31 March 2023		Current					
Particulars	Unbilled Payables	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(j) MSME	-	-	1,686.39	90.01	17.09	37.19	1,830.68
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	124.57	-	1,979.45	164.45	66.19	84.26	2,418.92
(iv) Disputed dues - Others	-	-	-	-	-	2.25	2.25
Total	124.57	-	3,665.84	254.46	83.28	123.70	4,251.85

NOTE 10: OTHER CURRENT LIABILITIES

	31 March 2024	31 March 2023
Advances received from customers	6,158.63	4,818.79
Goods and Service tax payable	2.45	3.43
TDS payable	59.70	18.17
Other Statutory dues	11.90	20.41
Unearned Revenue	16.24	20.65
Other payables	125.56	111.95
	6,374.48	4,993.40

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENTS

Particulars	Leasehold Land	Buildings	Buildings on Lease	Plant and Machinery	Material Handling Equipments	Testing & Inspection Equipments	Storage Equipment & Accessories	Electrical Installation	Furniture and fixtures	Office Equipments	Tools & Equipment	Vehicles	Computer	Total
Gross Block														
Balance as at 1 April 2022	530.89	2,903.36	-	682.81	251.00	46.81	31.49	288.92	38.06	22.63	0.18	22.82	33.30	4,852.27
Additions during the year	-	1,203.22	-	555.57	118.15	2.38	84.89	5.19	4.26	12.82	0.83	22.50	19.67	2,029.48
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	(2.60)	-	(2.60)
Balance as at 31 March 2023	530.89	4,106.58	-	1,238.38	369.15	49.19	116.38	294.11	42.32	35.45	1.01	42.72	52.97	6,879.15
Additions during the year	-	76.99	796.89	132.52	47.74	2.46	7.09	25.06	0.83	12.44	1.84	1.72	9.42	1,115.00
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Received	-	(146.32)	-	(64.58)	(6.42)	(0.65)	-	(8.82)	-	-	-	-	-	(226.79)
Balance as at 31 March 2024	530.89	4,037.25	796.89	1,306.32	410.47	51.00	123.47	310.35	43.15	47.89	2.85	44.44	62.39	7,767.36
Accumulated Depreciation														
Balance as at 1 April 2022	60.95	443.50	-	140.93	69.56	11.74	9.36	133.96	14.29	11.00	0.06	3.27	15.08	913.70
Depreciation for the year	5.30	106.63	-	46.43	17.28	2.76	2.92	25.08	3.73	5.15	0.10	4.07	12.92	232.37
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	(0.67)	-	(0.67)
Balance as at 31 March 2023	66.25	550.13	-	187.36	86.84	14.50	12.28	159.04	18.02	16.15	0.16	6.67	28.00	1,145.40
Depreciation for the year	5.30	126.32	2.35	78.25	23.83	2.94	7.75	35.34	4.05	5.39	0.22	5.09	11.89	308.72
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024	71.55	676.45	2.35	265.61	110.67	17.44	20.03	194.38	22.07	21.54	0.38	11.76	39.89	1,454.12
Net Block														
Balance as at 31 March 2023	464.64	3,556.45	-	1,051.02	282.31	34.69	104.10	135.07	24.30	19.30	0.85	36.05	24.97	5,733.75
Balance as at 31 March 2024	459.34	3,360.80	794.54	1,040.71	299.80	33.56	103.44	115.97	21.08	26.35	2.47	32.68	22.50	6,313.24

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Note 1 : Details of assets taken on Finance Leases :

Particulars	Vehicles	Total
Gross Block		
Balance as at 31 March 2023	36.52	36.52
Balance as at 31 March 2024	36.52	36.52
Accumulated Depreciation		
Balance as at 31 March 2023	6.28	6.28
Balance as at 31 March 2024	10.62	10.62
Net Block		
Balance as at 31 March 2023	30.25	30.25
Balance as at 31 March 2024	25.90	25.90

Note 2 : Refer Note 5 (B) for security related details

NOTE 12: INTANGIBLE ASSETS

Owned Asset- Intangible Asset	Software	Total
Gross Block		
Balance as at 1 April 2022	18.55	18.55
Additions during the year	62.89	62.89
Balance as at 31 March 2023	81.44	81.44
Additions during the year	55.66	55.66
Balance as at 31 March 2024	137.10	137.10
Accumulated Amortization		
Balance as at 1 April 2022	2.94	2.94
Amortization for the year	10.45	10.45
Balance as at 31 March 2023	13.39	13.39
Amortization for the year	29.81	29.81
Balance as at 31 March 2024	43.20	43.20
Net Block		
Balance as at 31 March 2023	68.05	68.05
Balance as at 31 March 2024	93.90	93.90

NOTE 13: OTHER NON-CURRENT ASSETS

	31 March 2024	31 March 2023
<i>(Unsecured, considered good)</i>		
Security and other deposits	6.90	4.91
Deposit with Bank (more than 12 months)	155.00	217.27
Trademark on Lease	360.00	-
Prepaid Expenses	19.49	10.37
Retention Money	686.14	710.58
	1,227.53	943.13

Ageing of Retention Money :

31 March 2024	Non-Current							
	Unbilled	Outstanding for following periods from the date of transaction						Total
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Retention Money – considered good	-	-	321.45	96.60	248.59	6.45	13.06	686.14
Total	-	-	321.45	96.60	248.59	6.45	13.06	686.14

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Ageing of Retention Money :

31 March 2023	Non-Current							
	Particulars	Unbilled	Outstanding for following periods from the date of transaction					Total
			Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Undisputed Retention Money – considered good	-	-	348.88	351.60	8.39	1.71	-	710.58
Total	-	-	348.88	351.60	8.39	1.71	-	710.58

NOTE 14: CURRENT INVESTMENT

Current Investments	31 March 2024		31 March 2023	
	Units	Book Value	Units	Book Value
Short term trade investments (valued at lower of cost or market value) - Quoted				
Investments in mutual funds (DSP Overnight Fund-Direct Plan- Growth Option)	57,617.22	700.00	-	-
Net current investments	57,617.22	700.00	-	-
Aggregate market value as at the end of the period:				
Market value of quoted investments		700.52		-

NOTE 15: INVENTORIES

	31 March 2024	31 March 2023
<i>(Valued at the lower of cost and net realisable value unless stated otherwise)</i>		
Raw materials	4,727.74	4,830.84
Work-in-progress	3,017.12	1,993.82
Finished goods	424.87	284.68
	8,169.73	7,109.34

NOTE 16: TRADE RECEIVABLES

	31 March 2024	31 March 2023
Unsecured, considered good	3,197.58	2,256.96
Unsecured, considered doubtful	116.04	116.04
Less: Provision for doubtful receivables	116.04	51.00
	3,197.58	2,322.00

31 March 2024	Current							
	Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
			Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	
(i) Undisputed Trade receivables – considered good	54.19	-	1,683.29	1,198.97	173.05	88.08	-	3,197.58
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	21.00	95.04	116.04
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-	(21.00)	(95.04)	(116.04)
Total	54.19	-	1,683.29	1,198.97	173.05	88.08	-	3,197.58

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

31 March 2023	Current								
	Particulars	Unbilled	Outstanding for following periods from due date of payment						Total
			Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	1,074.25	936.78	195.79	7.88	42.26	2,256.96	
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	21.00	-	-	21.00	
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	95.04	95.04	
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	(21.00)	-	(30.00)	(51.00)	
Total	-	-	1,074.25	936.78	195.79	7.88	107.30	2,322.00	

NOTE 17 (A): CASH AND CASH EQUIVALENTS

	31 March 2024	31 March 2023
Cash on hand	3.35	0.04
Balances with banks		
On current accounts	3,925.65	1,690.02
	3,929.00	1,690.06

NOTE 17 (B): OTHER BANK BALANCES

	31 March 2024	31 March 2023
Current maturities	1,600.00	-
Margin money or deposits under lien	531.76	412.44
	2,131.76	412.44

NOTE 18: SHORT-TERM LOANS AND ADVANCES

	31 March 2024	31 March 2023
<i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Advances to supplies & Others	494.82	190.35
Advance to employees	40.34	20.09
Prepaid expenses	37.97	27.40
GST input credit receivable	539.12	595.46
	1,112.25	833.30

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 19: OTHER CURRENT ASSETS

	31 March 2024	31 March 2023
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Interest accrued but not due on deposits	23.88	10.56
Security and other deposits	60.80	1.79
Export incentive receivable	24.74	11.93
Trademark on lease	26.67	-
	136.09	24.28

NOTE 20: REVENUE FROM OPERATIONS

	31 March 2024	31 March 2023
Sale of products		
Finished Goods	30,142.83	26,240.56
Sale of services	341.10	216.20
Other operating revenue		
Export incentives	99.99	118.79
Scrap Sale	41.54	12.60
	30,625.46	26,588.15

NOTE 21: OTHER INCOME

	31 March 2024	31 March 2023
Interest on fixed deposits with banks	38.89	13.82
Gain on foreign exchange fluctuation	16.27	-
Miscellaneous income	57.06	41.87
	112.22	55.69

NOTE 22: COST OF MATERIALS CONSUMED

	31 March 2024	31 March 2023
Inventory of raw materials at the beginning of the year	4,830.84	4,791.39
Purchases	23,522.31	20,368.49
	28,353.15	25,159.88
Less: Inventory of raw materials at the end of the year	4,727.74	4,830.84
	23,625.41	20,329.04

(a) Details of raw material and components consumed

	31 March 2024	31 March 2023
Copper	7,087.62	6,098.71
CRNGO	2,598.80	2,236.19
Steel and Structure	5,670.10	4,878.97
Other Materials	8,268.89	7,115.17
	23,625.41	20,329.04

(b) Value of imported and indigenous raw materials consumed

	31 March 2024		31 March 2023	
	Amount	%	Amount	%
Imported	2,763.18	11.70%	2,665.98	13.11%
Indigenous	20,862.23	88.30%	17,663.06	86.89%
	23,625.41	100.00%	20,329.04	100.00%

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

(c) Details of closing inventory of raw material and components

	31 March 2024	31 March 2023
Copper	930.85	717.50
CRNGO	128.61	608.37
Steel and Structure	6.54	387.67
Other Materials	3,661.74	3,117.30
	4,727.74	4,830.84

NOTE 23: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	31 March 2024	31 March 2023
Opening stock		
Finished goods	284.68	352.55
Work-in-progress	1,993.82	1,707.17
	2,278.50	2,059.72
Closing stock		
Finished goods	424.87	284.68
Work-in-progress	3,017.12	1,993.82
	3,441.99	2,278.50
	(1,163.49)	(218.78)

NOTE 24: EMPLOYEE BENEFITS EXPENSE

	31 March 2024	31 March 2023
Salaries, wages and bonus	1,366.38	1,123.32
Contribution to provident and other funds	70.20	65.62
Gratuity	37.04	11.01
Staff welfare expenses	174.95	105.08
	1,648.57	1,305.03

NOTE 25: FINANCE COSTS

	31 March 2024	31 March 2023
Interest expense		
On bank loan	289.29	277.11
On assets on finance lease	2.99	3.72
Other borrowing costs	224.26	209.40
Bank charges	101.14	93.57
	617.68	583.80

NOTE 26: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2024	31 March 2023
On tangible assets (Refer note 11)	308.72	232.37
On intangible assets (Refer note 12)	29.81	10.45
	338.53	242.82

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 27: OTHER EXPENSES

	31 March 2024	31 March 2023
Consumption of stores and spare parts	269.05	184.93
Labour Charges	275.25	344.19
Erection & Commissioning	55.32	105.26
Power and fuel	129.69	98.36
Freight, clearing and forwarding	122.19	133.77
Packing charges	180.78	179.40
Rent	72.20	122.37
Repairs to:		
Plant and machinery	19.54	32.77
Building	11.36	6.20
Computer	1.87	4.93
Others	66.78	61.94
Insurance	39.64	36.05
Rates and taxes	43.70	17.83
Travelling and conveyance expenses	78.73	46.93
Legal and professional fees	280.55	198.46
Payment to auditors' (refer note (a) below)	20.75	19.15
Advertisement and Sales Promotion	182.01	102.52
Security Service Charges	42.65	30.38
Research and Development Expense	0.92	2.49
Telephone and communication expenses	16.58	15.13
Provision for doubtful debts and advances	65.04	30.00
Corporate Social Responsibility (Refer Note 42)	18.97	-
Provision for Warranty (Refer Note 29 b)	209.98	169.35
Bad Debt/Advance Written Off	60.90	25.45
Loss on sale/discard of fixed assets	-	1.23
Selling Expenses	533.13	374.35
Amortization of Trade Mark Fees	13.33	-
Loss on foreign exchange fluctuation	-	28.35
Miscellaneous expenses	100.05	46.67
	2,910.96	2,418.46

a. Payment to auditors':

	31 March 2024	31 March 2023
As auditors':		
Statutory audit	12.00	10.00
Tax audit	1.50	1.50
Other Services	7.25	7.65
	20.75	19.15

NOTE 28: EARNINGS PER SHARE (EPS)

		31 March 2024	31 March 2023
Profit after tax as reported	(a)	2,072.39	1,400.41
Net Profit attributable to Equity Shareholders for calculation of basic and diluted (₹ in Lacs)	(b)	2,072.39	1,400.41
Weighted average number of equity shares outstanding during the year for calculation of basic EPS (in nos.)	(c)	1,46,67,090	1,38,48,729
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS (in nos.)	(d)	1,46,67,090	1,38,48,729
Basic EPS of ₹10 each	(e) = (b) / (c)	14.13	10.11
Diluted EPS of ₹10 each	(f) = (b) / (c)	14.13	10.11
Nominal value of equity share (in ₹)		10.00	10.00

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 29: CONTINGENT LIABILITIES AND COMMITMENTS*(to the extent not provided for)***a) Contingent Liabilities:**

	31 March 2024	31 March 2023
(i) Guarantee Issued By Bank	611.34	187.11
(ii) Letter of Credit By Bank	2,414.20	2,708.61

b) Provision for Warranty

Particulars	31 March 2024	31 March 2023
Opening Balance of Provision for Warranty	137.76	93.23
Add : Created during the year	209.98	169.35
Less : Utilized during the year	192.78	124.82
Closing Balance of Provision for Warranty	154.96	137.76

NOTE 30: CIF VALUE OF IMPORTS

	31 March 2024	31 March 2023
Raw materials	2,751.12	2,671.15
	2,751.12	2,671.15

NOTE 31: EXPENDITURE IN FOREIGN CURRENCY

	31 March 2024	31 March 2023
Research and Development Expenses	-	2.49
Erection & Commissioning	36.71	83.29
Advertisement and Sales Promotion	32.68	-
Commission	-	73.99
Travelling and conveyance	59.44	17.99
Total Expenditure in foreign currency	128.83	177.76

NOTE 32: EARNINGS IN FOREIGN CURRENCY

	31 March 2024	31 March 2023
Exports at F.O.B. Value	6,484.85	6,826.20
Total Earning in foreign currency	6,484.85	6,826.20

NOTE 33: LEASES

Operating lease: Company as lessee

The Company has entered into commercial leases on certain motor vehicles, Office Building and items of machinery. These leases have an average life of between three and five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases

Particulars	31 March 2024 Minimum payments	31 March 2023 Minimum payments
Within one year	-	115.20
After one year but not more than five years	-	239.20
More than five years	-	-

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 34: EMPLOYEE BENEFITS:
i) Post employment benefit plans
1. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

2. Defined benefit plans

The following table summarises the position of assets and obligations relating to the gratuity plan:

	31 March 2024	31 March 2023
Net Asset / (liability) recognised in Balance sheet as at the year end		
Fair value of plan assets	-	-
Present value of obligations	167.98	150.55
Asset/ (liability) recognised in balance sheet	(167.98)	(150.55)
Classification into current/ non-current		
Current portion	15.64	12.66
Non-current portion	152.34	137.89
Movement in present value of defined benefit obligations		
Opening Defined benefit obligation	150.55	146.45
Current service cost	13.80	12.35
Interest cost	10.85	10.11
Actuarial (gains) / losses	12.40	(11.45)
Benefits paid by the plan	(19.62)	(6.91)
Closing Defined benefit obligations	167.98	150.55
Composition of plan assets		
Qualifying insurance policies	0%	0%
Expense recognised in the Statement of Profit and Loss		
Current service cost	13.80	12.35
Interest on obligation	10.85	10.11
Expected return on plan assets	-	-
Net actuarial (gain)/ loss recognised in the year	12.40	(11.45)
Total included in 'Employee benefits expense' (Refer note 23)	37.05	11.01
Principal actuarial assumptions		
Discount rate	6.97%	7.20%
Expected return on plan assets	NA	NA
Salary growth rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Five-year information

Amounts for the current and previous four periods are as follows:

	31 March 2024	31 March 2023	31 March 2022	31 March 2021	31 March 2020
Gratuity					
Present Value of defined benefit obligation	167.98	150.55	146.45	112.22	85.34
Fair value of plan assets	-	-	-	-	-
Surplus / (deficit) in the plan	(167.98)	(150.55)	(146.45)	(112.22)	(85.34)
Experience adjustments arising on plan liabilities [(gain)/ loss]	9.31	(11.18)	(19.66)	(8.71)	(1.51)
Experience adjustments arising on plan assets [gain/ (loss)]	-	-	-	-	-
Actuarial gain/(loss) due to change in assumption	-	-	7.59	(0.89)	(2.28)

ii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was ₹13.15 Lacs (March 31, 2023: Nil).

NOTE 35: INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF ACCOUNTING STANDARD 18 ON RELATED PARTY DISCLOSURES**(i) List of related party and relationship where control exists****(a) Enterprises having control over the Company with which transaction has taken place during the year and previous year.**

Megatherm Electronics Private Limited - Immediate holding company

(b) Fellow Subsidiaries (with whom transactions have taken place during the year and previous year):

EMT Megatherm Private Limited

(c) Enterprises over which Key Managerial Personnel are able to exercise significant influence.

SC Aqua Vitae Private Limited

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

(ii) Names of the other related parties with whom transactions have taken place during the year
(a) Key Managerial Personnel

Mr. Shesadri Bhusan Chanda, Chairman and Managing Director

Mr. Satadri Chanda, Director

Mrs. Christina Paulchowdhury

Mr. Siddhartha Sen

Mr. Ankit Rathi (appointed on 16-09-2023)

Mrs. Nisha Bhopalka, C.S. (Resigned on 31-08-2023)

Mrs. Abanti Saha Basu, C.S. (Appointed on 15-09-2023)

(iii) Details of transactions with related parties

Particulars	31 March 2024	31 March 2023
Relating to Profit and Loss account		
Sale of Products/services		
EMT Megatherm Private Limited	1,956.90	-
Megatherm Electronics Private Limited	3,424.79	1,816.61
Purchase of Products/Services		
EMT Megatherm Private Limited	1,816.59	-
Megatherm Electronics Private Limited	3.03	-
Rental Income		
EMT Megatherm Private Limited	30.15	-
Interest Expenses		
Megatherm Electronics Private Limited	-	19.83
Rent and Electricity Expenses		
Megatherm Electronics Private Limited	67.47	115.77
Labour Charges		
EMT Megatherm Private Limited	48.47	-
Salaries/ Managerial Remuneration		
Mr. Shesadri Bhusan Chanda	62.40	62.40
Mr. Satadri Chanda	87.00	82.90
Mrs. Abanti Saha Basu, C.S. (Appointed on 15-09-2023)	2.48	-
Mrs. Nisha Bhopalka, C.S. (Resigned on 31-08-2023)	0.55	1.44
Sitting Fees paid to Independent Directors		
Mrs. Christina Paulchowdhury	4.00	-
Mr. Siddhartha Sen	2.50	-
Mr. Ankit Rathi (appointed on 16-09-2023)	0.50	-
Relating to Balance Sheet		
Loan Repayment		
Megatherm Electronics Private Limited	-	204.00
Trademark Fees		
Megatherm Electronics Private Limited	400.00	-
Advance given		
Megatherm Electronics Private Limited	-	1,450.00
Asset Purchased		
Megatherm Electronics Private Limited	738.86	-
Advance refunded		
Megatherm Electronics Private Limited	-	1,450.00
SC Aqua Vitae Private Limited	-	6.00

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

Balances at the year end

Particulars	31 March 2024	31 March 2023
Trade Receivables		
EMT Megatherm Private Limited	1,364.68	-
Megatherm Electronics Private Limited	844.03	1,293.27
Remuneration/Sitting Fees Payable		
Mr. Shesadri Bhusan Chanda	5.20	4.91
Mr. Satadri Chanda	7.25	3.56
Mrs. Christina Paulchowdhury	4.00	-
Mrs. Abanti Saha Basu, C.S. (Appointed on 15-09-2023)	0.38	-

NOTE 36: CAPITAL-WORK-IN PROGRESS (CWIP)**(a) For Capital-work-in progress ageing schedule**

CWIP	As on March 31, 2024				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.13	-	-	-	4.13
Total	4.13	-	-	-	4.13

CWIP	As on March 31, 2023				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	61.09	-	-	0.43	61.52
Total	61.09	-	-	0.43	61.52

NOTE 37: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

Name of the Bank	Aggregate Working Capital Limits sanctioned	Amount Utilized During Quarter	Quarter Ended	Amount disclosed as per quarterly return/statement	Amount as per books of accounts	Amount of difference	Reason for Material Variance
Indian Bank	2,700.00	2,557.67	June 30, 2023	3,718.42	6,315.81	(2,597.39)	The Company has not considered the trade receivables due for more than 90 days and balances with Group Companies in the quarterly statement.
		2,663.76	June 30, 2022	3,670.03	6,299.38	(2,629.35)	
		2,512.15	September 30, 2023	4,301.68	6,006.67	(1,704.99)	
		2,652.98	September 30, 2022	4,790.78	6,181.48	(1,390.70)	
		2,643.59	December 31, 2023	4,812.01	6,798.70	(1,986.69)	
		2,464.70	December 31, 2022	5,547.57	7,240.07	(1,692.50)	
		2,643.38	March 31, 2024	4,946.98	7,795.69	(2,848.71)	
2,213.34	March 31, 2023	4,202.32	6,014.64	(1,812.32)			

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 38: WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial institutions in the current year or previous year.

NOTE 39: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, in the current year or previous year.

NOTE 40: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period in the current year or previous year.

NOTE 41: RATIOS

S No.	Ratio	31 March 2024		31 March 2023		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator	31 March 2024	31 March 2023		
(a)	Current Ratio	19,376.41	13,898.95	12,391.42	12,318.06	1.39	1.01	38.58%	The Increase in the Current Ratio is due to Initial Public Offer made by the company during the current FY
(b)	Debt-Equity Ratio	3,615.56	12,034.50	4,282.04	5,062.64	0.30	0.85	-64.48%	The Decrease in Debt Equity Ratio is due to Initial Public Offer made by the company during the current FY and repayment of Debt also
(c)	Debt Service Coverage Ratio	3,028.60	1,184.72	2,227.03	989.73	2.56	2.25	13.61%	Not Applicable
(d)	Return on Equity Ratio	2,072.39	12,034.50	1,400.41	5,062.64	17.22	27.66	-37.75%	The decrease in the Return on Equity Ratio is due to Initial Public Offer made by the company during the current FY
(e)	Inventory Turnover Ratio	22,461.92	7,639.54	20,110.26	6,980.23	2.94	2.88	2.05%	Not Applicable
(f)	Trade Receivables Turnover Ratio	30,483.93	3,102.86	26,456.76	2,485.30	9.82	10.65	-7.71%	Not Applicable
(g)	Trade Payables Turnover Ratio	26,433.27	4,254.81	22,786.95	3,322.65	6.21	6.86	-9.41%	Not Applicable
(h)	Net Capital Turnover Ratio	30,737.68	2,775.41	26,643.84	984.65	11.08	27.06	-59.07%	There is decrease in net capital turnover ratio is due to Initial Public Offer made by the company during the current FY.
(i)	Net Profit Ratio	2,072.39	30,625.46	1,400.41	26,588.15	0.07	0.05	28.48%	The increase in net profit ratio is mainly due to increase in margins on product sold on account of increase in sales price of products.
(j)	Return on Capital Employed	3,052.30	13,116.26	2,264.30	6,879.81	0.23	0.33	-29.29%	The is decrease in Return on Capital Employed is mainly due to is due to Initial Public Offer made by the company during the current FY .
(k)	Return on Investment	2,072.39	12,034.50	1,400.41	5,062.64	0.17	0.28	-37.75%	The decrease in the Return on Equity Ratio is due to Initial Public Offer made by the company during the current FY

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 42: CORPORATE SOCIAL RESPONSIBILITY

Particulars	31 March 2024
Amount required to be spent by the Company during the year as per section 135 for the Companies Act 2013	18.97
Amount approved by the Board	20.00
Amount of expenditure incurred during the period	18.97
Amount of shortfall for the period	-
Amount of cumulative shortfall at the end of the period	-

Details of CSR Expenses incurred

Particulars	31 March 2024
a) Contribution to School of Fitness and Personality Development (a Trust registered with ROC for undertaking CSR activities)	1.50
b) Contribution to Kharagpur Yuba Sangha Club for Social Work Project	1.50
c) Contribution to Footstep Foundation for Promoting Education	0.45
d) Contribution towards Distribution of Helmet and Cycles	0.48
e) Contribution to Life Safety and Awareness Institute	0.10
f) Contribution to Kolkata Animal Welfare Indian Foundation	1.90
g) Contribution to Activity for Kolkata Swasthya Sankalp	13.00
h) Other Overhead	0.04

NOTE: 43 UTILISATION OF IPO FUNDS

During the year, the company has completed the initial public offer (IPO) pursuant to which 49,92,000 Equity shares of 10 each were allotted, at an issue price of ₹108.00 per Equity Share under SME IPO, which got listed on NSE Emerge Platform on 05 February 2024 having NSE Scrip Code "MEGATHERM". The gross proceeds from the IPO aggregated to ₹5,391.36 Lacs and the corresponding issue related expenses paid amounted to ₹491.88 Lacs. The Company has utilised ₹1,946.99 Lacs for the objects i.e. to met its procurement of fixed asset, working capital requirements and general corporate purpose, as mentioned in the Prospectus and the unutilized amount of ₹2,952.49 Lacs are held in current bank account of the Company.

NOTE: 44 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM:

- (i) The Company has not advanced or loaned or invested funds in current year or previous year to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund in current year or previous year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

NOTE 45: UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the current year or previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE 46: AUDIT TRIAL

The Company is using accounting software, SAP Business One, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.

NOTE 47: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the current year or previous year.

NOTE 48: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property in current year or previous year, where any proceeding has been initiated or pending against the company for holding any Benami property.

NOTE 49: SEGMENT INFORMATION

Primary Segment Information (Business Segment)

Segments have been identified in line with the Accounting Standard 17 - Segment Reporting, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system. The Company is engaged in the business of manufacturing and sale of induction. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment.

Secondary Segment Information (Geographical Segment)

Particulars	31 March 2024	31 March 2023
Revenue by Geographical Market		
In India	24,140.61	19,761.95
Outside India	6,484.85	6,826.20
Total	30,625.46	26,588.15
Carrying Amount of Segment Assets		
In India	27,015.21	19,197.87
Outside India	-	-
Total	27,015.21	19,197.87
Additions to Property, Plant and Equipment and Intangibles (including movement in CWIP)		
In India	1,113.27	2,092.37
Outside India	-	-
Total	1,113.27	2,092.37

NOTE 50: UNHEDGED FOREIGN CURRENCY EXPOSURES

Foreign currency exposures on account of trade receivables / trade payables not hedged by derivative instruments are as follows:

Particulars	31 March 2024			March 31, 2023		
	Currency	Amount in FC*	Amount	Currency	Amount in FC*	Amount
Trade Receivables	USD	4.50	355.49	USD	5.49	450.84
Trade Payables	USD	7.02	584.84	USD	6.66	547.09
Trade Payables	EUR	0.14	12.17	Eur	0.14	12.09

* In Lacs

Notes forming part of the Financial Statements for the year ended 31st March 2024

(All accounts are in INR Lacs, unless otherwise stated)

NOTE: 51 THE SOCIAL SECURITY CODE, 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE: 52 SUBSEQUENT EVENTS

No Significant Subsequent events have been observed which may require an adjustments to the financial statements

NOTE: 53

Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification/ disclosure.

As per our Report of even date attached

For and on behalf of the Board of Directors of

Megatherm Induction Limited

CIN : L31900WB2010PLC154236

For M S K A & Associates

Chartered Accountants

Firm Registration No.:105047W

Dipak Jaiswal

Partner

Membership No 063682

Kolkata : 28th May, 2024

Shesadri Bhusan Chanda

Chairman & Managing Director

DIN: 00961593

Abanti Saha Basu

Company Secretary

Membership No A69276

Kolkata : 28th May, 2024

Satadri Chanda

Director & Chief Financial Officer

DIN: 02302312



Megatherm Induction Limited

Plot- L1 Block GP, Sector V,
Electronics Complex
Salt Lake City Kolkata-700091

<https://megatherm.com>