

Transcript of the 14th Annual General Meeting of Megatherm Induction Limited held on Friday, 30th August, 2024 at 11:30 a.m. through audio – visual means

- Moderator:

We are live now. Please start the meeting.

- Mrs. Abanti Saha Basu, Company Secretary, Megatherm Induction Limited:

Good morning, everyone. I am Abanti Saha Basu, the Company Secretary of Megatherm Induction Limited. On behalf of the company, I welcome all shareholders to the 14th Annual General Meeting, which is being conducted today via video conferencing.

Before I pass the proceedings to the Chairman to officially open the meeting, I would like to highlight a few points. The meeting portal opened 15 minutes prior to the scheduled start time of 11:30 a.m. and will remain accessible for 15 minutes after the meeting concludes. Members are encouraged to join using laptops and headphones for a better experience and to ensure a stable internet connection to avoid disruptions.

As stated in the notice, the facility to participate in the AGM via video conferencing or other audio/visual means is available on a first-come, first-served basis. Following the MCA circular of 8th April 2020, issued by the Ministry of Corporate Affairs, the option to appoint a proxy to attend and vote is not available for this AGM. However, corporate bodies are entitled to appoint authorized representatives to attend and vote through e-voting.

The company's registered office in Kolkata is deemed the venue for this AGM, and the proceedings shall be considered as taking place at Plot L-1, Block GP, Electronics Complex, Sector V, Salt Lake City, Kolkata 700091. Members were given the opportunity to inspect all documents referred to in the notice by emailing the company at cs@megatherm.com until the date of the AGM. We have not received any request from any member to register as a speaker shareholder.

With this, I now hand over the proceedings to the Chairman. Thank you.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

Thank you. Good morning, ladies and gentlemen. I welcome you all to the 14th Annual General Meeting of our company. This AGM is being held via video conferencing in accordance with MCA guidelines. With the quorum present, I declare the meeting open. The Company's CFO, Mr. Satadri Chanda, will present the financial highlights and future prospects.

I now request the Board of Directors to introduce themselves. First Mr. Satadri Chanda.

- Mr. Satadri Chanda, Whole-time Director & CFO, Megatherm Induction Limited:

Good morning shareholders. I'm the whole time Director and CFO, Chief Financial Officer of Megatherm Induction Limited and I am also a member of the Corporate Social Responsibility Committee.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

I request Mr. Siddhartha Sen to introduce himself.

- Mr. Siddhartha Sen, Independent Director, Megatherm Induction Limited:

Good morning, shareholders. I am an Independent Director and serve as Chairman of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee, as well as a Member of the Corporate Social Responsibility Committee.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

I request Mrs. Christina Paul Chowdhury to introduce her.

- Mrs. Christina Paul Chowdhury, Director, Megatherm Induction Limited:

Good morning, shareholders. I am a Non-Executive Director and a Member of the Nomination & Remuneration Committee and Stakeholders' Relationship Committee, attending from the Registered Office via electronic means.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

I request Mr. Ankit Rathi to introduce himself.

- Mrs. Abanti Saha Basu, Company Secretary, Megatherm Induction Limited:

Unmute please. Please unmute yourself, sir.

- Mr. Ankit Rathi, Independent Director, Megatherm Induction Limited:

Not able to do. Yeah. Very good morning. Myself CA Ankit Rathi. I am the Independent Director and the member of Audit Committee and Remuneration Committee. I am joining this meeting virtually.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

Thank you.

And now we have some special invitees and attendees today. I would like to introduce Mr. Vineet Mohta, Assistant Vice President – Finance & Accounts of the Company present at the deemed venue of the meeting. Mr. Anjan Kumar Roy from M/s. Anjan Kumar Roy & Co., the secretarial auditor of the Company for the Financial Year 2023-24, who have also been appointed by the Board as independent scrutinizer for the purpose of this meeting. He is present through electronic mode. Mr. Dipak Jaiswal from M/s. MSKA & Associates, the Statutory Auditor, Mr. Tanmoy Das Mahapatra from M/s. MATR & Associates, Internal Auditor, Mr. Amit Khetan from M/s. Amit Khetan & Co., Cost Auditor of your Company has also joined the meeting through video conferencing. Mr. Joydev Sengupta from JSG Legal, the Legal Advisor is present at deemed venue of the meeting.

CHAIRMAN'S SPEECH

Ladies and Gentlemen, Good morning to all. Good morning to esteemed shareholders, auditors, partners, and distinguished guests. It is my privilege to welcome you to the 2023 - 2024 Annual General Meeting of Megatherm Induction Limited. Thank you for joining us today and for your continued trust and support.

Reflecting on the past year

The past year has been both challenging and rewarding for Megatherm Induction Limited. Despite the global economic uncertainties and industry-specific challenges, we have navigated through them with resilience and determination. Our commitment to innovation and excellence has positioned us to achieve sustainable growth.

I am trying to share some strategic initiatives we have taken in the past year

Past year, we undertook several strategic initiatives namely

- Strengthen our position both in domestic and export market.
- Improve our operational efficiency.
- Investing for capacity expansion for the manufacturing of transformer.
- Investing for backward integration to reduce cost in Induction equipment manufacturing.
- Investing in technology development to stay ahead of competition.

Needless to mention that our focus remains on delivering value to our stakeholders while aligning with our long-term vision.

I would like to take this opportunity to express my sincere gratitude to our shareholders for their unwavering support and trust in our vision. To our auditors, thank you for your diligence and commitment to ensuring transparency and accountability in our financial reporting. To our partners, your collaboration has been instrumental in our achievements, and we look forward to continuing our successful partnerships.

As we move forward, we remain committed to fostering a culture of innovation, sustainability, and inclusivity. We will continue to explore new avenues for growth and invest in areas that drive value for our stakeholders. Our priorities for the coming year include expanding into new markets, enhancing customer experience.

Now I request the Company Secretary to proceed with the meeting.

- Mrs. Abanti Saha Basu, Company Secretary, Megatherm Induction Limited:

Thank you chairman sir. Dear Shareholders, as per the provisions of Companies Act, 2013 and the SEBI Listing Regulations, the company has provided facility for voting by electronic means to all its members to enable them cast their votes electronically and the business may be transacted through such e-voting. The proceedings of this meeting are being recorded as per the regulatory requirements.

M/s. Anjan Kumar Roy & Co., Company Secretaries has been appointed by the Board as the scrutinizer for e-voting today. The results will be declared on or before 2nd September, 2024 after

considering the e-voting done today by members participating in this AGM and also the remote e-voting already done by certain members.

For this purpose, the company has tied up with the e-voting system of National Securities Depositories Limited (NSDL) for facilitating voting through electronic means as the authorized agency. The company provided remote e-voting facility to all the persons who were members on 23rd August, 2024, being the cut-off date to vote on all the Resolutions set out in the Notice of AGM. The remote e-voting commenced at 9:00 a.m. Indian Standard Time on 27th August, 2024, and ended at 5.00 p.m. Indian Standard Time on 29th August, 2024. Members attending the AGM today who have not cast their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

The results along with scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and will also be placed on the website of the Company. As the meeting is convened through VC today, resolutions have already been put to vote through remote e-voting and the requirement to propose and second are not applicable.

Now, I hand over the proceedings of the meeting to Mr. Shesadri Bhusan Chanda, Executive Chairman and Managing Director of the Company.

Over to you, sir.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

I would like to request the Members to approve the Proposed Resolutions present in the Notice along with Explanatory Statement. Statutory Auditors, Secretarial Auditors, Cost Auditors and Internal Auditors have expressed unqualified opinion in their respective Audit Reports for the Financial Year 2023-24.

With this, I would like to handover it to Mr. Satadri Chanda, CFO to highlight the financial performance of your Company for the FY 2023-24 and future prospects of the Company.

Over to Mr. Satadri Chanda.

- Mr. Satadri Chanda, Whole-time Director & CFO, Megatherm Induction Limited:

Thank you. Good morning ladies and gentlemen. It gives me immense pleasure to welcome you all to the 14th AGM Annual General Meeting of the Company with the entire management team. Hope that all the shareholders, their family members and Associates are in good health and spirit. The AGM today has been convened through video conferencing in compliance with the Companies Act 2013, read with specific circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 issued by the Ministry of Corporate Affairs.

Presentation

So I'll just present the last year's results.

Yes. So here you can see FY 21 to FY 24 and as you can see that revenue from operations has been gradually rising. Our EBIDTA margins have been to the tune of 11 to 12 % range except for the disruptive FY 22 where we faced co related disruptions and supply chain bottleneck and our profit has been gradually increasing as well and in line with our growth prospects. In terms of percentages, our EBITDA margins in FY 21 was 11.6%. Like I mentioned due to the disruptions in FY 22 it had come

down and again in FY 23 and FY 24 it was 10.4 and 11.8% and our Pat margins have increased because, of course, the interest component remaining same and we are not looking to increase debt anyway. So we expect that the PAT margins will continue to increase given the turnover increases.

And looking ahead, I have another small presentation. This presentation was already been uploaded few days back. I think a month or so back and that shares some of the current, you know, our planning what's going on and what we are planning to do. So I'll just share that one. So this is the letter when we uploaded to the Exchange. So, as on 7th August the order book was around 393 crores and between April and July, we secured orders worth approximately 102 crores and we have some current inquiries running, value of approximately 26 crores in a domestic Client based out of Orissa area and another one, another inquiry is running in Africa. It's an export Market inquiry and that is worth 64 crores.

In terms of new product launches, we have launched the hybrid converter at the inter Foundry event very recently, held at Coimbatore and we expect this to give us good leverage in The Foundry and Castings Market.

With regard to CAPEX update, as it was there in the RHP that we will be spending CAPEX on creating a new shed and facilities enhancing our manufacturing capacities. So this is some visual snapshots of the progress. This shed is expected to be completed by the end of September and Machinery installations is expected to be completed by December and further updates will be given in the next review meetings. These are some of the snapshots of the progress.

And new geographies and clients, we have supplied a piece of equipment to the United Kingdom for the first time and we expected to help open up that part of the world for us and we also have some new orders from Mukund Sumitomo Special Steels Ltd. It's an Induction Hardening and tempering machine as well as The Singareni Collieries Company. This will also be executed this year. This is an ARC Furnace.

And in terms of capacity utilization like last year currently the factory is running at maximum capacity. So in terms of YOY half yearly, we are expecting similar turnover and results and with respect to YOY annual results. Once the Transformer factory is completed, the last three months may give us a boost in terms of Transformer sales but the real benefits of the capex will be visible in the coming Financial year and these are just generic highlights about the Company which is not relevant for this meeting.

And before I conclude I'd like to express my gratitude towards all employees, the board, our clients, Bankers, vendors, Ministry of corporate Affairs and the government, State and the Central Government for their support and above all I express my gratitude towards our shareholders for their confidence, support and trust throughout this journey and in the future.

- Mrs. Abanti Saha Basu, Company Secretary, Megatherm Induction Limited:

Thank you, sir. Now, I would like to inform the shareholders that e-voting facility will open for further 15 minutes to those shareholders who could not cast their vote during e-voting period.

With this, with the permission of the Chairman, I would like to conclude this Annual General Meeting. On behalf of the Board of Directors and the management of the company, I convey our sincere thanks to all members for making the time to join us today. I hereby declare the meeting is closed.

Thanks everyone and wish you all good health.

- Mr. Shesadri Bhusan Chanda, Chairman and Managing Director, Megatherm Induction Limited:

Thank you

- Mr. Satadri Chanda, Whole-time Director & CFO, Megatherm Induction Limited:

Thank you

-Moderator

Shall we conclude the meeting?

- Mrs. Abanti Saha Basu, Company Secretary, Megatherm Induction Limited:

Yes ma'am.