

Date: 15th November, 2025

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

Ref.: Megatherm Induction Limited / NSE/2025-26/53
Symbol: MEGATHERM
ISIN: INE531R01010

Dear Sir/Madam,

Sub: Submission under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Transcript of Post Earnings Conference Call

With reference to our Company's Post Earnings Conference Call held with the Investors/Analysts on 12th November, 2025 at 2:00 pm., and pursuant to Regulation 30 and Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we, Megatherm Induction Limited, are submitting herewith Transcript of the said Meeting.

Kindly take the same into your records.

Yours faithfully
For, Megatherm Induction Limited

(Abanti Saha Basu)
Company Secretary & Compliance Officer

Place: Kolkata



MEGATHERM INDUCTION LIMITED

H1 FY26

POST EARNINGS CONFERENCE CALL

November 12, 2025

Management Team

Mr. Satadri Chanda - CFO & Whole time Director
Mr. Arunava Bhowmick - VP - Finance & Accounts
Ms. Abanti Saha Basu - Company Secretary

Call Coordinator



Strategy & Investor Relations Consulting

Presentation

Vinay Pandit:

Ladies and gentlemen, on behalf of Kapitfy Consulting Investor Relations team, I welcome you all to the H1 FY2026 Post Earnings Conference Call of Megatherm Induction Limited. Today, on the call from the management team we have with us Mr. Satadri Chanda, Executive Whole Time Director & CFO; Mr. Arunava Bhowmick, Vice President, Finance & Accounts. As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to detail us about the business and performance highlights for the period ended September 2025, the growth plan and vision for the coming year, post which we will open the floor for Q&A. Over to you.

Satadri Chanda:

Yes. Welcome, everyone. Thank you for joining our post earnings call. So let's start. Mohsin, if you can just start scrolling. So the first part of the presentation is more about our company and the industrial overview. So I'm sure that some of you may be aware. You can just go through these slides. And, Mohsin, if you could just go to the key performance highlights.

So in the first part of the presentation, we already have most of this information that there about us, about our promoters, about the products that we make, etc. So we'll skip that, and we'll start immediately with the key performance highlights.

So usually this particular capital goods industry is mostly a second half driven business. So here the sales, etc., will not be an exact representation of what is to come for the next six months. So usually, it is a second half driven business. But compared to last financial year or last couple of financial years, we have seen slight growth. While the steel segment is facing some sluggishness due to the monsoon as well as there's a lot of inventory. So most of the companies are carrying a lot of inventory.

But the engineering segment and the other segments like foundry, heating, hardening, castings, those have picked up and that is why we are seeing a differential. Although, that revenue from operations is showing roughly around ₹159 crores, but about ₹5 odd crores of other income is also there, which is other operating income, which we have not shown here because the auditors have classified it as purely other.

So that that should have come, and you will see a slightly higher inventory because there was a cutoff date issue.

So our auditors pointed out that approximately around ₹3.5 crores, ₹4 crores worth of goods is in transit, during the closing phase. So it had in our SAP, it was showing as sales, but since it did not reach the client side, it was changed. But, anyway, broadly, it's a matter of ₹4 crores, ₹5 crores, ₹6 crores, ₹7 crores of plus minus. And so we are seeing the revenue side the first half will not really reflect, it's the second half for most capital goods companies, be it transformers or induction equipment or other capital goods.

But the major points to highlight here is that, we are working on our margins. So the bottom line target that we have of 9%, that we are gradually working towards that. And you can see that the EBITDA, earnings per share has increased naturally. And, Mohsin, if you could just go to the next page.

So here, the important point to note is that we have already invested in marketing and HR. So our HR cost have increased by about 30 odd percent. Marketing cost has increased. We have increased other expenditures also too. And with this, overhead right now that we have, in spite of the higher overheads, we have maintained our bottom line. It's in the upward trajectory. And with these overheads that we have built, this team that we have built and maybe couple of other recruitments are left in the transformer side, especially.

We can achieve around ₹450 odd crores of turnover. The overhead incremental cost will be bare minimal. So once that is achieved, a bottom line of about 9%, 10% will not be a challenge for us. So right now, we have heavier like compared to the turnover, the team is on the heavier side in the engineering segment. That is the forging, foundry, etc., and on the transformer segment. So these two segments, we are a little bit manpower and OpEx heavy right now. So once that scales up and once we achieve that ₹400 crores turnover, then the bottom line should not be a problem. We will achieve that. The next slide, please.

Yeah. So this is the data so you can get that online. We have uploaded this on the NSE website. And you will note that there is, the other income, that's just after EBITDA. So if you look at the previous financial year, it's basically the interest of the unused portion of the IPO proceeds. Here, it also includes some, you could say operating, but, other operating income in terms of some creditor and write offs, etc. So creditor and data write offs, we usually do it like once every

two, three years so that there is no dispute later from the creditors to claim that, and some other service and all these things are there. So this data is available. You can just go to the next one.

So more importantly, what I wanted to share is an update of our way forward and what we plan to achieve and how we plan to achieve it, and an update on the transformers and that segment of the business. So if you look at the current order book of roughly ₹430 odd crores we have right now, and since the steel segment is a little sluggish right now globally, so most of the -- and the monsoon was very intense this year. We saw that, a lot of the -- that we are going to see a lot of carryover. So the civil work on most of these projects have just started because the monsoons have ended, Diwali and all the festive seasons have ended. So most of these projects have just started.

So I'm seeing that there's going to be an out of this ₹430 crores, about ₹260 crores worth of order carryover is going to be there. But which means, that's good news for the FY 2027. There we are going to see a lot of growth. Apart from that also, we are seeing good export demand because we have been investing heavily in the export side. And so what we have done is we have these figures for North America, Europe, MENA, South America, but due to competitive we don't want to disclose that information in granular detail. During one on one meetings, we can share that.

And transformers also, we are projecting a significant growth to be there. And within about 24, 30 months, we are targeting around ₹600 crores of top line and within 48 to 54 months, we are targeting ₹950 crores of bottom line. And over here, out of this ₹950 crores, you will see about ₹300 crores of transformers, which is not a very big stretch. There are many companies in transformers holding ₹500 crores, ₹600 crores range. We should be able to achieve it. And you'll see that the gap between domestic and export is narrowing for the induction products. So, Mohsin, if you could just go to the industry segment, the last page where we are sharing the market size. Yes. This one.

So if you see the market size, there are two growth rates usually when we see a little sluggish growth and once that we see that when the growth is quite strong. So for example, right now, the steel segment will have maybe a 6%, 7% growth because the government infrastructure projects have not kicked off yet due to the rains. But the government also said that we'll try to complete our budgeted infra spending. If that happens, then the growth can be around 9 odd percent.

But if you see, the other segments, foundry casting, forging, these are growing quite rapidly driven by the defence, auto, etc., etc. And the overall market is around 1,200 crores minimum. It was higher. But multiple times of this market is actually there in the export side. So that's why we are focusing a lot on the export market. Mohsin, can we just go back to that slide?

Yeah. So, you'll see that, gradually, the difference between domestic and export is going to start bridging. And so this is more or less the revenue guidance, that we have. And apart from this, how we are going to achieve it. So let's talk a little bit about that. So towards the transformers side, right now factory visits and make approvals are going on with various companies. So we've already received the make approval from Tata, which means we are now participating in all their bids. Aditya Birla, Jackson, Waree, Maharashtra Generation Co, Renew, etc. And the others are also lined up. For example, Adani Green is lined up, Replus is lined up. So these processes are going on, and we are also participating in a lot of enquiries, roughly ₹230 plus crores. We have the details. I'll share that.

But initially, what we are trying, even if the price is low, we want to get those initial orders. One or two transformers here there we have already sold, but we are trying to get an initial bulk order. And apart from that also, we are trying to build a very strong sales team for industrial power transformers. So power and distribution transformers for the utilities segment as well. Since we have already gained some ground in the inverter duty transformer, and we are seeing that the approvals have started to come, so the orders will start to come. So now we'll focus on the marketing at least for the industrial and power transformers. We're in the process in fact of building a team for that. Next slide.

So these are some of the enquiry that we are participating in. Next slide as well. So roughly about ₹230 odd crores of bids and about ₹100 odd crores will be finalised by December. December, January, like they've guided us that roughly by December. It could be one or two months plus minus. And by March, plus minus one or two months, another ₹133 crores of worth of orders. So we are hoping to secure at least a portion of that and carry on the growth in the transformer field from there. Next one, please. Next slide.

Yeah. And like I showed up, the turnover growth is primarily being driven by the export of induction products and domestic sales of

transformers. So we've seen how transformers, we are gaining around slowly, slowly. And when it comes to the export segment, we have done a lot of work. In fact, a lot of work is being done now, because if you see, so export market is key for rapid growth in the induction space.

Most international players like Inductotherm, they're the largest company. They have made India their main manufacturing and engineering hub. So these products actually require a unique combination of prompt service and lots of engineers like, it's a very engineer heavy product. That is why India has unique advantage. In fact, even over China. Compared to China also, Indian products are for induction are selling more. European products are extremely highly priced. So we are -- it's written here. We are seeing proposals for tie-ups for production and supply to the rest of the world.

So certain European companies who are making components or even the entire equipment, they are saying, why don't you manufacture in our brand name? Because India has now become the hub of these highly engineered products. So we are seeing this. And because of that, we have created a joint venture in the U.S. We are just ironing out the legal aspects before we make the investments. The company has been set up. Marketing has started. We have also tied up with companies in Brazil, Mexico, Argentina to cater to the South American market. We are creating an office representation in U.K., to address U.K. and the European market and to take advantage of the free trade agreement.

We have already sold one equipment to U.K. And similar process ongoing in Africa, Middle East, etc. So we'll make some heavy investments towards trade fairs, etc., in all these countries so that we can become a global alternative to Inductotherm, because we have the most important part is we have the technology that is in-house. And in India, in general, has become a global hub for the induction products. So these are the two areas. The transformers in the domestic segment and induction products in the export market. These are going to be the high growth rate generators as mentioned here.

So this is just the brief, since the first half, generally, it's a second half driven business, post monsoon driven business. So I'm not delving too much into the accounts angle, the financial figures. That will be more interesting to analyse at the end of the year. Next slide, please? Yeah, so this is basically the JV that we have done. So right now, it's LLC. We were facing some issues with fund transfer etc., towards LLC. We

are turning, converting that into an Inc. where it is roughly 50-50% agreement. And we will be manufacturing here and selling it at export price. And in the U.S., they will be marking it up as per the American price, and we'll be selling.

And 50% of the profit, will be with us. So that's more or less the broad plan that we have going forward. So this entire presentation is there, uploaded on the NSE platform. So, that's pretty much a short update of what all was going on in the first half of this year and we are open for questions.

Question-and-Answer Session

Moderator: Thank you sir. We'll now begin the question-and-answer session. Anybody who wishes to ask a question, please use the option of raise hand. Alternatively, you can post your questions in the chat box. We will take the first question from Shyam Sampath. Please go ahead.

Shyam Sampath: Hello, good afternoon. Yeah, I wanted to understand for this half, what are the revenue splits from across different products or segments for transfer?

Satadri Chanda: So, these segmental reporting, till now we have not done the segmental reporting, but we are planning to have that segmental reporting very soon. At least the split between transformers and induction. Induction products is a little complicated because the same product goes into different industries and all, but at least transformer separate and induction separate, we'll plan to do the segmental reporting very soon. But just to give you an idea that the transformer sales is roughly 10% of our total turnover and spares is about I think 20 odd percent of our total turnover, 20% to 22%.

Shyam Sampath: Okay, and what about forging?

Satadri Chanda: The Forging and Foundry segment is where we are just entering the market and eating into the competitors' market share mainly Inductotherm and some of the others. So, as a percentage of our total turnover, it is somewhere around 7%, 8%. That is not just forging. The forging, heating, hardening, that whole and we're also entering the Pipes and Tube segment. So we are doing one foreign JV and we'll be manufacturing those modules here and assembling it and we'll be selling in the Indian market. So that Pipes and Tube segment is also quite big. The market size in India is already given in the presentation.

- Shyam Sampath:** Okay. Thank you. So my next question is in terms of the CapEx that you had mentioned previously that probably by the end of this year, we will be going in the next phase. And you had mentioned that it is about close to ₹500 crores of CapEx that you intend to do?
- Satadri Chanda:** Sorry, CapEx of 500?
- Shyam Sampath:** Sorry, the number I may have mistaken, the next phase of CapEx?
- Satadri Chanda:** Yeah, next phase of CapEx. So what we are planning is that once we see a visibility that roughly we have about ₹70 crores, ₹80 crores of transformers and we are doing all, we are projecting that capacity is going to be fully utilised. So that's when we'll make the CapEx for the next phase of growth. Since you know, it is a brownfield project essentially, so it won't be the CapEx requirement will not be much. It will be around ₹25 odd crores more. ₹25 crores, ₹30 odd crores more.
- Shyam Sampath:** Okay, and this will help us reach your targeting ₹1,000 crores in the next five years?
- Satadri Chanda:** About four to five years, we are targeting ₹950 crores to ₹1,000 crores, yeah.
- Shyam Sampath:** Okay. All right. Thank you. And this is for, which product? Is it just transformers, or is it across the board?
- Satadri Chanda:** So what happens is that when we expand transformers, our induction capacity also starts to free up. So, what we are planning is that, if you see our, Mohsin, can you just take out the photo of our -- it's there in the presentation, manufacturing.
- Moderator:** Okay, sure.
- Satadri Chanda:** You'll see there are three shed side by side. So right now yeah, great. So right now, the white and red to the transformer manufacturing shed, that's so what happens once we add another shed for transformers, then that precision machine building shop will be removed and it will add space for induction. So that is what we have planned for the next phase. Because if you have to do about ₹200 crores of export and ₹300 crores of domestic sale for induction products, we'll need to expand that.
- Shyam Sampath:** Okay. Understood. Just a follow-up on the capacity utilisation part, you mentioned that, I mean earlier you had mentioned that probably

by the end of the year, we should be around back to 100% capacity utilisation. But where do we see that number stand right now? When do we expect to get back to 100%?

Satadri Chanda:

Yes. So the transformer, the capacity utilisation has been almost 100% for the induction side for a while now. But now since the transformer shed has been made, now we have ample scope for capacity expansion. So right now, for example, if we are saying that, the induction whatever capacity we have right now, we can do like say ₹500 crores is the target for the next four years. But whatever the capacity we have right now, we can do about ₹300 odd crores. So if you consider that, we are going at around after capacity expansion, we are going at around 70 odd percent, you can say for the induction side. And transformer now, we are just, the capacity is available with us.

Couple of machines are being installed like the vacuum oven and all that. So once that is installed, we'll have ample capacity, and now it's a question of getting the approvals, participating in the bids, and getting the orders.

Shyam Sampath:

Okay, and the machinery that we use is there any, you had mentioned previously that we run double shifts right?. So, is there any cooling period that is required for these machines or something?

Satadri Chanda:

Yeah. So, in between the shifts, so what happens these -- after the second shift, till the next shift starts, the cooling period is there. But ovens and things like that, they run 24 hours because the transformer is put into an oven. The moisture evaporates for three, four days, five days until we get the correct values. So that is a continuous process. But the machining components, the CNC machines, the plasma cutters, and all those things, they get the break at night, essentially.

Shyam Sampath:

Okay, understood. My last question for our revenue splits. How much approximately comes from repeat customer orders?

Satadri Chanda:

Okay. Repeat customer actually, most of the orders come from repeat customer orders, which are not in the export. Export is usually say 50% new, 50% repeat. But the domestic customers, it's mostly repeat customers because they're already established players in the field. So it's more like proving our equipment's performance, giving good service and we'll get the order.

- Shyam Sampath:** Okay. So you had previously mentioned, probably the top two, three, four customers that you have contribute close to 25% of revenue. So just a broad range of idea how much in percentage terms from these?
- Satadri Chanda:** Yeah, roughly 25% to 30%. So the bigger groups like, I mean bigger, relatively, so which are listed companies. So you have Shyam Metalics, Rungta Mines, Tata Motors, Defence and Ordnance factories. Now the names have changed and things like that. So the main customers who essentially add capacity every.... Thanks for the slide. So, they will contribute about 25%, 30% the correct figure.
- Shyam Sampath:** Okay. All right. Thank you so much. I'll join back the queue if I have additional questions.
- Satadri Chanda:** Thank you.
- Moderator:** Thank you, Shyam. Anybody who wishes to ask a question, please use the option of raise hand. We'll take a question from the chat box. Mr. Chethan Dhruva, his question is, what is the CapEx road map and the debt outlook to meet the revenue and EBITDA guidance given?
- Satadri Chanda:** Yeah. Can I just go to the revenue projection page, please?
- Moderator:** Sure.
- Satadri Chanda:** Yes. So, if you see, we are targeting, whatever capacity we have added now, that ₹450 crores, ₹500 crores, ₹550 crores, it can be achieved. We will not need any more funding or CapEx for that. But if we have to achieve that ₹950 crores, ₹1,000 crores range, there ₹25 crores, ₹30 crores, ₹40 odd crores will be needed. ₹30 crores will be needed for transformers, and maybe a small amount, maybe, ₹10 odd crores will be needed for induction. But that will be funded partially through equity, partially through debt. Right now, we don't have any term loans.
- Whatever we have is the working capital, and we are not utilising the entire working capital, but we have kept the limits in place so that whenever a bulk order comes, because we are pitching everywhere across products. So whenever a bulk order comes, we should be able to execute it. So we are not planning any significant debt as such, only working capital as and when needed, our working capital cycle is typically three to four months.

Moderator: Okay, there is another question in the chat. Can you throw some light on the competitive scenario in the solar transformer business you have entered?

Satadri Chanda: Yes. So solar transformer business, mostly, if you see the high turnover companies like TARIL, Voltamp, etc., a part of which, so they are making larger capacity furnaces now, transformers now. But the solar is being addressed essentially by the medium sized player. So we have companies like Indo Tech, Shilchar etc. So the competitive space is there, there are regional manufacturers. So the transformers that we are targeting primarily, it ranges basically from around seven MVA to about, say 20 to 25 MVA for the solar site. So in that particular range, the competitive environment is not as intense as the smaller transformers either. So, we have Shilchar, you have Supreme - - not Supreme, we have Indo Tech. Danish is making, Waree will be making their own transformers now.

TBEA, they make these transformers. So these are the companies. So the medium sized ones are the ones who we are basically competing with, not the Voltamps or T&Rs.

Moderator: Thank you.

Satadri Chanda: In Eastern India, basically, we are going to be the largest, we have the largest facility in Eastern India, and we're expecting that Eastern India may whatever most of the work, be it the electricity boards, be it solar, we are building a team such that we'll be able to dominate this region. Our service is going to be very fast. We can repair the transformers very easily. So this is what we are planning for the Eastern Region. Here, there is essentially no competition or very minimal competition.

Moderator: Okay, he's asking which kind of customers are we targeting and how is the approval cycle and approval to billing cycle?

Satadri Chanda: Yes. Can you just go back to the transformer approvals page?

Moderator: Okay.

Satadri Chanda: So the initial cycle is long because what happens, we have to first approach them, then they will give us a date for the factory inspection, then they will assign somebody a third-party factory inspector. So this initial phase takes two, three months, four months. But once that phase is completed, then we start getting the inquiries and we bid. So they

will typically give an inquiry that will be closed maybe for their upcoming project. So they'll maybe three, four months in advance.

And, once we start bidding, once the orders start coming in, the execution time frame is roughly three to four months nowadays, at max. And they make approval. These are basically the companies who we are in touch with. And there are others also, but these are the companies where the discussions are moving forward. And in some cases, we've already got the technical approvals. So we started bidding for these orders now.

Moderator: Thank you. We'll take the next question from Mr. Aditya Pal Singh Jaggi. Please go ahead.

Aditya Pal Singh Jaggi: Thank you so much for the opportunity. Great presentation. Just wanted to quickly understand from you now that we've successfully entered the Transformer business. We also gained a good stronghold in the domestic business. But there's an ample opportunity and market size is humongous in the Export segment.

Satadri Chanda: Yes.

Aditya Pal Singh Jaggi: That segment because of the entire renewable energy theme, data, new reindustrialisation of U.S. How are we thinking on that term? So if you can talk about your vision, your strategy, and what are the capabilities that Megatherm needs to cater to those geographies?

Satadri Chanda: Yes. So, Mohsin, can you just go back to the export slide? So you see, like you mentioned, the induction products are such that India is becoming an ideal manufacturing base. That's why most of the international companies, even ABB and all these guys they're setting up their plants in India. So we must leverage this. We are getting proposals for manufacturing it in other people's brand names, but we are not too interested in that because we want to sell it in our brand.

So, the market is vast. The only you would say drawback, so you could say why not Middle East and Africa? Why U.S.? It's essentially about finding the right partners. So initially, what we were doing is we were having our own sales team, and they were traveling and getting the orders. But that has its limitations. So like just take a country like India. There is east, west, north, south. Like, one salesperson will not be able to cover. We have about 15, 20 salespeople in India itself. So now if you're talking about continents like Africa, so we'll need a 100 people for sales. So it's not feasible.

So what we have rather done now is we are trying to do, agency model, like collaboration model, whereas existing companies in those regions, we'll partner with them, and they will sell the products on our behalf. So this is what we are planning right now instead of having the individual sales team. So this is one strategic shift that we have decided. And already we are seeing good enquiries, etc., come from U.S., Brazil, Mexico, and all these things.

The entire work that we are doing now with respect to exports is actually building more partners in key countries like Southeast Asia, we are desperately looking for some good partnerships like that. Middle East, we are looking for partnerships. Middle East, still we travel a lot. Our sales team travels a lot to Middle East not so much, but Southeast Asia is one area. Even in Brazil, for certain products, we have tied up. For the other products, it's needed. So we'll spend, so how this whole thing works is that we'll spend say a year to build the networks. But once that network is built and one or two, three equipment are sold, then you'll see the exponential growth of orders. And especially so for U.S. and Europe because they have 30, 40-year-old machines still running. They are not getting service. So there is an enormous retrofitting market there. So we need to get those initial couple of orders, and then things will grow exponentially.

So it's more about getting these partners in place, getting the agreements and agencies signed. Because they've all visited our factory, and they're quite satisfied with the quality of our product.

Aditya Pal Singh Jaggi: Any particular capability, certifications or...

Satadri Chanda: Yeah, certification needed. So if you want to sell electrical products to Europe, it has to be CE rated. So the wiring, etc. It's a little different from India. And for U.S., they have the UL, it's a different standard. We have transformers, we have equipment. So those things are in process.

Aditya Pal Singh Jaggi: So we have all that?

Satadri Chanda: No. It's in process.. See, it's not required for South America and Brazil and all these places like Middle East, Africa. It's mainly required for USA and Europe.

Aditya Pal Singh Jaggi: Understood. And the last part was that is there any capability that we don't have, but we are building to build that market? And it can be

intellectual property. It can be other intangible. It can be employee based, or it can be something like a product basket approach that deal product...

Satadri Chanda: Product basket. So, for example, in Inductotherm, they cater to the end-to-end whatever type of induction equipment you know. but we don't. So for example, high frequency pipe welders, that is something that we are just getting into. That's an enormous market globally. So that is where we are tying up with a Spanish company, and we'll be making the product in India with Megatherm brand, and the modules will be branded in both names in the JV company, and we'll sell that.

So for certain products, the product basket is being prepared. But for most of the other products, like the melting furnaces and all, we already have the product in place. Here, it is mostly about getting an agreement done with correct channel partner. The finding of correct channel partner and then getting the agreements done.

Aditya Pal Singh Jaggi: My question was more pertaining to the transformer segment. In that is there any...

Satadri Chanda: Okay. Yeah. So see we have already exported transformers, but they have gone with the steel or forging equipment, not standalone transformers for power and distribution. So the transformers, Mohsin, if you can just go back one slide.

Aditya Pal Singh Jaggi: I understand. Our transformer is different. It's an ITD inverted duty transformers.

Satadri Chanda: Yeah. So we have some projected. So we do have some export orders now. The projections, the revenue guidance, Mohsin, revenue guidance page.

So if you see that we haven't projected anything big for the next 24, 30 months, in terms of transformer exports, so what will happen is that once we get more experience, and because whenever you want to pitch abroad, they'll say to which large Indian EPCs have you sold to. So once we start selling to the Indian EPCs, we'll create a brand name. Then leveraging that, we'll be able to sell more abroad. So that is why we've kept it in our 48 month phase where 35 crores. It could be more. It's a projection. But, initially, that's why we haven't shown too much on this.

Aditya Pal Singh Jaggi: Understood. Thank you so much, and wishing you all the very best.

Satadri Chanda: Yes. Actually, Shilchar is doing a lot of these IDT exports, and that's why you will see that their bottom lines are also higher than compared to the other transform manufacturers.

Aditya Pal Singh Jaggi: Understood. So we can also scale up pretty well, because there are not many companies in India that do IDT transformers.

Satadri Chanda: See, it's not like there aren't many. Anyone can make it. But what happens, the economics has to match up. So if T&R has created a massive infrastructure for large transformers, so the bottom line may be same. Say you get 10% from selling a 50 lakh to be transformer, but it takes the equal amount of effort. It takes the same time, same manufacturing process. But if you make a 100 MVA transformer and you're selling it at ₹10 crores, then that the bottom line will be more in the quantum. So that's why, anyone can make different, different sizes of transformers, but the larger players will focus on the larger transformers.

We are in the medium transformers segment, and then you have local transformer manufacturers who do the smaller ones.

Aditya Pal Singh Jaggi: Understood. This makes a lot of sense. Thank you so much.

Satadri Chanda: Thank you.

Moderator: Thank you. Anybody who wishes to ask a question, please use the option of raise hand. We have a question from Mr. Mukesh Poonia in the chat. He's asking, we are moving ₹360 crores order book for next year out of ₹430 crores. So are we completing ₹170 crores revenue in the remaining half?

Satadri Chanda: Yes. So we have about, not ₹360 crores, about ₹260 odd crores. I can see that it's going to get spilt over.

Moderator: Yeah. So he's asking out of ₹430 crores, we remove ₹260 crores.

Satadri Chanda: So, yeah, we are left with ₹170 crores plus spares. Spare orders will come. Right now, we have ₹10 crores in hand roughly, but it's fast moving. So they will come. So this order book and the additional that comes from spares, should be executed in this year.

Moderator: So the yearly revenue target would be around ₹330 odd crores, he's asking.

- Satadri Chanda:** Yeah. So I can't give specifics because this is just the current year like that. But you can get an idea.
- Moderator:** Correct. Right. And his second question is that in Cyprium JV, how will the revenue bifurcation between the two companies? How much percentage of that revenue generated will be in Megatherm's books?
- Satadri Chanda:** So 50% of the profit of that company, so how it works is that, in abroad, the products which are sold in India are sold at a higher price. So what we have planned is that we will sell from Megatherm Induction to Cyprium. It will go Megatherm Cyprium. It will go at the export pricing so that the bottom line of Megatherm Induction is protected. And the markup which is going to happen over there, that markup basically is going to be split with half and half.
- Moderator:** Okay. Anybody who wishes to ask a question, please use the option of raise hand. There is one more question in the chat box from Mr. Pradip Burman. He's asking, there was news few weeks back that West Bengal government revoked decades old industrial incentives and subsidies provided to corporates and industries. Will this affect Megatherm?
- Satadri Chanda:** No. Actually, we have never taken that into our calculation. We have only taken the MCIP, the Ministry of Electronics Central Government. Those subsidies we get that is 20% of CapEx. Whatever is done up to the end of this year, we'll get it. So we already got two rounds of that. And in the accounts, we don't show it as an income. We offset it against the fixed assets, as advised by our accounts team before the tax purposes.
- Moderator:** Thank you. There is another question from Mr. Mayank Gupta. He's asking, I wanted to understand the purpose of the new lease hold land for 30 years. Lease at Taratala, I think we still have free five acre of land at our Kharagpur facility.
- Satadri Chanda:** Yeah. So, couple of things. So we had two options. One option was to let go of that land and transfer the entire shed because the land belongs to Port Trust, Government of India. But, so there was an option of to completely remove the shed and create a new shed in the remaining space. We still have ample space. But the other school of thought was that once the shed over there is completely ready. Like, it's completely ready that there's office building, canteen, and everything. So, what

we wanted to do is we are already doing the induction backward integration work, and it is giving rewards in terms of the bottom line.

So even the transformer backward integration is important if you want to protect bottom line. So what we are planning to do there is to make the transformer machine. So if you see this image, in fact, you see what's on the inside, but everything that's on the outside is made of steel fabrication. So we want to make these things, which everything that you see in green, we want to manufacture in-house over there.

So that is going to protect our bottom line. So instead of land development and everything, we decided, okay. We can retain that, plot for a period of 30 years, then we can run it. Because everything is ready. We will not have to do things from scratch, and there'll be again a one year gestation period and things like that.

Moderator: Thank you. There is another question in the chat from Sonia Keswani. She's asking what is Megatherm's competitive edge that is helping them to get orders from clients of Electrotherm and Inductotherm?

Satadri Chanda: Right. So, if you can just go to the market size, Mohsin, I'll explain it from there.

Moderator: Yes.

Satadri Chanda: It's the last page of the industry analysis. Yeah. So, if you see Electrotherm basically plays, mostly at the bottom two. If you look at their two rows at the bottom, that's where we compete with them mostly. And in that, the induction furnace for steel making is where we have taken a lot of their clients, larger clients. And that is primarily driven by the performance of our equipment. So like I shared earlier, the equipment depends heavily, I mean the decision making depends heavily on energy consumption and productivity. So this is one area we have incorporated and we are continuously improving that to get the most of it. So right now, we have the most efficient furnace. We openly say they are in all our marketing documents, proposals, everything. So that is helping us gain market share from, Electrotherm.

And also some export clients in the middle, they had some issues, some cash flow issues, so they're not able to give service and all that. But more than that, it's most of the performance of the equipment. And if you look at one, two, and three, row numbers one, two, and three, this is where Inductotherm is market leader. And so, here it is

essentially about having the application. So they have years of application knowledge. So but whichever products, so these different types of products are shown on the right hand side. So wherever these type of, whenever we are able to make these products, develop these products, there we are gaining market share, and there are still many areas these products are under development.

Now why we are gaining market share in these products is because one is energy efficiency. See, in India, the energy rates are very high. In other countries, equipment is based mostly on reliability and the service. Here, what happens is the energy consumption in India is very high. So most of the Indian companies like Electrotherm also, we try to make our equipment extremely energy efficient. This is one of the other reasons why even China is not able to compete in these products as much, because it's not that energy efficient.

So one is energy efficiency. Another is service being a larger and their service culture is more formal. You have to raise a ticket this that. Whereas we have kept our service completely, so we have empowered all the regions and the local engineers to give service quickly to the clients and effectively any issues, major issues gets highlighted into our HO very fast. Our response time for spares is very fast since we have backward integrated to a great extent in the induction products.

We are also able to deliver these emergency items, spare items very fast. We are drawing our own copper. We are slitting our own CRGO, the silicon steel. So we are able to give these emergency support very quickly. So these are some of the reasons why we are gaining market share in one, two, three. And in terms of four, it's the energy efficiency of the equipment. Of course, the service angle is there.

Moderator:

Thank you. Anybody who wishes to ask the question, please use the option of raise hand. Since there are no further questions, would you like to give any closing comments?

Satadri Chanda:

Yes, sure. So, thank you for joining. And mostly, if you see like, we haven't discussed risk angle yet, so I'll bring in the risk angle over here. But what I see is that in terms of risk to our projection, the type of products that we have, the type of technology that we have, the infrastructure that we have, the team that we have, the risk can only be associated with time because as we have seen the entire process, the initial part is a little time taking. But once the approvals are there, once we are bidding for the orders, or once we have already sold some

equipment to certain countries, the reference is created, then exponential growth is going to be very fast.

So that initial part may seem a little slow, and then that's the only risk that I see. Apart from that, I think we'll achieve our 1,000 cr target, very soon. A couple of other questions, I think.

Moderator: Yes. We'll take the question from Rajashekhar Savadi. Please go ahead.

Rajashekhar Savadi: Okay, thank you. So you mentioned that, some amount of from the, IPO is set aside and that is giving you other income. So how are you planning to use the amount? If you can highlight a bit and how much of that amount can go into?

Satadri Chanda: Yes, yes. So as for the DRHP, we had raised funds for three purposes. One is corporate general expense. One is working capital. One is CapEx. So the CapEx fund is exhausted. I think only ₹2 crores is left for some machinery. That is exhausted. Some portion of the working capital has been exhausted, but most of the fund that is left now is essentially working capital. So that working capital fund, we have actually kept for the transformers because transformer is a working capital intensive line. So since, we are getting the approvals, once the transformers order start, that fund will get utilised essentially.

Rajashekhar Savadi: Okay. Thank you.

Moderator: Thank you. We'll take the next question from Kapil Goenka. Please go ahead.

Kapil Goenka: Do we plan any change of name considering that we are diverging into transformers also? So do we plan any change of name from that?

Satadri Chanda: Originally, this company, if you look way back, it was called Megatherm T&D. So our original plan was that, when we were operating out of Salt Lake, the old factory, we were thinking that this is going to be a pure play transformer factory, but then over the years, the name changed. But that's a good point. We can take it up. If we haven't faced any like resistance from the clients as such that, you're doing T&D, but why is the name induction as such? But we could do something which is more generic, like heavy electricals or heavy engineering or something like that.

Kapil Goenka: Okay. Thank you.

Satadri Chanda: Yeah, thank you.

Moderator: Thank you, Kapil. We'll take a last question from chat from Mr. Mayank Gupta. He's asking for transformer business to grow, our main catalyst is the capital projects in Eastern India by big players, Tata and Adani. So can you throw some light on this?

Satadri Chanda: Yes. So Tata Power, we have already just received the make. So we have started receiving their inquiries. We are hoping to close one, two orders. Even if it as a low price, we will try to close it. We want to get entry into the Tata Group. And Adani is coming up with lots of projects. So what we are trying in fact, they are pressurising us that you give us the date for factory, but we are installing one vacuum machine, which is required. So we're just waiting on that, and then we'll give them the green signal that you give us approval. So once they visit, they'll do the analysis. And, once the make is approved, we'll get those orders.

So Tata, Adani, even Reliance is planning a lot of investment. Not just Bengal, we have already supplied our transformers to Odisha board, and we already have the approvals there in the Odisha board. So we are trying to push, get the Odisha orders. A lot of work is happening in Odisha, also.

Moderator: Okay, would you like to add anything in your closing comments?

Satadri Chanda: So thank you so much for joining. And like I mentioned, we analysed the risk to the growth. So the only thing I can see is that the initial reference creation or the initial approval process, that is taking a little bit of time. But once that is through, I think then we are going to start seeing exponential growth and get capacity utilised completely. So that's important.

Moderator: Thank you.

Satadri Chanda: So thank you so much everyone for joining.

Moderator: Yeah. Thank you, and thank you to all the participants for joining on this call. This brings us to the end of the conference call. Thank you.