

**megatherm****MEGATHERM INDUCTION LIMITED** (Formerly known asMegatherm Induction Private Limited) **CIN:** U31900WB2010PLC154236**RED HERRING PROSPECTUS** Dated: January 18, 2024

Please read Section 26 and 32 of the Companies Act, 2013

100% Book Built Issue

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

Promoters of the Company	Promoters of the Company
	SHESADRI BHUSAN CHANDA, SATADRI CHANDA AND MEGATHERM ELECTRONICS PRIVATE LIMITED

DETAILS OF THE ISSUE				
Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Issue Size (in ₹ lakhs)	Eligibility
Fresh Issue	Upto 49,92,000 Equity shares aggregating upto Rs. [•] Lakhs	Nil	₹ [•] Lakhs	This Issue is being made in terms of regulation 229(2) and chapter IX of the SEBI (ICDR) Regulations, 2018 as amended.

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process stated under “*Basis for Issue Price*” on page 82 should not be considered to be indicative of the market price of the Equity Shares when the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the liquidity of the Equity Shares which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issuer and the risks involved. The Equity Shares issued in the Issue 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 Red Herring Prospectus. Specific attention of the investors is drawn to the section “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.


ISSUER’S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in the Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and views expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any part of such information or the expression of any such opinions or intentions, misleading in any material respect.


LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE (“NSE EMERGE”) of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received “in principle” letter dated January 12, 2024 from NSE (“NSE EMERGE”) for using its name in the Offer Document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”).

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
	Sourabh Garg	Email: ib@hemsecurities.com Tel. No.: +91- 022- 49063838

REGISTRAR TO THE ISSUE

Name and Logo	Contact Person	Email & Telephone
 <p>BIGSHARE SERVICES PRIVATE LIMITED</p>	Babu Raphel	Email: ipo@bigshareonline.com Tel No.: +91-022-62638383

BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/CLOSES ON: JANAURY 24, 2024*	BID/ISSUE OPENS ON: JANAURY 25, 2024	BID/ISSUE CLOSES ON: JANAURY 30, 2024*
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* Our Company, in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Issue Opening Date. ** Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.



MEGATHERM INDUCTION LIMITED

(Formerly known as Megatherm Induction Private Limited) CIN: U31900WB2010PLC154236

RED HERRING PROSPECTUS 100% Book Built Issue

Dated: January 18, 2024

Please read Section 26 and 32 of the Companies Act, 2013

Our Company was originally incorporated as a Private Limited Company under the name of “Megatherm Transmission & Distribution Private Limited” on October 22, 2010 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Kolkata, West Bengal. Further, pursuant to the special resolution passed by the shareholders in the Extra Ordinary General Meeting held on September 16, 2015 the name of our Company was changed from “Megatherm Transmission & Distribution Private Limited” to “Megatherm Induction Private Limited” and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata, West Bengal dated September 23, 2015. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on November 15, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Megatherm Induction Private Limited” to “Megatherm Induction Limited” vide a fresh certificate of incorporation dated December 20, 2022, issued by the Registrar of Companies, Kolkata, West Bengal. For further details please refer to chapter titled “History and Corporate Structure” beginning on page 131 of this Red Herring Prospectus.

Registered Office: Plot- L1 Block GP, Sector V, Electronics Complex, Saltlake City Kolkata-700091, West Bengal, India.

Tel No: + 91 33 4088 6200; **E-mail:** cs@megatherm.com; **Website:** www.megatherm.com;

DETAILS OF THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 49,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF M INDUCTION LIMITED ("OUR COMPANY" OR "THE ISSUER" OR "MIL") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 2,50,800 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN IS OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION IS 47,41,200 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.50% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AN ADVERTISED IN ENGLISH ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) ALL EDITION OF BUSINESS STANDARD (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND KOLKATA EDITION (BENGALI), A BENGALI REGIONAL NEWSPAPER (BENGALI BEING THE REGIONAL LANGUAGE OF KOLKATA WHERE OUR REGISTER IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE"), FOR THE PURPOSES OF UPLOADING ON THEIR V

In case of any revision in the Price Band, the Bid/Issue period shall be extended for at least three additional Working Days after such revision of the Price Band. total Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recor extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the website of the BRLM and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Bank.

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCF Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Port Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-al Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Fu valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 1 Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for alloc Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA account in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA proce see "Issue Procedure" beginning on page 254 of this Red Herring Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 254 of this Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead 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" on page 82 considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and 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 their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or ap Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the inve to the section "Risk Factors" beginning on page 25 of this Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all materi is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of whi Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("NSE EMERGE"). In terms of the Chapter I (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated January 12, 2024 from NSE ("NSE E using its name in the Offer Document for listing of our shares on the SME Platform of NSE ("NSE EMERGE"). For the purpose of this Issue, the Designated S will be National Stock Exchange of India Limited ("NSE").

BOOK RUNNING LEAD MANAGER TO THE ISSUE**REGISTRAR TO THE ISSUE**

**Hem Securities Ltd.****Bigshare Services Pvt. Ltd.****HEM SECURITIES LIMITED**

904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India
Tel. No.: +91- 022- 49060000;
Fax No.: +91- 022- 22625991
Email: jb@hemsecurities.com
Investor Grievance Email: redressal@hemsecurities.com
Website: www.hemsecurities.com
Contact Person: Sourabh Garg
SEBI Regn. No. INM000010981

Bigshare Services Private Limited

Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra, India. **Telephone:** +91 22 6263 8200; **Facsimile:** +91 22 6263 8299
Email: ipo@bigshareonline.com
Investor Grievance Email: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Babu Raphael
SEBI Registration Number: MB/INR000001385
CIN: U99999MH1994PTC076534

ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: JANUARY 24, 2024*

BID/ISSUE OPENS ON: JANUARY 25, 2024

BID/ISSUE CLOSES ON: 30, 2024 **

**The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

*** Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.*

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
I.	GENERAL	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION	16
	FORWARD LOOKING STATEMENTS	18
II.	SUMMARY OF OFFER DOCUMENT	19
III.	RISK FACTORS	25
IV.	INTRODUCTION	
	THE ISSUE	43
	SUMMARY OF FINANCIAL STATEMENTS	45
	GENERAL INFORMATION	49
	CAPITAL STRUCTURE	59
	OBJECTS OF THE ISSUE	73
	BASIS FOR ISSUE PRICE	82
	STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS	88
V.	ABOUT THE COMPANY	
	INDUSTRY OVERVIEW	93
	OUR BUSINESS	105
	KEY INDUSTRIAL REGULATIONS AND POLICIES	118

	HISTORY AND CORPORATE STRUCTURE	131
	OUR MANAGEMENT	136
	OUR PROMOTERS AND PROMOTER GROUP	150
	DIVIDEND POLICY	156
VI.	FINANCIAL INFORMATION OF THE COMPANY	
	RESTATED FINANCIAL STATEMENTS	157
	OTHER FINANCIAL INFORMATION	203
	STATEMENT OF FINANCIAL INDEBTEDNESS	204
	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS	208
	CAPITALISATION STATEMENT	217
VII.	LEGAL AND OTHER INFORMATION	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	218
	GOVERNMENT AND OTHER APPROVALS	222
	OUR GROUP COMPANY	227
	OTHER REGULATORY AND STATUTORY DISCLOSURES	230
VIII.	ISSUE RELATED INFORMATION	
	TERMS OF THE ISSUE	242
	ISSUE STRUCTURE	250
	ISSUE PROCEDURE	254
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	283
IX.	MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY	286
X.	OTHER INFORMATION	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	299
	DECLARATION	300

Megatherm Induction Limited

DEFINITIONS AND ABBREVIATIONS

SECTION I – GENERAL

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act,

Notwithstanding the foregoing, terms used in of the sections “Statement of Special Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 88, 157 and 286 respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Terms	Description
“MIL”, “the Company”, “our Company”, “Issuer” and “Megatherm Induction Limited”	Megatherm Induction Limited, a Company incorporated in India under the Companies Act, 1956, having its Registered office at Plot- L1 Block GP, Sector V, Electronics Complex Salt lake City Kolkata-700091 West Bengal, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.

Company related and Conventional terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled “ <i>Our Management</i> ” beginning on page 136 of this Red Herring Prospectus.
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. M S K A & Associates. Chartered Accountants (F.R.N: 105047W).
Bankers to our Company	Indian Bank
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <i>Our Management</i> ” beginning on page 136 of this Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Satadri Chanda.
CIN	Corporate Identification Number being U31900WB2010PLC154236
Companies Act / Act	The Companies Act, 2013 and amendments thereto and erstwhile Companies Act 1956 as applicable
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Abanti Saha Basu (M. No.: A69276)
Corporate Promoter	Shall mean Megatherm Electronics Private Limited. For further details, please refer to section titled “ <i>Our Promoters & Promoter Group</i> ” beginning on page 150 of this Red Herring Prospectus.
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 of the Companies Act and as described in the chapter titled “ <i>Our Management</i> ” beginning on page 136 of this Red Herring Prospectus.
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Megatherm Induction Limited

Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our Directors, see “Our Management” on page 136 of this Red Herring Prospectus
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
DP ID	Depository’s Participant’s Identity Number
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.
	ic offender Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
GIR Number	General Index Registry Number.
HUF	Hindu Undivided Family
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see “Our Management” on page 136 of this Red Herring Prospectus.
Ind AS or Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
ISIN	International Securities Identification Number. In this case being INE531R01010.
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled “Our Management” on page 136 of this Red Herring Prospectus.
LLP	Limited Liability Partnership
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Megatherm Induction Limited as amended from time to time.
MD or Managing Director	The Managing Director of our Company, Mr. Shesadri Bhusan Chanda.
Materiality Policy	The policy adopted by our Board on January 13, 2023 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled “Our Management” beginning on page 136 of this Red Herring Prospectus.

Non-Executive Director	A Director not being an Executive Director. For details of our Independent Directors, see “ Our Management ” on page 136 of this Red Herring Prospectus
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act , 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt instruments) Rules, 2019
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and Megatherm Electronics Private Limited. For further details, please refer to section titled “ Our Promoters & Promoter Group ” beginning on page 150 of this Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section “ Our Promoters and Promoter Group ” beginning on page 150 of this Red Herring Prospectus.
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.

Megatherm Induction Limited

Registered Office of our Company	The Registered Office of our Company situated at Plot- L1 Block GP, Sector V, Electronics Complex Salt lake City Kolkata-700091 West Bengal India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial statements of our Company, comprising of the Restated Statement of Assets and Liabilities as at September 30, 2023, March 31 2023, 2022 and 2021 and the Restated Statements of Profit and Loss and Cash Flows for the Fiscals ended September 30, 2023, March 31 2023, 2022 and 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Nizam Palace, 2 nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020, West Bengal, India.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/ Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.

(SAST) Regulations	
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " <i>Our Management</i> " beginning on page 136 of this Red Herring Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited.
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA being Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and Mrs. Ayati Chanda.

Issue Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least Rs. 200 lakhs.

Megatherm Induction Limited

Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
	<p>Issue Price The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.</p> <p>The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers</p>

Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Red Herring Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Red Herring Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Red Herring Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor.
ASBA Form/ Bid cum Application	An Application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Axis Bank Limited.
Banker to the Issue Agreement	Agreement dated November 24, 2023 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank/Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 254 of this Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.

Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Kolkata Edition of Regional newspaper Ekdin where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Kolkata Edition of Regional newspaper Ekdin where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Issue Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
First Bidder/Applicant/Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue in this case being Hem Securities Limited, SEBI Registered Category I Merchant Banker.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client ID	Client identification number of the Applicant's beneficiary account.
Collection Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms.

Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.

Megatherm Induction Limited

Cut off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Designated Date	The date on which the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Public Issue Account in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e., www.nseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e., www.nseindia.com
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE SME Platform. In our case, Hem Finlease Private Limited is the sole Market Marker.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform of NSE i.e., NSE EMERGE)
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated September 28, 2023 issued in accordance with Section 26 of the Companies Act, 2013
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.

Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be Accepted
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the

Megatherm Induction Limited

	block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 notified by the SEBI from time to time.
Issue Agreement	The Issue Agreement dated September 11, 2023 between our Company and Book Running Lead Manager.
Issue/Public Issue/Initial Issue/Initial Offering/ IPO	The Initial Public Issue of upto 49,92,000 Equity shares of Rs. 10/- each at issue price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled <i>“Objects of the Issue”</i> beginning on page 73 of this Red Herring Prospectus.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
BRLM/Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).

Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE (SME platform.). In our case, Hem Finlease Private Limited is the sole Market Maker
Market Making Agreement	The Market Making Agreement dated December 05, 2023 between our Company, Book Running Lead Manager and Market Maker.
Market Maker Reservation Portion	The reserved portion of 2,50,800 Equity Shares of Rs.10 each at an Issue price of Rs. [●] each is aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 47,41,200 equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share (the "Issue Price"), including a share premium of Rs. [●] per equity share aggregating to Rs. [●] Lacs.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled " Objects of the Issue " beginning on page 73 of this Red Herring Prospectus.
Non-Institutional Investors / NIIs	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of 7,11,600 Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Issue Price.
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these

Megatherm Induction Limited

	Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.

Price Band	Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Issue Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with Registrar of Companies.
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 23,70,000 Equity Shares aggregating to Rs.[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors)..
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Red Herring Prospectus / RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Issue including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue, in this case being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated September 28, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Refund Account(s)	The ‘no-lien’ and ‘non-interest bearing’ account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being Axis Bank Limited.
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable

Refund Account(s)	Accounts to which the monies to be refunded to the Bidders is transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
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Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulation S	Regulation S under the Securities Act
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Investors / RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than Rs. 2,00,000/- in any of the bidding options in the Net Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of 16,59,600 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SME Exchange	SME Platform of NSE i.e., "NSE EMERGE"
SEBI (PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Red Herring Prospectus.
Sponsor Bank	Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated December 05, 2023 entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.

Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being Hem Finlease Private Limited.
Systemically Important Non	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.

Megatherm Induction Limited

Banking Financial Company	
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time. Underwriter in this case being Hem Securities Limited.
Underwriting Agreement	The Agreement dated December 05, 2023 entered between the Underwriter, LM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
"UPI Circulars"	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard from time to time
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
"UPI Mechanism"	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund/VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s) or a fraudulent borrower	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations.

Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.
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Technical and Industry Related Terms

Term	Description
CCM	Continuous Casting Machine
CF	Current Fed
CU	Copper
D.R.I.	Direct Reduced Iron
DI	Ductile Iron Pipe
EPC	Engineering, Procurement and Construction
HVAC	Heating, ventilation and air conditioning
ISO	International Organization for Standardization

Megatherm Induction Limited

IT	Information Technology
KV	Kilovolt
LRF	Ladle Refining Furnace
MVA	Market Value Added
PDE	Power Distribution Equipment
PLC	Programmable Logic Controllers
PWM	Pulse With Modulation
R&D	Research & Development
TMT	Thermo Mechanically Treatment
TPA	Thermoplastic polyamide elastomers

Conventional terms and Abbreviations

Abbreviation	Full Form
Rs. / Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India

A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer

CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973

Megatherm Induction Limited

CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
Fis	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under

	applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1) (III) of the SEBI ICDR Regulations.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund

Megatherm Induction Limited

IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IT Act	InformationTechnologyAct,2000
IFRS	International Financial Reporting Standards
INR / Rs./ Rupees/ Rs.	Indian Rupees, the legal currency of the Republic of India

I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
BRLM	Book Running Lead Manager
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer

NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and

Megatherm Induction Limited

	immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies

RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax

Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SSI	Small Scale Industry
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
U.N.	United Nations
US/United States	United States of America
U.S. Securities Act	The United States Securities Act, 1933
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may Be.
Wilful Defaulter(s)	Company or person categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorized as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (Rs.)	Represent Outflow

The words and expressions used but not defined in this Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

Certain Conventions

In this Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Megatherm Induction Limited. All references in the Red Herring Prospectus to “India” are to the Republic of India. All references in the Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Red Herring Prospectus is derived from our restated financial information prepared for the for the period ended September 30, 2023, and year ended March 31, 2023, 2022 and 2021 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 157 of this Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 157 of this Red Herring Prospectus. There are no subsidiaries of our Company as on date of the Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Red Herring Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 286 of the Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled “*Basis for Issue Price*” on page 82 of the Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

Currency of Financial Presentation

16

Megatherm Induction Limited

All references to “Rupees” or “INR” or “Rs.” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “*Industry Overview*” throughout the Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” on page 25, 105 and 208 respectively of this Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Indian GAAP.

The Red Herring Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Inability to promptly identify and respond to changing customer preferences or evolving trends
3. Failure to successfully upgrade our product portfolio, from time to time;

4. Any change in government policies resulting in increases in taxes payable by us;
5. Our ability to retain our key managements persons and other employees;
6. Changes in laws and regulations that apply to the industries in which we operate.
7. Our ability to grow our business;
8. general economic, political and other risks that are out of our control;
9. Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
10. Company's ability to successfully implement its growth strategy and expansion plans ;
11. failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
12. inability to successfully obtain registrations in a timely manner or at all;
13. occurrence of Environmental Problems & Uninsured Losses;
14. conflicts of interest with affiliated companies, the promoter group and other related parties;
15. any adverse outcome in the legal proceedings in which we are involved; and
16. Concentration of ownership among our Promoters.
17. We depend on our brand recognition and reputation and our failure to maintain or enhance our brand image could have a material adverse effect on our business, financial condition, and results of operations.

For further discussion of factors that could cause our actual results to differ, see the Section titled ***“Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”*** beginning on page 25, 105 and 208 respectively of the Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company or our Directors or our Officers or Book Running Lead Manager or Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

SUMMARY OF OFFER DOCUMENT

OVERVIEW OF BUSINESS

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. Our Company also manufacturers electric arc furnaces for alloys & special steel making industries, our services portfolio includes turnkey solutions for steel plant, which involves design, engineering, supply, erection & commissioning of the steel melt shops using both insourced & outsourced plant & machineries and after sales service, involving maintenance contracts & spare parts business.

B. OVERVIEW OF THE INDUSTRY

The secondary Steel sector is treading on a growth path and is expected to play a major role in steel production of India in the light of trends towards increased usage of scrap based steel production. A large number of new production capacities are being added to meet the growing demand. The secondary sector has enormously improved its performance in last two decades with regard to energy usage due to continuous institutional efforts and also interventions through energy efficiency projects funded by government for penetration of energy efficient technologies in this sector. The sector is installing secondary metallurgy equipments like LRFs, VDs to produce quality products. The sector has largely shifted from ingot casting to continuous casting of billets which has helped to get rid of many

quality problems.

C. PROMOTERS

Mr. Shesadri Chanda Bhusan, Mr. Satadri Chanda and Megatherm Electronics Private Limited are the Promoters of our Company.

D. DETAILS OF THE ISSUE

This is an Initial Public Fresh Issue of upto 49,92,000 Equity Shares of face value of Rs. 10 each of our Company for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] lakhs ("The Issue"), out of which 2,50,800 Equity Shares of face value of Rs. 10 each for cash at a price of Rs. [●] per Equity Share aggregating up to Rs. [●] lakhs will be reserved for subscription by the market maker to the issue (the "Market Maker Reservation Portion"). The Issue less Market Maker Reservation Portion i.e. Issue of 47,41,200 Equity Shares of face value of Rs. 10 each, at an issue price of Rs. [●] per Equity Share for cash, aggregating to Rs. [●] lakhs is hereinafter referred to as the "Net Issue". The Public Issue and Net Issue will constitute 26.50% and 25.16 % respectively of the post- issue paid-up Equity Share capital of our Company.

E. OBJECTS OF THE ISSUE

Our Company intends to utilize the Proceeds of the Issue to meet the following objects: -

Sr. No	Particulars	Amt (Rs. in Lacs)
1.	Funding capital expenditure towards construction of factory shed and installation of additional plant and machinery	1490.37
2.	To meet Working Capital requirements	2600.00
3.	General Corporate Purpose	[●]
	Total	[●]

F. PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,36,98,729 Equity shares of our Company aggregating to 98.92% of the pre issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus: -

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				

Megatherm Induction Limited

1.	Mr. Shesadri Chanda Bhusan	7,500	0.05	7,500	0.04
2.	Mr. Satadri Chanda	3,600	0.03	3,600	0.02
3.	Megatherm Electronics Private Limited	1,36,83,729	98.81	1,36,83,729	72.63
	Sub Total (A)	1,36,94,829	98.89	1,36,94,829	72.69
	Promoters Group				
4.	Ayati Chanda	3,750	0.03	3,750	0.02
5.	Christina Paul Chowdhury	75	0.00	75	0.00
6.	Aaditeya Datta	75	0.00	75	0.00

	Sub Total (B)	3900	0.03	3900	0.02
	Grand Total (A+B)	1,36,98,729	98.92	1,36,98,729	72.71

G. SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the period September 30, 2023 & financial years ended on March 31, 2023, 2022 and 2021: -

Amt. (Rs. in lakhs)					
Sr. No	Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	1384.87	923.25	923.25	913.25
2.	Net Worth	5821.98	5062.64	3662.23	3512.13
3.	Total Income (Revenue from operation)	14687.50	26588.15	18783.13	10900.92
4.	Profit/(loss) after tax	759.34	1400.41	110.10	309.12
5.	Earnings per Share*	5.48	10.11	0.80	2.25
6.	Net Asset Value per Share*	42.04	36.56	26.44	25.55
7.	Total Borrowings (including current maturities of long term borrowings)	4480.46	4282.04	4038.80	4327.04

*based on weighted average number of shares after considering the effect of bonus issue made by the company on August 09, 2023 in the ratio of 1 equity share for every 2 equity shares held.

H. AUDITOR QUALIFICATIONS

The Audited Financial Statement does not have any auditor qualification.

I. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company and group companies are involved in certain legal proceedings. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

Litigations/Matters involving our Company:-

(Rs. in Lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal Matter	2	3.84

Litigations involving the Director/Individual Promoter of the Company:-

(Rs. in Lakhs)		
Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable*
Criminal Cases	2	3.84
Direct Tax	2	19.75

*to the extent ascertainable

Litigations involving the Corporate Promoter of the Company:-

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the
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20

Megatherm Induction Limited

		extent ascertainable*
Direct Tax	2	1.24

*to the extent ascertainable

Litigations involving our Group Company (which may have a material impact on us):-

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Direct Tax	6	1015.46

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus.

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 218 of this Red Herring Prospectus.

J. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 25 of this Red Herring Prospectus.

K. SUMMARY OF CONTINGENT LIABILITIES

Amt. (Rs. in lakhs)

Particulars	As at			
	30-09-23	31-03-23	31-03-22	31-03-21
Contingent liabilities in respect of:				
Guarantee issued by bank	374.56	187.11	170.72	192.31
Letter of credit by bank	2750.38	2708.61	1727.04	1127.86
Total	3124.94	2895.72	1897.76	1320.17

Particulars	As at			
	30-09-23	31-03-23	31-03-22	31-03-21
Provision for warranty				

Opening balance of provision for warranty	137.76	93.23	64.99	0.00
Add: Created during the year	91.81	169.35	93.23	64.99
Less: Utilized during the year	86.97	124.82	64.99	0.00
Closing balance of provision for warranty	143.60	137.76	93.23	64.99

For further details, please refer to Note 29 – Contingent Liabilities and commitments of the chapter titled “*Financial Information of the Company*” on page 191 of this Red Herring Prospectus.

L. SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the period September 30, 2023 and financial years ended on March 31, 2023, 2022 and 2021: -

(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

21

Megatherm Induction Limited

c) Enterprises having significant influence over the Company with which transaction has taken place during the year and previous year.

SC Aqua Vitae Private Limited

(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

Mr. Vikas Varshneya , Director (up to 16-07-2021)

Mrs. Christina Paulchowdhury

Mrs. Nisha Bhopalka, C.S

(iii) Details of transactions with related parties

(Amt in Rs. Lakhs)

Particulars	30 September 2023		31 March 2023	31 March 2022	31 March 2021
Relating to Profit and Loss account					
Sale of Products/services					
EMT Megatherm Private Limited	1,433.17	0.00	564.22	699.02	
Megatherm Electronics Private Limited	1,230.01	1816.61	564.89	242.72	
Purchase of Products/Services					
EMT Megatherm Private Limited	624.48	0.00	0.00	1198.01	

Sale of Export Licenses				
Megatherm Electronics Private Limited	-	0.00	6.74	0.00
Interest Expenses				
Megatherm Electronics Private Limited	-	19.83	20.40	105.22
Rent and Electricity Expenses				
Megatherm Electronics Private Limited	63.50	115.77	110.72	111.41
Salaries/ Managerial Remuneration				
Mr. Shesadri Bhusan Chanda	31.20	62.40	28.00	18.00
Mr. Satadri Chanda	43.50	82.90	38.50	24.00
Mr. Vikas Varshneya , Director (upto 16-07-2021)	0.00	0.00	5.80	12.50
Mrs Abanti Saha Basu , C.S	0.22	0.00	0.00	0.00
Mrs. Nisha Bhopalka , C.S	0.55	1.44	1.49	1.49
Relating to Balance Sheet				
Loan Repayment				
Megatherm Electronics Private Limited	0.00	204.00	0.00	900.00
Asset Purchased				
Megatherm Electronics Private Limited	738.86	0.00	0.00	0.00
EMT Megatherm Private Limited	0.00	0.00	138.77	0.00
Advance given				
Megatherm Electronics Private Limited	675.00	1450.00	0.00	0.00
SC Aqua Vitae Private Limited	0.00	0.00	6.00	0.00
Advance refunded				
Megatherm Electronics Private Limited	0.00	1450.00	0.00	0.00
SC Aqua Vitae Private Limited	0.00	6.00	0.00	0.00

Trademark on lease

Megatherm Electronics Private Limited	400.00	0.00	0.00	0.00
Balances at the year end				
Particulars	30 September 2023		31 March 2023	31 March 2022
			31 March 2021	
Trade Receivables				
EMT Megatherm Private Limited	984.89	0.00	757.48	185.12
Megatherm Electronics Private Limited	331.29	1293.27	603.42	1065.92
Advance to supplier and others				
SC Aqua Vitae Private Limited	0.00	0.00	6.00	0.00
Closing Balance in Interest Payable				
Megatherm Electronics Private Limited	0.00	0.00	18.36	20.39
Closing Balance in Loan				
Megatherm Electronics Private Limited	0.00	0.00	204.00	220.50

For further details, please refer to the Note 36 – Related Party Disclosures of chapter titled “*Financial Information of the Company*” on page 194 of this Red Herring Prospectus.

M. DETAILS OF FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

N. WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

Sr. No.	Name of Promoters	Total No. of Equity Shares	Weighted Average Price (in Rs. per equity share)
1.	Satadri Chanda	1,200	-
2.	Shesadri Bhusan Chanda	2,500	-
3.	Megatherm Electronics Private Limited	45,61,243	-

O. AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
1.	Satadri Chanda	3,600	6.39
2.	Shesadri Bhusan Chanda	7,500	6.67
3.	Megatherm Electronics Private Limited	1,36,83,729	13.77

P. PRE IPO PLACEMENT

Our Company is not considering any pre-IPO placement of equity shares of the Company.

Q. EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottee	No. of Shares Allotted
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23

Megatherm Induction Limited

March 25, 2016	13,22,422	10	40	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	13,22,422
March 25, 2017	30,22,535	10	23.27	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	30,22,535
March 31, 2018	12,57,529	10	23.27	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	12,57,529
August 09, 2023	46,16,243	10	-	Bonus in the ratio of 1:2 i.e. 1 Equity Share for every 2 Equity Shares held	*Capitalization of Reserves & Surplus	Shesadri Bhusan Chanda Ayati Chanda Satadri Chanda Megatherm Electronics Private Limited Vikas Vershneya Christina Paul Chowdhury Aaditeya Datta	2,500 1,250 1,200 45,61,243 50,000 25 25

R. SPLIT/ CONSOLIDATION OF EQUITY SHARES

Not Applicable

S. EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Not Applicable

SECTION III: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. prospective investors should carefully consider all the information in this Red Herring Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 157, 105 & 208 respectively and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the

materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" beginning on page 25 and "Management Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 208 unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP).

INTERNAL RISK FACTORS

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.***

Our Corporate Promoter i.e. Megatherm Electronics Private Limited is required to pledge their shareholding of Equity Shares as security for the loans availed by our Company as per the terms of the sanction letter. Any default under the financing agreements pursuant to which these securities have been pledged will entitle the lenders, to enforce the pledge over these securities. If these pledges are enforced, the shareholding of our Corporate Promoter in our Company may be reduced and we may face certain impediments in taking decisions and the lenders will be entitled to attend general meetings of our Company, and exercise voting rights in respect of the pledged Equity Shares. For further details on such loan agreements, see "Statement of Financial Indebtedness" beginning on page 204.

25

Megatherm Induction Limited

As a result of the above, we may not be able to conduct our business or implement our strategies as currently planned without the prior approvals of the lenders, which may adversely affect our business, cash flows and prospects.

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.***

Our production requires substantial amounts of raw materials which majorly includes metal sheets, transformer oil, CRGO coils etc., which are subject to significant price volatility. The amount spent for the procurement of raw materials from our top ten suppliers, as a percentage of our total purchases, was 44.14% for the period September 30, 2023, 45.05% in Fiscal 2023, 49.96% in the period Fiscal 2022 and 61.59% in the period Fiscal 2021. Our cost of raw materials consumed for period September 30, 2023 was Rs. 11773.71 lakhs which represents 80.16% of our revenue from operations, Fiscal 2023 was Rs. 20329.04 lakhs, which represented 76.46% of our revenue from operations and for Fiscal 2022 was Rs. 14808.65 lakhs, which represented 78.84% of our revenue from operations. Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices.

We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, the outbreak of infectious diseases such as COVID-19 or currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations.

There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules for our key products and to deliver such products to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Any delay in the supply or delivery of raw materials to us by our suppliers may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of

operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms.

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.

As of December 31, 2023, our Company's has an order book of over Rs. 28000 Lakh at order value less amount billed representing manufacturing and supply of metal melting, hardening equipment and transformers. The future earnings of our company are related to the successful production and delivery of the equipment in the order book, which may not be realized due to cancellations or scope or schedule adjustments. Moreover, factors beyond our control or the control of our clients may postpone the work order or cause its cancellation. Due to the possibility of cancellations or changes in scope and delivery schedule, resulting from our clients' discretion or problems we encounter during production process or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent an equipment forming part of our order book will be produced and delivered. Delays in the production and delivery of the equipment can lead to clients delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such purchase orders. Even relatively short delays or difficulties could result in our failure to receive, on a timely basis or at all, all payments due. This could have an adverse effect on our business operations, revenue and profitability.

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.

As of date of Red Herring Prospectus, we own and operate one manufacturing facility in Kharagpur, West Bengal with an aggregate installed production capacity of 300 equipment per annum for manufacturing of induction heating and melting equipment including furnace and transformers. In Fiscals 2023, 2022 and 2021, our overall capacity utilization was as detailed below:

Particular	March 31, 2021	March 31, 2022	March 31, 2023
Installed Capacity	300	300	300

Megatherm Induction Limited

Actual production	95	147	162
Capacity Utilization	31.67%	49.00%	54.00%

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility as well as on the market demand of the products sold by us. Among others, the capacity utilization also depends upon the availability of raw materials, labour, industry/ market conditions and procurement practice followed by our customers. In the event we are unable to achieve considerable capacity utilization of our current manufacturing facility, it would result in operational inefficiencies which could have a material adverse effect on our business, results, financial condition and future prospects. Under-utilization of our manufacturing capabilities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth 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.

We are engaged in the manufacturing and supply of critical and complex products which are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. Failure by us to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet our customers' demands, lead to the cancellation of existing and future orders, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls and paying warranty and liability claims, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our purchase orders, have standard liability clauses in relation to quality and delivery of our products, which ordinarily do not have any limits. Accordingly, we are required to provide warranty for such quality and delivery related obligations, which may or may not be capped in terms of time or monetary value. Further, the supply of defective products may result in our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations. Furthermore, we may be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. While there have been no instances where we were subject to any product liability claims in the last three Fiscals, we cannot guarantee that we can continue to comply with all regulatory requirements or the quality standards required by our customers and there can be no assurance that no product liability claim will arise

in the future.

6. We depend on the large industries for selling of our products which may effects our revenue from operation and profits.

We are engaged in the manufacturing of induction heating and melting equipment like induction furnace, ARC melting furnace, ladle refining furnace, continuous casting machines, billet heaters, surface hardening machines and transformers, which totally designed and manufactured for large industries and not for the general public or use in the homes. Thus we are completely dependent on industries and large organizations which use these products, this dependency on industries may affect our profits and revenue. In case these industries refuse to accept the delivery of the product manufactured by us it would be very difficult for us to find an alternative market to sell the manufactured product, any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations

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.

The substantial portion of our revenues has been dependent upon few customers. For instance, our top ten customers for the period ended September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 accounted for 47.01%, 41.98%, 30.53% and 36.81% of our revenue from operations for the respective year/period. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favorable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our Company.

In addition, we received orders from our customers on purchase order basis and we have not entered into any long term agreements with our customers and the success of our business is significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

27

Megatherm Induction Limited

Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources. Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' strategies or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers.

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.

The details of profit and loss of our Group Company in past years are as follows: -

Group Company	For the year ended on (in Rs. Lakhs)		
	March 31, 2023	March 31, 2022	March 31, 2021
EMT Megatherm Private Limited	(91.20)	(495.28)	(1526.51)
SC Auqa Vitae Private Limited	0.02	(0.01)	(0.01)

Further, as on March 31, 2022, our group company i.e., EMT Megatherm Private Limited has a negative networth of Rs. 660.99 lakhs. Also, due to the above losses in our group Company namely EMT Megatherm Private Limited, our holding company and corporate promoter has also incurred losses on a consolidated basis as mentioned below –

Corporate Promoter	For the year ended on (in Rs. Lakhs)		
	March 31, 2023	March 31, 2022	March 31, 2021
Megatherm Electronics Private Limited (consolidated basis)	1446.92	(357.20)	(960.15)

Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For

more information, regarding the Company, please refer chapter titled “*Our Group Companies*” beginning on page 227 of this Red Herring Prospectus.

9. Delays or defaults in client payments could affect our operations.

We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Our outstanding debtors as on September 30, 2023 stood at Rs. 2177.39 lakhs out of which Rs. 247.27 lakhs represent trade receivables which are outstanding for over 1 year. Further, our company has considered trade receivables amounting to Rs. 116.04 lakhs as doubtful debt against which provision have also be made to the extent of Rs. 116.04 lakhs in the books of accounts. Any defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of 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.

Our Company and Group Companies are involved in certain legal proceedings, which if determined, against us could have an adverse impact on our business prospects, reputation, financial conditions and result of ongoing operations. For details kindly refer chapter titled “*Outstanding Litigation and Material Developments*” at page 218 of this Red Herring Prospectus. A brief detail of such outstanding litigations as on the date of this Red Herring Prospectus are as follows:

Litigations/Matters involving our Company:-

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Criminal Matter	2	3.84

Litigations involving the Director/Individual Promoter of the Company:-

28

Megatherm Induction Limited

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable*
Criminal Cases	2	3.84
Direct Tax	2	19.75

*to the extent ascertainable

Litigations involving the Corporate Promoter of the Company:-

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable*
Direct Tax	2	1.24

*to the extent ascertainable

Litigations involving our Group Company (which may have a material impact on us):-

(Rs. in Lakhs)

Nature of Cases	No. of Outstanding Cases	Amount in dispute/demanded to the extent ascertainable
Direct Tax	6	1015.46

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Red Herring Prospectus.

For further details on above litigations, please refer to the chapter titled “*Outstanding Litigation and Material Developments*” on page 218 of this Red Herring Prospectus.

11. *Product designing is very important part for our equipment for which we rely on our team and third party consultant. Any loss or error by these employees or consultants may have an adverse effect on our equipment and operations.*

The designing of the equipment is a very crucial step for the proper functioning of the equipment, delivering the desired results and efficiency. We have a team for designing, engineering and drawing the blue prints of the equipment to be manufactured. We have a team of around 67 engineers who are supported by third-party consultants and industry experts to ensure compliance with the design specifications and quality standards laid down by the industry and customers. In case the design are not correct it may lead to orders being cancellation by the customer and/or loss of production as the final product will not match the customer specification. Further, we believe that for effective production process and better material management designing is very important task, and in case of any error at the designing stage may lead to loss of production which could have an adverse effect on our operations, business and reputation.

12. *The trademark used by our Company is registered in the name of our Corporate Promoter i.e. Megatherm Electronics Private Limited and we have not entered into any exclusive agreement for usage of the trademarks.*



The trademark used by our Company is registered in the name of our Corporate Promoter, Megatherm Electronics Private Limited. Although, we have obtained permission from the aforementioned company to use the said trademarks vide a Trademark licensing agreement dated September 30, 2023. In the event, the corporate promoter decide to use the trademark for any other product or industry or in case of withdrawal of permission by them to use the said trademark, we may not be able to use the said trademarks for the future period which may cause damages to our business prospects, reputation and goodwill. For details, relating to the trademarks used by us, please refer to chapter titled “Our Business” beginning on page 105 of this Red Herring Prospectus.

13. *Our Corporate Promoters and Group Company is engaged in the similar line of business as of our Company. There are no non - compete agreements between our Company and such entities. We cannot assure that our Promoters will not favour the interests of such entities over our interest or that the said entities will not expand which may increase our competition and may adversely affect business operations and financial condition of our Company.*

Our Corporate Promoter and Group Company, namely, Megatherm Electronics Private Limited is engaged in the manufacturing of electrical equipment’s and EMT Megatherm Private Limited is engaged in the manufacturing of induction melting and heating equipment’s and ARC melting furnace, ladle refining furnace, transformers, which is the same line of business of our Company. Further, we have not entered into any non-compete agreement with any of the said entities. We cannot assure that our Promoters who have

Megatherm Induction Limited

common interest in said entities will not favour the interest of the said entities. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and aforesaid entities in circumstances where our respective interests diverge. In cases of conflict, our Promoters may favour other entities in which our Promoter has interests. There can be no assurance that our Promoters or our Promoter Group entities will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

14. *Our business and our financial condition would be materially and adversely affected if we fail to obtain new purchase orders and contracts.*

Our company is engaged in the business of induction metal heating and melting equipment including furnace and transformers. Our revenue from operations is dependent on the receipt of new purchase orders from the customers. As part of our business, we receive the RFQ from the customers along with the details and specifications of the product to be manufactured. Based on the product design and specifications we provide the quotations to the customers, work order are typically awarded to us based on the satisfaction of prescribed qualification criteria and the price quoted by our company. There can be no assurance that we would always be able to get the purchase order in our favour. The growth of our business mainly depends on our ability to obtain new contracts related to the production of induction metal heating and melting equipment including furnace and transformers. Generally, it is very difficult to predict whether and

when we will be awarded a new contract. Our future results of operations and cash flows can fluctuate materially from period to period depending on the timely award of contracts, commencement of production and timely delivery of the products as per the customer specifications. If we are unable to obtain new contracts for our business, our business will be materially and adversely affected.

15. Proper functionality and efficient working of the induction melting, hardening equipment and transformers manufactured by us play an integral role in the operations of our customers any issue in functioning of these equipment may significantly impact our company's finances and reputation.

The equipment manufactured by us plays very crucial role in the industry where they are used like steel making, automobile sector, power sector etc. In case the equipment do not meet the desired results expected from them or does not function efficiently it may affect the company's reputation among the customer, require us to undertake service repairs and even cancellation of future orders. Further, failure of the equipment may lead to halt of production at the customer premises or improper functionality may lead to industrial accidents at the factory/premises of our customers which may lead to legal disputes or claims being initiated against our company. Any such legal dispute or claim may lead to diversion of the attention of the management and loss of resources to defend the legal dispute or payment of claims initiated by the customers, which may affect our reputation, business operation and profitability.

16. We do not own the Registered Office and certain other place of business from where we operate our business activities. Any dispute in relation to use of the premises would have a material adverse effect on our business and results of operations.

Our Registered office, Sales Office, Branch Office have been taken on rent and the Factory have been taken on lease from West Bengal Electronics Industry Development Corporation Limited. All these properties are not owned by our company, for further details of the property refer section "Our Business" beginning on page 105. In the event that the existing lease deeds or rent agreements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations.

There can be no assurance that we will, in the future, be able to retain or/and renew the agreements for the existing locations on same or similar terms, or will be able to find alternate locations for the existing offices and operating locations on similar terms favorable to us, or at all. We may also fail to negotiate the renewal of our lease deeds and/or rent agreements for our premises, either on commercially acceptable terms or at all, which could result in increased rental rates for subsequent renewals or searching of new premises, or to close facilities in desirable locations, affecting our financial condition and operations. In the event that the existing agreements are terminated or they are not renewed on commercially acceptable terms, we may suffer a disruption in our operations which could materially and adversely affect our business, financial condition and results of operations.

17. Fluctuations in the exchange rate of foreign currencies could result in currency transactions losses.

Our business involves exports transactions with our customers, which is paid in foreign currencies. A depreciation of Rupee against these foreign currencies would mean that our export of products would become expensive and will impact our export cost. During the FY 2021-22, 2022-23 and September 30, 2023 the exports at FOB value accounted for approximately Rs. 3743.40 lakhs, Rs. 6826.20 lakhs and Rs. 3088.51 lakhs respectively which represent approximately 19.93%, 25.67% and 21.03% of our revenue from operations. The exchange rate between the Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations. Further, the exchange gain and

30

Megatherm Induction Limited

loss accounted during the FY 2021-22, 2022-23 and period September 30, 2023 was approximately gain of Rs. 36.45 lakhs, loss of Rs. 28.35 lakhs and gain of Rs. 19.45 lakhs respectively. We cannot assure you that, in future we will be able to completely manage the foreign exchange gain or loss. Any depreciation in the rupee against the foreign currency and our ability to mitigate the loss incurred due to same may have an adverse effect on our profitability and business opportunity.

18. Our Group company namely EMT Megatherm Private Limited have in the past entered into a compromise settlement with the Bank. However, the company have made the payment towards the compromise amount and have received no dues certificate from the Bank.

Our Group Company, EMT Megatherm Private Limited have entered into a compromise settlement amounting to Rs. 11 crores with the State Bank of India during FY2021. Later, during the year 2021, the said loan account of our group company have been closed and subsequently a NOC was received from the Bank dated May 12, 2021. The matter have been settled and resolved and there are no impact of the same on our company and its directors. Although there are no further development in the said matters, but in case of any actual or alleged non-compliance with regulatory requirements, our Group Company or members of the Promoter group could be subject to investigations and administrative or judicial proceedings that may result in substantial penalties and/or diversion of management's attention, which could negatively affect our reputation and may have a material adverse effect on our business operations..

19. Our Company has not yet placed orders for machineries and equipment required by us for expansion of our manufacturing facility. Any delay in placing the orders or supply of plant and machinery may result in time and cost overruns, and may affect our profitability.

Our Company proposes to acquire machineries and equipment for expansion of our manufacturing facility. Our Company has identified the machineries to be acquired and has received the quotations from the suppliers, but we have not placed final orders for all of the machineries and equipment aggregating to Rs. 1596.08 lakhs. We have already placed order for machineries amounting to Rs. 261.45 lakhs and have paid an advance amounting to Rs. 105.71 lakhs representing 16.38% of our total expenditure which are proposed to be acquired for our expansion plan by utilization of Issue Proceeds. Our Company is further subject to risks on account of inflation in the price of construction and plant and machinery. Since the part funding for the plant and machinery is from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of machineries and equipment's would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may be a possibility of delay at the supplier's end in providing timely delivery of these machineries and equipment, which in turn may delay the implementation of our expansion plan. Further, the quotations relied upon by us in arriving at the total cost of construction, machineries and equipment are valid for a specific period of time and may lapse after the expiry of the specific period. Consequent upon which, there could be a possible escalation in the cost of machineries and equipment's proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost, which may result in cost overruns, and may affect our profitability. For further details read section "Objects of the Issue" beginning on page 73 of the Red Herring Prospectus.

20. *Activities involving our manufacturing process can be dangerous and can cause injury to people or property in certain circumstances. A significant disruption at our manufacturing facility may adversely affect our production schedules, costs, sales, and ability to meet customer demand.*

Our business involves complex manufacturing processes that can be dangerous to our employees. Although we employ safety procedures in the operation of our facilities and maintain what we believe to be adequate insurance, but there is a risk that an accident may occur at our manufacturing facility. An accident may result in destruction of property or equipment, environmental damage, manufacturing or delivery delays, or may lead to suspension of our operations and / or imposition of liabilities. Any such accident may result in litigation, the outcome of which is difficult to assess or quantify, and the cost to defend such litigation can be significant. As a result, the costs to defend any action, or the potential liability resulting from any such accident or arising out of any other litigation, and any negative publicity associated therewith, may have a negative effect on our business, financial condition, results of operations and prospects.

Interruptions in production may also increase our costs and reduce our sales, and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations and prospects.

21. *If we are unable to retain and hire skilled employees, or to maintain good relations with our workforce, our business and financial condition may be adversely affected.*

Our ability to provide quality products and services and to manage the complexity of our business depends, in part, on our ability to retain and attract skilled personnel in the areas of management, product engineering, design, manufacture, servicing, sales, information

31

Megatherm Induction Limited

technology, and finance. Competition for such personnel is intense and the cost of retaining or replacing such personnel may affect our profitability. In addition, our strategies for growth have placed, and are expected to continue to place, increased demands on our management's and employees' skills and resources. Further, our manufacturing activities are labour intensive, requiring our management to undertake significant labour interface, and expose us to the risk of industrial action. As of September 30, 2023, we had a total work force of 278 employees employed by our company on a full-time basis apart from the on roll employees we also employ personnels on contractual basis.

We cannot ensure that we will not be subject to work stoppages, strikes or other types of conflicts with our employees or contract workers in the future. Any such event, at our current facilities or at any new facilities that we may commission or acquire in the future, may adversely affect our ability to operate our business and serve our customers, and impair our relationships with key customers and suppliers, which may adversely impact our business and financial condition. Any changes in the existing labour laws, may increase our labour cost and may also increase time spent by the management in labour related matters, which could impact our business and results of operations. If labour laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

22. *Our continued operations are critical to our business and are subject to operating risks such as breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facilities, in the event of which, our business, results of operations, financial condition and cash flows can be adversely affected.*

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely

delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity boards. For Fiscal 2021, Fiscal 2022, Fiscal 2023 and period September 30, 2023, our power and fuel costs was Rs. 73.74 lakhs, Rs. 83.32 lakhs, Rs. 98.36 lakhs and 66.48 lakhs, constituting 0.70%, 0.45%, 0.40% and 0.48%, respectively, of our total expenses. If supply is not available for any reason, we will need to rely on alternative sources, which may not be able to consistently meet our requirements and are high on costs, thereby adversely affecting our cost of production and profitability. Further, if, for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Our customer relationships, business and financial results may be materially adversely affected by any disruption of manufacturing operations, including as a result of any of the factors mentioned above.

23. Our Company operates under several statutory and regulatory permits, licenses and approvals. Our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business may have an adverse effect on our business & operations.

We require various statutory and regulatory licenses, permits and approvals to operate our business. We need to make compliance and applications at appropriate stages of our business to continue our operations. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof in a timely manner, or at all. Further any default by our Company in complying with the same may result in the cancellation of such licenses, approvals or registrations which may adversely affect our operations and financial strength.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents, authorizations and/or registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

24. Our induction heating and melting equipment business and transformer business is dependent on growth in the metal and steel industry, that may contribute to fluctuations in our results of operations and financial condition.

The sale of our induction furnace, metal heating and melting equipment and transformers to a large extent depends on the metal and steel industry. The equipment we manufacture are majorly used in the metal and steel industry. Further, the major raw material used by us for manufacturing of the induction furnace, induction heating and melting equipment and transformers includes metal sheets, wires and coils. In case of any slowdown in the steel and metal industry, we may face disruption from customer and suppliers side. If there is any slowdown in the industry it may lead to reduction in orders from the customers, delay or re-schedule of the delivery commitments

32

Megatherm Induction Limited

and delay or defaults in payments from the customer. Further, metal being the major raw material required by our company, there may be circumstances where due to slowdown in the industry the suppliers may reduce their production and it may become difficult for us to procure the requisite material required for our production. Thus, in case there is any slowdown in the steel or metal industry it may have an adverse effect on our business, revenue and operations.

25. Certain of our agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.

In the past, the rent agreement for the lease of the registered office and the branch office were not registered with the authorities. For details of the rent agreement and property refer section "Our Business" beginning on page 105 of this Red Herring Prospectus. However the company has vacated the branch office as on date and have also paid advance for the purchase of the registered office. Hence, both the said rent agreements stand cancelled as on the date but we may be held liable in the future for any delay in the said registration which may make the available documents inadmissible in any legal proceeding or may require us to pay any fine or penalty for inadequate stamping.

26. Failure or disruption of our information technology may adversely affect our business, financial condition, results of operations and prospects.

We have established the SAP system, towards streamlining our operational, accounting and administrative functions. We significantly rely on our information technology systems for undertaking business decisions. We believe that we have deployed adequate information technology security systems including data backup and retrieval mechanisms, in all our facilities. However, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyze our production process, work in progress and sales, process financial information, meet business objectives based on information technology initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

Further, unavailability of, or failure to retain, well trained employees capable of operating and working with our information technology systems may lead to inefficiency or disruption of information technology systems thereby adversely affecting our ability to operate efficiently.

27. Our failure to identify and understand evolving industry trends and preferences may adversely affect our business.

Changes in regulatory or industry requirements or in competitive technologies may render certain of our products obsolete or less attractive. Our ability to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced products on a timely basis is a significant factor in our ability to remain competitive. If we are unable to obtain knowledge about industry trends and preferences in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected. Moreover, we cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product or technology being introduced in the market, which may lead to situations including lack of market acceptance, delays in product development and failure of products to operate properly, which could have an adverse impact on our business and results of operations.

28. We participate and operate in competitive markets and may face competition from different players in the market which may have an adverse effect on our business, cash flows, financial condition and results of operations.

We operate in highly competitive markets and there are no specific entry barriers to the industry in which we operate. But, high capital requirement, manufacturing setup, product knowledge, customer validation and approvals process, expectation from customers for high quality standards and stringent specifications may act as barriers to new entrants. There are several strategies adopted by our competitors to increase their market shares including pricing, discounts, multi-location operations, multi-level marketing etc.

In India, these competitors include companies which are engaged in the manufacturing of transformers and metal heating and heat treatment machineries. To protect our existing market share or capture additional market share in this highly competitive environment, we may be required to increase expenditure for promotions and introduce and establish new products or services. There can be no assurance that our current or potential competitors will not offer products and services comparable or superior to those that we offer at the same or lower prices, adapt more quickly to changes in customer preferences, or expand their operations at a faster pace than we do.

33

Megatherm Induction Limited

Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, prospects and financial condition

29. Our growth depends on our expertise and initiatives to develop new products and/or improve our existing products and if we do not succeed we may suffer loss of our competitive advantage.

The development and commercialization of improved and/or new products is complex, time-consuming and costly, and its outcome is inherently uncertain. Accordingly, substantial effort, funds and other resources are spent towards such activities. We cannot guarantee that the improved and/or new products introduced in the future will be successful or will continue to be successful. Thus due to inherent risks associated with new product introductions, including uncertainties about trade and consumer acceptance, increased expenditure may not prove successful in maintaining or enhancing our market share and could result in lower profitability. In the event that such products are unsuccessful, we may lose some of our established clientele or reputation, which could have an adverse effect on our financial position, business operations, results of operations and future prospects.

30. We have experienced significant growth in the past few years, and if we are unable to sustain or manage our growth, our business, results of operations and financial condition may be adversely affected.

As per our Restated Financial Information, our revenue from operations for Fiscal 2021, Fiscal 2022 and Fiscal 2023 was Rs. 10900.92 lakhs, Rs. 18783.13 lakhs and Rs. 26588.15 lakhs, respectively, representing a CAGR of 56.17%. In case we are unable to sustain our rates of growth, due to a variety of reasons including a decline in the demand for our products, increased price competition, non availability of raw materials, lack of management availability, or a general slowdown in the economy. A failure to sustain our growth may have an adverse effect on our business, results of operations and financial condition.

31. There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.

There are few discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies, which for instance, few of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes clerical errors

in the Annual Returns filed by our Company in past years. Also, some discrepancies in relation to appointment of Directors like improper resolutions due to clerical errors were attached in e-forms. Further, Our company has not complied with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor for instance, our Company has not filed Form CHG-1 for creation of charge on vehicle loans taken in the past, which is non-compliance of section 77 of the Companies Act, 2013 read with rules made thereunder and attracts penalty under section 86 of the Companies Act, 2013, however no such loans are outstanding as on date. Any cognizance of the non-compliance taken by the regulatory authority shall be addressed by the company promptly. Also, the company has in the past failed to file Form MGT14 for increasing the limits specified under section 180 of the Companies Act with regards to the loans and advances taken by the Company, however as on date of this Red Herring Prospectus our company has complied with the provisions of section 180 of the Companies Act by according shareholders' approval vide extra ordinary general meeting and the consequent form MGT-14 for the same has been filed with Registrar of Companies.

Further, the share transfer deed in respect to transfer of shares of our Company in the year 2010-11, 2012-13 and 2013-14 are not traceable. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers and the forms filed with RoC to ascertain the information for the missing corporate records.

Although, no show cause notice in respect of the above has been received by the Company till date, any penalty or action taken by any regulatory authorities in future for non-compliance with provisions of corporate and other law could impact the financial position of the Company to that extent.

32. Our net cash flows from financing and investing activities have been negative in some years in the past. Any negative cash flow in the future may affect our liquidity and financial condition.

Our cash flow from our financing and investing activities have been negative in the past. Following are the details of our cash flow position during the last three financial years based on restated financial statements are: -

Particulars	For the year ended (in Rs. Lakhs)			
	September 30,	March 2023	March 2022	March 2021

34

Megatherm Induction Limited

	2023			
Net cash flow from Operating activities	149.83	2577.64	1722.37	1395.23
Net cash flow from Investing activities	(993.69)	(1977.32)	(304.11)	(453.71)
Net cash flow from Financing activities	(52.07)	(340.56)	(747.58)	(569.59)

For details, please see the chapter titled “*Financial Information of Our Company*” on page 157 of this Red Herring Prospectus. Any negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

33. Any adverse revision to our credit rating by rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available.

The borrowing facilities availed by our company from bank are rated by a credit rating agency. The credit ratings assigned to our Company, by Crisil an S&P Global Company vide their credit report August 2023 was Long Term Rating - CRISIL BBB-/Stable and Short Term Rating - CRISIL A3. Though the ratings have not been downgraded in the past three years, any downgrade in our credit ratings by rating agencies in future may increase our costs of accessing funds in the capital markets and adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such funding is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures or other purposes.

34. We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on September 30, 2023, our total outstanding indebtedness was Rs. 4480.46 Lakhs. Our significant indebtedness in future may result in substantial amount of debt service obligations which could lead to:

- a. increasing our vulnerability to general adverse economic, industry and competitive conditions;
- b. limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- c. affecting our credit rating;
- d. limiting our ability to borrow more money both now and in the future; and
- e. increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see “Statement of Financial Indebtedness” on page 204 of this Red Herring Prospectus.

35. *Loans availed by Our Company has been secured on personal guarantees of our Director. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our Directors.*

Our Promoter, Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and Megatherm Electronics Private Limited has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “Statement of Financial Indebtedness” on page 204 of this Red Herring Prospectus.

36. *Ineffective execution of marketing programs and reduced marketing expenditure could have an adverse effect on our sales.*

We spend a significant amount on our advertising and sales promotions. During the period September 30, 2023 and Fiscal 2023 we undertake Rs. 96.29 lakhs and Rs. 102.52 lakhs towards advertising and sales promotion which has helped us in attaining a revenue from operations amounting to Rs. 14687.50 lakhs and Rs. 26588.15 lakhs. Our future growth and profitability may depend upon our marketing strategies and the sales promotion activities undertaken by our company. Although, the primary factors in determining the

Megatherm Induction Limited

buying decisions in the business include customer confidence, price points for our products, and quality of customer service. However, the ability to differentiate our products from competitors by its branding and sales promotion programs is an important factor in attracting customers. As a result, from time to time we undertake brand building exercise and marketing programs to enhance our brand visibility. If these programs are ineffectively executed or the level of support for them is reduced, it could affect our ability to attract customers. Further, we cannot assure you that we will be able to accurately estimate our marketing expenditure. In case our marketing expenses are lesser than market standards, our marketing programs may be perceived ineffective. However, if our marketing expenses are higher than the market standards, it may adversely affect our income and results of operations. Any such event may have an adverse effect on our business operations and financial position.

37. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.*

As on September 30, 2023 we had total inventory consisting of raw material, work in progress and finished goods to the value of Rs. 7856.00 Lakhs. Our business operations require us to maintain large amounts of inventory at times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during factory stocking and display. Although we have set up various security measures and follow stringent operational processes but, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to fraud, theft or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft or misconduct and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

38. *Our contingent liabilities and commitments as stated in our Restated Financial Statements could affect our financial condition.*

Our Contingent liability and commitments as on September 30, 2023 was Rs. 3268.54 Lakhs. If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected.

(Amt in Rs. Lakhs)

Particulars	30 September 2023	31 March 2023	31 March 2022

			31 March 2021	
a) Contingent Liabilities:				
(i) Guarantee Issued By Bank	374.56	187.11	170.72	192.31
(ii) Letter of Credit By Bank	2,750.38	2708.61	1727.04	1127.86

Particulars	30 September 2023		31 March 2023	31 March 2022	31 March 2021
b) Provision for Warranty					
Opening Balance of Provision for Warranty	137.76	93.23	64.99	0.00	
Add : Created during the year	92.81	169.35	93.23	64.99	
Less : Utilized during the year	86.97	124.82	64.99	0.00	
Closing Balance of Provision for Warranty	143.60	137.76	93.23	64.99	

For more information, regarding our contingent liabilities and commitments, please refer “Note 29” in chapter titled “Financial Information of the Company” beginning on page **191** of this Red Herring Prospectus.

39. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge and better bargaining power if entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.

Our Company has entered into various transactions with our Directors, Promoter and Promoter Group members/ entities. These transactions, inter-alia includes, remuneration, interest payment, loans and advances, etc. Our Company has entered into such transactions due to easy proximity and quick execution. The sale and purchase transactions entered with related party amounts to 22.38%, 6.82%, 6.03% and 19.58% of our total revenue for the period September 30, 2023, March 31, 2023, 2022 and 2021 respectively. However, there is no assurance that we could not have obtained better and more favorable terms than from transaction with related parties. Additionally, while it is our belief that all our related party transactions have been conducted on an arm’s length basis, we cannot provide assurance that we could have achieved more favorable terms had such transactions been entered with third parties. Our Company may enter into such transactions in future also and we cannot assure that in such events there would be no adverse effect on results of our operations. For details of transactions, please refer to “Note 36” on “Related Party Transactions” under Section titled “Financial Information of the Company” and Chapter titled “Capital Structure” beginning on page 191 and 59 respectively of this Red Herring

36

Megatherm Induction Limited

Prospectus. All related party transactions entered into by us in the last three financial years have been at arms’ length, in the interests of our Company and in compliance with the companies act and other applicable laws..

40. Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and thus our future production and capacity utilization may vary.

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Red Herring Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Red Herring Prospectus. For further information, see the section titled “Our Business” on page 105 of this Red Herring Prospectus.

41. We depend on third-parties for our transportation needs. Any disruptions may adversely affect our operations, business and

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities for transportation of products to our various places. For this purpose, we hire services of transportation companies. Our reliance on such third party logistics providers may increase as we expand our operations. Further, the value of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby adversely affecting our operations, profitability, reputation and market position.

42. We are subject to restrictive covenants under our credit facilities that limit our operational flexibility.

The loan agreements entered into by us with banks contain specific covenants which require us to obtain the prior approval/ permission from the banks on the occurrence of certain events such as formulation of any scheme of amalgamation or reconstruction, undertaking of any new project or expansion, making any substantial change in our management set up, any change in our capital structure resulting in reduction of capital, etc. We are required to obtain consent/ approval from our lender before undertaking any such steps which have been mentioned in the loan agreements. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see "Statement of Financial Indebtedness" on page 204 of this Red Herring Prospectus.

43. We are heavily dependent on our individual Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our individual Promoters. We also depend significantly on our Key Managerial Persons for executing our day-to-day activities. The loss of any of our individual Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the individual Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section "***Our Management***" on page 136 of this Red Herring Prospectus.

44. We deploy advanced technologies in the manufacturing, designing and installation of induction heating and melting products and transformers. Any incapability to adopt a new technology or change in the requirement of a particular technology by the government authorities may affect our position.

The manufacturing, designing and installation of our products like induction heating and melting products and transformers is technically complex, time consuming and resource intensive because of complex manufacturing process and strict adherence to customers specifications and requirements. We constantly upgrade our technical abilities to offer our clients the full range of products at lower cost and without compromising on quality. To use existing infrastructure to its maximum by avoiding major civil works, and provide cost effective and viable solutions, meeting the effluent norms at the same time. In the event of any change in the requirement by the government authorities/bodies of any technology presently used, which we are not able to provide or we lack sufficient expertise in that technology, we will not be in a position to undertake such work orders for lack of technical qualification and our competitors may get an advantage due to our incapability which could have an adverse effect on our business and revenue from operations.

45. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.

The proposed fund requirement for our proposed expansion plans by installing additional machinery and working capital requirements, as detailed in the section titled "Objects of the Issue" is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within

the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 73 of this Red Herring Prospectus.

46. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Our company has obtained insurance coverage in respect of certain risks. Our insurance coverage consists of burglary insurance policy, standard fire and special perils policy, marine sales turnover policy and vehicle insurance policy. While we believe that the insurance coverage maintained by us is adequate and consistent with the size of our business. However, there is no assurance that the insurance policy taken by us will be adequate for us to cover the losses. If we suffer any uninsured loss or if claim made by us in respect of an insurance is not accepted or any loss occurred by us is in excess of the insurance coverage may adversely affect our operation, results and financials. For further information, see the section titled “*Our Business*” on page 105 of this Red Herring Prospectus.

47. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.

Our Company is engaged in manufacturing and production which attracts tax liability such as Goods and Service Tax, Income Tax, and Professional Tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contribution with Provident Fund and ESI. Though, we have deposited the required returns under various applicable Acts but there is no assurance that any delay with regards to payment of taxes or filing of returns may not happen in future. Further, the Company has been filing the return with delayed fees under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year for such non-compliance or delay will affect the financial position of the Company..

48. The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. Any variation between the estimation and actual expenditure as estimated by the management could result in execution delays or influence our profitability adversely.

The deployment of funds as stated in the “Objects of the Issue” beginning on page 73 of the Red Herring Prospectus is entirely at the discretion of our management and has not been appraised by any independent agency. Further, the purposes for which the Net Proceeds are to be utilized have not been appraised by an independent entity and are based on our estimates and on third-party quotations. In the event, for whatsoever reason, we are unable to execute our plans, we could have a significant amount of unallocated net proceeds. In such a situation, we would have broad discretion in allocating these net proceeds from the Issue without any action or approval of our shareholders. In case the assumptions on which these estimates have been made are not correct or they become un-realistic then there will be a variation in the estimates and the actual expenditure incurred which could result in execution delays and have an adverse effect on our operations and profitability.

49. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

38

Megatherm Induction Limited

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 156 of the Red Herring Prospectus.

50. The average cost of acquisition of Equity Shares by our Promoters, is lower than the face value of Equity Share.

The average cost of acquisition of Equity Shares of our Promoter i.e., Shesadri Bhusan Chanda, Satadri Chanda and Megatherm Electronics Private Limited are lower than the face value of Equity Shares i.e., Rs. 10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see Chapter titled “*Capital Structure*” beginning on page 59 of this Red Herring Prospectus

51. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs.10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee.

52. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us and any sale of Equity Shares by our significant shareholders may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us may dilute your shareholding in the Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our significant shareholders, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

53. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.

Our promoters along with the promoter group will continue to hold collectively 1,36,94,829 of the equity share capital of the company. As a result of the same they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder's vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

54. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Issue Price**" beginning on page 82 of the Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

55. Certain data mentioned in this Red Herring Prospectus has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be

Megatherm Induction Limited

reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISK FACTORS:

56. Any changes in the regulatory framework could adversely affect our operations and growth prospects.

Our Company is subject to various regulations and policies. For details see section titled "**Key Industry Regulations and Policies**" beginning on page 118 of this Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

57. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.

The Government of India may implement new laws or other regulations that could affect the metal heating and meting furnace, automobile, locomotive industry and power distribution sector, which could lead to new compliance requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. To the extent that we are entitled to certain tax benefits in India which are available for a limited period of time, our profitability will be affected if such benefits will no longer be available, or are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions

required to be complied with in order to avail ourselves of each of these benefits. Please see "Statement of Special Tax Benefits" on page 88 of this Red Herring Prospectus. In the event that any adverse development in the law or the manner of its implementation affects our ability to benefit from these tax incentives, our business, results of operations, financial condition and prospects may be adversely affected.

58. A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations. Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

59. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and any other country might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and

40

Megatherm Induction Limited

political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

60. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also in the past experienced the contagion effect of the global financial turmoil, evident from the sharp decline in the benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

61. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm our Company's business and financial performance and ability to obtain financing for capital expenditures.

62. The extent to which the Coronavirus disease (COVID-19) or outbreak of any other severe communicable disease may affect our business and operations in the future is uncertain and cannot be predicted

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly COVID19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our

business, financial condition and results of operations. The outbreak of COVID19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. In case the steps taken to control such situations are inadequate, may cause significant economic disruption in India and in the rest of the world. Further, the scope, duration and frequency of such measures and the adverse effects of any such diseases could be uncertain and could be severe. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

63. If certain labour laws become applicable to us, our profitability may be adversely affected.

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

64. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue in case there is any change in the political stability. Any significant change in India's political situation and policies could disrupt business and economic conditions in India and thereby affect our business.

65. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

THE ISSUE

PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS	
Equity Shares Offered through Public Issue⁽¹⁾	Issue of upto 49,92,000* Equity Shares of face value of Rs.10 each fully paid-up of our Company.
<i>Out of which:</i>	
Issue Reserved for the Market Makers	Up to 2,50,800 Equity Shares aggregating to Rs. [●] Lakhs.
Net Issue to the Public	Up to 47,41,200 Equity Shares aggregating to Rs. [●] Lakhs.
<i>Out of which*</i>	

A. QIB Portion	Not more than 23,70,000 Equity Shares aggregating up to Rs. [●] lakhs.
Of which	
i) Anchor Investor Portion	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
Of which	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Up to [●] Equity Shares aggregating up to Rs. [●] lakhs.
B. Non-Institutional Portion	Not less than 7,11,600 Equity Shares aggregating up to Rs. [●] lakhs.
C. Retail Portion	Not less than 16,59,600 Equity Shares aggregating up to Rs. [●] lakhs.
Pre and Post – Issue Equity Shares	
Equity Shares outstanding prior to the Issue	1,38,48,729 Equity Shares of face value of Rs.10 each.
Equity Shares outstanding after the Issue	1,88,40,729 Equity Shares of face value Rs.10 each.
Use of Net Proceeds by our Company	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 73 of this Red Herring Prospectus.

**Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.*

*⁽¹⁾ Public issue of upto 49,92,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating to Rs. [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “**Issue Structure**” beginning on page 250 of this Red Herring Prospectus.*

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on September 04, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on September 05, 2023.
- 3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e., not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to non-institutional bidders.

- 4) Subject to valid Bids being received at or above the Issue Price, under subscription, if any, in any category, except in the QIB Portion,

would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 254 of this Red Herring Prospectus.

SUMMARY OF FINANCIAL STATEMENTS

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particular	As at the Year/Period ended
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	30/09/2023	31/03/2023	31/03/2022	31/03/2021
I. EQUITY AND LIABILITIES				
1) Shareholders' funds				
(a) Share capital	1,384.87	923.25	923.25	913.25
(b) Reserves and surplus	4,437.11	4,139.39	2,738.98	2,598.88
	5,821.98	5,062.64	3,662.23	3,512.13
2) Non-current liabilities				
(a) Long-term borrowings	1,144.79	1,372.23	877.01	1,686.94
(b) Deferred tax liabilities (net)	315.56	307.06	254.97	311.74
(c) Long-term Provision	146.6	137.88	137.11	103.84
	1,606.99	1,817.17	1,269.09	2,102.52
3) Current liabilities				
(a) Short-term borrowings	3,335.67	2,909.81	3,161.79	2,640.10
(b) Trade payables				
Dues of Micro and Small Enterprises	1,482.57	1,830.68	1,449.91	1,326.05
Dues to Other	2,920.91	2,296.60	2,298.96	1,570.38
(c) Other current liabilities	5,651.35	5,117.97	5,303.02	3,386.94
(d) Short-term provisions	220.81	163.00	117.76	106.94
	13,611.31	12,318.06	12,331.44	9,030.41
TOTAL	21,040.28	19,197.87	17,262.76	14,645.06
II. ASSETS				
1) Non-current assets				
(a) Property, Plant and Equipment and Intangible assets				
(i) Property, Plant and Equipment	6,119.50	5,733.75	3,938.56	4,295.87
(ii) Intangible assets	78.47	68.05	15.61	-
(iii) Capital work-in-progress	160.83	61.52	247.89	13.43
	6,358.80	5,863.32	4,202.06	4,309.30
(b) Other non-current assets	1,053.62	934.55	157.38	149.96
	7,412.42	6,797.87	4,359.44	4,459.26
2) Current assets				
(a) Investments	300.00	-	-	-
(b) Inventories	7,856.00	7,109.34	6,851.11	5,336.69

(c) Trade receivables	2,177.39	2,322.00	2,508.25	2,462.34
(d) Cash and Cash Equivalents	794.13	1,690.06	1,430.30	759.62
(e) Other bank balances	494.76	412.44	374.41	228.35
(f) Short-term loans and advances	1,700.16	843.67	1,677.22	1,376.89
(g) Other current assets	305.42	22.49	62.03	21.91
	13,627.86	12,400.00	12,903.32	10,185.80
TOTAL	21,040.28	19,197.87	17,262.76	14,645.06

RESTATED STATEMENT OF PROFITS AND LOSSES

(Rs. in Lakhs)

PARTICULARS	For the period / Year ended on			
	30/09/2023	31/03/2023	31/03/2022	31/03/2021
I. Revenue from operations	14687.50	26,588.15	18,783.13	10,900.92
II. Other Income	44.81	55.69	63.79	26.11
III. Total Income (I + II)	14732.31	26,643.84	18,846.92	10,927.03
IV. Expenses				
Cost of materials consumed	11773.71	20,329.04	14,808.65	7,646.17
Changes in inventories of finished goods and work-in-progress	(608.50)	(218.78)	283.43	(43.38)
Employee benefits expense	777.75	1,305.03	1,032.76	669.19
Finance costs	250.49	583.80	499.35	706.48
Depreciation and amortisation expense	161.72	242.82	206.02	210.44
Other expenses	1,368.46	2,418.46	1,864.71	1,312.61
Total expenses	13,723.63	24,660.37	18,694.92	10,501.51
V. Profit before tax	1008.68	1,983.47	152.00	425.52
VI. Tax expenses				
Current tax	240.84	530.97	98.67	86.93
Deferred tax (credit) / charge	8.50	52.09	(56.77)	29.47
Net Tax Expenses	249.34	583.06	41.90	116.40

VII. Profit for the year	759.34	1,400.41	110.10	309.12
VIII. Earnings per equity share [nominal value of share Rs 10 each (previous year Rs 10 each)]				
Basic	5.48	10.11	0.80	2.25
Diluted	5.48	10.11	0.80	2.25

RESTATED STATEMENT OF CASH FLOWS*(Rs. in Lakhs)*

Particular	For the Period/ Year ended on							
	30/09/2023		31/03/2023		31/03/2022		31/03/2021	
Cash Flow from Operating Activities								
Profit Before Provision for Taxation		1,008.68		1,983.47		152.00		425.52
Adjustments for:								
Depreciation & Amortisation	161.72		242.82		206.02		210.44	
Gain on foreign exchange fluctuation	(13.86)							
Provision for Gratuity	23.45							
Bad Debts/Advances written off	2.04		25.45		65.16		35.18	
Provision for Doubtful Debts/Advances	65.04		30.00		21.00		-	
Interest Expenses	250.49		583.80		499.35		706.48	
Interest Income	(16.87)		(13.82)		(26.00)		(19.29)	
Loss on sale/discard of Fixed Assets	-		1.23		63.53		-	
Provision for Warranties	92.81		169.35		93.23		-	
		564.82		1,038.83		922.29		932.81
Operating Profit before Working Capital Changes		1573.50		3,022.30		1,074.29		1,358.33
Adjustments for:								
(Increase) in trade receivables	89.51		(579.78)		(132.07)		(1,586.6)	

							5)	
(Increase)/Decrease in loans and advances	(856.49)		721.12		(342.76)		261.72	
Decrease/(Increase) in Other Assets	(430.95)		25.08		(28.44)		(9.12)	
Increase in trade payables	278.08		378.41		852.44		(121.54)	
(Increase) in inventories	(746.66)		(258.23)		(1,514.42)		(324.41)	
(Decrease) in provisions	(49.70)		(120.72)		(69.28)		91.51	
(Decrease)/Increase in other current liabilities	533.38	(1,182.83)	(185.05)	(19.17)	1,916.08	681.55	907.53	219.32
Cash Generated from Operations		390.67		3,003.13		1,755.84		1,577.65
Direct Taxes Paid		(240.84)		(425.49)		(33.47)		(182.42)
Net Cash from Operating Activities		149.83		2,577.64		1,722.37		1,395.23
Cash Flow from Investing Activities								
Purchase of Property, Plant and Equipment, including movement in CWIP and capital advances	(657.18)		(1,905.32)		(162.31)		(94.71)	
Movement In Investment in Mutual Funds	(300.00)		-		-		-	
Movement In Fixed Deposits	(46.15)		(100.30)		(156.12)		(373.29)	
Interest received	9.64		28.30		14.32		14.29	
Net Cash used in Investing Activities		(993.69)		(1,977.32)		(304.11)		(453.71)

Cash Flow from Financing Activities								
Repayment of Long Term Borrowings	(211.65)		(730.57)		(978.51)		(213.91)	
Proceeds from Long Term Borrowings	410.07		1,238.43		336.50		941.00	
Increase/ (Decrease) in Cash Credit facility & other borrowings	-		(264.62)		353.77		(590.20)	

Proceeds from issuance of equity share capital	(250.49)		-		40.00		-	
Interest paid	(211.65)		(583.80)		(499.34)		(706.48)	
Net Cash from Financing Activities		(52.07)		(340.56)		(747.58)		(569.59)
		(895.93)		259.76		670.68		371.94
Cash and cash equivalents at the beginning of the year		1,690.06		1,430.30		759.62		387.68
Cash and cash equivalents at the end of the year		794.13		1,690.06		1,430.30		759.62
	30/09/2023		31/03/2023		31/03/2022		31/03/2021	
Cash and Cash Equivalents comprise: -								
Cash in hand		0.86		0.04		2.23		0.92
Bank Balances with Scheduled Banks:								
Current Account		793.27		1,690.02		1,428.07		758.70
		794.13		1,690.06		1,430.30		759.62

GENERAL INFORMATION**Brief Summary:**

Our Company was originally incorporated as a Private Limited Company under the name of “Megatherm Transmission & Distribution Private Limited” on October 22, 2010 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Kolkata, West Bengal. Further, pursuant to the special resolution passed by the shareholders in the Extra Ordinary General Meeting held on September 16, 2015 the name of our Company was changed from “Megatherm Transmission & Distribution Private Limited” to “Megatherm Induction Private Limited” and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Kolkata, West Bengal dated September 23, 2015. Subsequently, pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting, held on November 15, 2022, our Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Megatherm Induction Private Limited” to “Megatherm Induction Limited” vide a fresh certificate of incorporation dated December 20, 2022, issued by the Registrar of Companies, Kolkata, West Bengal.

For further details please refer to chapter titled “*History and Corporate Structure*” beginning on page 131 of this Red Herring Prospectus.

CIN	U31900WB2010PLC154236
Registration No.	154236
Date of Incorporation	October 22, 2010
Registered Office	Plot- L1 Block GP, Sector V, Electronics Complex, Salt lake City Kolkata-700091, West Bengal, India. Email: info@megatherm.com Tel. No.: + 91 33 4088 6200 Website: www.megatherm.com CIN: U31900WB2010PLC154236 Registration Number: 154236
Designated Stock Exchange	SME Platform of NSE “NSE EMERGE”
Listing of Shares offered in this Issue	SME Platform of NSE
Address of the Registrar of Companies:	Registrar of Companies, Kolkata Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C.B. Road, Kolkata - 700020, West Bengal, India Tel No: + 033-2287 7390 Fax No: + 033-22903795 Email id: roc.kolkata@mca.gov.in Website: www.mca.gov.in

Board of Directors:

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

Sr. No.	Name of Directors	Designation	Address	DIN
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1.	Shesadri Bhusan Chanda	Chairman & Managing Director	Megatherm Tower, 11th Floor, Plot L1, Block GP, Sector V, Salt Lake, Sech Bhawan, North 24 Parganas, West Bengal - 700091	00961593
2.	Satadri Chanda	Whole Time Director & CFO	Megatherm Tower, 11th Floor, Plot L1, Block GP, Sector V, Salt Lake, Sech Bhawan, North 24 Parganas, West Bengal - 700091	02302312
3.	Christina Paulchowdhury	Non-Executive Director	39, B.T. Road, Khardah (M), North 24 Paraganas, West Bengal 700116 India.	09257875
4.	Ankit Rathi	Independent Director	608, Balaji Heights Indralok Phase II, new Garden Nest Road near Gopal Darshan bldg., Bhainder east, Thane, Maharashtra – 401104, India	08456577

49

Megatherm Induction Limited

5.	Siddhartha Sen	Independent Director	Flat No- A-70, IIT Campus Kharagpur Technology West Midnapore Kharagpur, West Bengal 721302, India	09749054
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For further details in relation to our Directors, please refer to chapter titled “*Our Management*” on page 136 of this Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<p>Mr. Satadri Chanda Megatherm Induction Limited Address: Plot- L1 Block GP, Sector V, Electronics Complex, Salt lake City Kolkata-700091, West Bengal, India. Email: cfo@megatherm.com Tel. No.: + 91 33 4088 6200 Website: www.megatherm.com</p>	<p>Abanti Saha Basu Megatherm Induction Limited Address: Plot- L1 Block GP, Sector V, Electronics Complex, Salt lake City Kolkata-700091, West Bengal, India. Email: cs@megatherm.com Tel. No.: + 91 33 4088 6200 Website: www.megatherm.com</p>

Investor Grievances:

Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

All grievances relating to the issue other than the Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

Details of Key Intermediaries pertaining to this Issue and our Company:

Book Running Lead Manager to the Issue	Legal Advisor to the Issue
<p>Hem Securities Limited Address: 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India Tel No.: +91-22-4906 0000 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Mr. Sourabh Garg SEBI Reg. No.: INM000010981</p>	<p>M/S. M. V. Kini, Law Firm Kini House, 6/39 Jangpura-B, New Delhi – 110014, India Tel No.: +91 – 11 – 24371038/39/ 40 Fax No. +91 – 11 – 2437 9484 Email: corporatedelhi@mykini.com Website: www.mvkini.com Contact Person: Ms. Vidisha Krishan Designation - Partner</p>
Registrar to the Issue	Statutory Auditor
<p>Bigshare Services Private Limited Address: S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India.</p>	<p>M/s. MSKA & ASSOCIATES Chartered Accountants, Address: Floor 4, Duckback House 41, Shakespeare Sarani, Kolkata-700017,</p>

Megatherm Induction Limited

<p>Telephone: +91 22 6263 8200 Facsimile: +91 22 6263 8299 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Aniket Chindarkar SEBI Registration Number: MB/INR000001385 CIN: U99999MH1994PTC076534</p>	<p>West Bengal India. Tel: + 91 33 6766 1600 Website: www.mska.in Email: puneetagarwal@mska.in Contact Person: Mr. Puneet Agarwal FRN No. : 105047W Membership No.: 064824 Peer Review Certificate Number: 013267</p>
Bankers to our Company	Bankers to the Issue/ Refund Banker/Sponsor Bank*
<p>Indian Bank Address: MCB, Mission Raw Branch Contact Person : Sourav Dutta Mobile No: +91 8420770647 Email Id:- M716@indianbank.co.in Website: https://indianbank.co.in/</p>	<p>Axis Bank Limited Address: Thapae House, 25, Brabourne Road, Kolkata, 700001 Tel. No.: +91 8334846461 Email id:- Brabourneroad.branchhead@axisbank.com Contact Person:- C.K. Shankar Website: www.axisbank.com SEBI Registration Number: INBI00000017 CIN: L65110GJ1993PLC020769</p>
Syndicate Member	
<p>Hem Finlease Private Limited Address: 203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India Telephone: 0141-4051000 Email: ib@hemsecurities.com Website: www.hemsecurities.com Contact Person: Ashok Soni SEBI Registration Number: INZ000167734</p>	

Designated Intermediaries:

Self-Certified Syndicate Banks (SCSB's)

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>;

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism

are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

Syndicate SCSB Branches

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

Registered Brokers

51

Megatherm Induction Limited

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the Stock Exchange, at NSE at www.nseindia.com as updated from time to time

Registrar and Share Transfer Agents

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, as updated from time to time.

Collecting Depository Participants (CDP's)

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Experts Opinion

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this Red Herring Prospectus in relation to the (a) Peer review Auditors' reports on the restated Audited financial statements; and (b) Statement of Special Tax Benefits (c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Inter-se Allocation of Responsibilities

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

Monitoring Agency

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds Rs. 10,000 Lakhs. Hence, our Company is not required to appoint a monitoring agency in relation to the issue. However, Audit Committee of our Company will be monitoring the utilization of the Issue Proceeds.

Green Shoe Option

No Green Shoe Option is applicable for this Issue.

Appraising Entity

None of the objects for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution.

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Issue.

IPO Grading

52

Megatherm Induction Limited

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

Debenture Trustees

As this is an issue of Equity Shares, the appointment of Debenture trustees is not required.

Filing of Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus with the Designated Stock Exchange/SEBI/ROC

The Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus was not filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed to the RoC through the electronic portal at <http://www.mca.gov.in>.

Book Building Process

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standard and Kolkata Edition of Regional newspaper Ekdin where our registered office is situated at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue and;
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which

Megatherm Induction Limited

will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “**Issue Procedure**” beginning on page 254 of the Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “**Issue Procedure**” on page 254 of this Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process:

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “**Issue Procedure**” on page 254 of this Red Herring Prospectus.

Bid/ Issue Program:

Event	Indicative Dates
Bid/ Issue Opening Date	January 25, 2024
Bid/ Issue Closing Date	January 30, 2024
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about January 31, 2024

Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about February 01, 2024
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about February 01, 2024
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about February 02, 2024

⁽¹⁾ Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst

54

Megatherm Induction Limited

our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Underwriting

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter Hem Securities Limited in the capacity of Underwriter to the issue.

Pursuant to the terms of the Underwriting Agreement dated December 05, 2023 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (Rs. in Lakhs)	% of Total Issue Size Underwritten

Hem Securities Limited Address: - 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai 400013, India Tel No.: +91-22-4906 0000 Email: ib@hemsecurities.com Investor Grievance Email: redressal@hemsecurities.com Website: www.hemsecurities.com Contact Person: Rohit Sharma SEBI Registration Number: INM000010981	49,92,000	[●]	100%
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Megatherm Induction Limited

**Includes 2,50,800 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, Hem Finlease Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Statutory Auditor	Date of Change	Reason of Change
M/s. MSKA & Associates Address: Floor 4, Duckback House, 41, Shakespeare Sarani, Kolkata, West Bengal, India-700017. Tel: + 91 33 6766 1600 Website: www.mska.in Email: puneetagarwal@mska.in Contact Person: Mr. Puneet Agarwal FRN No. : 105047W Membership No.: 064824	November 30, 2021	Appointment of M/s. MSKA & Associates to ensure proper compliance.
M/s. Gupta Saharia & co. Address: Baidyanath Bhawan ,8E, Dacres Lane, 3rd Floor, Kolkata, West Bengal, India-700069 Tel: + 033-2213-1817 Email: peekay_64@yahoo.com Contact Person: Mr. Pawan Kumar Kedia FRN No. : 103446W Membership No.: 053567	November 30, 2021	Due to completion of tenure of 5 years

Withdrawal of the Offer

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the Filing of Red Herring Prospectus/ Prospectus with RoC.

Details of the Market Making arrangement for this Issue

Our Company has entered into a Market Making Agreement dated December 05, 2023 with the following Market Maker for fulfilling the Market Making obligations under this Issue:

Name	Hem Finlease Private Limited
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56

Megatherm Induction Limited

Correspondence Address:	203, Jaipur Tower, M I Road, Jaipur, Rajasthan 302001, India
Tel No.:	0141-4051000
E-mail:	ib@hemsecurities.com
Website:	www.hemsecurities.com
Contact Person:	Ashok Soni
SEBI Registration No.:	INZ000168034
Market Maker Registration No.	SMEREG2020090906741

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Book Running Lead Manager and the Market Maker (duly registered with NSE to fulfill the obligations of Market Making) dated December 05, 2023 to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

Hem Finlease Private Limited, registered with SME Platform of NSE (NSE EMERGE) will act as the Market Maker and has agreed to receive or deliver of the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by any amendment to SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by NSE and SEBI in this matter from time to time.

Following is a summary of the key details pertaining to the Market making arrangement:

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE (NSE EMERGE) and SEBI from time to time.
- The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (NSE EMERGE) (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him. There would not be more than five Market Makers for a scrip at any point of time and the Market Makers may compete with other

Market Makers for better quotes to the investors.

□ On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. □ The Market maker may also be present in the opening call auction, but there is no obligation on him to do so. □ There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non controllable reasons would be final

□ The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its

57

Megatherm Induction Limited

duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.

□ **Risk containment measures and monitoring for Market Makers:** Stock Exchange will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

□ **Punitive Action in case of default by Market Makers:** SME Platform of NSE (NSE EMERGE) will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

□ **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time

□ Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs.20 Crore	25%	24%
Rs.20 to Rs.50 Crore	20%	19%
Rs.50 to Rs.80 Crore	15%	14%
Above Rs.80 Crore	12%	11%

The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to Rs. 250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

S. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

58

Megatherm Induction Limited

CAPITAL STRUCTURE

Set forth below are the details of the Equity Shares Share Capital of our Company as on the date of this Red Herring Prospectus.

(Rs. in Lakhs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	Authorized Share Capital 1,90,00,000 Equity Shares having Face Value of Rs. 10/- each	1900.00	-
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue 1,38,48,729 Equity Shares having Face Value of Rs.10/- each	1384.87	-
C	Present Issue in terms of this Red Herring Prospectus* Upto 49,92,000 Equity Shares having Face Value of Rs. 10/-each at a Premium of Rs. [●] per share	499.20	[●]
	<i>Which comprises of:</i>		
D	Reservation for Market Maker Portion 2,50,800 Equity Shares of Rs.10/- each at a price of Rs.[●] per Equity Shares Share reserved as Market Maker Portion	25.08	[●]
E	Net Issue to Public Net Issue to Public of 47,41,200 Equity Shares of Rs.10/- each at a price of Rs.[●] per Equity Shares Share to the Public	474.12	[●]
	<i>Of which:</i>		
	i) At least 16,59,600 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	165.96	[●]
	ii) At least 7,11,600 Equity Shares aggregating upto Rs. [●] lakhs will be available for allocation to Non-Institutional Investor	711.60	[●]
	iii) Not more than 23,70,000 Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds	237.00	[●]
F	Issued, Subscribed and Paid up Equity Shares Share Capital after the Issue		

	1,88,40,729 Equity Shares of face value of Rs.10/- each	1884.07
G	Securities Premium Account	
	Before the Issue (as on date of this Red Herring Prospectus)	1241.69
	After the Issue	[•]

To be updated upon finalization of the Issue Price

**The Present Issue of upto 49,92,000 Equity Shares in terms of this Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated September 04, 2023 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on September 05, 2023.*

Allocation to all categories shall be made on a proportionate basis subject to valid Applications received. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

Classes of Shares:-

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

Notes to Capital Structure:

1. Changes in Authorized Equity Share Capital of our Company:

59

Megatherm Induction Limited

Sr. No.	Particulars of Changes	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (Rs. in lakhs)	Date of Shareholders' Meeting	Whether AGM/EGM
1.	Upon incorporation	1,00,000	10/-	10.00	On Incorporation	-
2.	Increase in Authorized Share Capital from Rs.10.00 Lakhs to Rs. 700.00 Lakhs	70,00,000	10/-	700.00	December 07, 2010	EGM
3.	Increase in Authorized Share Capital from Rs. 700.00 Lakhs to Rs. 1000.00 Lakhs	1,00,00,000	10/-	1000.00	January 10, 2014	EGM
4.	Increase in Authorized Share Capital from Rs. 1000.00 Lakhs to Rs. 1500.00 Lakhs	1,50,00,000	10/-	1500.00	January 02, 2023	EGM
5.	Increase in Authorized Share Capital from Rs. 1500.00 Lakhs to Rs. 1900.00 Lakhs	1,90,00,000	10/-	1900.00	July 12, 2023	EGM

2. Share Capital History of our Company:

a) Equity Shares capital

The following table sets forth details of the history of the Equity Shares capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (including Premium if any) (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (Rs.)	Cumulative Paid up Capital (Rs.)
Upon Incorporation	10,000	10	10	Cash	Subscription to MOA ⁽ⁱ⁾	10,000	Nil	1,00,000
November 03, 2010	33,90,000	10	10	Cash	Right issue ⁽ⁱⁱ⁾	34,00,000	Nil	3,40,00,000
March 31, 2011	1,30,000	10	200	Cash	Right issue ⁽ⁱⁱⁱ⁾	35,30,000	247,00,000	3,53,00,000
March 25, 2016	13,22,422	10	40	Other than Cash	Preferential allotment by way of conversion of unsecured loan into equity shares ^(iv)	48,52,422	6,43,72,660	4,85,24,220
March 25, 2017	30,22,535	10	23.27	Other than Cash	Preferential allotment by way of conversion of unsecured loan into equity shares ^(v)	78,74,957	10,44,81,705	7,87,49,570
March 31, 2018	12,57,529	10	23.27	Other than Cash	Preferential allotment by way of	91,32,486	12,11,69,115	9,13,24,860

Megatherm Induction Limited

					conversion of unsecured loan into equity shares ^(vi)			
November 10, 2021	1,00,000	10	40	Cash	Private placement ^(vii)	92,32,486	12,41,69,115	9,23,24,860

August 09, 2023	46,16,243	10	-	Other than Cash	Bonus issue in the ratio of 1:2 ^(viii)	1,38,48,729	12,41,69,11 5	13,84,87,29 0
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All the above mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to the Memorandum of Association subscribed 10,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Equity Shares Subscribed
1.	Shesadri Bhusan Chanda	5,000
2.	Ayati Chanda	2,500
3.	Satadri Chanda	2,500
	Total	10,000

(ii) Right Issue of 33,90,000 Equity Shares of Face Value of Rs. 10/- each as per the details given below:

Sr. No.	Name of Allottees	Number of Equity Shares Allotted
1.	Megatherm Electronics Private Limited	33,90,000
	Total	33,90,000

(iii) Right Issue of 1,30,000 Equity Shares of Face Value of Rs. 10/- each at a premium of Rs. 190/- each as per the details given below:

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Wellworth Merchants Private Limited	5,000
2.	Millenium Vincorn Private Limited	10,000
3.	Mount View Commodities Private Limited	5,000
4.	Sofra Vinimay Private Limited	5,000
5.	Newway Parivahan Private Limited	12,500
6.	Ramesh Mercantile Private Limited	17,500
7.	Pratius Commercials Private Limited	7,500
8.	Prechha Commercials Private Limited	12,500
9.	Srija Chemo Private Limited	5,000
10.	Shri Mahasati Investments Limited	7,500
11.	Sharda Smelters Private Limited	7,500
12.	Ishan Tie Up Private Limited	5,000
13.	Sigma vintrade Private Limited	5,000
14.	Panghat Commercial Private Limited	6,500

15.	Chancellor Commoddeal Private Limited	5,000
16.	Multiplus Resources Limited	6,000
17.	Shri Sati Finvest Private Limited	7,500
	Total	1,30,000

(iv) Pursuant to the conversion of the unsecured loan into the Equity shares, the Company issued and allotted 13,22,422 Equity Shares of Face Value of Rs. 10/- each at a premium of Rs. 30/- each as per the details given below:

61

Megatherm Induction Limited

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Megatherm Electronics Private Limited	13,22,422
	Total	13,22,422

(v) Pursuant to the conversion of the unsecured loan into the Equity shares, the Company issued and allotted 30,22,535 Equity Shares of Face Value of Rs. 10/- each at a premium of Rs. 13.27/- each as per the details given below:

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Megatherm Electronics Private Limited	30,22,535
	Total	30,22,535

(vi) Pursuant to the conversion of the unsecured loan into the Equity shares, the Company issued and allotted 12,57,529 Equity Shares of Face Value of Rs. 10/- each at a premium of Rs. 13.27/- each as per the details given below:

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Megatherm Electronics Private Limited	12,57,529
	Total	12,57,529

(vii) Details of the Private placement of 1,00,000 Equity Shares of Face value of Rs. 10/- each at a premium of Rs. 30/- each as per the details given below:

Sr. No.	Name of Allottee	Number of Equity Shares Allotted
1.	Vikas Vershneya	1,00,000
	Total	1,00,000

(viii) Bonus Issue of 46,16,243 Equity Shares of Face Value of Rs. 10/- each fully paid up in the ratio of 1 (One) equity shares for every 2 (Two) equity shares held on the record date i.e. August 09, 2023 as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares Allotted
1.	Shesadri Bhushan Chanda	2,500
2.	Ayati Chanda	1,250

3.	Satadri Chanda	1,200
4.	Megatherm Electronics Private Limited	45,61,243
5.	Vikas Vershneya	50,000
6.	Christina Paul Chowdhury	25
7.	Aaditeya Datta	25
	Total	46,16,243

All the above-mentioned shares are fully paid up since the date of allotment.

b) Preference Share Capital:

As on the date of this Red Herring Prospectus, our Company does not have any Preference Share Capital

3. Details of Allotment made in the last two years preceding the date of Red Herring Prospectus

Except as mentioned in point 2 a (vii), (viii) above, we have not issued any Equity Share in the last two years preceding the date of Red Herring Prospectus.

4. Issue of Equity Shares for consideration other than cash:

Except as set out below, we have not issued Equity Shares for consideration other than cash:

Megatherm Induction Limited

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Allotment	Benefits Accrued to our Company	Name of Allottee	No. of Shares Allotted
March 25, 2016	13,22,422	10	40	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	13,22,422
March 25, 2017	30,22,535	10	23.27	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	30,22,535
March 31, 2018	12,57,529	10	23.27	Conversion of unsecured loan into Equity Shares	Reduction in Debt component of the Company	Megatherm Electronics Private Limited	12,57,529
August 09, 2023	46,16,243	10	-	Bonus in the ratio of 1:2 i.e. 1 Equity Share for every 2 Equity Shares held	*Capitalization of Reserves & Surplus	Shesadri Bhusan Chanda	2,500
						Ayati Chanda	1,250
						Satadri Chanda	1,200
						Megatherm Electronics Private	45,61,243

						Limited	
						Vikas Vershneya	50,000
						Christina Paul Chowdhary	25
						Aaditeya Datta	25

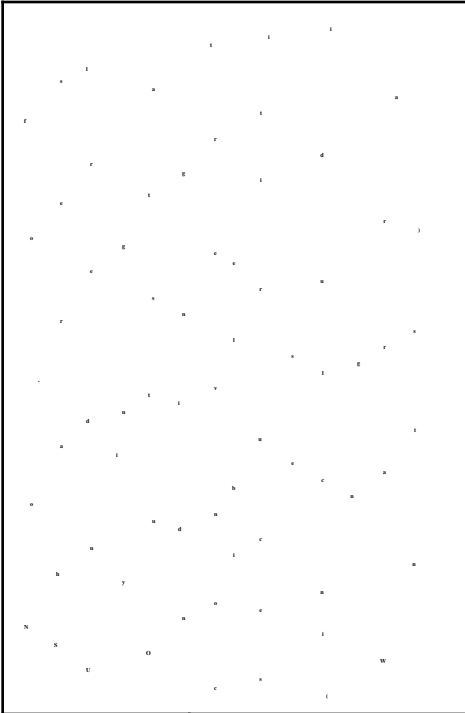
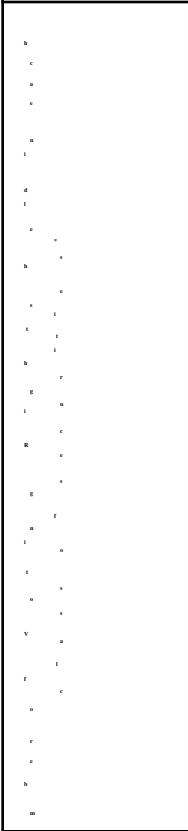
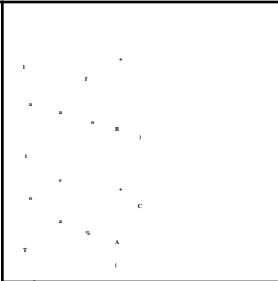





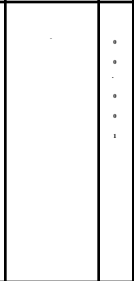
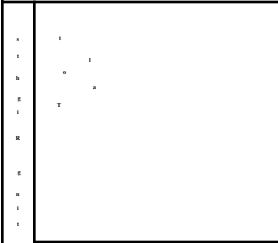




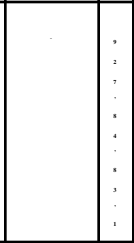
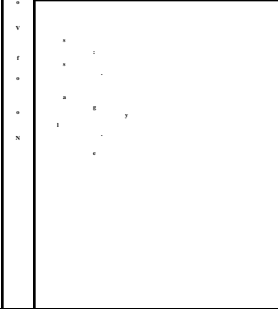




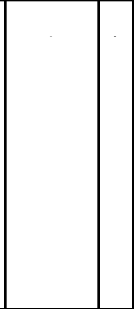
**Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose*

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.
6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for the Bonus Issue made on August 09, 2023 for 46,16,243 Equity Share as mentioned in point No. 3 above no Equity Shares have been issued at price below the Issue price within last one year from the date of the Red Herring Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

9. Shareholding Pattern of the Company

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Red Herring Prospectus:

.....

<p>1</p>	<p>2</p>		<p>3</p>	<p>4</p>	<p>5</p>	<p>6</p>	<p>7</p>
<p>8</p>		<p>9</p>	<p>10</p>	<p>11</p>	<p>12</p>	<p>13</p>	<p>14</p>
<p>15</p>		<p>16</p>	<p>17</p>	<p>18</p>	<p>19</p>	<p>20</p>	<p>21</p>
<p>22</p>		<p>23</p>	<p>24</p>	<p>25</p>	<p>26</p>	<p>27</p>	<p>28</p>
<p>29</p>		<p>30</p>	<p>31</p>	<p>32</p>	<p>33</p>	<p>34</p>	<p>35</p>

	Y	X	0	-	-	Y
	Y	X	1	-	-	Y
	Y	X	1	-	-	Y
	Y	X	1	-	-	Y

Megatherm Induction Limited

10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-

a) As on the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Megatherm Electronics Private Limited	1,36,83,729	98.81
2.	Vikas Vershneya	1,50,000	1.08
	Total	1,38,33,729	99.89

b) Ten days prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Megatherm Electronics Private Limited	1,36,83,729	98.81
2.	Vikas Vershneya	1,50,000	1.08
	Total	1,38,33,729	99.89

c) One Year prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Equity Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
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1.	Megatherm Electronics Private Limited	91,22,486	98.81
2.	Vikas Vershneya	1,00,000	1.08
	Total	92,22,486	99.89

**Details of shares held on January 18, 2023 and percentage held has been calculated based on the paid up capital of our Company as on January 18, 2023.*

d) Two Years prior to the date of filing of this Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Megatherm Electronics Private Limited	91,22,486	99.89
	Total	91,22,486	99.89

**Details of shares held on January 18, 2022 and percentage held has been calculated based on the paid up capital of our Company as on January 18, 2022.*

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

65

Megatherm Induction Limited

13. Capital Buildup in respect of Shareholding of our Promoters

As on the date of this Red Herring Prospectus, Our Promoters, Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and M/s Megatherm Electronics Private Limited, collectively hold 1,36,94,829 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and paid up/ Transfer	No. of Equity Shares	Face Value Per Share (Rs.)	Issue/ Acquisition/ Transfer Price (Rs.)	Consideration	Nature of Acquisition	Pre-Issue Shareholding % (adjusted as per face value)	Post-Issue Shareholding % (adjusted as per face value)
(A) Mr. Shesadri Bhusan Chanda							
On Incorporation	5,000	10	10	Cash	On Incorporation	0.05%	0.03%
August 09, 2023	2,500	10	-	Other than	Bonus Issue in the ratio of 1:2	0.02%	0.01%

				Cash			
Total (A)	7,500					0.07%	0.04%
(B) Mr. Satadri Chanda							
On Incorporation	2,500	10	10	Cash	On Incorporation	0.03%	0.01%
November 14, 2022	(50)	10	-	Other than Cash	Transfer by way of Gift ^(a)	0.00%	0.00%
November 14, 2022	(50)	10	40	Cash	Transfer of Share ^(b)	0.00%	0.00%
August 09, 2023	1,200	10	-	Other than Cash	Bonus Issue in the ratio of 1:2	0.01	0.01%
Total (B)	3,600					0.04%	0.02%
(C) Megatherm Electronics Private Limited *							
November 03, 2010	33,90,000	10	10	Cash	Right Issue	36.72%	17.99%
December 07, 2010**	(1,70,000)	10	10	Cash	Transfer of Share ^(c)	(1.84)%	(0.90)%
March 29, 2013**	1,30,000	10	17	Cash	Acquisition by way of Share Transfer ^(d)	1.41%	0.69%
March 31, 2014**	1,70,000	10	9.05	Cash	Acquisition by way of Share Transfer ^(e)	1.84%	0.90%
March 25, 2016	13,22,422	10	40	Cash	Conversion of unsecured loan into Equity Shares	14.32%	7.02%
March 25, 2017	30,22,535	10	23.27	Cash	Conversion of unsecured loan into Equity Shares	32.73%	16.04%
March 31, 2018	12,57,529	10	23.27	Cash	Conversion of unsecured loan into Equity Shares	13.62%	6.67%
August 09, 2023	45,61,243	10	-	Other than Cash	Bonus Issue in the ratio of 1:2	32.93%	24.21%
Total (C)	1,36,83,729					98.81%	72.63%
Grand Total (A+B+C)	1,36,94,829					98.89%	72.68%

Note: *As on date of the Red Herring Prospectus, one of our Promoter, Megatherm Electronics Private Limited have pledged 30,00,000 Equity Shares respectively, representing 2.17% of the outstanding paid up share capital of our Company, in favour of Indian Bank in relation to a loan availed by our Company. As of the date of this Red Herring Prospectus, except as disclosed above, none of the Equity Shares held by our Promoters are pledged or are otherwise encumbered.

** the share transfer deed in respect to transfer of shares of our Company are not traceable. Accordingly, we have relied on the other corporate records maintained by the Company such as statutory registers and forms filed with RoC.

a) Details of acquisition by Adrived Chanda (minor) (Son of Satadri Chanda) by way of gift of 50 Equity Shares dated November 14, 2022.

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	November 14, 2022	Satadri Chanda	50
		Total	50

b) Details of acquisition by Mr. Christina Paul Chowdhury by way of transfer of 50 Equity Shares dated November 14, 2022.

Sr. No.	Date of Transfer	Name of Transferee	No. of Shares Transferred
1.	November 14, 2022	Satadri Chanda	50
		Total	50

c) Details of sale of Shares by Megatherm Electronics Private Limited of 1,70,000 Equity Shares dated December 07, 2010.

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	December 07, 2010	Shetty Manjaya Shrawan	1,70,000
		Total	1,70,000

d) Details of Acquisition by Megatherm Electronics Private Limited by way of transfer of 1,30,000 Equity Shares dated March 29, 2013

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 29, 2013	Wellworth Merchants Private Limited	5,000
2.	March 29, 2013	Millenium Vincorn Private Limited	10,000
3.	March 29, 2013	Mount View Commodities Private Limited	5,000
4.	March 29, 2013	Sofra Vinimay Private Limited	5,000
5.	March 29, 2013	Newway Parivahan Private Limited	12,500
6.	March 29, 2013	Ramesh Mercantile Private Limited	17,500
7.	March 29, 2013	Pratius Commercials Private Limited	7,500
8.	March 29, 2013	Prechha Commercials Private Limited	12,500
9.	March 29, 2013	Srija Chemo Private Limited	5,000

10.	March 29, 2013	Shri Mahasati Investments Limited	7,500
11.	March 29, 2013	Sharda Smelters Private Limited	7,500
12.	March 29, 2013	Ishan Tie Up Private Limited	5,000
13.	March 29, 2013	Sigma Vintrade Private Limited	5,000
14.	March 29, 2013	Panghat Commercial Private Limited	6,500
15.	March 29, 2013	Chancellor Commoddeal Private Limited	5,000
16.	March 29, 2013	Multiplus Resources Limited	6,000
17.	March 29, 2013	Shri Sati Finvest Private Limited	7,500
		Total	1,30,000

Megatherm Induction Limited

e) Details of Acquisition by Megatherm Electronics Private Limited by way of transfer of 1,70,000 Equity Shares dated March 31, 2014

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares Transferred
1.	March 31, 2014	Shetty Manjaya Shrawan	1,70,000
		Total	1,70,000

14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
1.	Satadri Chanda	3,600	6.67
2.	Shesadri Bhusan Chanda	7,500	6.39
3.	Megatherm Electronics Private Limited	1,36,83,729	13.77

15. Shareholding of Promoters & Promoters Group

Following are the details of pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	Promoters				
1.	Mr. Shesadri Chanda Bhusan	7,500	0.05	7,500	0.04
2.	Mr. Satadri Chanda	3,600	0.03	3,600	0.02
3.	Megatherm Electronics Private Limited	1,36,83,729	98.81	1,36,83,729	72.63
	Sub Total (A)	1,36,94,829	98.89	1,36,94,829	72.69

	Promoters Group				
4.	Ayati Chanda	3,750	0.03	3,750	0.02
5.	Christina Paul Chowdhury	75	0.00	75	0.00
6.	Aaditeya Datta	75	0.00	75	0.00
	Sub Total (B)	3900	0.03	3900	0.02
	Grand Total (A+B)	1,36,98,729	98.92	1,36,98,729	72.71

16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoter and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Red Herring Prospectus.

Date of Allotment/ Transfer	Name of Shareholders	No. of Equity Share	% of Pre issue Capital	Subscribed/ Acquire/ Transfer	Category of Allotees (Promoter/ Promoter Group/ Director)
August 09, 2023	Satadri Chanda	1200	0.00	Bonus Issue 1:2	Promoter & Director
August 09, 2023	Shesadri Bhusan Chanda	2500	0.01	Bonus Issue 1:2	Promoter & Director
August 09, 2023	Ayati Chanda	1250	0.01	Bonus Issue 1:2	Promoter group
August 09, 2023	Christina Paul Chowdhury	25	0.00	Bonus Issue 1:2	Promoter group & Director
August 09, 2023	Aaditeya Datta	25	0.00	Bonus Issue 1:2	Promoter Group

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Red Herring Prospectus.

18. Details of Promoters' Contribution Locked-in for Three Years

68

Megatherm Induction Limited

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity Shares issued pursuant to this Issue. The lock-in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters collectively hold 1,36,94,829 Equity Shares constituting 98.89% of the Post – Issued, subscribed and paid up Equity Shares Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoter, Megatherm Electronics Private Limited, have given written consent to include 38,20,000 Equity Shares held by them as part of Promoters Contribution constituting 20.28% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in*	Face Value Per Share (Rs.)#	Issue/ Acquisition/ Transfer Price (Rs.) #	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Megatherm Electronics Private Limited						
March 31, 2018	8,20,000	10	-	Conversion of unsecured loan into Equity Shares	4.35%	3 years
August 09, 2023	30,00,000	10	-	Bonus Issue	15.92%	3 years
Total	38,20,000				20.28%	

*Assuming full subscription to the Issue.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as **"Promoter"** under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations, 2018 and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations, 2018 i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1)(a)(i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible
237(1)(a)(ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible
237(1)(b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. Hence Eligible.

Megatherm Induction Limited

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
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237(1)(c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
237 (1)(d)	Specified securities pledged with any creditor.	Our Promoters have not included any shares which are pledged with any creditors. accordingly, the minimum promoter's contribution does not consist of such equity shares. <u>Hence Eligible.</u>

Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue Equity Shares share capital constituting 1,00,28,729 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018 the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
 2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
 3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
20. As on the date of this Red Herring Prospectus, the entire Issued, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity Shares.

21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Red Herring Prospectus.
22. As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option

23. We have 7 (seven) shareholders as on the date of filing of this Red Herring Prospectus.
24. As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Issue.
26. As on the date of this Red Herring Prospectus, one of our Promoter, Megatherm Electronics Private Limited have pledged 30,00,000 Equity Shares respectively, representing 2.17% of the outstanding paid up share capital of our Company, in favour of Indian Bank in relation to a loan availed by our Company.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
28. An over-subscription to the extent of 1% of the Issue, subject to the maximum post issue paid up capital of Rs. 25 Crore can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public issue.
34. As per RBI regulations, OCBs are not allowed to participate in this issue.
35. Our Promoters and Promoter Group will not participate in this Issue.
36. This Issue is being made through Book Building process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Shares Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

39. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Prospectus with the Registrar of companies and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

Megatherm Induction Limited

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 49,92,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:-

1. Funding capital expenditure towards construction of factory shed and installation of additional plant and machinery.;
2. To meet Working Capital requirements
3. General Corporate Purpose

(Collectively referred as the “Objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE (NSE EMERGE). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our company is engaged in the business of manufacturing of induction heating and melting products like induction melting furnace,

electric arc furnace, ladle refining furnace along with induction furnace support structure, furnace frame assembly, crucibles etc. and transformers with different capacity which can be used for power distribution or used for industrial purpose. We are also engaged in the business of setting up of steel melting shops (steel making setup) on turnkey basis and maintenance of the equipment installed by our company. The induction furnace manufactured by us are used by various ferrous and non-ferrous foundries for their metal melting, metal heating and metal hardening processes etc. The transformer manufactured by our company are used in different industries like steel and metal industry, locomotive industry and power distribution sector.

Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Amt (Rs. in Lacs)
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue ⁽¹⁾	[●]
Net Proceeds	[●]

⁽¹⁾ To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

Sr. No	Particulars	Amt (Rs. in Lacs)
1.	Funding capital expenditure towards construction of factory shed and installation of additional plant and machinery	1490.37
2.	To meet Working Capital requirements	2600.00
3.	General Corporate Purpose**	[●]
	Total	[●]

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

Means of Finance

We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Sr. No	Particulars	Amt (Rs. in Lacs)
1.	Net Issue Proceeds	[●]
	Total	[●]

Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilisation of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in “Objects of the Issue – Variation in Objects” on page 81. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “**Risk Factors**” beginning on page 25 of this Red Herring Prospectus.

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Funding capital expenditure towards construction of factory shed and installation of additional plant and machinery.

As on the date of this Red Herring Prospectus, Our Company operates from our manufacturing facility located at Plot H 1 & H-3/2 Vidyasagar Industrial Park, Village: Rupnarayanpur, Post: Jakpur, Kharagpur – 721301 where we undertake the manufacturing of induction heating and melting products like induction melting furnace, electric arc furnace, ladle refining furnace along with induction furnace support structure, furnace frame assembly, crucibles etc. We propose to expand the existing plant and machinery and further set-up new factory shed at the existing manufacturing facility which will be equipped with machines like winding machine, copper annealing furnace, cranes, oil tank, paint booth etc. with a project cost of Rs. 1596.08 lakhs. We have already placed order for machineries amounting to Rs. 261.45 lakhs and have paid an advance amounting to Rs. 105.71 lakhs representing 16.38% of our total proposed expenditure. By undertaking the proposed expansion our company will be able to gain the benefits of increase in capacity and sales by reducing the processing time, cost reduction and focus on export market due to technical upgradation. We intend to utilize a portion of the net proceeds of Rs. 1490.37 lakhs for funding capital expenditure towards construction of factory shed and installation of additional plant and machinery.

Estimated costs -

S. No	Machinery details	Part name	Qty.	PO details	Amt. (in Lakhs)
1.	S& L Bending Tool with HPP, control panel and Hose pipe and accessories	Formertron Engg. (I) Pvt. Ltd.	1	Purchase order dated September 11, 2023	3.40
2.	TRX Oil Tank	Sriti Udyog	1	Purchase order dated June 12, 2023	7.08
3	Annealing Furnace with accessories of Size -LxWxH-5 x 4 x5 Meter Max Temp 150 degree C	Maxzen	1	Purchase order dated September 21, 2023	35.78

4.	Anealing Furnace with accessories of Size -LxWxH-11.3 x 1.4 x1.2 Meter Max Temp 900 degree C		1		27.17
5.	EOT Cranes 2 MT -20 mtrs	Cranemen Services	1	Purchase order dated September 21, 2023	8.26
6.	EOT Cranes 2 MT -10 mtrs		1		5.02
7.	Oxygen & LPG Line	National Corporation	1	Purchase order dated July 21, 2023	8.80
8.	Double Column Semi-Automatic Horizontal Bandsaw Machine	Bhavya Machine Tools	1	Purchase order dated September 21, 2023	7.38
9.	Cut to Length Machine – straightening unit and its assembly parts	K K Machineries Pvt Ltd	1	Purchase order dated September 21, 2023	13.45
10.	Polishing machine and Rockwell superficial hardness Testing machines	Canan Testing Services	1	Purchase order dated May 17, 2023 and July 17, 2023	1.95
11.	Hydraulic Press Brake	Nugen Machineries Limited	1	Purchase order dated August 17, 2023	20.94
12.	Multiphysics design software	Comsol Multiphysics Pvt. Ltd	1	Purchase order dated July 25, 2023	21.92
13.	Refractory Oven 100KW	Maxzen	1	Purchase order dated September 25, 2023	11.80
14.	EOT Cranes 40 MT-14.5 mtrs	Maxzen	1		53.10
15.	EOT Cranes 5 MT -14.5 mtrs	Maxzen	2		35.40
Total estimated cost					261.45
Less – Advance already paid					105.71
Amount proposed to be funded for orders already placed					155.74

Details of the quotations for expansion –

S. No	Machinery details	Part name	Qty.	Quotation details	Amt. (in Lakhs)
1	Vacuum Drying Plant job loading trolley – 60 tons including erecting and commissioning charges	Savas Engineering Company Pvt. Ltd.	1	Quotation dated 15.01.2024 valid for 30 days	192.28
2	Vertical Winding Machine - Pitless Type (5 tons overfloor type)	Formertron Engg. (I) Pvt. Ltd.	1	Quotation dated 02.01.2024	67.26
3	Plano Miller Machine Complete with Electricals	Sagar Machinery	1	Quotation dated 10.01.2024 valid for 8 weeks	68.63

4.	Paint Booth ^(f)	Luoyang Best Import and Export Co., Ltd	3	Quotation dated 09.01.2024	38.89
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75

Megatherm Induction Limited

5	Trimans Hydraulic Shearing Machine	Nugen Machineries Limited	1	Quotation dated 08.01.2024 valid for 8 weeks	22.39
6	EOT Cranes 6.3 MT -10 mtrs	GH Cranes India Private Limited	1	Quotation dated 05.01.2024 valid for 2 months	21.24
7	Software for HAAS Machines	Phillips Machinery Tools India Pvt. Ltd.	1	Quotation dated 03.01.2024 valid for 60 days	2.95
8	Nilkamal storage rack	Nilkamal Limited	1	Quotation dated 09.01.2024 valid for 60 days	7.67
9	Complete shed building area 43000 sq. ft. including basic building, steel work and civil work	Maxzen	43000 sq. fts	Quotation dated 12.01.2024 valid for 45 days	913.32
Total estimated cost					1334.63
Total amount proposed to be funded from IPO					1490.37

Notes:

- a) We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
- b) All quotations received from the vendors mentioned above are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/equipment's or at the same costs.
- c) The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of machinery or vendor or addition/deletion of any machinery) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment's or utilities, as required for manufacturing. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment's and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- d) We are not acquiring any second hand machinery.
- e) The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost.
- f) 1USD = 83.26INR (Source – www.xe.com)

Further, cost can be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty etc. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals. All amounts are inclusive of taxes.

2. To meet the Working Capital Requirement:

We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital. The funding of the incremental working capital requirements will lead to a consequent increase in our profitability, ability to utilize internal accruals for growth opportunities and achieving the proposed targets as per our business plan.

The Company wants to increase the market share of its after sales spare parts business in both domestic & export market. However timely availability of spare parts is crucial for customers to reduce downtime of plant. As the customers are geographically dispersed, the urgency often drives them to source from local small time vendors / traders even at the cost of quality. The company is committing additional working capital in critical raw material stock, so as to drastically reduce spare parts processing time. To further improve

Megatherm Induction Limited

profitability the company is planning to maintain the creditor days and negotiate better prices. This too will increase the working capital requirement.

Our Company proposes to utilize Rs. 2600 lakhs of the Net Proceeds in Fiscal 2024 towards our Company's working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed and internal accruals. The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same are mentioned below:

The below table sets forth the details of the holding period:

(Rs. In Lacs)

Sr. No.	Particulars	Actual			Estimated
		31-March-2021	31-March-2022	31-March-2023	31-March-2024
I	Current Assets				
	Inventories	5,336.69	6,851.11	7,109.34	9646.96
	Trade receivables	2,462.34	2,508.25	2,322.00	2984.38
	Cash and Cash Equivalentents	759.62	1,430.30	1,690.06	804.20
	Other bank balances	228.35	374.41	412.44	900.00
	Short-term loans and advances	1,376.89	1,677.22	843.67	1011.76
	Other current assets	21.91	62.03	22.49	100.00
	Total(A)	10,185.80	12,903.32	12,400.00	15447.30
II	Current Liabilities				
	Trade payables	2,896.43	3,748.87	4,127.28	5026.27
	Other current liabilities	3,386.94	5,303.02	5,117.97	3080.00
	Short-term provisions	106.94	117.76	163.00	170.00
	Total (B)	6,390.31	9,169.65	9,408.25	8276.27
III	Total Working Capital Gap (A-B)	3,795.49	3,733.67	2,991.75	7171.03
IV	Funding Pattern				
	Borrowings	3795.49	3733.67	2991.75	4571.03
	Internal accruals				
	IPO Proceeds				2600.00

*As per the certificate dated September 27, 2023 issued by M/s. Jaipuria & Associates, Chartered Accountants.

Key assumptions for working capital projections made by Our Company:**(Rs. in Lakhs)**

Particulars	31-03-2021	31-03-2022	31-03-2023	31-03-2024
Debtors (in days)	82	49	32	35
Creditors (in days)	133	82	74	75
Inventories (in days)	256	166	129	159

Justification:

Sr. No.	Particulars
Debtors	Our Company's general credit terms vary across type of customers. We expect our Debtors holdings to be around 35 days for FY 2023-24, as compared to 32 days in FY 2022-23 & 49 days in FY 2021-22 and 82 days in FY 2020-21. In order to increase the turnover, we expect to maintain the debtors collection period in the range of 32 days to 35 days.
Creditors	Our Creditors payments days for the FY 2020-21 were 133 days, for FY 2021-22 were 82 days and for FY 2022-23 were 74 days and we expect to maintain it at around 75 days for FY 2023-24.
Inventories	Inventory levels are maintained by our Company depending upon the demand and delivery schedules. We have assumed Inventories turnover days to be around 159 days for FY 2023-24 as compared to 129 days in FY 2022-23. 166 days in FY 2021-22 and 256 days in FY 2020-21. Our inventories are significant and are