

INDEPENDENT AUDITOR'S REPORT

To THE MEMBERS OF
MEGATHERM INDUCTION PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statement of **MEGATHERM INDUCTION PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no reportable key Audit Matter for the year under audit.



ANNEXURE "A" REFERRED TO IN CLAUSE 1 TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION PRIVATE LIMITED FOR THE YEAR ENDED 31.03.2019

1. a)The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b)As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.

c)As explained, no discrepancy was noticed on such verification.
2. As explained to us, inventories were physically verified by the management at reasonable intervals and no material discrepancy was noticed on such verification.
3. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the act. Accordingly clauses 3(a) to (c) of the order are not applicable.
4. According to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable. Hence clause 3(iv) is not applicable.
5. The Company has not accepted any deposit from public.
6. In our opinion and according to the information and explanations given to us, the provisions of maintenance of cost records does not apply to the Company. Accordingly the provision of clause (vi) are not applicable to the company.
7. a) In our opinion and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods & service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to appropriate authorities. However there was outstanding of Rs.11.19 lacs in



respect of dues which were outstanding for more than 6 months as on 31st March, 2019.

- b) According to the information and explanations given to us and as per books and records examined by us, there are no dues of Custom Duty, Excise Duty, Service Tax, Sales Tax/Value added Tax, Goods & Service Tax, and Income Tax, which were unpaid as at the end of the financial year owing to disputes.
8. The company has not defaulted in repayment of loans or borrowings to any bank. No loan has been availed from any financial institution or Government. No fund has been raised by way of issue of debenture.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, and based on our examination of books and records the term loans raised by the company have been applied for the purpose for which they were obtained.
10. According to the information and explanations given to us, no fraud on or by company was noticed or reported during the course of our audit.
11. The Company has not paid or provided any managerial remuneration and hence clause (xi) of the order is not applicable.
12. The company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly the provision of clause (xii) of the Order is not applicable to the company.
13. In our opinion and according to the explanations given to us, the related party transactions are in compliance with sections 177 and 188 of the Companies Act'2013. The details of such transactions have been disclosed in the notes to financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the order are not applicable to the company.
15. As explained, The company has not entered into any non cash transaction with it's directors or persons connected with them. Accordingly, the provisions of clause (xv) of the order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934. Accordingly, the provisions of clause (xvi) of the order are not applicable to the company.

**For GUPTA SAHARIA & CO.
Chartered Accountants
Firm Registration No.103446W**


**(CA P. K. KEDIA)
Partner**

Membership No.053567

**Place: Kolkata
Date : 14.06.2019**



"ANNEXURE "B" REFERED IN CLAUSE 2(f) TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION PRIVATE LIMITED FOR THE YEAR ENDED 31.03.2019

We have audited the internal financial control over financial reporting of the company as of 31st March 2019 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering essential components on internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls over financial reporting.



Management's Responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



Report on Other Legal and Regulatory Requirements.

1. As required by the companies (Auditors Report) Order 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act. We give in the Annexure "A" a statement on the matters specified in paragraph 3 of the order.
2. As required by Section 143(3) of the Act. we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid statements comply with accounting standards referred to in Section 133 of the Act, read with Rule 7 of the Companies Accounts Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March 2019 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For GUPTA SAHARIA & Co.
Chartered Accountants
Firm Registration No.103446W


(CA P. K. Kedia)

Partner

Membership No.053567

Place : Kolkata

Date : 14.06.2019



	Note No.	31 March 2019	31 March 2018
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	913.25	913.25
(b) Reserves and surplus	4	1,779.12	1,375.03
		<u>2,692.37</u>	<u>2,288.28</u>
2) Non-current liabilities			
(a) Long-term borrowings	5	2,336.06	2,023.38
(b) Other Long-term Payables	6	676.15	-
(c) Deferred tax liabilities (net)	7	138.36	-
		<u>3,150.57</u>	<u>2,023.38</u>
3) Current liabilities			
(a) Short-term borrowings	8	906.09	906.66
(b) Trade payables	9		
- for Capital Goods		30.59	234.69
- for Other Goods & Services		2,390.22	2,140.07
(c) Other current liabilities & Provisions	10	1,173.07	637.39
		<u>4,499.97</u>	<u>3,918.81</u>
TOTAL		<u><u>10,342.91</u></u>	<u><u>8,230.46</u></u>
II. ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible fixed assets	11	4,328.23	4,254.94
(ii) Capital work-in-progress		19.42	-
		<u>4,347.65</u>	<u>4,254.94</u>
(b) Deferred tax assets (net)	12	-	9.63
(c) Long-term loans and advances	13	5.38	36.86
		<u>4,353.03</u>	<u>4,301.42</u>
2) Current assets			
(a) Inventories	14	3,892.92	2,036.69
(b) Trade receivables	15	887.39	1,042.85
(c) Cash and bank balances	16	275.14	231.05
(d) Short-term loans and advances	17	917.77	614.03
(e) Other current assets	18	16.66	4.42
		<u>5,989.88</u>	<u>3,929.04</u>
TOTAL		<u><u>10,342.91</u></u>	<u><u>8,230.46</u></u>
Significant accounting policies	2		
Notes to financial statements	1 to 25		
The notes referred to above form an integral part of the financial statements			

For Gupta Saharia & Co
Chartered Accountants
Firm registration No 103446W


(P.K. Kedia)
Partner
Membership No :053567



Place : Kolkata
Date:14.06.2019

For and on behalf of the Board of Directors of
Megatherm Induction Private Limited
CIN : U31900WB2010PTC154236


(Shesadri Bhusan Chanda)
Managing Director
DIN: 00961593


(Satadri Chanda)
Director
DIN: 02302312


(Nisha Bhopalka)
Company Secretary
Membership No:- 57866

	Note No.	31 March 2019	31 March 2018
I. Revenue from operations			
Sale of products (gross)	19	10,792.69	3,833.32
Sale of products (net)		10,792.69	3,833.32
Sale of Services		16.72	5.18
Other operating revenue		23.54	2.72
Total revenue from operations		10,832.95	3,841.22
II. Other Income	20	17.76	6.69
III. Total revenue (I + II)		10,850.71	3,847.91
IV. Expenses			
Cost of materials consumed	21	9,954.59	3,540.84
Changes in inventories of finished goods and work-in-progress	22	(1,265.12)	(336.88)
Employee benefits expense	23	263.98	66.64
Finance costs	24	497.00	209.04
Depreciation and amortisation expense	11	181.13	81.78
Other expenses	25	667.05	132.78
Total expenses		10,298.63	3,694.20
V. Profit / (Loss) before tax		552.08	153.71
VI. Tax expenses			
Current tax		114.36	32.51
MAT credit (entitlement)/reversal		(114.36)	(32.51)
Deferred tax charge/(credit)		148.00	(9.63)
Net current tax		148.00	(9.63)
VII. Profit / (Loss) for the year		404.09	163.34
VIII. Earnings/(Loss) per equity share [nominal value of share Rs 10 each (previous year Rs 10 each)]	26		
Basic and Diluted		4.42	2.07
Significant accounting policies	2		
Notes to financial statements	1 to 25		

The notes referred to above form an integral part of the financial statements

For Gupta Saharia & Co
Chartered Accountants
Firm registration No 103446W

For and on behalf of the Board of Directors of
Megatherm Induction Private Limited
CIN : U31900WB2010PTC154236


(P.K.Kedia)
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(Shesadri Bhusan Chanda)
Managing Director
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(Satadri Chanda)
Director
DIN: 02302312

Place : Kolkata
Date:14.06.2019


(Nisha Bhopalka)
Company Secretary
Membership No:- 57866

	Year ended 31st March, 2019		Year ended 31st March, 2018	
A. Cash Flow from Operating Activities				
Profit Before Provision for Taxation		552.08		153.71
Adjustments for :				
Depreciation & Amortisation	181.13		81.78	
Bad Debts/Advances written off	10.92		-	
Interest Expenses	497.00		209.04	
Interest Income	(17.52)		(6.69)	
		671.53		284.13
Operating Profit before Working Capital Changes		1,223.61		437.84
Adjustments for :				
Decrease/ (increase) in trade receivables	155.46		(1,042.85)	
Decrease/ (increase) in loans and advances	(169.49)		2.59	
Decrease/ (increase) in Other Assets	(0.29)		-	
Increase/(decrease) in trade payables	46.05		2,223.15	
Decrease/ (increase) in inventories	(1,856.23)		(2,036.69)	
Increase/(decrease) in provisions	-		32.51	
Increase/(decrease) in Long Term current liabilities	676.15		-	
Increase/(decrease) in other current liabilities	256.93	(891.42)	376.50	(444.79)
Cash Generated from Operations		332.21		(6.95)
Direct Taxes Paid		(38.94)		(33.18)
Net Cash from Operating Activities		293.27		(40.13)
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(273.84)		(875.39)	
Interest received	15.20		3.43	
Net Cash used in Investing Activities		(258.64)		(871.96)
C. Cash Flow from Financing Activities				
Repayment of Long Term Borrowings	(392.32)		-	
Proceeds from Long Term Borrowings	909.00		103.96	
Increase/Decrease in Cash Credit facility & other borrowings	(10.21)		906.66	
Interest paid	(497.00)		(209.04)	
Issue of shares	-		292.63	
Net Cash from Financing Activities		9.47		1,094.21
		44.09		182.12
Opening Cash and Cash Equivalents		231.05		48.93
Closing Cash and Cash Equivalents		275.14		231.05

Cash Flow Statement for the year ended 31st March, 19

As at 31st March, 2019 As at 31st March, 2018

Cash and Cash Equivalents comprise:-

Cash in hand	0.74	0.01
Bank Balances with Scheduled Banks :		
Current Account	18.92	5.24
On deposit accounts (with original maturity of less than 12 months)	223.98	220.69
Non Current		
Bank Deposit with more than 12 months maturity	31.50	5.11
	<u>275.14</u>	<u>231.05</u>

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For Gupta Saharia & Co
Chartered Accountants
Firm registration No 103416W

(P.K.Kedia)
Partner
Membership No :053567



Place : Kolkata
Date:14.06.2019

For and on behalf of the Board of Directors of
Megatherm Induction Private Limited
CIN : U31900WB2010PTC154236

(Shesadri Bhusan Chanda)
Managing Director
DIN: 00961593

(Satadri Chanda)
Director
DIN: 02302312

(Nisha Bhopalka)
Company Secretary
Membership No:- 57866

Notes to the Financial Statements
1 General Information

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

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

2 Summary of Significant Accounting Policies
2.01 Basis of preparation

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the Historical Cost Convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. These Financial Statements have been prepared to comply all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

2.02 Tangible Assets

Tangible Assets are stated at their original cost of acquisition inclusive of all incidental expenses, erection & commissioning expenses and other costs etc. upto the date the asset is put to use.

Impairment loss is recognised wherever the carrying amount of assets of a cash generating unit exceeds its recoverable amount i.e. net selling price or value in use, whichever is higher.

Depreciation on original cost of assets are provided on straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956 of India as amended to date. Depreciation on additions/adjustments/deletions to assets are calculated on pro-rata basis from the month on such additions/adjustments/deletions as the case may be. Additional Depreciation on the amount added on revaluation is provided on straight line basis and is adjusted against the available balance in revaluation reserve account in respect of the related items.

2.03 Intangible Assets

Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives.

Computer Software are amortised on a straight line basis over a period of two & half years from the date of capitalisation.

2.04 Inventories

Inventories are stated at lower of cost and net realisable value. The cost is determined on specific identification / weighted average basis, as considered appropriate by the Company, and includes, where applicable, appropriate share of direct labour & production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for obsolete, slow moving and defective stocks, where necessary.



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Notes to the Financial Statements**2.05 Custom & Excise Duty**

Custom duty on materials and machineries lying in the bonded warehouse and in transit are accounted for at the time of clearance thereof. Excise duty is accounted for as and when the goods are cleared.

2.06 Revenue Recognition

Sales of Goods : Revenue is recognised when the substantial risks and rewards of ownership in the goods are transferred or despatched to the buyer as per the terms of the contract and the are stated at net of trade discounts, excise duties and sales taxes.

Sale of Services : Revenue is recognised on completion of service as per terms of contract and are stated at net of service tax.

2.07 Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.08 Employee Benefits

Contribution towards provident fund to Government administered provident fund is recognised as expense. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Contribution to Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Actuarial gains/losses arising in Defined Benefit Plans are recognised immediately in the Profit and Loss Account as income/expense for the year in which they occur.

2.09 Foreign Currency Transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end exchange rates. Gains / losses arising out of fluctuations in the exchange rates are recognised in Profit and Loss Account in the period in which they arise.

2.10 Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have enacted or subsequently enacted by the Balance Sheet date.



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	31 March 2019	31 March 2018
Note 3 - Share capital		
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
Issued, subscribed and fully paid up		
91,32,486 (March 31, 2018 : 91,32,486) Equity Shares of Rs. 10/- each	913.25	913.25

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

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	91,32,486	913.25	78,74,957	787.49
Add: Issued during the year	-	-	12,57,529	125.76
At the end of the year	91,32,486	913.25	91,32,486	913.25

b. Rights, preferences and restrictions attached to equity shares

Equity Shares : The Company has one class of equity shares having a par value of Rs. 10/- per share. The right to transfer the shares are restricted to its members whose numbers are limited to fifty. No invitation shall be issued to the public to subscribe for any shares or in debentures of the company and prohibits any invitation to or acceptance of deposits from persons other than its members, directors or their relatives. Provided that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this clause, be treated as a single member.

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

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Equity shares of Rs 10 each fully paid up held by: Megatherm Electronics Pvt. Ltd., Holding Company	91,22,486	912.24	91,22,486	912.24

d. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2019		31 March 2018	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs 10 each fully paid up held by: Megatherm Electronics Pvt. Ltd., the Holding Company	91,22,486	99.89%	91,22,486	99.89%

	31 March 2019	31 March 2018
Note 4 - Reserves and surplus		
Securities Premium		
At the commencement of the year	1,211.69	1,044.82
Less: Received during the year	-	166.87
At the end of the year	1,211.69	1,211.69
Surplus (Profit and loss balance)		
At the commencement of the year	163.34	-
Profit/(Loss) for the year	404.09	163.34
At the end of the year	567.43	163.34
Total Reserves and surplus	1,779.12	1,375.03



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Note 5 - Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Term loans				
Rupee loans (secured)				
From banks	1,552.06	1,918.38	384.00	180.00
Rupee loans (Unsecured)				
From others	784.00	105.00	-	-
Transfer to Current Liabilities (Ref Note 9)			(384.00)	(180.00)
	2,336.06	2,023.38	-	-

(A) Terms of repayment/ conversion/ redemption

(i) Term loans

a) Name of the lender	Repayment in 2020-21	Repayment in 2021-22	Repayment in 2022-23	Repayment in 2023-24 & Subsequent Yr
Rupee loans (secured)				
Allahabad Bank	384.00	384.00	384.00	400.06

(B) Details of security

The term loan is secured as under:

Primary :

- i) Equitable mortgage of 10 acres of leasehold land and factory under construction thereon at Vidyasagar Industrial Park.
- ii) Equitable Mortgage of Factory Building and other structure built on 10 Acres of Factory Land allotted by WBSIDC for 99 years and Factory Construction thereon.
- iii) Exclusive First charge on Plant & Machinery and Other Fixed asset acquired through the Term loan.

Collateral :

- i) Equitable mortgage of 5 acres of leasehold land at Vidasagar Industrial Park together with fixed deposits and pledge of equity shares certificate issued in favour of Megatherm Electronics Pvt. Ltd..
- ii) Equitable Mortgage of Residential Flat at premises No. 65-0685, Plot no. 2128, Block LIC, Rajarhat , New town in the joint name of Mr. S.B.Chanda & Smt. Ayati Chanda
- iii) Pledge of FDR 0.30 crores
- iv) Pledge of Share held by Megatherm Electronics Private Ltd (MEPL) (Holding Co.) in the name of Megatherm Induction Private Limited (MIPL) to the extent of 30% of Paid Up Capital of MIPL with the Bank.
- v) Second charge over stocks, book debts and all others Current Assets of the Company , both present and future

Guarantee :

Personal Guarantee of Sri Shesadri Bhusan Chanda and Smt. Ayati Chanda



Handwritten signature of Sri Shesadri Bhusan Chanda

Handwritten signature of Smt. Ayati Chanda



	31 March 2019	31 March 2018
Note 6 - Other Long-term Payables		
Advance from Customer	676.15	-
	<u>676.15</u>	<u>-</u>
	31 March 2019	31 March 2018
Note 7 - Deferred tax liabilities (net)		
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	251.73	-
	<u>251.73</u>	<u>-</u>
Deferred tax assets		
C/F Losses to be adjusted against future taxable Income	(113.37)	-
	<u>(113.37)</u>	<u>-</u>
	<u>138.36</u>	<u>-</u>
Deferred tax liability (net)		
	<u>138.36</u>	<u>-</u>
	31 March 2019	31 March 2018
Note 8 - Short-term borrowings		
Working capital loans		
From banks (secured)		
Rupee loans	906.09	906.66
	<u>906.09</u>	<u>906.66</u>

Note : The secured rupee loans from banks are repayable on demand and other loans are repayable on maturity.

Details of security

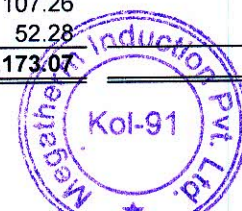
Bank Borrowings for working capital are secured by first charge over the company's stock of materials, receivables and other current assets, both present & future, and collateral being equitable mortgage of 5 acres of Industrial land adjacent in the name of the company allotted by WBSIDC on 99 years leasehold basis, equitable mortgage of residential flat being premises no. 05-0685, Plot no. 2128, Block LIC, Rajarhat, New Town in the joint name of Mr. Shesadri Bhusan Chanda and Smt. Ayati Chanda, Pledge of FDR ₹ 0.30 crores, Pledge of Share held by Megatherm Electronics Private Ltd (MEPL) (Holding Co.) in the name of Megatherm Induction Private Limited (MIPL) to the extent of 30% of Paid Up Capital of MIPL with the Bank and Second charge being 10 acres of land allotted on 99 year leasehold basis by WBSIDC to the Company and factory construction thereon at Vidyasagar Industrial Park, Kharagpur and charge on Plant & Machinery and other fixed asset of the company with personal guarantee of Mr. Shesadri Bhusan Chanda and Smt. Ayati Chanda.

	31 March 2019	31 March 2018
Note 9 - Trade payables		
Sundry Creditors for Capital Goods	30.59	234.69
Sundry Creditors for Other Goods & Services	2,390.22	2,140.07
	<u>2,420.81</u>	<u>2,374.76</u>
	31 March 2019	31 March 2018
Note 10 - Other current liabilities & Provisions		
Current maturities of long-term debt (refer note 5)	384.00	180.00
Statutory dues	27.33	18.03
Advances received from customers	602.20	367.87
Provision for Income Tax	107.26	32.51
Other payables	52.28	38.98
	<u>1,173.07</u>	<u>637.39</u>



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Megatherm Induction Private Limited
Notes to financial statements for the period ended 31 March 2019

Amount in Rupees Lakhs

Note 11 - Tangible assets

	Leasehold Land	Buildings	Plant and Machinery	Material Handling Equipments	Testing & Inspection Equipments	Storage Equipment &	Electrical Installation and fixtures	Furniture and Equipments	Office Equipments	Tools & Equipment	Computer	Total
Balance as at 31 March 2018	530.89	2,788.58	474.82	218.73	30.50	25.41	276.90	19.37	3.07	-	2.83	4,371.10
Additions during the year	-	42.98	95.20	19.62	0.10	9.90	50.25	18.69	9.72	0.18	7.78	254.42
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	530.89	2,831.56	570.02	238.35	30.60	35.31	327.15	38.06	12.79	0.18	10.61	4,625.52
Depreciation												
Balance as at 31 March 2018	39.68	42.82	14.67	6.90	0.01	0.66	10.33	0.62	0.14	-	0.33	116.16
Depreciation for the year	5.36	88.32	31.87	14.34	1.93	2.17	30.11	2.82	1.95	0.01	2.25	181.13
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	45.04	131.14	46.54	21.24	1.94	2.83	40.44	3.44	2.09	0.01	2.58	297.29
Net Block												
As at 31 March 2018	491.21	2,745.76	460.15	211.83	30.49	24.75	266.57	18.75	2.93	-	2.50	4,254.94
As at 31 March 2019	485.85	2,700.42	523.48	217.12	28.66	32.48	286.71	34.62	10.70	0.17	8.04	4,328.23
Capital Work In Progress												
Balance as at 31 March 2018	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	51.26	0.71	1.73	-	-	2.22	-	-	-	-	55.92
Capitalized During the Year	-	34.28	-	-	-	-	2.22	-	-	-	-	36.50
Balance as at 31 March 2019	-	16.98	0.71	1.73	-	-	-	-	-	-	-	19.42



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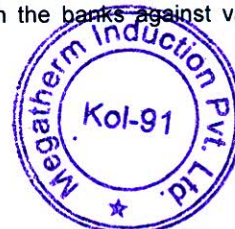
	31 March 2019	31 March 2018
Note 12 - Deferred tax Assets (net)		
Deferred tax assets		
C/F Losses to be set off against future Income	-	225.52
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	-	(215.89)
	-	9.63
	31 March 2019	31 March 2018
Note 13 - Long-term loans and advances (Unsecured, considered good)		
Security and other deposits	5.38	4.35
MAT credit entitlement	-	32.51
	5.38	36.86
	31 March 2019	31 March 2018
Note 14 - Inventories (Valued at the lower of cost and net realisable value)		
Raw materials	2,290.92	1,699.81
Work-in-progress	1,528.99	336.88
Finished goods	73.01	-
	3,892.92	2,036.69
	31 March 2019	31 March 2018
Note 15 - Trade receivables		
Receivables outstanding for a period exceeding six months		
(a) Unsecured, Considered good	79.15	-
	79.15	-
Other receivables		
(a) Unsecured, Considered good	808.24	1,042.85
	887.39	1,042.85
	31 March 2019	31 March 2018
Note 16 - Cash and cash equivalents		
Cash and cash equivalents		
Cash on hand	0.74	0.01
Balances with banks		
On current accounts	18.92	5.24
On deposit accounts	255.48	225.80
	275.14	231.05
	275.14	231.05
Details of balance with banks on deposit accounts ^		
Deposits due to mature within 12 months of the reporting date	223.98	220.69
Deposits due to mature after 12 months of the reporting date	31.50	5.11
	255.48	225.80

^ Bank deposits aggregating Rs 255.48 lakhs (previous year Rs 225.80lakhs) have been pledged with the banks against various credit facilities availed by the Company.



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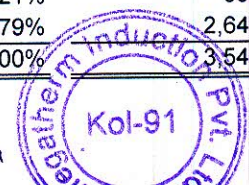


	31 March 2019	31 March 2018
Note 17 - Short-term loans and advances <i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Advances for supplies & Others	152.69	218.68
Advance to employees	2.50	0.09
Prepaid expenses	10.59	2.39
Balance with revenue authorities	604.46	391.54
Advance income tax	147.53	1.33
	917.77	614.03
	31 March 2019	31 March 2018
Note 18 - Other current assets <i>(Unsecured, considered good)</i>		
To parties other than related parties		
Interest accrued on fixed deposits	6.74	4.42
Export incentive receivable	9.92	-
	16.66	4.42
	31 March 2019	31 March 2018
Note 19 - Revenue from operations		
Sale of products		
Induction Furnace Support Structure & Tilting Frame Assembly/ Induction Furnace Crucible Etc.	10,792.69	3,833.32
Sale of services	16.72	5.18
Other operating revenue		
Gain on foreign exchange fluctuation	-	2.72
Export incentives	15.99	-
Scrap Sale	7.55	-
	23.54	-
	10,832.95	3,841.22
	31 March 2019	31 March 2018
Note 20 - Other income		
Interest on fixed deposits with banks	17.52	6.69
Miscellaneous income	0.24	-
	17.76	6.69
	31 March 2019	31 March 2018
Note 21 - Cost of materials consumed		
Inventory of raw materials at the beginning of the year	1,699.81	-
Purchases	10,545.70	5,240.65
	12,245.51	5,240.65
Less: Inventory of raw materials at the end of the year	2,290.92	1,699.81
	9,954.59	3,540.84
Details of raw materials consumed		
Copper, CRNGO, Steel, and Structure	4,990.61	2,655.74
Other chemicals	4,963.98	885.10
	9,954.59	3,540.84
Break-up into imported and indigenous		
	31 March 2019	31 March 2018
	% of total consumption	Amount
Imported	24.67%	2,455.86
Indigenous	75.33%	7,498.73
	100.00%	9,954.59
	% of total consumption	Amount
	25.21%	892.68
	74.79%	2,648.16
	100.00%	3,540.84



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	31 March 2019	31 March 2018
Note 22 - Changes in inventories of finished goods and work-in-progress		
Opening stock		
Finished goods	-	-
Work-in-progress	336.88	-
	<u>336.88</u>	<u>-</u>
Closing stock		
Finished goods	73.01	-
Work-in-progress	1,528.99	336.88
	<u>1,602.00</u>	<u>336.88</u>
	<u>(1,265.12)</u>	<u>(336.88)</u>

	31 March 2019	31 March 2018
Note 23 - Employee benefits expense		
Salaries, wages and bonus *	203.28	45.28
Contribution to provident and other funds	13.94	2.94
Staff welfare expenses	46.76	18.42
	<u>263.98</u>	<u>66.64</u>

* includes Rs 57.65 lakhs (previous year Rs 13.36lakhs) relating to outsource manpower cost

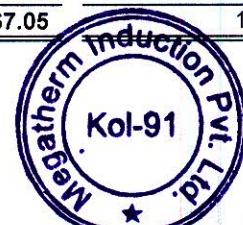
	31 March 2019	31 March 2018
Note 24 - Finance costs		
Interest expense	442.73	194.89
Other borrowing costs	54.27	14.15
	<u>497.00</u>	<u>209.04</u>

	31 March 2019	31 March 2018
Note 25 - Other expenses		
Consumption of stores and spare parts	100.65	15.76
Erection & Commissioning	175.20	-
Power and fuel	74.30	27.25
Freight, clearing and forwarding	32.74	38.98
Packing charges	50.30	3.01
Rent	4.34	1.82
Repairs to:		
Plant and machinery	11.90	3.30
Computer	0.01	-
Others	5.98	1.72
Insurance	3.04	0.42
Rates and taxes	2.06	0.56
Travelling and conveyance expenses	8.12	1.46
Legal and professional fees	10.60	6.06
Payment to auditors' (refer note (a) below)	2.40	1.80
Advertisement and Sales Promotion	0.54	-
Security Service Charges	13.92	5.47
R & D Expense	3.79	3.87
Telephone and communication expenses	2.97	0.76
Sundry Balances written off	10.92	1.17
Selling Expenses	97.91	17.71
Loss on foreign exchange fluctuation	43.73	-
Miscellaneous expenses	11.63	1.66
	<u>667.05</u>	<u>132.78</u>



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a. Payment to auditors':

	31 March 2019	31 March 2018
As auditors':		
Statutory audit	1.50	1.20
Tax audit	0.75	0.60
Other Services	0.15	-
	2.40	1.80

Note 26 - Earnings/(Loss) per share (EPS)

The calculation of basic and diluted earnings per share for the year ended 31 March 2018 is based on the profit attributable to equity shareholders of Rs. 163.34 Lakhs and weighted average number of equity shares outstanding of 78,78,402.

		31 March 2019	31 March 2018
Profit after tax as reported	(a)	404.09	163.34
Net Profit attributable to Equity Shareholders for calculation of basic and diluted (Rs in lakhs)	(b)	404.09	163.34
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS (in nos)	(c)	91,32,486	78,78,402
Basic and Diluted EPS of Rs 10 each	(d) = (b) / (c)	4.42	2.07
Nominal value of equity share (in Rs)		10.00	10.00

Note 27 - Contingent liabilities and commitments

(to the extent not provided for)

	31 March 2019	31 March 2018
a) Contingent Liabilities:		
(i) Guarantee Issued By Bank	62.73	344.79
(ii) Letter of Credit By Bank	1,059.19	999.56

Note 28 - CIF value of imports

	31 March 2019	31 March 2018
Raw materials	1,455.09	434.52
Stores and spares	-	-
	1,455.09	434.52

Note 29 - Earnings in foreign currency

	31 March 2019	31 March 2018
F.O.B. value of exports	801.41	-

Note 30 - Due to Micro, Small and Medium Enterprises

	31 March 2019	31 March 2018
a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year:		
- Principal	451.64	103.43

Note 31 - Employee benefits: Post employment benefit plans

No Provision for Gratuity has been made as none of the employee has completed 5 Yrs of Service

Note 32 - Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures

(i) List of related party and relationship where

- (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



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(b) Fellow Subsidiaries (with whom transactions have taken place during the year and previous year):

EMT Megatherm Private Limited

(ii) Names of the other related parties with whom transactions have taken place during

(a) Key Managerial Personnel

Mr. Shesadri Bhusan Chanda, Chairman and Managing Director
Mr. Satadri Chanda, Director
Mr. Vikas Varshneya, Director
Mrs Nisha Bhopalka, C.S

(iii) Details of transactions with related parties

Particulars	31 March 2019	31 March 2018
Relating to Profit and Loss account		
Sale of Products/services		
EMT Megatherm Private Limited	4,162.78	2,899.34
Megatherm Electronics Private Limited	232.00	-
Purchase of Products/Services		
EMT Megatherm Private Limited	4,136.23	2,846.73
Interest Expenses		
Megatherm Electronics Private Limited	19.80	-
Relating to Balance Sheet		
Loan Receipt		
Megatherm Electronics Private Limited	909.00	-
Loan Refund		
Megatherm Electronics Private Limited	180.00	-
(iv) Balances at the year end		
Particulars	31 March 2019	31 March 2018
Closing Debit Balance		
EMT Megatherm Private Limited	-	892.83
Megatherm Electronics Private Limited	108.12	-
Closing Credit Balance		
EMT Megatherm Private Limited	147.30	-
Closing Balance in Loan		
Megatherm Electronics Private Limited	729.00	-

Note 33

Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification/ disclosure.

For Gupta Saharia & Co
Chartered Accountants
Firm registration No 103446W

For and on behalf of the Board of Directors of
Megatherm Induction Private Limited
CIN : U31900WB2010PTC154236

(P.K.Kedia)
Partner

Membership No :053567

Place : Kolkata

Date:14.06.2019



(Shesadri Bhusan Chanda)
Managing Director
DIN: 00961593

(Nisha Bhopalka)
Company Secretary
Membership No:- 57866

(Satadri Chanda)
Director
DIN: 02302312