

This is an abridged prospectus containing salient features of the Red Herring Prospectus dated January 18, 2024 (the “RHP”). You are encouraged to read greater details available in the RHP (Download link: - [https://megatherm.com/wp-content/uploads/2024/01/RHP\\_Report.pdf](https://megatherm.com/wp-content/uploads/2024/01/RHP_Report.pdf)). Unless otherwise specified all capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF EIGHT PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.



**MEGATHERM INDUCTION LIMITED**

(Formerly known as Megatherm Induction Private Limited)

CIN: U31900WB2010PLC154236; Date of Incorporation: October 22, 2010

| Registered Office   | Contact Person   | Email and Telephone   | Website                           |
|---|--|---|-----------------------------------|
| Plot- L1 Block GP, Sector V, Electronics Complex, Saltlake City Kolkata-700091, West Bengal, India. | Abati Saha Basu<br>Company Secretary &<br>Compliance Officer | <b>E-mail:</b> cs@megatherm.com<br><b>Tel No:</b> + 91 33 4088 6200 | <b>Website:</b> www.megatherm.com |

|                                |  |
|--------------------------------|--|
| <b>Promoter of the Company</b> | Shesadri Bhusan Chanda, Satadri Chanda and Megatherm Electronics Private Limited |
|--------------------------------|--|

**Details of Offer to Public**

| Type of Issue (Fresh/OFS/Fresh & OFS) | Fresh Issue Size (by no. of shares or by amount in ₹) | OFS Size (by no. of shares or by amount in ₹) | Total Issue Size (by no. of shares or by amount in ₹) | Issue Under 6(1)/ 6(2)   | Share Reservation                                   |   |   |   |
|---------------------------------------|---|---|---|--|---|---|---|---|
|                                       |   |   |   |  | QIB   | NII   | RII   | Market Maker                                  |
| Fresh Issue                           | Upto 49,92,000 Equity Shares                          | Nil   | Upto 49,92,000 Equity Shares                          | This Issue is being made in terms of regulation 229(2) and 253(1) of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. | Not more than 50% of the net issue of equity shares | Not less than 15% of the net issue of equity shares | Not less than 35% of the net issue of equity shares | Upto 5.02% of the issue size of equity shares |

These equity shares are proposed to be listed on NSE Emerge (i.e. SME platform of National Stock Exchange of India Limited).

**OFS:** Offer for Sale

**Details of OFS by Promoter(s)/ Promoter Group/ Other Selling Shareholders**

| Name  | Type | No. of Shares offered/ Amount in ₹ | WACA in ₹ per Equity | Name | Type | No. of Shares offered/ Amount in ₹ | WACA in ₹ per Equity |
|---|------|------------------------------------|----------------------|------|------|------------------------------------|----------------------|
| NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES |      |                                    |                      |      |      |                                    |                      |

**Price Band, Minimum Bid Lot & Indicative Timelines**

|  |   |
|--|---|
| Price Band*  | ₹ 100 To ₹ 108 per Equity Share of face value of ₹ 10 Each. |
| Minimum Bid Lot Size                                   | 1200 equity shares  |
| Bid/Offer Open On**                                    | January 29, 2024  |
| Bid/ Offer Closes On                                   | January 31, 2024  |
| Finalisation of Basis of Allotment                     | On or about February 1, 2024                                |
| Initiation of Refunds                                  | On or about February 2, 2024                                |
| Credit of Equity Shares to Demat accounts of Allottees | On or about February 2, 2024                                |
| Commencement of trading of Equity Shares               | On or about February 5, 2024                                |

\*For details of minimum bid lot size, please refer to price band advertisement and corrigendum published in all editions of English National Newspaper “Business Standard”, all editions of Hindi National Newspaper “Business Standard” and Kolkata edition of regional newspaper “Ekdin (Bengali) and page 82 of the RHP.

\*\*Our Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date i.e. January 25, 2024.

The Weighted average cost of acquisition of all Equity Shares transacted in the last one year, last eighteen months and three years from the date of RHP is as given below:

| Period         | Weighted Average Cost of Acquisition (in ₹.) | Upper end of the Price Band (₹. 108) is "X" times the weighted Average cost of Acquisition* | Range of acquisition price: Lowest Price – Highest Price (in ₹.) |
|----------------|--|---|--|
| Last 1 year    | 0  | NA  | 0-0  |
| Last 18 months | 0  | NA  | 0-40   |
| Last 3 years   | 0.85   | 127.06  | 0-40   |

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act") or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in 'offshore transactions' in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

#### RISKS IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹ 10/- per equity share. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" beginning on page 82 of the RHP should not be considered to be indicative of the market price of the Equity Shares after listing. No assurance can be given regarding frequency of trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

#### GENERAL RISKS

Investment in equity & equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does, SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specified attention of the investors is invited to the section titled "Risk Factors" beginning on page 25 of the Red Herring Prospectus and on page 09 of this Abridged Prospectus.

#### PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the stock exchange, syndicate members, registrar to the issue, share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations or Self Certified Syndicate Banks. If you wish to know about processes and procedures applicable to this issue, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLM's or download it from the website of the Stock Exchange i.e. [www.nseindia.com](http://www.nseindia.com) and the BRLM at [www.hemsecurities.com](http://www.hemsecurities.com)

#### PRICE INFORMATION OF BRLM's\*

| Sr. No. | Issue name                                   | Name of Merchant Banker | +/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing |
|---------|--|-------------------------|---|---|--|
| 1.      | Paragon Fine and Speciality Chemical Limited | Hem Securities Limited  | 80.20%<br>[7.57%]   | N.A.  | N.A.   |
| 2.      | Deepak Chemtex Limited                       |                         | 44.19%<br>[3.69%]   | N.A.  | N.A.   |
| 3.      | S J Logistics (India) Limited                |                         | N.A.  | N.A.  | N.A.   |
| 4.      | Siyaram Recycling Industries Limited         |                         | N.A.  | N.A.  | N.A.   |
| 5.      | Shanti Spintex Limited                       |                         | N.A.  | N.A.  | N.A.   |
| 6.      | Shri Balaji Valve Components Limited         |                         | N.A.  | N.A.  | N.A.   |
| 7.      | New Swan Multitech Limited                   |                         | N.A.  | N.A.  | N.A.   |

**Source:** Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

For further details, please refer to price information of past issues handled by BRLM starting on page 233 of the RHP.

|  |   |
|--|---|
| <b>Name of BRLM and contact details (telephone and email id) of each BRLM</b>  | <b>Hem Securities Limited</b><br><b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India<br><b>Tel No.:</b> +91-22-4906 0000<br><b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a><br><b>Contact Person:</b> Sourabh Garg   |
| <b>Name of Syndicate Members</b>   | Hem Finlease Private Limited  |
| <b>Name of Market Maker</b>  | Hem Finlease Private Limited  |
| <b>Name of Registrar to the Issue and contact details (telephone and email id)</b>   | <b>Bigshare Services Private Limited</b><br><b>Address:</b> S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India<br><b>Tel No:</b> +91 22 6263 8200<br><b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a><br><b>Contact Person:</b> Babu Raphel |
| <b>Name of Statutory Auditor</b>   | M/s. MSKA & ASSOCIATES, Chartered Accountants (FRN: 105047W)  |
| <b>Name of Credit Rating Agency and the rating or grading obtained, if any</b>   | Not Applicable  |
| <b>Name of Debenture trustee, if any.</b>  | Not Applicable  |
| <b>Self-Certified Syndicate Banks</b>  | The list of banks is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>   |
| <b>Non-Syndicate Registered Brokers</b>  | You can submit Bid cum Application Forms in the Issue to Non Syndicate Registered Brokers at the Non-Syndicate Broker Centres. For further details, see section titled “ <b>Issue Procedure</b> ” beginning at page 254 of the RHP  |
| <b>Details regarding website address(es)/link(s) from which the investor can obtain list of registrar to issue and share transfer agents, depository participants and stock brokers who can accept application from investor (as applicable)</b> | <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>   |

#### PROMOTER OF THE ISSUER COMPANY

| Sr. No. | Name                                  | Individual/ Corporate | Experience & Educational Qualification   |
|---------|---------------------------------------|-----------------------|--|
| 1       | Shesadri Bhasan Chanda                | Individual            | He is the Chairman & Managing Director of our Company. He has completed his Bachelor of Electrical Engineering in the year 1978 from the Jadavpur University. He is awarded with Barindra Memorial Medal for securing highest marks in Power System I and Power System II at the Bachelors of Electrical Engineering Examination, 1976 and also awarded with Ashoke Memorial Medal in the First class with honours at the Bachelors of Electrical Engineering Examination, 1977 and also awarded with the Benoy Sarkar Memorial Gold Medal for securing the highest total marks combining all the different courses of the Bachelors of Engineering Examination, 1977 and is also awarded with M.A. Chakraborty Memorial Medal in the paper Electric Power Systems III at the Bachelors of Electrical Engineering Examination, 1977. He has a work experience of around 45 years in the Induction, Electrical Industry & Metallurgical industry. He primarily looks after the overall business operations of the Company including strategic, operational, finance and formulation of policies for the business development. |
| 2       | Satadri Chanda                        | Individual            | He is the Whole Time Director & Chief Financial Officer of our Company. He has completed his Bachelors of Technology in Electronics & Communication Engineering in the year 2012 from West Bengal University of Technology and Master of Science with major in Industrial and Systems Engineering from Virginia Polytechnic Institute and State University, USA in 2014. He has 2 year work experience in KPMG’s Management Consulting (Strategy & Operations) division and over 7 years work experience in Induction, Electrical and Metallurgical equipment industry. He is instrumental in formulating and implementing strategy and plays pivotal role in business development, diversification, sales, administration and finance functions of our company.   |
| 3       | Megatherm Electronics Private Limited | Corporate Promoter    | Megatherm Electronics Private Limited (“MEPL”) was incorporated as Private Company under Companies Act, 1956 in the name and style of “Megatherm Electronics Private Limited” (CIN: U70100WB1989PTC047097). The main object of company includes - To carry on the business of designs and engineering manufacturing, supply, erection and commissioning repairers, importers, exporters and suppliers selling agents distributing agents, intermediaries, representatives for and dealers in all types of electrical equipments.   |

## BUSINESS OVERVIEW AND STRATEGY

**Company Overview:** Our company is engaged in the business of manufacturing of induction heating and melting products by means of electric induction like induction melting furnace and induction heating equipment. Besides induction melting & heating equipments our company produces various up-stream & down-stream plant & machineries associated with steel melt shops such as, transformers, ladle refining furnaces, continuous casting machines, fume extraction systems etc.

**Product/Services offerings:** Products offered are Induction Melting Furnace, Induction Billet Heaters, Induction Hardening & Heat-Treating Equipment, Induction Heating Power Source (Static Frequency Converter), Transformer, Ladle Refining Furnace, Electric Arc Furnace, Continuous Casting Machine (CCM).

**Revenue segmentation by product/service offering**

Our company is engaged in the business of manufacturing of induction heating and melting products by means of electric induction like induction melting furnace and induction heating equipment along with equipments associated with steel melt shops such as, transformers, ladle refining furnaces, continuous casting machines, fume extraction systems etc.

(₹ in lakhs)

| Segment           | September 30, 2023 | Fiscal 2023      | Fiscal 2022      | Fiscal 2021      |
|-------------------|--------------------|------------------|------------------|------------------|
| Finished Goods    | 14,519.66          | 26,240.56        | 18,604.34        | 10,539.54        |
| Sale of Services  | 91.72              | 216.20           | 83.85            | 245.25           |
| Export Incentives | 54.50              | 118.79           | 76.13            | 69.98            |
| Scrap Sale        | 21.62              | 12.60            | 18.81            | 46.15            |
| <b>Total</b>      | <b>14,687.50</b>   | <b>26,588.15</b> | <b>18,783.13</b> | <b>10,900.92</b> |

**Geographies Served:** We sell our products to customers who are domestically located. We also export our products to South America (e.g. Argentina, Brazil, etc), Africa (e.g. South Africa, Kenya, Tanzania, Ghana, Nigeria), Gulf (e.g. Saudi Arabia, UAE), Europe (e.g. Poland, France), SAARC (e.g. Bangladesh, Nepal, Bhutan) and South East Asia (e.g. Indonesia, Malaysia).

(₹ in lakhs)

| Particulars          | Fiscal year ended  |               |                 |               |                 |               |                 |               |
|----------------------|--------------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|
|                      | September 30, 2023 | % of Revenue  | 2022-23         | % of Revenue  | 2021-22         | % of Revenue  | 2020-21         | % of Revenue  |
| India                | 11598.99           | 78.97         | 19761.95        | 74.33         | 15039.73        | 80.07         | 7116.15         | 65.28         |
| Other countries      | 3088.51            | 21.03         | 6826.20         | 25.67         | 3743.40         | 19.93         | 3784.77         | 34.72         |
| <b>Total Revenue</b> | <b>14687.50</b>    | <b>100.00</b> | <b>26588.15</b> | <b>100.00</b> | <b>18783.13</b> | <b>100.00</b> | <b>10900.92</b> | <b>100.00</b> |

**Key Performance Indicators:**

(₹ In Lakhs except percentages and ratios)

| Key Financial Performance              | For the year |           |           |           |
|--|--------------|-----------|-----------|-----------|
|  | 30-Sept-23   | 31-Mar-23 | 31-Mar-22 | 31-Mar-21 |
| Revenue from operations <sup>(1)</sup> | 14687.50     | 26588.15  | 18783.13  | 10900.92  |
| EBITDA <sup>(2)</sup>                  | 1376.08      | 2754.40   | 793.58    | 1316.33   |
| EBITDA Margin <sup>(3)</sup>           | 9.37%        | 10.36%    | 4.22%     | 12.08%    |
| PAT                                    | 759.34       | 1400.41   | 110.10    | 309.12    |
| PAT Margin <sup>(4)</sup>              | 5.17%        | 5.27%     | 0.59%     | 2.84%     |
| Networth <sup>(5)</sup>                | 5821.98      | 5062.64   | 3662.23   | 3512.13   |
| RoNW(%) <sup>(6)</sup>                 | 13.04%       | 27.66%    | 3.01%     | 8.80%     |
| RoCE (%) <sup>(7)</sup>                | 12.22%       | 27.47%    | 8.46%     | 14.44%    |

\*Not Annualised

**Notes:**

- (1) Revenue from operation means revenue from sales, service and other operating revenues
- (2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost – Other Income.
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.
- (4) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- (5) Net worth means the aggregate value of paid up capital and reserves and surplus of company.
- (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

**Industries Served:** Secondary steel producers involved in scrap recycling, Primary steel producers involved in conversion of iron ore into sponge iron & subsequent conversion into steel through induction melting, Auto ancillaries, Ordnance factories & railways, DI pipe producers and diverse engineering industries involved in producing critical parts in its captive casting, forging & metal working units.

**Revenue segmentation in terms of top 10 clients** – Out of our total revenue from operation 47.01%, 41.98 %, 30.53% and 36.81% for the stub period September 30, 2023 and for the Fiscal 2023, 2022 and 2021 was generated from our top 10 clients.

**Intellectual Property, if any:**

| Sr. No. | Brand Name/Logo/ Trademark  | Class | TM Category | Owner                           | Trademark Number/ Application No./ Registration Certificate Number | Issuing Authority       | Date of Application | Current Status |
|---------|---|-------|-------------|---------------------------------|--|-------------------------|---------------------|----------------|
| 1.      |  | 7     | Trademark   | MEGATHERM ELECTRONICS PVT.LTD.* | Application No. 1850530<br>Certificate No. 1264642                 | Registrar of Trademarks | August 13, 2009     | Registered     |

*\*our corporate promoter and our company have entered into a trademark licensing agreement dated September 30, 2023 for allowing our company to use the said trademark.*

**Market Share:** Not ascertainable

**Manufacturing plant, if any:** Our manufacturing facility is located at Plot H 1, Vidyasagar Industrial Park, Village: Rupnarayanpur, Post: Jakpur, Kharagpur – 721301, Under WBEIDCL

**Employee Strength:** Our Company has employed 278 employees on a full-time basis apart from the on roll employees. We also employ personnels on contractual basis.

**BOARD OF DIRECTORS**

| Sr. No. | Name                    | Designation (Independent / Wholetime / Executive / Nominee) | Experience & Educational Qualification  | Other Directorships  |
|---------|-------------------------|---|---|--|
| 1       | Shesadri Bhusan Chanda  | Chairman & Managing Director                                | <b>Experience:</b> 45 Years<br><b>Qualification:</b> Bachelor of Electrical Engineering             | <b>Indian Companies:</b><br>1. Megatherm Electronics Private Limited<br>2. SC Aqua Vitae Private Limited<br>3. SBC Projects & Engineering Private Limited<br><b>Foreign Companies:</b> NIL |
| 2       | Satadri Chanda          | Whole Time Director & CFO                                   | <b>Experience:</b> 9 Years<br><b>Qualification:</b> Master of Science (Industrial Engg)             | <b>Indian Companies:</b><br>1. Megatherm Electronics Private Limited<br>2. SC Aqua Vitae Private Limited<br><b>Foreign Companies:</b> NIL  |
| 3       | Christina Paulchowdhury | Non-Executive Director                                      | <b>Experience:</b> 7 years<br><b>Qualification:</b> MBA in Marketing and M.Sc. In Business          | <b>Indian Companies:</b> SC Aqua Vitae Private Limited<br><b>Foreign Companies:</b> Nil  |
| 4       | Siddhartha Sen          | Independent Director  | <b>Experience:</b> 45 years<br><b>Qualification:</b> Master of Technology in Electrical Engineering | <b>Indian Companies:</b> Nil<br><b>Foreign Companies:</b> Nil  |
| 5       | Ankit Rathi             | Independent Director  | <b>Experience:</b> 8 years<br><b>Qualification:</b> Chartered Accountant                            | <b>Indian Companies:</b><br>1. Macfos Limited<br>2. Aspire & Innovative Advertising Limited<br><b>Foreign Companies:</b> Nil   |

For further details in relation to our Board of Directors, see “Our Management” beginning on page 136 of the Red Herring Prospectus.

## OBJECTS OF THE ISSUE

Details of means of finance – The fund requirements for each of the objects of the Issue are stated as follows:

(₹ In lakhs)

| Sr. No. | Objects of the Issue  | Total estimate cost | Amount deployed till date | Amount to be financed from Net Proceeds | Estimated Net Proceeds Utilization |            |
|---------|---|---------------------|---------------------------|---|------------------------------------|------------|
|         |   |                     |                           |   | FY 2023-24                         | FY 2024-25 |
| 1.      | Funding capital expenditure towards construction of factory shed and installation of additional plant and machinery | 1596.08             | 105.71                    | 1490.37                                 | 389.92                             | 1100.45    |
| 2.      | To meet Working Capital requirements  | 2600.00             | -                         | 2600.00                                 | 2600.00                            | -          |
| 3.      | General Corporate Purpose <sup>(1)</sup>  | [•]                 | -                         | [•]                                     | [•]                                | [•]        |
|         | <b>Total Net Proceeds</b>   | [•]                 | [•]                       | [•]                                     | [•]                                | [•]        |

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues / rights issue, if any, of the Company in the preceding 10 years: Nil

Name of monitoring agency, if any – Not Applicable

Terms of Issuance of Convertible Security, if any - Not Applicable

Shareholding Pattern:

| Sr. No. | Particulars                 | Pre Issue number of shares | % Holding of Pre issue |
|---------|-----------------------------|----------------------------|------------------------|
| 1.      | Promoter and Promoter Group | 1,36,98,729                | 98.92%                 |
| 2.      | Public                      | 1,50,000                   | 1.08%                  |
|         | <b>Total</b>                | <b>1,38,48,729</b>         | <b>100.00%</b>         |

Number/amount of equity shares proposed to be sold by selling shareholders, if any. – Not Applicable

### RESTATED FINANCIALS STATEMENT

(Amt.in ₹. Lakhs)

| PARTICULARS  | As at the Period/ Year ended |            |            |            |
|--|------------------------------|------------|------------|------------|
|  | 30/09/2023                   | 31/03/2023 | 31/03/2022 | 31/03/2021 |
| Total income from operations (Net)                                     | 14687.50                     | 26588.15   | 18783.13   | 10900.92   |
| Net Profit/(Loss) before tax and extra ordinary items                  | 1008.68                      | 1983.47    | 152        | 425.52     |
| Net Profit / (Loss) after tax and extraordinary items                  | 759.34                       | 1400.41    | 110.10     | 309.12     |
| Equity Share Capital   | 1384.87                      | 923.25     | 923.25     | 913.25     |
| Reserves and Surplus   | 4437.11                      | 4139.39    | 2738.98    | 2598.88    |
| Net worth  | 5821.98                      | 5062.64    | 3662.23    | 3512.13    |
| Basic earnings per share (₹)   | 5.48                         | 10.11      | 0.80       | 2.25       |
| Diluted earnings per share (₹)   | 5.48                         | 10.11      | 0.80       | 2.25       |
| Return on net worth (%)  | 13.04%                       | 27.66%     | 3.01%      | 8.80%      |
| NAV per Equity Shares (Based on Actual Number of Shares) (₹)           | 42.04                        | 54.84      | 39.67      | 38.46      |
| NAV per Equity Shares (Based on Weighted Average Number of Shares) (₹) | 42.04                        | 36.56      | 26.44      | 25.55      |

## INTERNAL RISK FACTORS:

### The below mentioned risks are top 10 risk factors as per the RHP

1. Our loan agreements requires our Corporate Promoter to pledge Equity Shares of our Company with lenders. Any breach by our Company of certain covenants under the financing agreements may entitle these lenders to exercise their rights under the financing agreements and reduce the shareholding of our Corporate Promoter, which may adversely affect our business.
2. We significantly depend upon few of the raw material suppliers for manufacturing of induction heating and melting products and transformers. Volatility in the supply and pricing of our raw materials may have an adverse effect on our business, financial condition and results of operations.
3. We may not be able to realize the amounts, partly or at all, reflected in our Order Book which may materially and adversely affect our business, prospects, reputation, profitability, financial condition and results of operation.
4. Under-utilization of our manufacturing capacities and an inability to effectively utilize our existing manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.
5. We are subject to strict performance requirements, including, but not limited to, quality and delivery, by our customers, and any failure by us to comply with these performance requirements may lead to the cancellation of existing and future orders, recalls or warranty and liability claims.
6. We depend on the large industries for selling of our products which may effects our revenue from operation and profits.
7. Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customer would have a material adverse effect on our business, cash flows, results of operations and financial condition.
8. Our Group Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.
9. Delays or defaults in client payments could affect our operations.
10. There are certain outstanding legal proceedings involving Our Company, Promoters, Directors and Group Companies\*. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, reputation, financial conditions and result of ongoing operations.

For further details on 'Risk Factors' please refer page no. 25 of the Red Herring Prospectus.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

- A. Total number of outstanding litigations against the company and amount involved:

| Name of Entity         | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by the SEBI or Stock Exchanges against our Promoters | Material Civil Litigation | Aggregate amount involved (in ₹. Lakhs)** |
|------------------------|----------------------|-----------------|-------------------------------------|---|---------------------------|---|
| <b>Company</b>         |                      |                 |                                     |   |                           |   |
| By Company             | 1#                   | -               | -                                   | -   | -                         | Unascertainable**                         |
| Against Company        | 1#                   | -               | -                                   | -   | -                         | 3.84                                      |
| <b>Directors*</b>      |                      |                 |                                     |   |                           |   |
| By Director            | -                    | -               | -                                   | -   | -                         | -   |
| Against Director       | -                    | -               | -                                   | -   | -                         | -   |
| <b>Promoters</b>       |                      |                 |                                     |   |                           |   |
| By Promoter            | -                    | -               | -                                   | -   | -                         | -   |
| Against Promoter       | -                    | 4               | -                                   | -   | -                         | 20.99                                     |
| <b>Group Companies</b> |                      |                 |                                     |   |                           |   |
| By Group Companies     | -                    | -               | -                                   | -   | -                         | -   |
| Against Group Company  | -                    | 6               | -                                   | -   | -                         | 1015.46                                   |

\*includes directors other than promoters

\*\*Amount mentioned to the extent quantifiable.

# Our promoters are also parties to the above mentioned cases .

For further details, see "Outstanding Litigation and Material Developments" on page 218 of the RHP.

B. Brief details of top 5 material outstanding litigations against the Company and amount involved:

| Sr. No. | Particulars   | Litigation filed by | Current status | Amount involved |
|---------|---|---------------------|----------------|-----------------|
| 1.      | A Criminal Complaint under Section 406/420/506/120B of the Indian Penal Code, 1860 was filed by M/s. Vibot Online LLP before the court of Chief Metropolitan Magistrate, District Court – Calcutta, having case no. CS/25025/2019 for ₹.3,83,798/- against our Company, Shesadri Bhusan Chanda, Ayati Chanda, and Satadri Chanda as Complainant alleges that it had supplied products to our Company for which the payment has not been released. The complaint was then transferred by the Chief Metropolitan Magistrate to the Metropolitan Magistrate 16 <sup>th</sup> Court for enquiry and disposal. Further, a Revision Petition under Section 482 of the Code of Criminal Procedure, 1973 was filed by our Company, Shesadri Bhusan Chanda, Ayati Chanda, and Satadri Chanda before the High Court of Calcutta having C.R.R. No. 2025 of 2022 for quashing of above proceeding filed by the Complainant in the Chief Metropolitan Magistrate Court, District Court – Calcutta. | Vibot Online LLP    | Pending        | 3.84 lakhs*     |

# Our Promoters are also parties to Abovementioned cases.

C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any - Nil

D. Brief details of outstanding criminal proceedings against Promoter –

| Sr. No. | Particulars   | Litigation filed by | Current status | Amount involved |
|---------|---|---------------------|----------------|-----------------|
| 1.      | A Criminal Complaint under Section 406/420/506/120B of the Indian Penal Code, 1860 was filed by M/s. Vibot Online LLP before the court of Chief Metropolitan Magistrate, District Court – Calcutta, having case no. CS/25025/2019 for ₹.3,83,798/- against our Company, Shesadri Bhusan Chanda, Ayati Chanda, and Satadri Chanda as Complainant alleges that it had supplied products to our Company for which the payment has not been released. The complaint was then transferred by the Chief Metropolitan Magistrate to the Metropolitan Magistrate 16 <sup>th</sup> Court for enquiry and disposal. Further, a Revision Petition under Section 482 of the Code of Criminal Procedure, 1973 was filed by our Company, Shesadri Bhusan Chanda, Ayati Chanda, and Satadri Chanda before the High Court of Calcutta having C.R.R. No. 2025 of 2022 for quashing of above proceeding filed by the Complainant in the Chief Metropolitan Magistrate Court, District Court – Calcutta. | Vibot Online LLP    | Pending        | 3.84 lakhs*     |

**ANY OTHER IMPORTANT INFORMATION AS PER BRLM / ISSUER COMPANY - NIL**

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulation issued there under, as the case may be. We further certify that all statements in the Red Herring Prospectus are true and correct.