CIN: L31900WB2010PLC154236
GSTIN: 19AAGCM8455J1ZV

Megatherm Induction Limited
(Formerly Megatherm Induction Pvt. Ltd.)

Megatherm Tower,
Plot L1, Block GP, Sector-V, Electronics Complex,
Salt Lake City, Kolkata - 700 091, India.

Date: 6 August, 2026

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

Ref.: Megatherm Induction Limited / NSE /2026-27/32
Symbol: MEGATHERM
ISIN: INE531R01010

Dear Sir/Madam,

Sub: Regulation 34 of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') – Annual Report for the Financial Year 2025-26

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2025-26 which is being sent to the shareholders through electronic mode.

The Notice of AGM and Annual Report 2025-26 has also been uploaded on the website of the Company at https://megatherm.com.

The e-voting shall be open for 3 days, commencing at **9.00 a.m. (IST) on Wednesday, 26th August, 2026** and ending at **5.00 p.m. (IST) on Friday, 28th August, 2026** for all the shareholders whose names appear in the Register of Members on **Saturday, 22nd August, 2026**.

Kindly take the same into your records.

Yours faithfully,
For Megatherm Induction Limited

ABANTI SAHA BASU Digitally signed by ABANTI SAHA BASU
Date: 2026.08.06 11:30:42 +05'30'

(Abanti Saha Basu)
Company Secretary & Compliance Officer

Place: Kolkata

+91 033 4088 6200
info@megatherm.com
https://www.megatherm.com
Factory: Plot H1, Vidyasagar Industrial Park, Vil.: Rupnarayanpur, P.O.: Jakpur, Dist.: Paschim Midnapore, Kharagpur - 721301. West Bengal, India.

LAYING THE FOUNDATION

Annual Report
2025-26

Across the pages

Reporting scope and boundary

This report covers financial and non-financial information and activities of Megatherm Induction Limited ('the Company' or 'MIL' or 'Megatherm') during the period April 1, 2025, to March 31, 2026. In this, we aspire to provide an incisive view of our performance and strategy across business segments. The content of this report depicts both quantitative and qualitative disclosures on our performance.

Forward-looking statements

This Report contains forward-looking statements about expected future events and financials of Megatherm Induction Limited. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove accurate, and actual future results and events may differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the publication of this document.

Precautionary approach

We follow a precautionary approach towards minimising our operational impact on the environment. We have implemented best-in-class technology in our manufacturing operations to limit our ecological footprint, and we continue to enhance our efforts in this regard. At all our plants, we have implemented environment, health, and safety (EHS) management systems to monitor and address any concerns.

Building Today. Growing Tomorrow.

The strongest structures are rarely admired for what lies beneath them.

Yet, it is the unseen foundation that determines how high they can rise, how much they can withstand, and how long they can endure.

Businesses are no different.

The most enduring organisations are not built during periods of accelerated growth.

They are built much earlier, through deliberate investments in people, processes, capabilities, disciplined execution, and the conviction to prepare for opportunities long before they arrive.

That belief has shaped Megatherm Induction Limited's journey.

The global metals industry is entering a new era.

Rapid industrialisation, infrastructure expansion, the transition towards cleaner steelmaking, and increasing investments in manufacturing are driving demand for advanced induction melting and heating technologies.

India, too, is witnessing an unprecedented manufacturing transformation, supported by initiatives such as Make in India, expanding infrastructure investments, and a growing emphasis on self-reliance in industrial production.

These structural shifts are creating a strong long-term opportunity for companies capable of delivering technologically advanced, energy-efficient, and reliable metallurgical solutions.

At Megatherm, we recognised this opportunity well before it became visible.

Laying the Foundation.

Over the past few years, our focus has not been on chasing short-term growth.

Instead, we have concentrated on building the capabilities that will define our future.

We have invested in expanding manufacturing infrastructure, strengthening engineering expertise, modernising production processes, enhancing technology platforms, and developing a stronger, more capable workforce.

These investments may not immediately be reflected in financial performance, but they have significantly strengthened the Company's ability to execute larger projects, serve more demanding customers, and scale sustainably. Ongoing investments in engineering, process optimisation, and product development have enhanced our ability to deliver customized solutions across the steel, foundry, and metallurgical sectors in India and abroad.

Yet, the true foundation of Megatherm extends beyond machinery and infrastructure.

It lies in our people.

It lies in the engineering knowledge accumulated over decades.

It lies in the trust we have earned from customers who rely on our solutions to power their operations.

And it lies in a culture that believes sustainable growth is achieved not by reacting to change, but by preparing for it.

Thus, ***"Laying the Foundation"*** isn't just a statement at MIL; it captures our core philosophy.

It reflects a Company that has chosen to invest before it expands, strengthen before it accelerates and build before it scales.

Every

Investment in technology.

Enhancement in manufacturing capabilities.

Process improvement.

Addition to our engineering talent.

Together, they form the foundation upon which our next phase of growth will be built.

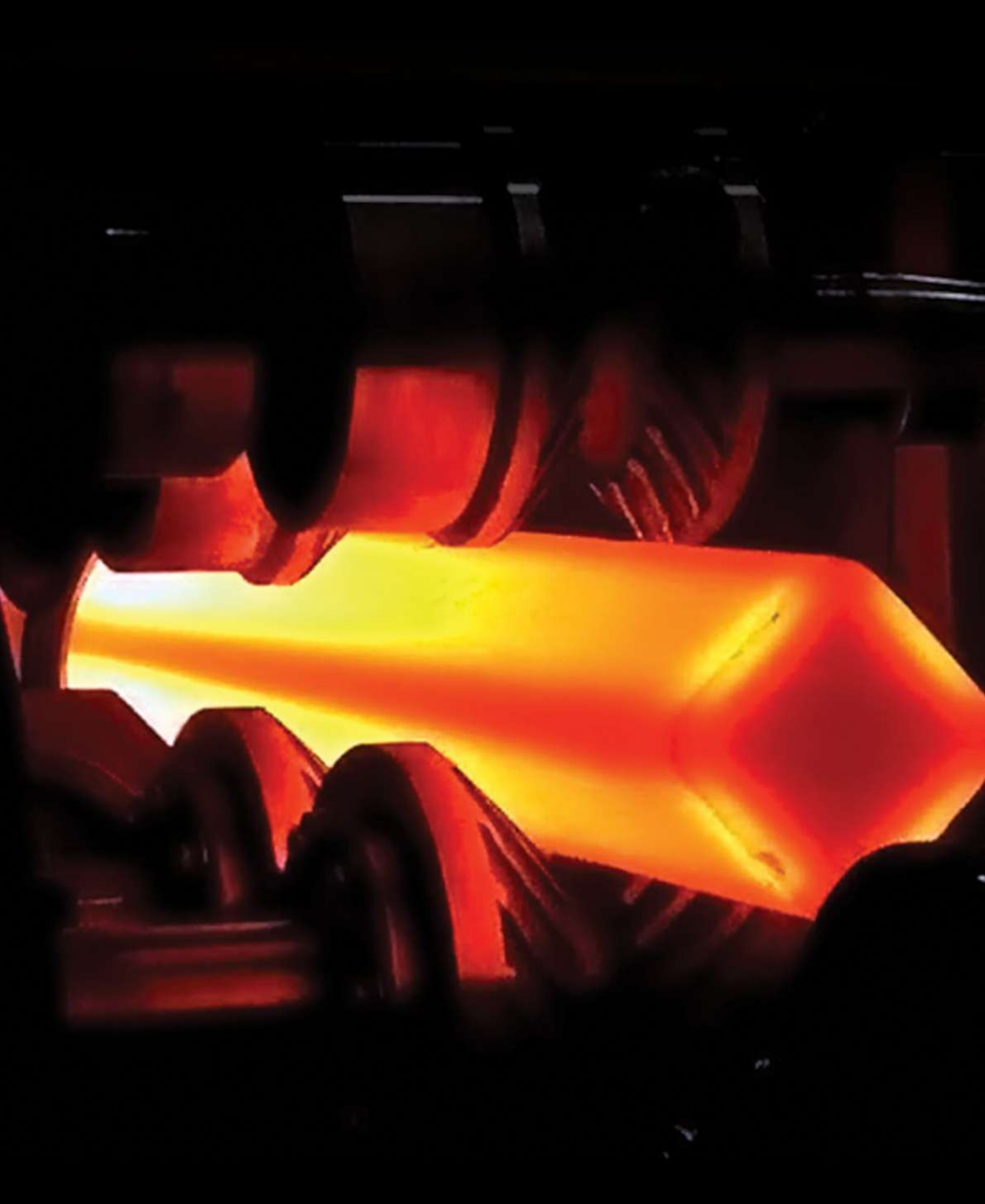
As industries adopt energy-efficient induction, automation, and digital manufacturing, we believe the investments made over the years will enable Megatherm to participate more effectively in future opportunities.

We are entering this next chapter with stronger capabilities, greater operational resilience and a clearer strategic direction than ever before.

Because sustainable success is never an accident. It is engineered.

One decision at a time. One capability at a time. One foundation at a time.

The years behind us were spent laying that foundation. The years ahead will demonstrate its strength.



Over the past 15 years, while the immediate metrics of the business continued to perform, a quieter and more consequential effort was underway beneath the surface.

The Company made deliberate, sustained investments across the four pillars that ultimately determine long-term competitiveness — people, process, technology, and machinery, not as isolated initiatives, but as an integrated foundation for the next phase of growth.

People

Megatherm expanded and upskilled its workforce, adding 53 new hires across engineering, operations, and quality functions, while investing a substantial amount towards structured training and capability-building programmes. This reflects a core philosophy: that technology and machines are only as good as the people who operate and improve them.

Machinery

Most visibly, the Company began construction of its fourth production facility in April 2026, a tangible, physical expression of the "foundation" this report speaks to. Backed by a capital expenditure of ₹127.20 million, this expansion is expected to enhance overall installed capacity and position the Company to meet anticipated demand without constraint.

Process

The Company strengthened its operating discipline through ERP implementation, quality systems upgrade, and obtaining a new certification, improving on-time delivery, yield and turnaround time, and embedding process rigour that reduces variability and enhances the predictability of outcomes, a prerequisite for scaling reliably.

Technology

Capital was directed toward specific technological investments such as automation, digitalisation, & R&D capability, with an investment of ₹9.40 million, enabling the Company to move up the value chain, improve product quality and enter new product categories.

Together, these investments are not expenses of the past; they are the assets of the future. They represent a foundation engineered to support scale, absorb demand volatility, and convert opportunity into sustained and profitable growth.

This investment phase comes even as the Company has continued to deliver year-over-year growth. Revenue for FY26 stood at ₹3,528.30 million, an increase of 9% over the previous year.

As Megatherm enters FY27 and beyond, the base has been laid. The task ahead is to build upon it, and the Company is prepared to do exactly that.

Message from the

Chairman & Managing Director

Megatherm continues to grow alongside India's industrial transformation, driven by the Steel and Power sectors. While strengthening our leadership in our core businesses, we are expanding into automotive and ancillary industries through our Green Series of Automated Induction Heating Systems and advancing into renewable energy with large Grid-Tied Inverter Duty Transformers. Leveraging our engineering expertise, we are entering new application domains including High-Frequency Induction Tube Welding, Locomotive Transformers, and next-generation power infrastructure required for AI-driven data centres. These initiatives reflect our commitment to innovation, sustainability, and long-term value creation."

Dear shareholders,

It gives me great pleasure to present to you the Annual Report for FY 2025-26.

At the outset, I would like to express my sincere gratitude to our shareholders for their continued confidence and unwavering support. Your trust has remained the cornerstone of Megatherm's journey. I also extend my appreciation to our valued customers, business partners, suppliers, financial institutions, and, above all, our employees, whose dedication, technical excellence, and commitment have enabled the Company to continue building a stronger foundation for sustainable growth.

The theme of this year's Annual Report, "**Laying the Foundation,**" reflects the essence of our journey during FY 2025-26. While the year involved significant investments in organisational capability, technology development, product diversification, engineering excellence, and strategic market expansion, many of these initiatives are intended to create long-term value rather than immediate financial gains. We believe enduring businesses are built through disciplined investment in capability, innovation, and people.

India's Industrial Transformation – Creating Long-Term Opportunities

India's sustained infrastructure-led growth continues to generate significant opportunities across the steel, foundry, forging, and power sectors. As the nation strengthens its manufacturing capabilities and expands its industrial base, demand for energy-efficient and environmentally sustainable technologies continues to accelerate.

We are readying the Company for the next stage of its life as a listed entity, and that calls for a structure that runs on its own strength, with the promoters guiding rather than directing every task.

Induction melting has become an integral part of modern steel production, particularly in secondary steel manufacturing. Across steelmaking, foundries, forging, heat treatment, and metal processing industries, conventional fossil fuel-based heating systems are increasingly being replaced by induction technologies owing to their superior energy efficiency, lower operating costs, improved productivity, and substantially reduced carbon emissions.

Megatherm has consistently remained at the forefront of this transition. Through continuous innovation and advanced engineering, our induction technologies significantly reduce electrical energy consumption, thereby lowering dependence on captive coal-based power generation and contributing meaningfully to decarbonisation of the steel industry.

Over the last five years, Megatherm has supplied nearly **45-50% of the induction melting furnaces installed across India**, supporting a segment that contributes nearly **40% of India's domestic steel production**. We remain committed to strengthening our leadership through continuous investment in research and development and next-generation energy-efficient technologies.

Engineering Sustainability Through Innovation

We firmly believe that sustainability and business growth are complementary objectives.

A significant portion of industrial carbon emissions originates from heat generation. Every fuel-fired furnace replaced by an efficient induction system helps our customers reduce emissions while simultaneously improving operating efficiency and lowering energy costs. This dual benefit continues to strengthen the relevance of our technologies as industries worldwide accelerate their transition towards cleaner manufacturing processes.

Expanding Opportunities Acr oss Foundry, Forging and Metal Working

The global **"China Plus One"** manufacturing strategy has opened substantial opportunities for India's foundry industry. Rising international demand for high-quality castings is driving capacity expansion among both established and emerging foundries.

Leveraging our leadership in energy-efficient induction furnaces, Megatherm is well positioned to capture a significant share of this expanding market by offering technologically superior and energy-efficient solutions that provide compelling long-term value to customers.

Similarly, growing demand for forged and heat-treated steel products across automotive and industrial sectors has created new opportunities for our advanced induction heating technologies. Our highly efficient inline billet reheating systems for Continuous Casting Machines have demonstrated significant improvements in process efficiency while reducing electrical energy consumption. These technological advantages are enabling us to compete successfully with leading global manufacturers across both domestic and international markets.

Our **Green Series of Automated Induction Heating Systems** continues to receive encouraging acceptance from customers in the automotive and ancillary industries, reinforcing our position as a provider of advanced manufacturing solutions.

Entering New Technology Platforms

As part of our long-term diversification strategy, we are expanding into high-frequency induction technology through a strategic collaboration with **SiCtech Induction, Spain**, for manufacturing High-Frequency Tube Welding Equipment. This initiative will enable Megatherm to serve the rapidly growing pipes and tubes industry while also addressing specialised applications such as thermo-epoxy coating for corrosion-resistant steel products used in demanding industrial and marine environments.

These developments further strengthen Megatherm's position as a pioneer in energy-efficient induction melting and heating technologies.

Building a Strong Presence in Renewable Energy and Power Infrastructure

Our diversification into the renewable energy sector has gained significant momentum through the successful development and commercialisation of large **Grid-Tied Inverter Duty Transformers**.

These products have successfully met the stringent technical requirements of reputed organisations including **CPRI, Shell, Hero Future Energies, Tata Power**, and several leading renewable energy developers. Built upon our long-standing expertise in specialised transformers for the metals industry, this business has emerged as an important growth driver.

We have also initiated development of **Locomotive Transformers**, further expanding our presence across power transmission, renewable energy, railway electrification, and industrial infrastructure.

Positioning for the AI Infrastructure Revolution

The rapid global adoption of Artificial Intelligence is driving unprecedented investment in large-scale data centres, significantly increasing demand for robust electrical infrastructure. Simultaneously, accelerated investments in renewable energy, battery energy storage systems, and hydroelectric storage projects are expected to create substantial demand for advanced Inverter Duty Transformers.

Megatherm is strategically positioned to participate in these emerging opportunities by leveraging its expertise in specialised transformer technology and power conversion systems.

Strengthening Our Global Presence

International expansion remains a key strategic priority.

Our long-term objective is to establish Megatherm as a globally recognised engineering company capable of competing with established international manufacturers in induction technologies.

During the year, we strengthened our global commercial infrastructure through the reorganisation of our United States operations, expansion of representative networks across the Americas and Europe, and development of new international marketing initiatives. Although geopolitical uncertainties and global conflicts temporarily impacted export order execution during the year, we remain confident that these disruptions are transitory and that international demand will continue to strengthen as market conditions stabilise.

Building an Institution for the Future

Perhaps the most significant work undertaken during FY 2025-26 has been organisational transformation.

As a listed company, our objective is to build a professionally managed institution supported by strong systems, processes, governance, and leadership succession. We are consciously transitioning towards an organisation where knowledge resides within systems rather than individuals.

Our long-term objective is to establish Megatherm as a globally recognised engineering company capable of competing with established international manufacturers in induction technologies.

One initiative that holds particular significance for me personally is the systematic documentation and institutionalisation of our engineering knowledge. The design methodologies, calculations, and engineering principles developed over several decades are now being integrated into structured engineering systems. We have also established dedicated teams for product development and customer-specific engineering, ensuring that innovation and execution continue to evolve independently.

This institutionalisation of knowledge represents one of the strongest foundations we can build for the Company's long-term future.

Looking Ahead

While many of the initiatives undertaken during the year may not immediately translate into financial results, they have substantially strengthened Megatherm's long-term growth platform.

With an expanding portfolio of advanced technologies, increasing participation in renewable energy and power infrastructure, growing international presence, and unwavering commitment to innovation, sustainability, and engineering excellence, we remain confident in our ability to create sustainable long-term value for all stakeholders.

On behalf of the Board of Directors, I extend my sincere appreciation to our shareholders, customers, employees, business partners, bankers, suppliers, and all stakeholders for their continued trust and support.

Together, we have laid a strong foundation. We now look forward to building upon it with confidence, discipline, and a shared commitment to excellence.

Mr. Shesadri Bhusan Chanda
Chairman & Managing Director

Who We Are

Engineering thermal solutions for the metal that builds the modern world.

Megatherm Induction Limited is India's leading manufacturer of induction melting and heating equipment, the technology that transforms raw metal into the billets, bars, castings, and components that build modern infrastructure.

For over three decades, we have built our organisation with engineering discipline, customer trust, and a long-term view of progress.

What began in the 1970s as a small team of Electro Thermal Processing engineers, and was formally established in 1989, has grown into Megatherm Induction Limited: a leading Indian manufacturer of induction melting and heating equipment, with a footprint that spans five continents today.

Incorporated in 2010 and headquartered in Kolkata, with manufacturing at Kharagpur, West Bengal, Megatherm is guided by Mr. Shesadri Bhusan Chanda, Chairman & Managing Director, and listed on the NSE SME platform (NSE EMERGE) since February 2024, a journey from workshop to listed company built one installation at a time.

Our Story in Numbers

3,000+
Installations
Delivered worldwide, lifetime

51+
Countries
Across 5 continents

₹3,460 million
FY26 Revenue
~8% growth over FY25

~₹4,300 million
Order Book
including ~₹1,500 million exports

What We Do

We design, manufacture, and commission induction-based thermal solutions, melting furnaces, billet heaters, hardening and heat-treatment systems, induction power sources, transformers, ladle refining furnaces, electric arc furnaces, continuous casting machines, and fume extraction systems. Our business integrates in-house engineering, precision manufacturing, quality validation through our own testing laboratory, and lifetime after-sales support within a single disciplined framework, serving steel producers, auto ancillaries, ordnance factories, railways, DI pipe makers, and diverse engineering industries.

Our Business Segments

We operate through three complementary engines, each with a distinct commercial model, together covering the full thermal-electrical journey of our customers' metal.

- Induction Melting & Heating Equipment
- Transformers & Power Distribution
- Turnkey Solutions & After-Sales

Our Evolution

Our journey has been guided by a simple, enduring conviction: if there is a better way to melt, heat, or forge metal, Megatherm will bring it to its customers. That conviction carried us from a machine workshop to induction furnace manufacturing at Kharagpur in 2018, into transformers in 2021, to the public markets in 2024, and, through our Megatherm Cyprium Inc., our North American joint venture incorporated in January 2026, onto the doorstep of the world's largest industrial economy.

Where We Stand Today

Today, Megatherm is one of India's few engineering firms designing, manufacturing, and exporting precision induction technology globally. Our equipment operates in over 51 countries across five continents. We serve top industrial clients and are expanding through representation in Brazil, Mexico, Argentina, a UK office, and a North American joint venture. With a new factory underway and a target of 20–25% annual revenue growth for the next five to six years, the company is shaping its future with the same discipline as its start.

~300

Furnaces & Transformers / Year

Manufacturing capacity

4th

Facility Under Construction

Since April 2026

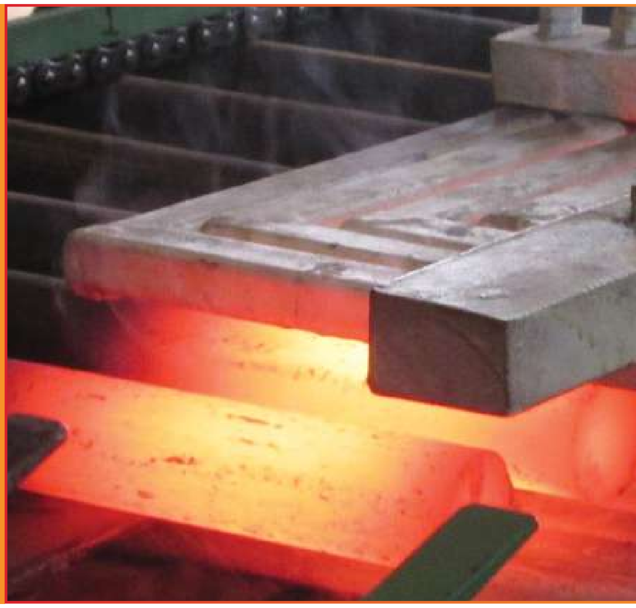
2,000 MVA

Transformer Capacity

Largest such facility in Eastern India

374

Employees



At Megatherm, we are not just building furnaces and transformers, we are laying the foundation for the metal that builds the modern world.

Our Vision

To attain market leadership in all products and solutions that we provide.

Our Mission

Product: *Continuous improvement and innovation in performance and quality.*

Production and delivery: *To establish systems & processes most suitable for streamlining production and supply chain.*

Service: *Align, engage, and serve to customers' delight.*

Resources: Investment in people, processes, systems, and technologies.

Our offerings

One technology. A universe of applications.

Megatherm's core is induction heating, developed over a decade into a broad portfolio for nearly every stage of the metal value chain: melting, refining, heating, hardening, casting, and the supporting power infrastructure. While many global induction tech players specialize narrowly, Megatherm offers end-to-end depth, a single partner capable of engineering a customer's entire thermal process, not just supplying a machine.

Capability	Products	Industries it serves
Melt & refine	Induction Melting Furnaces I Ladle Refining Furnaces I Electric Arc Furnaces	Steel, foundry, and forging operations
Heat & harden	Induction Billet Heaters I Induction Hardening & Heat-Treating Equipment I Induction Heating Power Sources	Auto ancillaries, engineering & component manufacturing
Power the process	Induction Furnace Duty Transformers, 500 kVA to 30 MVA · 6/12/24-pulse configurations	Steel plants, foundries, metal processors
Cast & contain	Continuous Casting Machines I Fume Extraction Systems	Downstream casting and environment-compliant operations
Build & maintain	Turnkey steel plant solutions — planning, engineering, delivery, assembly, commissioning · maintenance contracts & spares	Greenfield and brownfield steel plant projects

KEY BUSINESS SEGMENTS

Induction Melting & Heating Equipment

Our founding core: induction furnaces, billet heaters, hardening and heat-treatment systems, and power sources that melt, heat, and harden metal for India's and the world's foundries, steel plants, and component manufacturers.

Key Markets

India I South America I Africa I Gulf I Europe I SAARC I Southeast Asia

Commercial Model

- Engineered-to-order equipment built to customer specifications
- Deep technical engagement with plant and process teams
- Long-life installations that anchor decades-long relationships

Transformers & Power Distribution

Entered in 2021 and scaling rapidly: induction furnace duty transformers from 500 kVA to 30 MVA, and Inverter Duty Transformers (IDTs) for the renewable era — including a CPRI-validated 13.2 MVA IDT and a new 2,000 MVA facility at Vidyasagar Industrial Park, Kharagpur, expandable to 3,000 MVA.

Key Markets

India (power distribution, solar & BESS applications)

Commercial Model

- Approval- and validation-driven sales into utility and renewable segments
- Niche positioning in solar and BESS transformer applications
- Order book of ~₹800 million as of FY26
- Long-life installations that anchor decades-long relationships

Turnkey Solutions & After-Sales

Complete steel melt shop solutions, planning, engineering, supply, erection, and commissioning, followed by maintenance contracts and a spares business that keeps customers' plants running for decades.

Key Markets

Greenfield and brownfield steel plants, domestic and international

Commercial Model

- Project-based turnkey execution with in-house and outsourced systems
- Recurring revenue through maintenance contracts and spare parts
- After-sales strength that supports EBITDA resilience

Engineering the power behind the process

Megatherm's transformer range spans 500 kVA to 30 MVA, designed for voltages from 400 volts to 33 kV, with 6-, 12-, and 24-pulse configurations for high currents and overloads in induction furnace applications. This expertise in power engineering enables Megatherm to design complete thermal-electrical systems, not just standalone equipment.

Megatherm is now extending its portfolio beyond its traditional core: entering the pipes and tubes segment through a joint venture with a European partner, and expanding its transformer business into niche, high-growth applications such as solar and battery energy storage system (BESS) transformers, segments at the intersection of industrial engineering and the global energy transition.

Our presence

Rooted in Bengal. Trusted across the world.

Megatherm's story begins in Kolkata, where the Company is headquartered, and Kharagpur, West Bengal, where its manufacturing engine is based - a world-class facility spanning an impressive 3,92,040 sq. ft. From these two addresses, Megatherm has built a footprint that now touches five continents, a rare achievement for an Indian engineering company of its scale.

51

countries

Across 5 continents


Europe
(e.g. Poland, France)
Saarc
(e.g. Bangladesh, Nepal, Bhutan)
Gulf
(e.g. Saudi Arabia, UAE)
South East Asia
(e.g. Indonesia, Malaysia)
Africa
(e.g. South Africa, Kenya, Tanzania, Ghana, Nigeria)
South America
(e.g. Argentina, Brazil, etc)

In Conversation with the

Whole-Time Director & CFO, Satadri Chanda

on what “Laying the Foundation” has meant in practice this year, and how the numbers behind it should be read.

“The transformer business moved from a plan to a business; we cleared CPRI validation for the 13.2 MVA inverter-duty unit, took our first orders of about ₹379 million from five domestic customers, totalling over 400 MVA, and were approved as a vendor by more than ten renewable players.”

Q. *The report is themed “Laying the Foundation.” What does that mean for Megatherm, in concrete terms?*

A: For the last two years or so we have been building the base the Company will run on, people, processes, technology, and machinery. FY26 was the year much of that came together. I would ask readers not to picture it as one foundation, though. We have laid a separate one for each business line: steel, foundry, automotive, pipes and tubes, transformers, exports, because each needs its own products, approvals and people before it can carry weight. What the year gave us is that base across most of our lines at the same time. The growth is meant to follow from it, over the next several years rather than the next quarter.

Let us take those one at a time, but start with people, since you mention it first.

First, people were the largest piece of work this year, and it ties into something specific. We are preparing for migration to the main board; our mandatory period as an SME-listed company ends around March 2027, and we want the organisation ready well before then. Ready, to my mind, means a structure that runs on its own strength, the right people in the right positions, with the promoters guiding rather than doing. We engaged external consultants and did a fair amount of internal work to design that structure, and then recruited into it: design and engineering, project management, accounts, including a dedicated team for GST and a stronger accounts function, and sales and service, where we have both hired and trained extensively. We also built out an export team, some of it by bringing in people with direct experience from other companies.

That effort carries a cost. Our employee expenses rose about 23% over the year, and it is a front-loaded cost; it lands before the revenue it is meant to support. We took it on deliberately.

In foundry, we launched a hybrid-topology furnace and dual-track and tri-track power supplies. The dual- and tri-track arrangement lets a customer run two crucibles at once, which is useful for ductile iron pipe and for alloying.

Second, steel. In the induction furnace, our core, the aim is to hold our position, and in steel melting you hold position on energy. Energy consumed per tonne is the figure a steel plant watches, so our work there is on bringing it down: flux-neutral interconnection, higher-voltage boosting and a few other things that keep us ahead on efficiency. Alongside the furnace, we have begun selling the other equipment a steel plant needs: electric arc furnaces, continuous casting machines, fume extraction systems. Our share in those is small today, which is precisely where the room to grow is, and we booked arc furnace and continuous casting orders during the year.

Third, the foundry and automotive segment. In foundry, we launched a hybrid-topology furnace and dual-track and tri-track power supplies. The dual- and tri-track arrangement lets a customer run two crucibles at once, which is useful for ductile iron pipe and for alloying. What matters commercially is that we developed it in-house, where others reached the same capability through foreign collaboration, so we are cost-competitive in a segment that had been held largely by one international player.

In automotive and ancillaries, our green series of heating equipment has done well on the strength of its energy efficiency, and we have put a good deal of automation into the products: recipe management, where the operator enters the billet size and the system sets the power and the rest; preventive and pre-emptive maintenance alarms; and online and offline billet heaters. That automation, too, was built in-house.

Fourth, two newer areas — pipes and tubes, and transformers. Pipes and tubes are a segment we were not in. Tube welding and annealing are high-frequency applications; the domestic market is somewhere around ₹1,500–2,000 million, and there are only a handful of manufacturers. We have tied up with a European partner to bring the technology in, through a joint venture or on a royalty basis, and we will begin selling once the transfer is complete.

The transformer business is the larger story. We tested a 13.2 MVA inverter-duty transformer in August 2025 and had it validated by CPRI, Bhopal. Our new transformer facility at Kharagpur, today, has a capacity of 2,000 MVA and can be taken to 3,000 MVA with limited further investment. Demand from the renewable sector has been such that we have already secured orders, over 400 MVA, including ₹379 million across five domestic orders, and have been approved by more than ten renewable energy players. We have begun building a fourth manufacturing facility to keep pace. We expect transformer revenue to move from about ₹500 million in FY25 toward ₹1,100 million by FY27.

Fifth, our exports. The logic on exports is simple. The induction products the world needs are made by a small number of international players, and we have both the manufacturing capacity and the engineering to be an alternative. So, we are setting ourselves up market by market. Our US venture was re-incorporated as Megatherm Cyprium Inc. in January 2026. We have representative tie-ups in Brazil, Mexico and Argentina, an office being established in the UK for the European market, and similar work under way in Africa, the Middle East and South-East Asia. The model in each country is a strong local agent or partner who also holds spares and whom we train ourselves. Supporting that is a planned marketing programme, membership of the foundry, forging, steel and power-EPC associations in each market, advertising in the trade press, and participation in the main exhibitions.

Like the hiring, this is spending that comes before the return. We are treating it as an investment, and it does weigh on the near-term bottom line.

Q. *That brings us to the numbers. Growth in FY26 looks measured against earlier years. How should shareholders read it?*

A: Let me give the figures first. Total income was ₹3,528 million, up 9% over the year. Reported profit after tax was ₹237 million, up about 11%; on an adjusted basis it was ₹244 million, up close to 15%. Earnings per share stood at ₹12.57. Where the year looks flat is at the EBITDA line, which grew a little over 2%, and the margin eased from about 12% to a little over 11%.

There are three reasons, and none of them troubles me. First, the transformer expansion, the capacity, the approvals, the factory inspection and registration, took most of the year to complete. That revenue was not in FY26; it begins from here. Second, a number of export orders we had won were pushed into the current year because of the war and the wider disruption. That is timing, not loss; the orders carry forward. Third, and by choice, we spent ahead of the curve, the 23% rise in employee cost and the higher marketing spend I have described. Those are investments in next year's revenue, not this year's.

One further point of context: input costs rose across the board this year, and you can see transformer-sector margins compress industry-wide, not only ours. This effect is usually temporary, lasting about six months, as older orders are fulfilled and new ones arrive at adjusted prices; it eventually corrects itself.

Q. *And how do you expect those hires to show up in the Company's performance?*

A: On two timelines. In the near term, they give us the capacity to execute a larger order book than the earlier team could have. We are carrying close to ₹4,300 million, and you do not deliver that on the strength that delivered half of it. Design and engineering, project management, and service are the functions that turn an order into a dispatched machine, and we have deepened each of them.

In the longer term, the value is in operating leverage. We put the structure in place ahead of the revenue, so as volumes rise the cost base does not have to rise at the same pace. To give you a sense of it: the overhead we ran in the second half of the year supported about ₹1,870 million of revenue, and broadly the same base can carry us toward ₹4,300 million a year with only limited additions. That gap is a good part of where our margin improvement is meant to come from. And some of the hiring is not about supporting existing sales at all: the export team and the people behind the new product lines are there to open revenue we did not earn before

Q. *Set the headline growth aside for a moment. What were the positives that actually translated during the year?*

A: Several, and I would call them structural rather than one-off. The transformer business moved from a plan to a business; we cleared CPRI validation for the 13.2 MVA inverter-duty unit, took our first orders of about ₹379 million from five domestic customers, totalling over 400 MVA, and were approved as a vendor by more than ten renewable players. That is entry proven, not promised.

On induction, we enter FY27 with an order book of around ₹2,500 million already in hand, which is real forward visibility rather than a projection. The dual-track and tri-track supplies for the foundry were validated and are ready to sell, and we formalised our entry into pipes and tubes.

On exports, the United States venture became an incorporated company, and we put representatives

The transformer business moved from a plan to a business; we cleared CPRI validation for the 13.2 MVA inverter-duty unit, took our first orders of about ₹379 million from five domestic customers, totalling over 400 MVA.

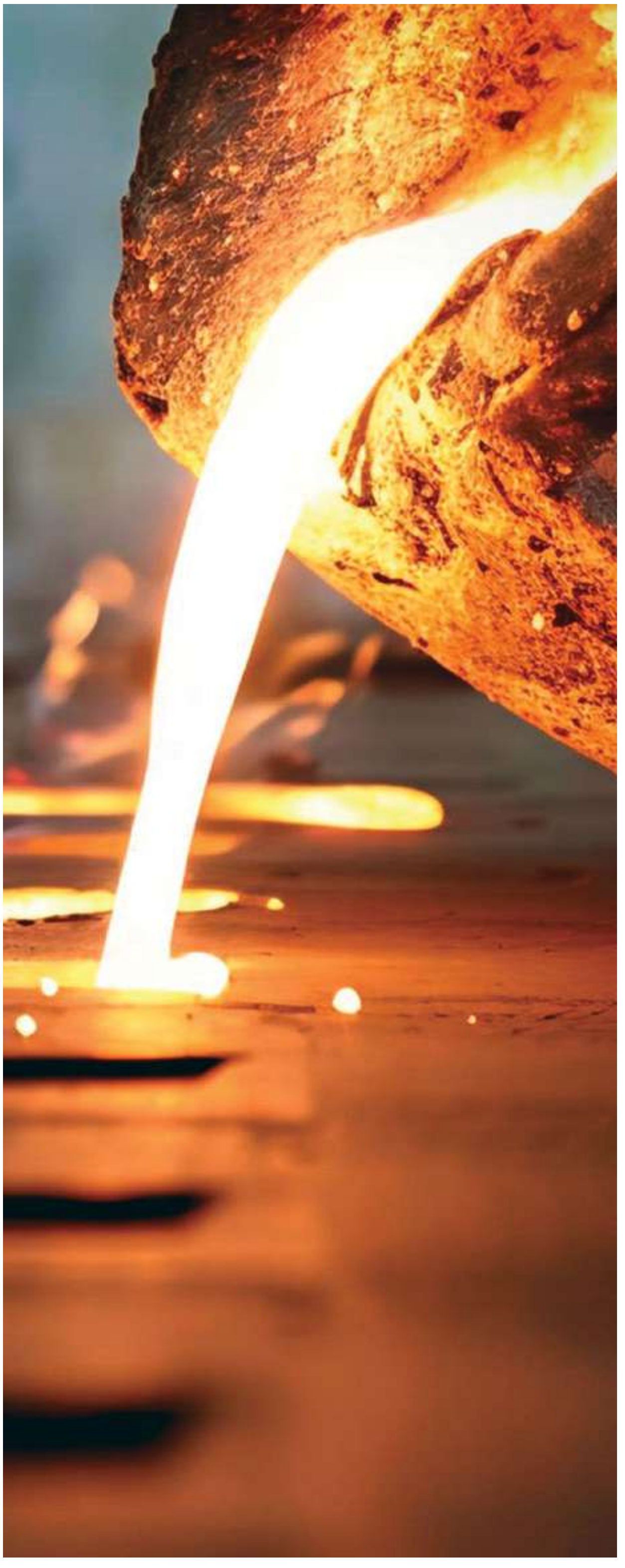
on the ground across Latin America. And beneath all of that, the balance sheet got stronger, interest costs down about 36% and long-term debt down to almost nothing. So, the reported growth was measured, but the things that decide the next three or four years mostly moved the right way this year. That, to me, is the honest measure of a foundation year.

Q. How is the balance sheet position of the Company?

A: It is in good order, and if anything, that is the part I would point shareholders to. Net worth stood at ₹1,653 million. We have brought long-term borrowings down to almost nothing, under ₹1 million, and interest cost fell about 36% over the year. So, the foundation-building was funded without stretching the balance sheet.

Q. You keep returning to margin improvement. On what basis do you expect it?

A: On mix, mainly. The transformer business runs at an EBITDA margin near 15%, compared with the 8 to 10% typical for the segment. As it grows from roughly ₹500 million towards ₹1,100 million over the next two years, it pulls the blended margin up with it. The after-sales business (service, upgrades, and spares) is smaller but steady and carries a healthy margin. It grows with the installed base, which only gets larger each year. Add the operating leverage I described earlier, and the fact that this year's input-cost pressure is the sort that eases once older orders clear. None of these is dramatic on its own. Together, they are why I am comfortable saying the direction on margin is upward, even while I would not tie it to a precise figure for any single year.



Q. What does all of this translate into going forward?

A: We carry an order book of roughly ₹4,300 million, which gives revenue visibility of over ₹4,000 million for FY27. Over the near term, we are working to a revenue growth rate in the region of 20-25% a year; over the medium term, to FY32, we are targeting revenue of about three times the current level and EBITDA of roughly four. The drivers are domestic transformers, deeper penetration in our international markets, the induction core, and a high-margin after-sales business. FY27 is the year the efficiencies we built this year should begin to show in the margin.

Q. *And what are you watching that could get in the way?*

A: Two things, mainly. The first is timing on exports: the global push depends on conditions abroad settling, and if the disruption runs longer than we expect, some of that revenue slips further out. It does not disappear, but it moves, and I would rather say so than pretend the timing is in our hands. The second is execution: we are scaling several businesses at once and adding a fourth facility, and that has to be managed so that quality and delivery hold as volume rises. Input costs I would place a step below those. They matter, but they tend to correct on their own. We have built this year's plan with all three in view.

Q. What would be your closing message to the stakeholders?

A: Most of our work this year was in the unglamorous tasks: hiring, approvals, in-house development, and setting up distribution. A year spent laying a foundation does not always reflect well in a single set of figures, and I would not want to be judged solely on those. The truer measure is what the year has put in place: a backlog that runs into the next year, businesses that have moved from plan to execution, people settling into their roles, and a balance sheet with debt brought down to almost nothing. That is the nature of a foundation — it costs while it is being built, and it begins to earn once it is built upon. That construction is now largely complete. The year I look forward to reporting on is the one that follows this.

Our focus from here is straightforward: grow the core induction business, scale transformers and exports into the markets we have opened, and let the operating leverage we built this year convert into margin. We have put the structure, the people, and the balance sheet in place to do that without straining any of them. What remains is execution, and that is the part I am most looking forward to.

Rewards & Recognition

Manufacturing and MSME Conclave 2022
Green Manufacturing of the year

40 Under 40 Achievers of the Year 2023
Award for among the most innovative and influencial leader under the age of 40 by Times Group

Manufacturing and MSME Conclave 2022
Business Excellence Award

Star Performer of the Year 2012-2013
Award for Export Excellence 2012-13 EEPC India, Eastern Region

Star Performer of the Year 2007-2008
Award for Miscellaneous General Purpose Machinery, EEPC India, Eastern Region

Our esteemed clientele

Megatherm's growing clientele demonstrates the company's goal: fostering engineering partnerships, not just vendor relations, with customers returning project after project. In steel, foundry, forging, auto, defence, and railway manufacturing, MIL's equipment is vital for continuous processes, explaining customer loyalty.

TATA	Burn Standard	SHRI BAJRANG POWER AND ISPAT LTD.	SHYAM STEEL	SRMB	STEEL EXCHANGE INDIA LTD	sf	ADICO FORGE
Sundram Fasteners Limited	SHARDLOW	SHAKAMBHARI GROUP	SARTHAK	SARDA	RADHA TMT	Prakash Industries Limited	SCCL
NANDAN TMT	REAL ISPAT & POWER LTD.	KAMACHI GROUP	JR TMT	MADHAV GROUP	Mahindra	M M FORGINGS LIMITED	BHEL
MS AGARWAL FOUNDRIES PVT. LTD.	ADITYA BIRLA HINDALCO	Indian Railways	CESC LIMITED	BMA	Jai Raj Steel	L&T	

The Big Numbers

What FY26 looked like, in figures.

Every foundation, eventually shows up in the numbers.

The following figures capture Megatherm's FY26 in scale, performance, and reach. Together, they tell the story of a company converting readiness into results.

Scale, Today

51+

Countries served across 5 continents

A footprint few Indian engineering companies can match

3,000+

Installations Delivered

Lifetime, across all product lines

~300

Furnaces & Transformers / Year

Installed manufacturing capacity at Kharagpur

Order Book & Momentum

~₹4,300 million

Total Order Book

29% increase compared to the previous year

~₹1,500 million

Export Orders In-hand

Despite shipment delays from geopolitical disruption

~₹800 million

Transformer Segment Order Book

New growth engine alongside the core furnace business

Market Standing

71.8%

Promoter Holding

Reflects continued promoter confidence

~₹3,234 million

Market Capitalisation at FY26-end

Reflects the growing market confidence

Financial Performance, FY26

₹3,528.30 million

TOTAL REVENUE

Up by 9% *from FY25 previous year*

₹398.10 million

EBITDA

Up from ₹389.20 million *in FY25*

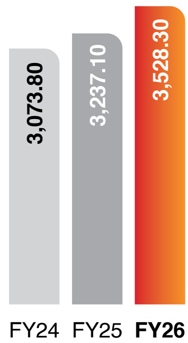
₹236.80 million

PAT

Up from ₹213.10 million *in FY25*

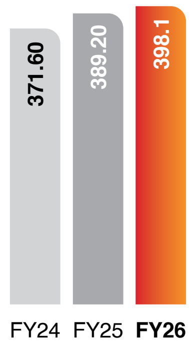
TOTAL REVENUE

(in ₹ million)



EBITDA

(in ₹ million)

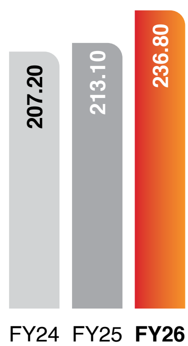


EBITDA MARGIN

(in %)

PAT

(in ₹ million)



PAT MARGIN

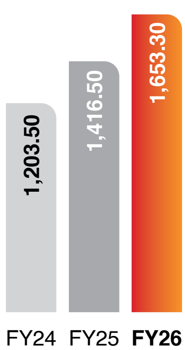
(in %)

EARNINGS PER SHARE (EPS)

(in ₹)

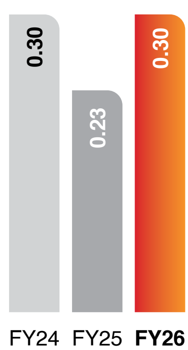
NET WORTH

(in ₹ million)



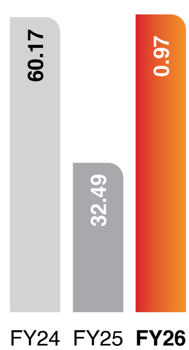
DEBT-EQUITY RATIO

(in ₹ million)



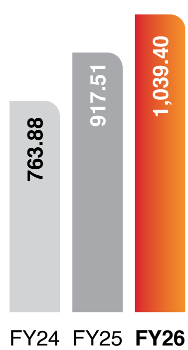
LONG-TERM BORROWINGS

(in ₹ million)



TOTAL ASSETS

(in ₹ million)



Our investment rationale

Seven reasons the foundation being laid today compounds tomorrow.

An investment case is, at its heart, a set of questions: Is the market real? Is the company's position defensible? Do the numbers prove it? And is there a credible path to more? For Megatherm Induction Limited, FY26 offers a clear answer to each.

Structural tailwinds across every market it serves

India's steel capacity is targeted to reach 300 MT per annum by 2030 (from 205 MT in FY25, of which induction routes already account for 74 MT), requiring an estimated US$156 billion of investment. The Indian foundry market is projected to grow from US$25.6 billion in 2025 to US$42.6 billion by 2030 (11.1% CAGR); the transformer market from US$ 3.97 billion to US$ 8.41 billion by 2030 (10.8% CAGR); and renewable capacity from 237 GW to 500 GW by 2030 (16.1% CAGR). Megatherm sells into every one of these growth curves.

1

Why invest in

~₹4,300 million

Order book

Backing near-term growth targets

20-25%

Expected revenue growth (CAGR)

Targeted for FY28

4

5

A proven & compounding financial track record

Megatherm's financials tell a story of consistent compounding. Between FY23 and FY26, total income grew 32%, EBITDA 42%, and PAT 69%, four consecutive years of growth on every line that matters. Net worth expanded 3.3x to ₹1,653 million over the same period, while EPS rose from ₹10.11 to

Strong financial prudence

Long-term borrowings stand at just ₹0.97 million, effectively nil, against a net worth of ₹1,653 million that has more than tripled since FY23. Cash and equivalents of ₹595 million provide ample liquidity for the growth programme, with total assets of ₹3,444 million. This is expansion funded by earnings, not leverage.

Strong growth visibility

Growth guidance at Megatherm is not aspirational; it is backed by a ~₹2,500 million order book, including ~₹2,500 million in the induction business, carried forward into FY27, and FY27 induction revenue visibility of ₹4,000+ million. Management targets 20 – 25% revenue CAGR to FY28, and over the medium term to FY32, ~3x revenue and ~4x EBITDA, with margin expansion as current investments in talent and marketing begin to leverage.

A niche leader in a technology that the world is moving toward

Megatherm is one of the select few Indian manufacturers of induction melting and heating equipment on an international scale, with 3,000+ installations across 51+ countries spread across five continents. Induction is also the cleanest mainstream route to melting steel: 0.3–0.4 tonnes of CO_2 per tonne of crude steel

2

3

MEGATHERM?

~3x

Revenue by FY32

~20% CAGR medium term

~4x

EBITDA by FY32

~25% CAGR with margin expansion

2

Two new growth engines

Solar transformers: CPRI-certified, approved by 10+ renewable players, with orders from marquee names, targeting ₹1,500 million of transformer revenue by FY27 and ₹2,500 million by FY31 at ~15% EBITDA margins (vs. industry 8-10%), on just ₹300 million of capex with 5x expected asset turnover.

Technology behind the Foundation

Why induction heating is quietly one of India's greenest industrial technologies.

Every previous chapter of this report has discussed the foundation Megatherm has laid in people, processes, technology, and machinery.

But this chapter looks at a different kind of foundation: the one Megatherm's core technology is helping lay for a cleaner, more energy-efficient Indian manufacturing sector. It is a story that has not featured in Megatherm's Annual Reports before, but one the Company is uniquely positioned to tell.

How does induction heating works?

At its heart, induction heating is a simple principle of physics, engineered into an industrial process:

I. An alternating current passes through a copper coil, generating a rapidly changing magnetic field.

II. The metal charge placed inside the coil intercepts this field, which induces electrical (eddy) currents directly within the metal itself.

III. Resistance to these currents generates heat directly inside the metal, not around it, melting or heating it with remarkable speed and precision.

IV. No flame, no fuel combustion is involved at any stage of the process.

The efficiency advantage

This difference in principle, heating the metal directly rather than burning fuel to heat the air around it, is what makes induction technology structurally more efficient than the conventional alternative.

Parameter	Induction	Conventional (Gas/Oil-Fired)
Thermal efficiency	85–95%	~50–60%
Direct emissions	None (electric)	CO_2, NOx, SOx, particulates
Heating speed	Faster — direct metal heating	Slower heats surrounding air first
Metallurgical control	Precise temperature & mix control	Less uniform
Renewable compatibility	Fully compatible	Dependent on fossil fuel

Where is the world going?

As steel producers and foundries worldwide face growing pressure to decarbonise, induction-based melting and heating is increasingly seen as a credible bridge technology, one that reduces emissions today while remaining fully compatible with a renewable-powered grid tomorrow. The global induction furnace market itself reflects this shift, projected to grow from roughly US$1.46 billion (2023) to US$2.37 billion by 2032, according to industry research, a trajectory closely tied to global decarbonisation commitments in the metals sector.

Induction technology's applications go far beyond steel, as it is already used in manufacturing components for electric-vehicle batteries, silicon wafers for solar panels, and wind-turbine parts,the essential hardware driving the energy transition.

Megatherm's place in this story

This is precisely the intersection Megatherm now finds itself engineering toward. Its core furnace and heating business already gives customers an inherently cleaner melting process than fossil-fuel alternatives. Its expansion into solar and BESS (battery energy storage system) transformers, announced as part of its fourth facility, further extends this positioning, placing Megatherm's equipment directly within India's renewable energy infrastructure, not just its traditional steel and foundry base.

For each furnace, heater, or transformer supplied by Megatherm, customers benefit from energy savings, reduced per-installation emissions, and other clear advantages over traditional methods. This provides a measurable contribution to India's industrial decarbonisation, which Megatherm is well positioned to quantify and report in the future.

MIL's foundation, people, process, technology, and machinery have so far been seen mainly as a story of growth. However, its core technology also tells a different story: one of efficiency, accuracy, and lower environmental impact than older methods. As global investors, customers, and regulators increasingly value these qualities, Megatherm should start sharing this story. Not just to meet rules, but to honestly show what its technology has always achieved.

Quality Assurance

Megatherm operates a quality management system certified to ISO 9001:2015 by SGS United Kingdom Limited, covering the design, manufacture, erection, commissioning and after-sales service of its induction melting and heating equipment across its manufacturing facilities. Quality is treated as a continuous activity rather than a final check, integrating the design, engineering, production and inspection functions along with process controls and communication across departments. An in-house testing laboratory further enhances our quality quotient by examining incoming raw materials and verifies output against predetermined standards, using instruments calibrated to international references, among them oscilloscopes, frequency-convertor test setups, conductivity meters, copper-loss test transformers and PCB testing equipment.

Solar Transformers

Where Megatherm's power engineering meets India's energy transition.

Every industrial company, at some point, discovers that a capability built for one market unlocks a much larger one. For Megatherm, that capability is transformer engineering, built over years of designing transformers rugged enough for the punishing duty cycles of induction furnaces, and the larger market is India's renewable energy build-out, among the most ambitious in the world.

India has set itself a target of 500 GW of renewable capacity by 2030, with the installed base expected to grow from 237 GW in 2025 at a CAGR of over 16%. Every solar park and battery storage installation in that build-out needs one piece of equipment that rarely makes headlines: the Inverter Duty Transformer (IDT), the critical link that steps up power from solar inverters to the grid. India's power and distribution transformer market is itself projected to more than double, from USD 3.97 billion in 2023 to USD 8.41 billion by 2030.

This is the market Megatherm has now formally entered, not opportunistically, but with validated products, a dedicated facility, and marquee customers already on board.

The milestone that opened the door

In August 2025, Megatherm successfully tested a 13.2 MVA Inverter Duty Transformer, validated by CPRI Bhopal, the country's apex power research institution. In an industry where certification is the gateway to every order, this single test transformed Megatherm from an aspirant into a qualified vendor. Since then, the Company has been approved by 10+ leading renewable energy players, secured 400+ MVA in orders with deliveries commencing in March 2026, and converted ₹379 million in transformer orders from five domestic customers.

13.2 MVA

IDT Tested & Validated

By CPRI Bhopal, August 2025

10+

Renewable Players

Vendor approvals secured

400+ MVA

Orders Secured

Deliveries from March onwards

₹379 million

Transformer Orders

5 domestic orders validating entry

Built on a foundation of steel and capacity

The business is centered on Megatherm's new transformer manufacturing and testing facility at Kharagpur, the largest in Eastern India, with a 2,000 MVA capacity, expandable to 3,000 MVA. It offers Inverter Duty and Multi-Winding Transformers from 5 to 40 MVA, plus converter-duty, LRF/arc furnace, and industrial/power transformers up to 50 MVA (132 kV). Production aims to reach 150–160 MVA/month by FY27. Further, a new facility under construction will support demand growth, with plans for cast-resin, distribution, and loco transformers.

Economics of the opportunity

The Indian renewable transformer segment represents a ~₹3,00,000 million market opportunity. Against this, Megatherm's entry economics are compelling: a capex of just ₹300 million invested, with an expected asset turnover of 5x and IDT EBITDA margins of ~15%, against an industry norm of 8–10%, a premium earned through in-house testing infrastructure and export readiness. In effect, the transformer business is targeted to double from FY25 to FY27 and to quintuple by FY31, a trajectory few segments of any engineering company can offer, and one that gives MIL a second growth engine alongside its core induction business.

Why this diversification makes sense.

Focused on

high-growth

renewables

Aligned with India's

500 GW

target by 2030

Strong margins:

~15%

vs industry 8–10%

Scalable capacity:

2,000

MVA

Global engineering majors have long treated the energy transition as their next act, repositioning traditional power-equipment capabilities toward renewables, grid modernisation, and storage. MIL's solar transformer business follows the same logic at an Indian scale: it does not abandon the Company's core; it redeploys the Company's deepest capability, power engineering hardened by furnace duty, into the fastest-growing corner of India's electricity economy.

Road ahead

With CPRI certification completed, vendor approvals are underway with leading players in the power and infrastructure sectors, and key clients such as major energy companies are already in its market. The company's solar transformer business enters FY27 with validated products, secured orders, dedicated capacity, and a clear goal: ₹2,500 million in transformer revenue by FY31, driven primarily by the Inverter Duty Transformer.

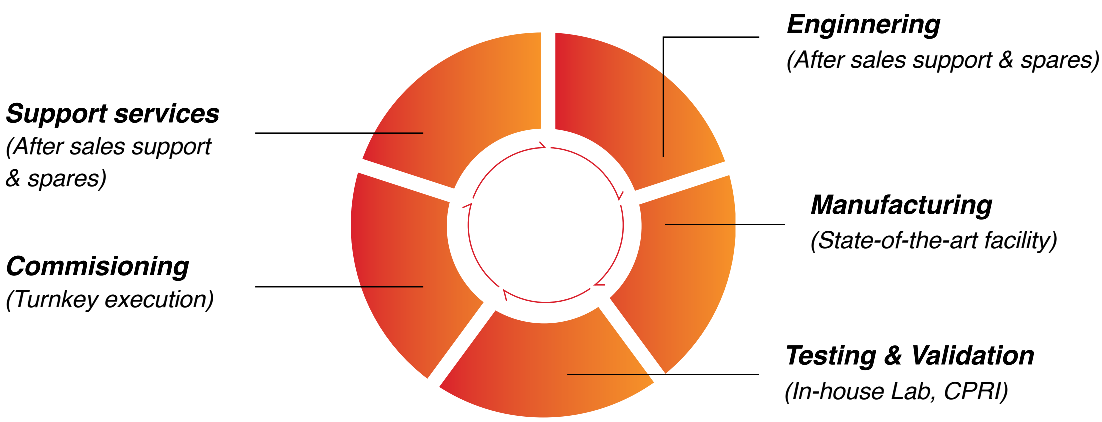
How we create value

Our Business Model

Six capitals in. One integrated engine. Value created for every stakeholder.

MIL's business model is, at its core, a conversion engine: it takes in financial resources, manufacturing assets, engineering knowledge, people, relationships, and natural resources, and converts them, through a single disciplined process, into equipment that runs for decades, returns that compound, and a footprint that spans five continents.

Our Value Creation Engine



Every stage under one roof, the integration that turns a product sale into a decades-long relationship.

Financial Capital

What we deploy	What we create
Net worth of ₹1,653.30 million, 3.3x growth since FY23	Total income of ₹3,528.3 million (+9% on a Y-o-Y basis)
Effectively debt-free: long-term borrowings of just ₹0.97 million	EBITDA of ₹398.1 million; PAT of ₹236.8 million (+11.15% on a Y-o-Y basis)
Cash & equivalents of ₹595.20 million funding growth internally	EPS of ₹12.57, 11.15% growth from previous year
₹300 million capex deployed into the transformer business	Expected 5x asset turnover on transformer capex

Manufacturing Capital

What we deploy	What we create
8-acre production & testing facility with R&D lab and training centre at Vidyasagar Industrial Park, Kharagpur	3,000+ installations delivered worldwide, lifetime
New transformer facility, 2,000 MVA capacity, expandable to 3,000 MVA, the largest in Eastern India	Full product range: furnaces, heaters, power sources, transformers, CCM, LRF, EAF, fume extraction
Fourth manufacturing facility under construction (construction started since April 2026)	Transformer production targeted at 150–160 MVA/month by 3rd quarter of FY27
CNC machining, EOT cranes, heat chambers, and a full in-house testing laboratory	Turnkey steel melt shops, from design to commissioning

Intellectual Capital

What we deploy	What we create
Dedicated in-house engineering and R&D team recognised for ushering in technological change	13.2 MVA Inverter Duty Transformer, tested and validated by CPRI Bhopal
Proprietary design features: Nano cable system, synchronised rectifier control board, low-power efficiency system	Green furnace gaining market share on energy efficiency
Pipeline technologies: Dual-Mode Inverter, Hybrid Panel, AI Panel, Zero-Voltage Drop Design	Advanced design features competitors are still developing
ISO 9001:2015 certification from SGS United Kingdom	Testing technology calibrated to world standards, a differentiator in vendor approvals

Human Capital

What we deploy	What we create
Experienced engineering teams across design, production, quality, and service	Engineering capability that supports total solutions, not just products
23% YoY investment in employee engagement, focused recruitment to drive growth	Talent base positioned for export-led expansion, key recruitments for the global marketing drive
Leadership: CMD with 45 years of electro-thermal engineering experience; next-generation CFO combining engineering and strategy consulting backgrounds	Leadership continuity across generations
In-house training centre at the Kharagpur campus	Helped reduce incidents and enhanced savings of natural resources.

Social & Relationship Capital

What we deploy	What we create
Long-standing relationships with marquee clients	Diversified clientele across primary & secondary steel, auto ancillaries, ordnance, railways, and DI pipe
Megatherm Cyprium Inc,JV with a partner of decades' standing	10+ renewable energy vendor approvals; ₹379 million of transformer orders from five domestic customers
Representatives in Brazil, Mexico, Argentina; UK office for Europe	After-sales relationships that convert one sale into decades of maintenance and spares revenue
Transparent and timely communication with different stakeholders	~₹4,300 million order book, relationships converted into visibility

Natural Capital

What we deploy	What we create
Induction technology, flameless, fuel-free, electricity-driven heating at the core of every product	0.3–0.4 tonnes CO_2e per tonne of crude steel via scrap-based induction versus 2.2–2.6 for the blast furnace route
Energy-efficient product design (low-power efficiency systems, green furnace range)	Faster scrap recycling, induction melting accelerates the circular steel economy
Manufacturing at an ISO-certified plant with international operating standards	Green furnace market-share gains driven by customer energy savings
Invested in research and development	Solar & BESS transformers placing Megatherm's equipment inside India's renewable infrastructure

Megatherm Cyprium:

A Foundation in North America

A joint venture that turns exports into a local presence.

> **It gives MIL a legal and operational base in the world's largest industrial economy, at exactly the moment the Company is scaling manufacturing capacity, expanding its transformer business, and targeting a 20–25% revenue CAGR over the next five to six years.**

Among the many foundations Megatherm has laid in the last couple of years, one stands out for what it represents: the Company's first formal, incorporated presence in North America. In May 2025, Megatherm entered into a joint venture agreement with Cyprium Induction, LLC, a Michigan-based induction equipment and service specialist, and on January 16, 2026, that partnership was formally incorporated as Megatherm Cyprium Inc.

Who is Cyprium Induction?

Cyprium Induction, LLC is a Michigan-based specialist in induction systems for the North American market, known for custom coil design, induction scanners, lift-and-rotate machines, induction brazing and forging systems, and a transformer repair turnaround of as little as three to five days. Where Megatherm brings manufacturing scale and product breadth, Cyprium brings decades of hands-on, on-the-ground service experience in the very market Megatherm is now formally entering.

Why this partnership works

Megatherm brings	Cyprium brings
International manufacturing scale and a broad induction equipment portfolio	Decades of local, hands-on experience in coil design, repair, and field service
Engineering depth across furnaces, heaters, and transformers	Fast turnaround, transformer repairs in as little as 3–5 days
A global brand trusted across 51+ countries	An established relationship network across North American industrial customers

What does this unlock for Megatherm?

Local presence, not just exports: Instead of shipping equipment and support across the Atlantic, Megatherm now has an incorporated entity and a service partner physically present in North America, shortening response times and building customer trust.

Faster after-sales service: Cyprium's existing repair and service infrastructure means Megatherm's North American customers get support measured in days, not weeks.

Credible local brand: Megatherm Cyprium combines Cyprium's decades-long on-the-ground reputation with Megatherm's engineering scale, providing a faster route to customer trust than building a service network from scratch.

Platform for Growth: The JV is structured to sell and promote Megatherm's full range, metal heating and melting equipment, automation, and power distribution equipment, giving Megatherm a dedicated growth engine in one of the world's largest industrial markets.

This continues Megatherm's recent strategy of expanding its global presence, such as increasing representation in Brazil, Mexico, and Argentina, and opening a UK office to serve the European market. Notably, Megatherm Cyprium is the first to operate as an incorporated joint venture instead of a representative office, signifying a stronger commitment to the market it serves.

The Bigger Picture

Megatherm Cyprium is a small entity today, but it is a foundation in the truest sense of this year's report theme. It gives MIL a legal and operational base in the world's largest industrial economy, at exactly the moment the Company is scaling manufacturing capacity, expanding its transformer business, and targeting a 20–25% revenue CAGR over the next five to six years. Whether Megatherm Cyprium becomes a meaningful contributor to that growth, or the first of several such partnerships in new geographies, this year marks the moment the foundation for it was laid.

The Foundation beneath the Foundation

Strengths that help us grow sustainably.

A company can buy machinery. It cannot buy the ability to design, build, test, and improve that machinery itself. Megatherm's decision, sustained over years, to keep engineering, manufacturing, testing, and R&D under its own roof is the capability on which everything else in this report rests. This chapter plainly describes the foundation.

01 I Manufacturing capabilities

Megatherm's production base is at Vidyasagar Industrial Park, Kharagpur, West Bengal: a production and testing facility with an R&D lab and training centre spread across 8 acres, totalling 3,92,040 sq. ft. The campus houses three dedicated sheds: induction heating, melting and hardening equipment; precision machining and machine building; and transformer manufacturing. A fourth facility, under construction since April 2026, will add capacity for the growing transformer business.

The shop floor is equipped for precision work at scale: CNC lathe machines, a CNC vertical machining centre, heat chambers, and a 1,600 kVA auto main transformer, supported by EOT cranes, tow trucks, forklifts, pallet trucks, and hydraulic air lifts for material handling. The new transformer facility, commissioned in Q1 FY26 and the largest transformer manufacturing facility in Eastern India, produces converter duty, inverter duty, LRF/arc furnace, and industrial/power transformers up to 50 MVA (132 kV class), with an initial revenue capacity of ₹1,500 million, scalable to ₹2,000+ million.

3,92,040 sq. ft.

Across 8 acres at Kharagpur

3+1*

Production Sheds

Fourth facility under construction

2,000MVA

Transformer Capacity

Expandable to 3,000 MVA

~300

Furnaces & Transformers / Year

Current manufacturing capacity

05 I Quality and testing

Quality at Megatherm is treated as a continuous activity that integrates people, communication, process controls, design, engineering, production, and inspection, rather than a final-stage gate. The Company is certified to ISO 9001:2015 by SGS United Kingdom Limited, covering design, project management, supervision of erection, commissioning, and after-sales service of induction melting and heating equipment.

The in-house laboratory tests raw materials and validates production against predetermined standards, using equipment including four-channel oscilloscopes, frequency converter test setups, conductivity meters, furnace oven temperature-control panels, CLC test-bay units, copper-loss test transformers, and capacitor/PCB testing machines, all of which are calibrated to world standards. External validation completes the picture: the Company's 13.2 MVA Inverter Duty Transformer was tested and certified by CPRI Bhopal, a qualification that opened the renewable transformer market.

Together, the state-of-the-art facility at Kharagpur, the machine shop, the laboratory, the R&D unit, and the engineers who run them, these are the foundations beneath the foundation: the reason MIL can promise its customers equipment that performs for decades, and promise its shareholders that the growth now being built rests on ground the Company owns.

02 I Backward integration

Megatherm's most consequential integration decision is also its most recent: manufacturing its own transformers. Converter transformers are a core input to every induction melting and heating system the Company builds. By producing them in-house, rather than buying them, Megatherm controls the cost, quality, and delivery schedule of a critical component, while the same capability now sells externally into the power, distribution, and renewable markets. One investment, two returns.

The same logic runs throughout the campus: a precision machining and machine-building workshop fabricates in-house rather than outsourcing; capacitor and PCB testing is done internally; and the in-house testing laboratory qualifies raw materials before they enter production, ensuring every input meets predetermined standards before it becomes part of a Megatherm machine.

03 I In-house engineering

Megatherm has a dedicated team of experienced engineers across a range of engineering applications. Their expertise enables them to provide comprehensive engineering solutions instead of just standalone equipment. This capability allows the company to handle entire turnkey steel melt shop projects, including design, engineering, supply, erection, and commissioning, all as a single accountable partner.

04 I Research & development

Megatherm's R&D unit has been recognised by the Ministry of Science & Technology as an in-house R&D unit. Its output is visible in the product line: design features such as the Nano cable system, synchronised rectifier control board, and low-power efficiency system are in Megatherm products today while still under development at other brands. The pipeline extends further — Dual Mode Inverter, Hybrid Panel, AI Panel, and Zero Voltage Drop Design are among the technologies in development.

R&D in production today
Nano cable system I Synchronised rectifier control board I Low-power efficiency system I Green furnace range, gaining market share on energy efficiency, with expansion planned in West & South India

In development
Dual-Mode Inverter I Hybrid Panel I AI Panel I Zero Voltage Drop Desig

Our People

Believing in our people.

The Company hired for the future before the future arrived.

There is a line in Megatherm's FY26 numbers that says more about the Company's conviction than any strategy statement: employee benefit expense rose 23% while revenue rose 9%. Companies do not hire ahead of revenue by accident. They do it when they can see what is coming and are determined to be staffed for it.

+23.2%

Employee investment

Growth in employee benefit expense, FY26

45 years

CMD'S experience

Engineering leadership at the top

₹7.56 million

Gratuity strengthened

Additional provisions under the new Labour Codes

374

Employees

FY26 headcount

Investing ahead of the curve

Megatherm's people investment in FY26 was deliberate and directional.

Employee benefit expense grew to ₹217.0 million, up 23.2% year-on-year, driven by key recruitments for the export segment, the backbone of the Company's global marketing drive. These are the engineers, sales specialists, and service professionals who will carry MIL's brand into the markets its joint ventures and representative offices are opening: North America, Latin America, Europe, the Middle East, Africa, and Southeast Asia.

The Company also strengthened its employee protections: an additional gratuity provision of ₹7.56 million towards past service costs was recognised, aligning employee benefit obligations with the new Labour Codes. This cost was recognised in the P&L this year so that commitments to people are fully provided for.

Engineers at the core

Megatherm is an engineering company in the literal sense: its dedicated teams of experienced engineers, across design, production, quality, testing, and service, are the product. Their expertise across engineering applications is what allows the Company to deliver total engineering solutions: to design a melt shop, build its equipment, commission it, and support it for decades. The in-house R&D team, recognised by the Ministry of Science & Technology, has repeatedly brought technologies to market ahead of competitors.

Learning on campus

The Kharagpur campus houses an in-house training centre alongside the R&D lab, placing skill development physically next to the shop floor it serves. As the Company scales toward its fourth facility and higher transformer volumes, this centre is responsible for converting new recruits into Megatherm-standard engineers and technicians.

Leadership that builds leaders

Megatherm's leadership embodies the continuity it asks of its people. Mr. Shesadri Bhusan Chanda, Chairman & Managing Director, a gold medalist in Electrical Engineering from Jadavpur University, brings 45 years of experience in the field. Mr. Satadri Chanda, Whole-Time Director & CFO, combines an engineering foundation with a Master's from Virginia Polytechnic Institute (USA) and management consulting experience at KPMG, and has been with Megatherm for nine years. Leadership recognition has followed: the 40 Under 40 Achievers of the Year 2023 award by the Times Group, honouring the most innovative and influential leaders under forty.

Different activities performed at MILthrough out the year

Eye check-up camp for employees

Eye check-up camp for employees

Inauguration of FPGA Design Lab at Jadavpur University

Poila Baishak celebration at office

Annual Sports Day

Annual Sports Day

Viswakarma Puja celebration at office

Annual Sports Day

Online Yoga Sessions

The Foundation Beyond the Business.

For Megatherm, ESG is not an annexure to the report. It is the product.

Most companies must build sustainability around their business. MIL's business is itself the sustainability case: every induction furnace it ships replaces a more carbon-intensive way of melting metal. This chapter sets out the Company's environmental, social, and governance position, anchored in what is measurable today, and honest about what remains to be measured.

Annual Sports Day

Inauguration of FPGA Design Lab at Jadavpur University

Cornerstones of our ESG Strategy

The four strategic pillars of our ESG strategy guide us to create a positive impact on the environment and society, where stakeholders can find value and the business can create growth.

Innovating sustainable operations	Reinforcing safety and well-being	Enhancing employee growth	Sustaining long-term relationship
We focus on reducing climate risks by cutting emissions, improving energy efficiency, and using renewable energy.	We prioritise workforce safety through strict standards while continuously enhancing the safety and reliability of our products.	We are committed to growing our workforce by nurturing a culture that values employee engagement, upholds human rights, and embraces diversity and inclusion at every level.	We actively collaborate with our value chain partners, local communities, and key stakeholders to foster a more inclusive and sustainable future. Together, we're building meaningful relationships that drive shared progress and lasting impact.

At Megatherm, sustainability is not a compliance obligation but a natural extension of what we build. Although ESG disclosures are not yet mandatory for the Company as an SME-listed entity, we have voluntarily adopted a formal ESG Policy to reinforce our commitment to responsible industrial development and long-term stakeholder value.

Environmental

- The "Induction Advantage": Engineer solutions that help industrial plants displace coal, oil and gas-fired furnaces with high-efficiency induction heating, reducing combustion-related CO_2, SOx and NOx emissions.
- Energy Efficiency: Deliver energy directly to the work-piece with minimal ambient heat loss, achieving a significantly lower energy-per-tonne ratio than traditional thermal methods.
- Green Steel Enablement: Provide critical infrastructure for secondary steel production and recycling, supporting a circular metal economy.
- Renewables Support: Manufacture inverter-duty transformers tailored for solar and wind applications, ensuring stable grid integration and a more decarbonised grid.
- Circular Engineering in Operations: Prioritise green procurement (green steel, recycled copper), source a growing share of factory power from renewables, and segregate metallic scrap for certified recycling.

Eye Check-Up Camp at Jakpur

Jakpur Cataract Operation Patients

Social

- "Zero-Harm" Safety: Enforce rigorous OH&S protocols—interlocked testing bays, mandatory LOTO, PPE standardisation and continuous safety training.
- Human Capital Development: Invest in continuous upskilling of the engineering team in sustainable design and energy-efficient technologies.
- Employee Wellbeing: Conduct annual health surveillance and ensure full statutory benefits and legal protections.
- Community Engagement: Focus CSR on education, healthcare, youth skill development and local infrastructure.

Governance

- Ethical Conduct: Maintain a zero-tolerance policy on corruption and bribery, backed by a Code of Conduct and secure whistleblower channel.
- Responsible Supply Chain: Evaluate suppliers on labour-law adherence and conflict-mineral compliance.
- Transparency & Certifications: Uphold ISO 9001, ISO 14001 and ISO 45001 frameworks.

Environment, the product is the policy

Steel is among the world's hardest sectors to decarbonise, and furnace choice is one of its biggest levers. Scrap-based induction melting emits an estimated 0.3–0.4 tonnes of CO_2e per tonne of crude steel, against 0.6–0.8 for electric arc furnaces and 2.2–2.6 for the blast furnace route. Induction is flameless and fuel-free, a clean, energy-efficient way of producing heat, and accelerates the recycling of scrap metal, feeding the circular steel economy. Awareness is shifting the market: foundries across India are moving from coke-fired cupolas to induction furnaces.

0.3–0.4

tCO_2e / Tonne — Induction

Scrap-based induction furnace

0.6–0.8

tCO_2e / Tonne — EAF

Scrap-based electric arc furnace

2.2–2.6

tCO_2e / Tonne — Blast Furnace

BF-BOF route

Megatherm's environmental contribution, by product line

- Green furnace range, gaining market share on energy efficiency, with expansion planned across West and South India
- Low-power efficiency systems and energy-optimised design engineered into the product line by in-house R&D
- Solar and BESS transformers, placing Megatherm's equipment directly inside India's renewable energy infrastructure, aligned with the national 500 GW target by 2030
- Fume extraction systems, helping customers capture emissions from the melting process itself

This contribution has been recognised: Megatherm received the Green Manufacturing of the Year award at the ASSOCHAM Manufacturing & MSME Conclave 2022.

Social: People, Skills, and Community

Megatherm's social footprint begins with employment: a 23% increase in employee investment in FY26, key recruitment for the export drive, and an in-house training centre at Kharagpur, building industrial skills in West Bengal.
Employee benefit obligations were strengthened with an additional gratuity provision under the new Labour Codes. Beyond its gates, the Company's equipment serves nationally significant institutions, ordnance factories, Indian Railways, and public-sector manufacturers, tying its work to the country's industrial self-reliance.

The Company's community commitment is channelled through Megatherm Foundation, its dedicated CSR wing, whose flagship programme SANKALP entered its latest edition, SANKALP – 6, in 2026-27. The programme is organised into six named verticals covering various aspects of our social commitment.

SANKALP – 6: the six verticals of Megatherm Foundation

- **GRAMODAYA:** An initiative focused on rural development: infrastructure, healthcare facilities, sanitation, drinking water, educational institutions, local governance, women's self-help groups, and social justice for marginalised groups.

- **SRISHTI SAMANVAYA:** An initiative focused on environmental sustainability: ecological balance, protection of flora and fauna, agroforestry, animal welfare, conservation of natural resources, soil-air-water quality, gender equality, and protection of national heritage, art, and culture.

- **SARVA DANAM:** An initiative focused on eradicating hunger, poverty, and malnutrition; relief and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities, and women.
- **AAROGYAM:** An initiative focused on promoting healthcare, including preventive care and sanitation, in partnership with medical centres and hospitals.
- **PROTIBHA POSHAN:** An initiative focused on education, special education, vocational skills, and livelihood enhancement for children, women, the elderly, and the differently abled; training for rural, national, paralympic, and Olympic sports.
- **AATMA NIRBHAR:** An initiative focused on contributions to incubators and R&D in science, technology, engineering, and medicine; support to public-funded universities, IITs, and national laboratories.






Governance, discipline by design

Governance architecture

- Listed on NSE EMERGE since February 2024, bringing exchange-mandated disclosure, audit, and board discipline
- Promoter holding of 71.8%, leadership with a long-term ownership interest
- Dedicated Company Secretary & Compliance Officer overseeing regulatory adherence
- ISO 9001:2015 certification (SGS United Kingdom) across design, project management, erection, commissioning, and after-sales service
- External technical validation, CPRI Bhopal certification of the 13.2 MVA Inverter Duty Transformer
- Conservative financial governance — long-term borrowings of ₹0.97 million against net worth of ₹1,653 million

MIL's ESG story today is strongest where it matters most, in the product. The next stage of maturity is measurement: facility-level energy, water, and waste data; emissions accounting (Scope 1 and 2); workforce diversity and safety metrics; and, in time, structured sustainability reporting. As the Company scales toward the main board and a wider investor base, these disclosures will convert an inherently strong ESG position into a formally reportable one. The foundation, as with everything else this year, is already in place.

Our Board of Directors

Mr. Shesadri Bhusan Chanda
Chairman & Managing Director

Mr. Shesadri Bhusan Chanda has been with the company since its inception. He earned his Bachelor of Electrical Engineering from Jadavpur University in 1977, graduating as a gold medalist and top of his class, while also receiving numerous awards. Mr. Chanda has gained extensive experience working in multinational companies and has been a pioneer in introducing Induction Heating & Melting technology in India. He has trained many professionals in this field and played a key role in the growth of this industry in the country. With around 45 years of experience in the Induction, Electrical, and Metallurgical industries, he oversees the overall business operations of the company, including strategic planning, operations, finance, and policy formulation for business development.

Mr. Satadri Chanda
Chief Financial Officer (CFO) & Director

Mr. Satadri Chanda serves as a promoter, whole-time director, and CFO of our company. He earned his Bachelor of Technology in Electronics and Communication Engineering from West Bengal University of Technology in 2012 and his Master of Science in Industrial and Systems Engineering from Virginia Polytechnic Institute and State University, USA, in 2014. Mr. Chanda has two years of experience in KPMG's Management Consulting (Strategy & Operations) division and over seven years of experience in the induction, electrical, and metallurgical equipment industry. He has been instrumental in formulating and implementing strategies and plays a pivotal role in business development, diversification, sales, administration, and finance functions of the Company.

Ms. Christina Paul Chowdhury
Non-Executive Director

Ms. Christina Paul Chowdhury earned her Master of Business Administration with a specialization in Marketing from Christ University, Bangalore, India, in 2015. Additionally, she holds a Master of Science in Business with a focus on Marketing from Virginia Commonwealth University, USA. With over seven years of experience in marketing and business promotion, Christina oversees the marketing and digital presence of the Company.

Mr. Bikramjit Ghosh

Independent Director

Mr. Bikramjit Ghosh, aged about 66 years, is a Chartered Accountant. He has about 40 years of diversified experience. The first part spanning about 15 years, includes working with a renowned CA firm and a Central Government enterprise and a couple of large business groups in India (1985 – 2000). The second part spanning 22 years had been as “Whole Time Director & CFO” / “Member of the Board” of Indian subsidiaries of Danieli S.P.A., a renowned Italian multinational business group in the “Steel / Metal sector”, for their wholly owned Indian subsidiaries (2000 – 2022). The third part of the last 3 years had been a mix of professional management consultancy and corporate assignments. (2022-2025). He joined Danieli India Ltd. in July 2000 as the deputy in charge of the Finance & Accounts department and was designated as “Senior Manager – Finance”. Within one year, he was given the responsibility to head the department and was promoted to the “Financial Controller” position. Within six years of joining the Company i.e. in early 2006, he was inducted into the Board as “Whole Time Director & CFO” in charge of “Finance & Accounts”, “HR & Administration” and “Legal, Corporate Affairs, Systems & Contracts”. He managed complete Financial / Commercial / Local authority & Government statutory compliances / Legal and administrative activities in setting up the Company’s green-field manufacturing plant in the state of Andhra Pradesh, India with a capital outlay of about 65 million euros. He received Danieli group “Work Ethics” award in December 2010. The certificate from the Group President was received with special acknowledgment of merit, positive attitude, and commitment/dedication. He also received Danieli group “Long Service Award” in December 2020 on completion of twenty years of continuous service with the group. He joined the Board on 12 September, 2025.

Mr. Shravan Manjaya Shetty

Independent Director

Mr. Shravan Manjaya Shetty joined the Board on 20th December, 2024 as an Additional Independent Director for a term of 5 years. He is an MBA – Finance & Operations and Bachelor of Electronics & Telecommunication Engineering. He has about 20 years of diversified experience, 3 years of experience of heading a company. He has worked with more than 30 clients across 6 countries. He has experience in developing and implementing customer-centric strategy for revenue enhancement and cost reduction (including digital) for companies across sectors especially in BFSI Space. He has experience in handling complete P&L of a company while driving growth both organically and through local and global partnerships. He has experience in designing platforms leveraging emerging digital technologies to enhance customer experience and target exponential growth. He was trained in global customer experience methodologies and the emerging field of AI i.e. Deep learning. He was the winner of Aditya Birla Scholarship (2005), for academic & leadership excellence (Awarded to only 10 students across top 4 IIMs). He has exposure to new concepts & approaches e.g. Fin-tech, Digital platforms, Design thinking, Blockchain etc. He has exposure to multiple prototyping and software technologies like Marvel, Sketch, SAP, SFDC, Oracle, Solidworks etc. Presently he is associated with Primus Partners Private Limited as a Managing Director for providing Financial Services.

Corporate Information

BOARD OF DIRECTORS

Mr. Shesadri Bhusan Chanda, Chairman & Managing Director
Mr. Satadri Chanda, Whole-Time Director and CFO
Ms. Christina Paul Chowdhury, Non-Executive Woman Director
Mr. Ankit Rathi, Independent Director
(tenure completed on 15th September, 2025)
Mr. Shravan Manjaya Shetty, Independent Director
Mr. Bikramjit Ghosh (w.e.f. 12th September, 2025)

AUDIT COMMITTEE

Mr. Shravan Manjaya Shetty, Chairman
Mr. Bikramjit Ghosh, Member
Mr. Shesadri Bhusan Chanda, Member

STAKEHOLDER RELATIONSHIP COMMITTEE

Mr. Shravan Manjaya Shetty, Chairman
Mr. Shesadri Bhusan Chanda, Member
Ms. Christina Paul Chowdhury, Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Shravan Manjaya Shetty, Chairman
Mr. Bikramjit Ghosh, Member
Ms. Christina Paul Chowdhury, Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Shesadri Bhusan Chanda, Chairman
Mr. Shravan Manjaya Shetty, Member
Mr. Satadri Chanda, Member

INTERNAL COMPLAINTS COMMITTEE

Ms. Shaswati Datta, Presiding Officer
Mr. Suman Panja, Member
Ms. Abanti Saha Basu, Member
Mr. Kallol Dutta, External Member

CHIEF FINANCIAL OFFICER

Mr. Satadri Chanda

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Abanti Saha Basu

STATUTORY AUDITORS

MSKA & Associates LLP (formerly MSKA & Associates)
Chartered Accountants
Infinity Benchmark, Unit 1302, 13th Floor
Plot No. G-1, Block – EP & GP, Sector – V
Salt Lake, Kolkata – 700 091

INTERNAL AUDITORS

MATR & Associates
Room No. 501, 5th Floor, Karnani Mansion,
25A, Park Street, Kolkata – 700 016

SECRETARIAL AUDITORS

M/S. Anjan Kumar Roy & Co.,
Company Secretaries,
GR 1, Gouri Bhaban, 28A, Gurupada Halder Road,
Kolkata – 700 026

COST AUDITORS

Amit Khetan & Co.
Cost Accountants
16/1A Abdul Hamid Street (formerly known as British India Street)
Unit: 6D, 6th Floor, Kolkata – 700 069

REGISTERED AND CORPORATE OFFICE

Megatherm Induction Limited
Plot- L1 Block GP, Sector V, Electronics Complex
Salt Lake City, Kolkata - 700 091

MANUFACTURING UNIT

Plot H 1, Vidyasagar Industrial Park, Village: Rupnarayanpur,
Post: Jakpur, Kharagpur – 721 301

REGISTRAR AND SHARE TRANSFER AGENT

Bigshare Services Private Limited
S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East), Mumbai – 400 093,
Maharashtra
Website: https://megatherm.com
Investor E-mail: cs@megatherm.com / investor@bigshareonline.com
CIN: L31900WB2010PLC154236
Financial Year: 1st April to 31st March
NSE Symbol: MEGATHERM
ISIN: INE531R01010

LISTING OF EQUITY SHARES

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051.

BANKERS

Indian Bank
State Bank of India
Yes Bank

LEGAL ADVISORS

JSG Legal, Advocates and Solicitors,
Unit 917, 9th Floor, Delta House,
4, Government Place (N), Kolkata-700001

DIRECT TAX CONSULTANTS

Khaitan & Co. LLP
Emerald House, 1B Old Post Office Street, Kolkata 700001

INDIRECT TAX CONSULTANTS

Khaitan & Co. LLP
Emerald House, 1B Old Post Office Street, Kolkata 700001

Statutory Reports

Note: All the financial figures mentioned in the Director's Report are in Lacs in line with Audited Financial Statements.

Notice of Annual General Meeting

Dear Member(s),

Notice is hereby given that the 16th Annual General Meeting of the Members of **Megatherm Induction Limited (CIN: L31900WB2010PLC154236)** will be held at 12:30 P.M. on Saturday, 29th August, 2026 through Video Conferencing/ Other Audio Visual Means (VC/OAVM) facility at the deemed venue i.e. at Registered Office of the Company at **Plot- L1 Block GP, Sector V, Electronics Complex, Saltlake City, Kolkata-700091** to transact the following business:

ORDINARY BUSINESS

Item No. 1

Review and Adoption of Audited Financial Statements for the financial year ended 31st March, 2026

To receive, consider and adopt the audited Financial Statements of the Company comprising the Balance Sheet for the year ended 31st March, 2026, Statement of Profit and Loss for the financial year ended 31st March, 2026 together with the Directors' Report and Auditors' Report thereon.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Audited Financial Statements of the Company comprising the Balance Sheet as at 31st March 2026, Statement of Profit & Loss Account and Cash Flow Statement for the year ended on that date, together with the Report of the Board of Directors and Auditors thereon as placed before the meeting, be and are hereby received, considered and adopted."

Item No. 2

Appointment of Director in the place of retiring Director

To appoint a Director in place of Mr. Satadri Chanda, who retires by rotation and being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 152 of the Companies Act, 2013 and rules made thereunder (including any statutory modification and re-enactment thereof) and other applicable provisions, if any of the Companies Act, 2013, Mr. Satadri Chanda (DIN 02302312) who is liable to retire by rotation and being eligible has offered himself for appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Item No. 3

Re-appointment of M/s. M S K A & Associates LLP, Chartered Accountants as Statutory Auditors of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and any other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. M S K A & Associates LLP (formerly known as M S K A & Associates), Chartered Accountants (FRN: 105047W/W101187), who have offered themselves for re-appointment and have confirmed their eligibility to be re-appointed as the Statutory Auditors of the Company be and are hereby reappointed as the Statutory Auditors of the Company for a second term of consecutive 5 (five) years, who shall hold office from the conclusion of this 16th Annual General Meeting till the conclusion of the 21st Annual General Meeting on such remuneration as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to decide and / or alter the terms and conditions of the appointment including remuneration for subsequent financial years as it deems fit."

SPECIAL BUSINESS

Item No. 4

To ratify the remuneration of the Cost Auditor for the financial year 2026-27

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and all other applicable provisions of the Act read with Companies (Audit and Auditors) Rules, 2014, the remuneration of M/s. Amit Khetan & Co., Cost Accountants, (Firm Registration Number 102559), Cost Auditor of the Company for the financial year 2026-27 as appointed by the Board of Directors at a remuneration of ₹55,000/- (Rupees Fifty-five Thousand only) plus taxes & re-imbursement of out–of–pocket expenses, to be paid to M/s. Amit Khetan & Co., Cost Accountants, (Firm Registration Number 102559), be and is hereby confirmed and ratified."

By Order of the Board
For Megatherm Induction Limited
(CIN: L31900WB2010PLC154236)

Sd/-
(Abanti Saha Basu)
Company Secretary & Compliance Officer
Membership No. A69276

Place: Kolkata
Date: 1st August, 2026

NOTES:

1. In compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Listing Regulations, General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs (MCA) and circular issued by SEBI vide circular no. SEBI/ HO/ CFD/ CFDPoD-2/ P/ CIR/ 2024/ 133 dated October 3, 2024 ("SEBI Circular") and other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time, issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue in accordance with the MCA Circulars, the SEBI Circulars, the Act and the Listing Regulations. The deemed venue for the AGM shall be the Registered Office of the Company.

2. The Notice of the AGM along with its annexures is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depository Participants as on 31st July, 2026. In case you wish to have a physical copy of the notice of AGM along with its annexures, you are kindly requested to send a request for the same at cs@megatherm.com.

3. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at https://megatherm.com. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

4. The Members can attend and participate in the AGM through the VC / OAVM facility ONLY, the details of which are provided by the Company in the Notice of the AGM. Accordingly, please note that no provision has been made to attend and participate in the AGM of the Company in person. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

7. The Explanatory Statement setting out material facts, pursuant to Section 102 of the Companies Act, 2013 ("the Act") and as required under Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Special Business under Item No. 3 to Item No. 6 of the accompanying Notice is annexed hereto.

8. Statement giving details of the Director seeking reappointment is also annexed with this Notice pursuant to the requirement of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meeting ("SS-2").

9. All documents referred to in the AGM Notice will be available for electronic inspection without any fee by the members from the date of circulation of this AGM Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@megatherm.com

10. In case shareholders/ investor have any queries regarding E-voting, the Members may write an e-mail to the Company at cs@megatherm.com for any queries/ information.

11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

12. The facility for e-voting shall be made available at the AGM to the Members attending the meeting, who have not cast their votes through remote e-voting facility.

13. The Members, who will cast their votes by remote e-voting prior to the AGM and attending the AGM, shall not be entitled to cast their votes again at the AGM.

14. The voting rights of the Members (for voting through remote e-Voting before the AGM and e-Voting during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the 'cut-off date' i.e. Saturday, 22nd August, 2026.

15. The Board of Directors has appointed M/s. Anjan Kumar Roy & Co., Company Secretary in Practice having Membership No.: FCS 5684 and Certificate of Practice No.: 4557, as a Scrutinizer to scrutinize the voting process in a fair and transparent manner.

16. The Scrutinizer will, after the conclusion of e-voting at the AGM, scrutinize the votes cast at the AGM and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairperson or a person authorized by him in writing, who shall countersign the same and declare voting results (consolidated) within two working days from the conclusion of the AGM. The voting results along with the consolidated Scrutinizer' Report, will be placed on the website of the Company (https://megatherm.com), on the website of Stock Exchange (www.nseindia.com) and on the website of NSDL (www.evoting.nsdl.com) immediately after the declaration of result by the Chairman and in his absence, any Director/officer of the Company authorized by the Chairman.

17. For the smooth conduct of proceedings of the AGM, Members can submit questions/queries in advance with regard to the resolution to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address cs@megatherm.com at least seven (7) days in advance before the start of the meeting i.e. by 22nd August, 2026 by 02.00 p.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

18. Members, who would like to ask questions during the AGM with regard to the resolution to be placed at the AGM, need to register themselves as speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number, PAN and mobile number, along with their questions/queries to reach the Company's email address cs@megatherm.com at least seven (7) days in advance before the start of the meeting i.e. by 22nd August, 2026 by 02.00 p.m. Those Members who have registered themselves as speakers shall only be allowed to ask questions during the AGM, on first-come-first-serve basis and subject to availability of time.

19. We thank you for registering your email address and contributing to the cause of Green Initiative.

20. THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

The remote e-voting period begins on Wednesday, 26th August, 2026 (9:00 am IST) and ends on Friday, 28th August, 2026 (5:00 pm IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Saturday, 22nd August, 2026, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd August, 2026.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to akroyco@yahoo.co.in with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre, DVP at evoting@nsdl.com

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@megatherm.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@megatherm.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders, who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@megatherm.com. The same will be replied by the company suitably.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 4:

Based on the recommendations of the Audit Committee, the Board of Directors at their meeting held on 10th April, 2026, had approved the re-appointment and remuneration of M/s. Amit Khetan & Co., Cost Accountants, as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending 31st March, 2026, at a remuneration of ₹55,000/- (Rupees Fifty Five Thousand only) plus taxes & re-imbursement of out–of–pocket expenses in connection with the audit. M/s. Amit Khetan & Co., Cost Accountants have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959. In accordance with the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) and/ or re-enactment(s) for the time being in force), the remuneration payable to Cost Auditor has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company for the financial year ending on 31st March, 2026.

The Board recommends the Resolution as set out at Item No. 4 of the Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No.4 accompanying Notice.

By Order of the Board
For Megatherm Induction Limited
(CIN: L31900WB2010PLC154236)

Sd/-
(Abanti Saha Basu)
Company Secretary & Compliance Officer
Membership No. A69276

Place: Kolkata
Date: 1st August, 2026

DIRECTORS' REPORT

To
The Members of
MEGATHERM INDUCTION LIMITED

The Directors of your Company have pleasure in presenting the 16th Annual Report on the business and operations of the Company together with Audited Statement of Accounts for the year ended on 31st March 2026 with Auditor's Report thereon.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year under review along with previous year's figures is summarized under:

(Amount in ₹ Lacs)

Financial Results	For the Financial Year ended 31st March 2026	For the Financial Year ended 31st March 2025
Revenue from operations	34,622.71	32,050.84
Other Income	660.62	320.11
Total Revenue [(a) + (b)]	35,283.33	32,370.95
Net Profit/Loss (before depreciation and tax)	3,520.57	3,291.26
Less: Depreciation	460.59	396.87
Net Profit/Loss before tax	3,059.98	2,894.39
Less: Provision for Tax (including for deferred tax)	691.91	763.84
Net Profit/Loss after tax	2,368.07	2,130.55
Proposed Dividend	-	-
Dividend Tax	-	-
Transfer to General Reserve	-	-
Surplus Carried Forward	2,368.07	2,130.55
Earnings per Share- Basic and Diluted (in ₹)	12.57	11.31

The above performance is based on standalone basis. Consolidated figures are not applicable. The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014.

HIGHLIGHTS OF COMPANY'S AFFAIRS /OPERATIONS:

Your Company is engaged in the business of manufacturing and selling of Capital Equipment like Induction Melting and Heating Equipment, Arc Melting Furnace products, Ladle Refining Furnace etc. It is imperative that affair of your Company is managed in a fair and transparent manner. The total revenue for FY 2025-26 was ₹35,283.33 Lacs (₹32,370.95 Lacs in FY 2024-25). Your Company has earned profit before tax of ₹3,059.98 Lacs as against ₹2,894.39 Lacs in the Previous Year. Your Company has earned profit after tax of ₹2,368.07 Lacs as against ₹2,130.55 Lacs in the Previous Year. Your Company expects a sustained, year-over-year increase in order inflows in the ensuing years. This scaling of operations is anticipated to enhance the intrinsic value of the Company and deliver robust returns to our stakeholders.

DIVIDEND:

The Board of Directors has resolved not to recommend any dividend for the fiscal year ended March 31, 2026, in order to conserve resources for future operational needs.

TRANSFER TO RESERVES:

During the year under review, no amount was transferred to the reserves, except total amount of Net Profit of ₹2,368.07 Lacs has been carried forward to the Reserves & Surplus as stood in the notes forming part to the Financial Statements.

Note: All the financial figures mentioned in the Director's Report are in Lacs in line with Audited Financial Statements.

SHARE CAPITAL:

The Authorised Share Capital of the Company as on 31st March, 2026 was ₹19,00,00,000/- (Rupees Nineteen Crore Only) divided into 1,90,00,000/-(One Crore Ninety Lacs) Equity Shares of ₹10/- (Rupees Ten only). During the year under review, there has been no change in the authorized Share Capital of the Company.

The Issued and Paid-up Capital of the Company as on 31st March, 2026 was ₹18,84,07,290/- comprising of 1,88,40,729 number of equity shares of face value of ₹10/- each. During the year under review, there has been no change in the Issued and Paid-up Capital of the Company.

M/s. Bigshare Services Private Limited, duly registered under the Securities and Exchange Board of India, has been appointed as the Registrar and Share Transfer Agent to an Issue of the Company in accordance to the Regulation 7 of the Securities Exchange Board of India (Listing and Obligations of Disclosure Requirements) Regulations, 2015.

SWEAT EQUITY SHARES:

As per the provisions of Section 54(1)(d) of the Companies Act, 2013 and in terms of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any Sweat Equity Shares.

DIFFERENTIAL VOTING RIGHTS:

As per the provisions of Section 43(a)(ii) of the Companies Act, 2013 and in terms of Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any shares with Differential Voting Rights.

EMPLOYEE STOCK OPTIONS:

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 and in terms of Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any Employee Stock Options.

DEBENTURES/BONDS/WARRANTS OR ANY NON-CONVERTIBLE SECURITIES:

During the year under review, the Company has not issued any debentures, bonds, warrants or any nonconvertible securities. As on date, the Company does not have any outstanding debentures, bonds, warrants or any non-convertible securities.

LISTING & DEPOSITORY FEE:

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited (NSE Emerge). The trading symbol of the Company is 'MEGATHERM'. The Company has paid Depository and Listing fees for the financial year 2025-26 according to the prescribed norms & regulations.

DEMATERIALIZATION OF EQUITY SHARES:

During the year under review the entire shareholding is in dematerialization mode.

DEPOSITORY SYSTEM:

As the Members are aware, the shares of your Company are trade-able compulsorily in electronic form and your Company has established connectivity with both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The ISIN allotted to the Company's Equity shares is INE531R01010.

DETAILS OF UTILISATION OF FUNDS & STATEMENT OF DEVIATION(S) OR VARIATION(S):

Pursuant to Regulation 32 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there was no deviation/variation in the utilization of proceeds as mentioned in the objects stated in the Prospectus dated February 1, 2024, in respect of the Initial Public Offering of the Company.

CREDIT RATING:

During the year under review, CRISIL Ratings has reaffirmed its ratings to 'CRISIL BBB/Stable' for Long Term Rating and 'CRISIL A3+' for Short Term rating on the bank facilities of your Company.

WEBSITE:

https://megatherm.com is the website of the Company. All the requisite details, policies are placed on this website of the Company.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate and the date of the report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provision of Section 134(5) of Companies Act, 2013 your director to the best of their knowledge and belief confirm and state that:-

1. In preparation of the Balance Sheet and the Statement of Profit and Loss Account of the Company for the year ended on 31st March, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures.

2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the profit of the Company for that period.

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the maintenance of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting any other irregularities.

4. Also the directors have prepared the annual accounts on a going concern basis.

5. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

The Company is listed on the NSE Emerge SME platform of National Stock Exchange; the compliance with Corporate Governance provisions is not applicable to the Company as per Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

COMPOSITION OF BOARD

The Board comprises of two Executive Directors, two Non-executive Independent Directors and one Non-executive Woman Director as on 31st March, 2026. The details of the Board of Directors as on 31st March, 2026 are as under: -

Sr. No.	Name	Designation	DIN
1	Mr. Shesadri Bhusan Chanda	Chairman & Managing Director	00961593
2	Mr. Satadri Chanda	Whole-Time Director and CFO	02302312
3	Ms. Christina Paul Chowdhury	Non-Executive Director	09257875
4	Mr. Shravan Manjaya Shetty	Independent Director	08965489
5	Mr. Bikramjit Ghosh	Independent Director	00164178

NUMBER OF BOARD MEETINGS DURING THE YEAR:

The Board of Directors and Members of various Committees met during the year on following dates:

Details of Meeting of Board of Directors of the Company:

Sr. No.	Date of Meeting	Board Strength	No's of Directors Attended
1.	24th April, 2025	5	5
2.	14th May, 2025	5	4
3.	24th May, 2025	5	5
4.	6th August, 2025	5	5
5.	11th November, 2025	5	5
6.	13th January, 2026	5	5

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the SEBI (LODR) Regulations, 2015 / Companies Act, 2013.

I. Details of Meetings of members of Committees:

Sr. No.	Date of Meeting	Committee Strength	No. of Members present
Audit Committee:			
1.	24th April, 2025	3	3
2.	24th May, 2025	3	3
3.	6th August, 2025	3	3
4.	11th November, 2025	3	3
5.	11th March, 2026	3	3
Nomination and Remuneration Committee:			
1.	24th April, 2025	3	3
2.	6th August, 2025	3	3
Corporate Social Responsibility Committee:			
1.	6th August, 2025	3	3
Stakeholder Relationship Committee:			
1.	25th March, 2026	3	3

In respect of all above meetings, proper notices were given and the proceedings were properly recorded and the Minutes Book maintained for the purpose.

All the recommendations of the Committee meetings were duly accepted by the Board.

GENERAL MEETING:

Following are the Details of Annual General Meeting of Members of the Company:

Sr. No.	Date of Meeting	Type of Meeting
1.	29th August, 2025	Annual General Meeting

POSTAL BALLOT:

Following are the Details of Postal Ballot of the Company:

Sr. No.	Date of Passing the Resolutions	Type of Meeting
1.	17^{th} October, 2025	Postal Ballot

All the Resolution(s) were passed with requisite majority.

DEPOSITS:

The Company has not accepted any deposit within the meaning of Section 73 of the Companies Act 2013 during the period under review.

DECLARATION REGARDING INDEPENDENT DIRECTORS:

The Company has received a Declaration that the Independent Director meets the criteria of Independence laid down in sub-section (6) of section 149 of the Companies Act 2013.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

Your Company has drawn up a Policy on materiality of and dealing with Related Party Transactions ('RPT Policy'), in line with the provision of the Companies Act, 2013 and Listing Regulations. On 29^{th} May, 2026, the policy was amended to make it conform to the amendments brought in by SEBI LODR (Fifth Amendment) Regulations, 2025 and the same can be accessed using the following link: https://megatherm.com. During the year under review, all transactions entered into with related parties were approved by the Audit Committee of the Company. Certain transactions, which were repetitive in nature, were approved through omnibus route. During the year, your Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in terms of the RPT Policy,

Particulars of Contracts entered into with Related Parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 is attached as an 'Annexure-I' to this Report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014:

Disclosure of particulars of Employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in this Report as an 'Annexure – II' which forms part of this Report.

PARTICULARS OF LOANS / GUARANTEES / INVESTMENT:

The details of loans and advances and investments, if any, are specified in the notes to the Balance Sheet. The Company has not provided any guarantee or provided any Security for the loans availed by others.

EXPLANATION TO AUDITORS' REPORT :

The Auditors' Report to the Members for the year, under review, does not contain any qualification(s) or observation(s). The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Further, the Statutory Auditors have not reported any incident of fraud to the Board of Directors of your Company during the year under review.

Statutory Auditors:

M/s. M S K A & Associates LLP (formerly known as M S K A & Associates), Chartered Accountants (FRN: 105047W/ W101187) were appointed as Statutory auditors at the 11^{th} Annual General Meeting of the Company for a period of five years and accordingly they continue to hold office till the conclusion of the 16^{th} Annual General Meeting.

There is no qualification or adverse remarks made by the auditors in their report.

No fraud has been reported by the auditors during the year under review.

Cost Auditors:

M/s. Amit Khetan & Co, Cost Accountants, (Registration No. 102559) have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2025-26 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31^{st} March, 2026 would be filed as stipulated by the applicable provisions of law. The Company is making and maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

Internal Auditors:

M/s MATR & Associates, Chartered Accountants (Registration No. 333104E) was appointed as Internal Auditors of the Company for conducting the Internal Audit for the financial year 2025-26. The audit conducted by the Internal Auditors is based on an internal audit plan. These audits are based on risk based methodology and inter-alia involves the review of internal controls processes, adherence to management policies and review of statutory compliances. The Internal Auditors share their findings on an ongoing basis during the year for corrective action. The Audit Committee considers and reviews the Internal Audit Report submitted by the Internal Auditor.

Secretarial Auditors:

The Company has appointed M/s. Anjan Kumar Roy & Co. Company Secretaries (CP No. 4557), a Peer Reviewed Firm, as Secretarial Auditors of the Company in accordance with the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the Financial Year 2025-26.

The report of the Secretarial Auditor MR-3 for the financial year 2025-26 is enclosed as an 'Annexure - III' to this Board's Report, which is self-explanatory. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

DISCLOSURE UNDER RULE 8 (5) OF COMPANIES ACCOUNTS RULES, 2014:

a) Disclosure of financial Summary / Highlights :

As stated in Financial Results of the Directors Report.

b) Disclosure of Change in Nature of Business :

There is no change in nature of Company Business.

c) Details of Directors / Key Managerial Personnel Appointed / Resigned:

During the year under the review, following Directors / Key Managerial Personnel were Appointed / resigned:

NAME OF DIRECTORS/KMP	DESIGNATION	DIN	APPOINTMENT DATE	DATE OF CHANGE IN DESIGNATION	RESIGNATION DATE
Mr. Bikramjit Ghosh	Independent Director	00164178	12th September, 2025	17th October, 2025	-
Mr. Ankit Rathi	Independent Director	08456577	-	-	16th September, 2025

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 6th August, 2025 reappointed Mr. Shesadri Bhusan Chanda (DIN: 00961593) as Chairman and Managing Director of the Company for a further period of five years with effect from 5th January, 2026, notwithstanding that he has attained the age of 70 years. His reappointment was approved by the shareholders at the Annual General Meeting. The Board also reappointed Mr. Satadri Chanda (DIN: 02302312) as Whole-time Director of the Company for a further period of five years with effect from 5th January, 2026, following approval of the shareholders. Apart from the above, there has not been any change in Key Managerial Personnel during the Financial Year ended 31st March, 2026.

d) Details of Subsidiary Companies / Joint Ventures / Associate Companies:

The Company has no Subsidiary / associate company.

During the period under review, Megatherm Cyprium INC, Joint Venture Entity has been incorporated. The Joint Venture Entity with Cyprium Induction, LLC, named Megatherm Cyprium LLC formed on 27th May, 2025 has been dissolved and the same parties to the Joint Venture, i.e. Megatherm Induction Limited and Cyprium Induction, LLC has entered into a New Joint Venture Agreement to incorporate the new Joint Venture Entity, Megatherm Cyprium INC to ensure better compliance.

e) Details regarding Deposit covered under Chapter V of the Companies Act, 2013.

The Company has not invited any deposit other than the exempted deposit as prescribed under the provision of the Companies Act, 2013 and the rules framed there under, as amended from time to time. Hence there are no particulars to report about the deposit falling under Rule 8 (5) (v) and (VI) of Companies (Accounts) Rules, 2014.

f) Details of Deposit which are not in compliance with requirements of Chapter V of the Act.

Not Applicable.

g) Details of Significant and Material Orders passed by Regulators or Courts or Tribunals.

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

h) Internal Financial Control System :

The Company has in place adequate internal financial controls with reference to financial statements which ensures that all transactions are authorized, recorded, and reported correctly in a timely manner.

The Company's Internal Financial Control over financial reporting is designed to provide reliable financial information and to comply with applicable accounting standards. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

i) Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year during the year, under review.

j) Disclosure with respect to Maintenance of Cost Records

As per Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

COMMITTEES OF BOARD:

The Board of Directors has constituted the following Statutory Committees, viz.

(i) AUDIT COMMITTEE:

The Audit Committee was reconstituted on 20th October, 2025. The Constitution, composition and functioning of the Audit Committee meets with the requirements of Section 177 of the Companies Act, 2013. All the recommendations of Audit Committee have been accepted by the Board of Directors of the Company. The Audit Committee comprises of:

Name of Directors	Status in Audit Committee	Nature of Directorship
Mr. Shravan Manjaya Shetty	Chairman	Independent Director
Mr. Bikramjit Ghosh	Member	Independent Director
Mr. Shesadri Bhusan Chanda	Member	Chairman & Managing Director

(ii) STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee was reconstituted on 4th January, 2025. The Constitution, composition and functioning of the Stakeholder Relationship Committee also meets with the requirements of Section 178 of the Companies Act, 2013. All the recommendations of Stakeholder Relationship Committee have been accepted by the Board of Directors of the Company. The Stakeholder Relationship Committee comprises of:

Name of Directors	Status in Stakeholder Relationship Committee	Nature of Directorship
Mr. Shravan Manjaya Shetty	Chairman	Independent Director
Mr. Shesadri Bhusan Chanda	Member	Chairman & Managing Director
Ms. Christina Paul Chowdhury	Member	Non-Executive Director

(iii) NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee was reconstituted on 20th October, 2025. The Constitution, composition and functioning of the Nomination & Remuneration Committee also meets with the requirements of Section 178 of the Companies Act, 2013. All the recommendations of Nomination & Remuneration Committee have been accepted by the Board of Directors of the Company. The Nomination & Remuneration Committee comprises of:

Name of Directors	Status in Nomination & Remuneration Committee Chairman	Nature of Directorship
Mr. Bikramjit Ghosh	Member	Independent Director
Ms. Christina Paul Chowdhury	Member	Non-Executive Director

(iv) CORPORATE SOCIAL RESPONSIBITY COMMITTEE

The Corporate Social Responsibility Committee was reconstituted on 4th January, 2025. The Constitution, composition and functioning of the Corporate Social Responsibility Committee also meets with the requirements of Section 135 of the Companies Act, 2013. All the recommendations of Corporate Social Responsibility Committee have been accepted by the Board of Directors of the Company. The Corporate Social Responsibility Committee comprises of:

Name of Directors	Status in Corporate Social Responsibility Committee	Nature of Directorship
Mr. Shesadri Bhusan Chanda	Chairman	Chairman & Managing Director
Mr. Shravan Manjaya Shetty	Member	Independent Director
Mr. Satadri Chanda	Member	Whole Time Director & CFO

MEETINGS OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met once on 28th March, 2026 without the presence of Non-Independent Directors and members of the Management inter alia to:

Review the performance of Non-Independent Directors, the Board as a whole;

Review the performance of the Chairman of the Company, and

Assess the quality, content and timeliness of flow of information between the Company's management and the Board which is necessary for the Board to effectively and reasonably perform its duties.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

On appointment, the concerned Directors were issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Familiarization Program for Independent Directors includes regular industry trend updates, site visits, pertinent training programs, information access, and frequent interactions with senior management. Your Company is working to cultivate an enlightened and involved Board that supports efficient governance and value creation by actively engaging independent directors and providing them with the necessary resources.

INDUSTRIAL RELATIONS:

The Directors are pleased to report that the relations between the workmen and the management continued to remain cordial during the year under review.

COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

During the year under review, your Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Your Company has in place a Prevention of Sexual Harassment (POSH) policy in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is also available on our website, i.e. https://megatherm.com. Your Company has constituted an Internal Complaints Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. POSH Committee has equal representation of men and women and is chaired by senior woman of the Company.

The composition of Internal Complaints Committee is as follows:

Name	Designation	Status in Committee
Mrs. Shaswati Datta	Head – HR & Administration	Presiding Officer
Mr. Suman Panja	Senior Manager – Design & Engineering	Member
Ms. Abanti Saha Basu	Company Secretary	Member
Mr. Kallol Dutta	Ex-Additional Labour Commissioner	External Member

There was no complaints pertaining to sexual harrasement during the year.

COMPLIANCE UNDER THE MATERNITY BENEFIT ACT, 1961

The Company affirms its compliance with the applicable provisions of the Maternity Benefit Act, 1961. Necessary policies and infrastructure to support maternity related needs are in place across the organization.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company is committed to principles of professional integrity and ethical behavior in the conduct of its affairs. The Whistle-blower Policy provides for adequate safeguards against victimisation of director(s) / employee(s) who avail of the mechanism. It is affirmed that no person has been denied access to the Audit Committee. The Compliance officer is mandated to receive the complaints under this policy. Whistle Blower policy is available on the website of the Company at https://megatherm.com. The Policy ensures complete protection to the whistle-blower and follows a zero tolerance approach to retaliation or unfair treatment against the whistle-blower and all others who report any concern under this Policy. During the year under review, the Company did not receive any complaint of any fraud, misfeasance etc. The Company's Whistle Blower Policy (Vigil Mechanism) has also made employees aware of the existence of policies and procedures for inquiry in case of leakage of Unpublished Price Sensitive Information to enable them to report on leakages, if any.

INSIDER TRADING POLICY

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading will be available on the website of your Company, i.e. https://megatherm.com.

RISK MANAGEMENT

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing or mitigating the same. The Company periodically reviewed to ensure smooth operation and effective management control, the key risks associated with the business and measures and steps in place to minimize the same.

PERFORMANCE EVALUATION:

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of sub- section (3) of Section 178 of the Act dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy of the Company is hosted on the Company's website under the web link https://megatherm.com

BOARD EVALUATION

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board.

The Board evaluation was done taking into consideration various aspects of the Board's functioning such as understanding of Board members of their roles and responsibilities, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, quality, quantity and timeliness of the information flow between Board members and management, Board's effectiveness in disseminating information to shareholders and in representing shareholder interests, Board information on industry trends and regulatory developments and discharge of fiduciary duties by the Board.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non Independent Directors including Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors on March 24, 2025.

Further, the Board has expressed its satisfaction and has been thankful to all its Independent Directors for sharing their knowledge and expertise which has been proved beneficial towards the progress of the Company.

EXTRACTS OF ANNUAL RETURN:

The Annual Return as required under Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at https://megatherm.com.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Regulation 34(2)(e) read with Schedule V Part B of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as an 'Annexure - IV'.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3) (m) of the Companies Act, 2013 is as under:

A) Conservation of Energy:

The information on conservation of energy stipulated under Section 134(3) (m) of the Companies Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure – V'.

B) Technology Absorption:

The information on technology absorption stipulated under Section 134(3) (m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as 'Annexure – V'.

C) Foreign Exchange Earnings and Outgo:

The detail regarding foreign exchange earnings and outgo is specified in the notes to the Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY:

In terms of Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Mr. Satadri Chanda, Chief Financial Officer of the Company certified that the Corporate Social Responsibility expenditure made during the year 2025-26 has been utilized for the purpose and in the manner as approved by the Board.

The Company has a Corporate Social Responsibility (CSR) Committee comprising of all three existing directors out of which 1 is independent namely Mr. Shesadri Bhusan Chanda, Mr. Satadri Chanda and Mr. Shravan Manjaya Shetty. The Board of Directors of the Company has adopted a CSR Policy which is available on the website of the Company namely https://megatherm.com. The implementation and monitoring of CSR is in compliance with CSR Policy of the Company. Details of our CSR activities and the corresponding expenditure for each activity are provided as an 'Annexure-VI' in this report.

VOLUNTARY REVISION OF FINANCIAL STATEMENT AND / OR BOARD REPORT:

No application was made for voluntary revision of financial statements and / or Board Report during the year.

COMPLIANCE SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS:

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS:

No Application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

DETAILS OF DIFFERENCE BETWEEN OF AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE UNDERTAKING LOAN FROM THE BANK OF FI, ALONG WITH REASONS THEREOF:

The Company serviced all the debts and financial commitments as and when they became due and no settlements were entered into with the bankers.

INVESTOR EDUCATION AND PROTECTION FUND:

During the year under review, there was no transfer to the Investor Education and Protection Fund in terms of Section 125 of the Companies Act, 2013.

OTHERS:

Various policies required are disclosed on the website of the Company namely https://megatherm.com/

Other Disclosures required to be made in the Directors' Report are either nil or not applicable.

ACKNOWLEDGEMENT:

Your Directors are thankful to regulatory and government authorities, bankers, clients, and suppliers of the Company for their co-operation and also wish to place on record the dedication, solidarity, and relentless efforts of every member of the MEGATHERM family. Their commitment has been the cornerstone of the Company's sustained growth and the achievement of significant milestones.

The Board extends its sincere gratitude to the Banks, Central and State Governments and their Departments, Local Authorities, regulatory bodies for their continued guidance and support, and looks forward to their ongoing cooperation.

The Directors also express their appreciation to vendors, dealers, business partners, consultants, auditors, solicitors, and all stakeholders whose support has been invaluable. The trust and confidence placed in the Company by its customers is deeply valued, and Megatherm regards them as true partners in its success.

A special word of thanks goes to the workers and employees, whose expertise and dedication continue to drive the Company forward.

The Directors of your Company also express appreciation of the confidence, which the Members have reposed in them.

CAUTIONARY STATEMENT:

The Boards' Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

For and on behalf of Board of Directors of
Megatherm Induction Limited

	Shesadri Bhusan Chanda	**Satadri Chanda**
Place: Kolkata	Managing Director	Director
Date: 1st August, 2026	DIN: 00961593	DIN: 02302312

Annexure – I

Form AOC-2

[Pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1). Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2026, which were not at arm's length basis.

2). Details of material contracts or arrangement or transactions at arm's length basis:

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Sale of Goods or Services
Duration of the contracts/arrangements or transactions	Not Applicable
Continuous in nature	
Terms of the contracts or arrangements or transactions including the value, if any	₹165.35 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Sale of Goods or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹2,616.78 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Purchase of Goods or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹1,540.75 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Purchase of Fixed Assets
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹173.64 Lac
Date of Approval by the Board	6th August, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Electronics Private Limited
Nature of relationship	Immediate Holding Company
Nature of Contract/ Arrangement/ Transaction	Rent and Electricity Expense
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹35.79 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Rental Income
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹25.13 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Rent Paid
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹150.00 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Purchase of Fixed Assets
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹218.94 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	EMT Megatherm Private Limited
Nature of relationship	Fellow Subsidiary Company
Nature of Contract/ Arrangement/ Transaction	Contract Labour Charges
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹162.54 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Induction Accessories
Nature of relationship	Promoter Group Proprietorship Firm
Nature of Contract/ Arrangement/ Transaction	Sale of Goods or Services
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹266.97 Lac
Date of Approval by the Board	24th May, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Megatherm Foundation
Nature of relationship	Promoter Group Company
Nature of Contract/ Arrangement/ Transaction	CSR Expenditure
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹44.30 Lac
Date of Approval by the Board	6th August, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Shesadri Bhusan Chanda
Nature of relationship	Managing Director
Nature of Contract/ Arrangement/ Transaction	Salaries/ Managerial Remuneration
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹62.40 Lac
Date of Approval by the Board	6th August, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Satadri Chanda
Nature of relationship	Whole-time Director & CFO
Nature of Contract/ Arrangement/ Transaction	Salaries/ Managerial Remuneration
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹87.00 Lac
Date of Approval by the Board	6th August, 2025
Amount paid as advances, if any	NA

Particulars	Information
Name(s) of the related party	Christina Paul Chowdhury
Nature of relationship	Woman Director
Nature of Contract/ Arrangement/ Transaction	Sitting Fees
Duration of the contracts/arrangements or transactions	Not Applicable Continuous in nature
Terms of the contracts or arrangements or transactions including the value, if any	₹3.00 Lac
Date of Approval by the Board	24th April, 2025
Amount paid as advances, if any	NA

Further the details required to be disclosed in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable.

The details of the related party transactions are disclosed in Note 35 to the financial statement which sets out related party disclosures.

For and on behalf of Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Managing Director
DIN: 00961593

Satadri Chanda
Director
DIN: 02302312

Place: Kolkata
Date: 1st August, 2026

Annexure – II

Details of Remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director/KMP	Designation	Ratio to median remuneration	% increase in remuneration in Financial Year 2025-26
Mr. Shesadri Bhusan Chanda	Managing Director	24:32	0%
Mr. Satadri Chanda	Whole-time Director & CFO	31:35	0%
Ms. Abanti Saha Basu	Company Secretary	1:71	19%

- The percentage increase in the median remuneration of employees for the financial year ended 31st March, 2026 is 26.3%.
- The number of permanent employees on the rolls of the Company as on 31st March, 2026 is 374.
- The average increase in the managerial remuneration for the FY 2025-26 is 11% and the average increase in the salary of employees other than managerial personnel for the FY2025-26 is 16%.
- The remuneration stated above is in accordance with the remuneration policy of the Company.

For and on behalf of Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Managing Director
DIN: 00961593

Satadri Chanda
Director
DIN: 02302312

Place: Kolkata
Date: 1st August, 2026

Annexure – III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2026

[Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Megatherm Induction Limited
Plot- L1 Block Gp, Sector V,
Electronics Complex, Saltlake City
Kolkata-700091

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Megatherm Induction Limited (CIN: L31900WB2010PLC154236) (hereinafter to be referred as the "Company") for the financial year ended on 31st March, 2026 (hereinafter to be referred as "period under review"). Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

2. On the basis of verification of the secretarial compliance and on the basis of secretarial audit of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, as provided to us during the said audit by the Company, its officers, agents and authorized representatives, we hereby report that in our opinion and to the best of our understanding, the Company, during the period under review has complied with the statutory provisions listed hereunder and that the Company has adequate Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

3. (1) We have examined the records, minute books, documents, forms and returns filed and other records maintained by the Company for and during the financial year ended on 31st March, 2026 according to the provisions of:

(i) The Companies Act, 2013 (hereinafter to be referred as the "the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (hereinafter to be referred as the "SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996, the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999, the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (hereinafter to be referred as the "SEBI Act") viz.: -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; - to the extent applicable during the period under review.

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - None of the provisions of this regulation has been attracted during the period under review.

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client, which is further amended as The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - None of the provisions of this regulation has been attracted during the period under review.

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - None of the provisions of this regulation has been attracted during the period under review.

i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - None of the provisions of this regulation has been attracted during the period under review.

3. (2) We understand, based on representation made by the management that the company has complied with the provisions of the following laws specifically applicable to the Company during the period under review;

   a. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

   b. The Environment Protection Act, 1986

   c. Public Liability Insurance Act, 1991, and

   d. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.;

4. (1) We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118 of the Companies Act, 2013 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the clauses of the Secretarial Standards, during the aforesaid period under review.

4. (2) We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with National Stock Exchange of India Limited and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), to the extent applicable during the period under review.

5. That on the basis of the audit as referred above, to the best of our knowledge, understanding and belief, we are of the view that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraph 3(1), Paragraph 3(2), Paragraph 4(1) and Paragraph 4(2) of this report;

6. We further report that,

   a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, were carried out in compliance with the provisions of the Act and the SEBI LODR.

   b) Adequate notices are given to all directors to schedule the Board Meetings. Notices, Agenda and Notes on Agenda were sent at least seven days in advance, except for a meeting called at shorter notice in accordance with the provisions of the Companies Act, 2013, Secretarial Standard-1 issued by the Institute of Company Secretaries of India. The meeting called under shorter notice were duly attended by the Independent directors of the Company as per the applicable provisions of the Secretarial Standard-1.

   c) Majority decision is carried through and recorded as part of the minutes.

7. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, generally applicable to Company.

8. We further report that during the period under review, no event has occurred having a major bearing on the affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, standards, etc., except as follows:

   i. The Joint Venture Entity with Cyprium Induction, LLC, named Megatherm Cyprium LLC formed during the period under review has been dissolved and the same parties to the Joint Venture, i.e. Megatherm Induction Limited and Cyprium Induction, LLC has entered into a New Joint Venture Agreement to incorporate the new Joint Venture Entity, Megatherm Cyprium INC to ensure better compliance by way of transition from LLC to INC.

ii. Mr. Bikramjit Ghosh, (DIN: 00164178) has been appointed with effect from 12th September, 2025 as an Additional Non-executive Independent Director of the Company, not liable to retire by rotation, for a period of five years. The appointment is approved by the shareholders by passing an ordinary resolution via postal ballot.

iii. Mr. Ankit Rathi (DIN: 08456577) ceased to be an Independent Director in the Board of the Company with effect from the close of business hours on 15th September, 2025, due to completion of his term.

9. This report is to be read with our letter of even date which is annexed as Annexure A, forming an integral part of this report.

FOR, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor
FCS 5684
C.O.P. No. 4557
C.O.P. Unique Code: I2002WB282300
UDIN: F005684G000408471
Peer Review Certificate No.: 6872/2025
Firm Unique Code: S2002WB051400

Place: Kolkata
Date: 29th May, 2026

Annexure – A

(To the Secretarial Audit Report of M/s. Meatherm Induction Limited for the financial year ended on 31st March, 2026)

To,
The Members,
Megatherm Induction Limited
Plot- L1 Block Gp, Sector V,
Electronics Complex, Saltlake City
Kolkata-700091

Our Secretarial Audit Report for the financial year ended on 31st March, 2026 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation, happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR, **ANJAN KUMAR ROY & CO.**
Company Secretaries

ANJAN KUMAR ROY
Proprietor
FCS 5684
C.O.P. No. 4557
C.O.P. Unique Code: I2002WB282300
UDIN: F005684G000408471
Peer Review Certificate No.: 6872/2025
Firm Unique Code: S2002WB051400

Place: Kolkata
Date: 29th May, 2026

Management Discussion and Analysis

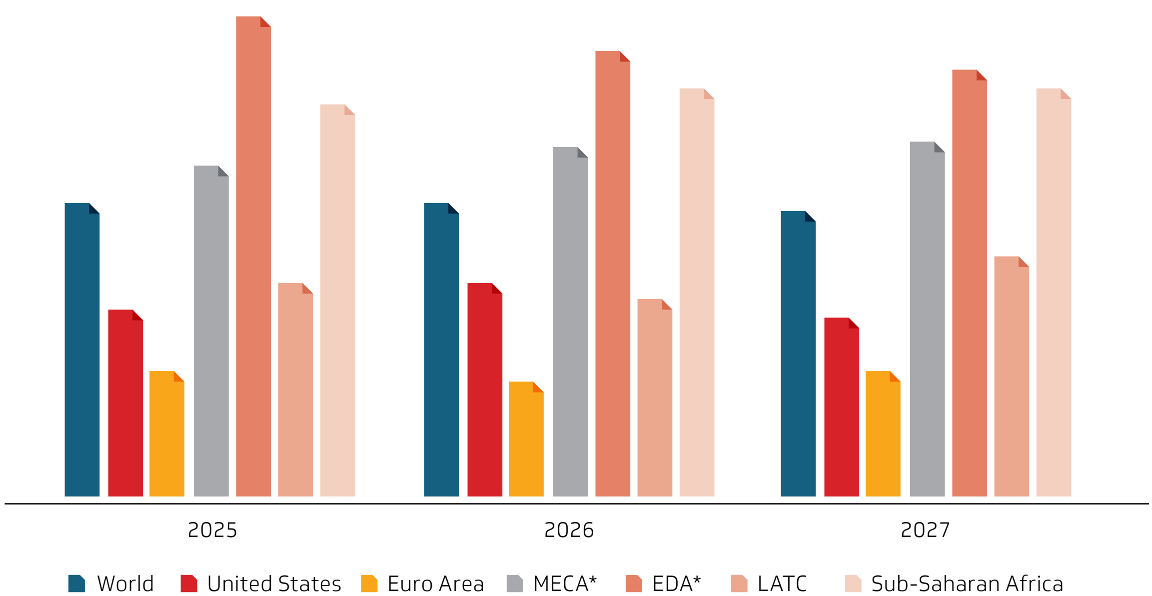
Global economy overview

The year 2026 has commenced amid a climate of heightened global uncertainty, shaped by a convergence of geopolitical, financial, and macroeconomic challenges. Recent developments across regions such as Latin America, Iran, and Greenland have underscored the persistence of geopolitical tensions, while financial markets continue to navigate pressures arising from elevated debt levels and stretched asset valuations in a prolonged high-interest rate environment.

At the macroeconomic level, policy uncertainties in major economies, particularly the United States, alongside the potential for renewed trade disputes, have added further complexity to the global economic landscape. Intensifying international competition and weakening multilateral cooperation have also contributed to an increasingly fragile global outlook.

In addition, several regions are witnessing rising social and political tensions, driven by deep-seated economic and societal concerns among segments of the population, particularly in parts of Europe. These challenges are compounded by ongoing global health concerns and the accelerating risks associated with climate change, reinforcing the need for resilience and strategic adaptability across economies and industries.

Global economic growth

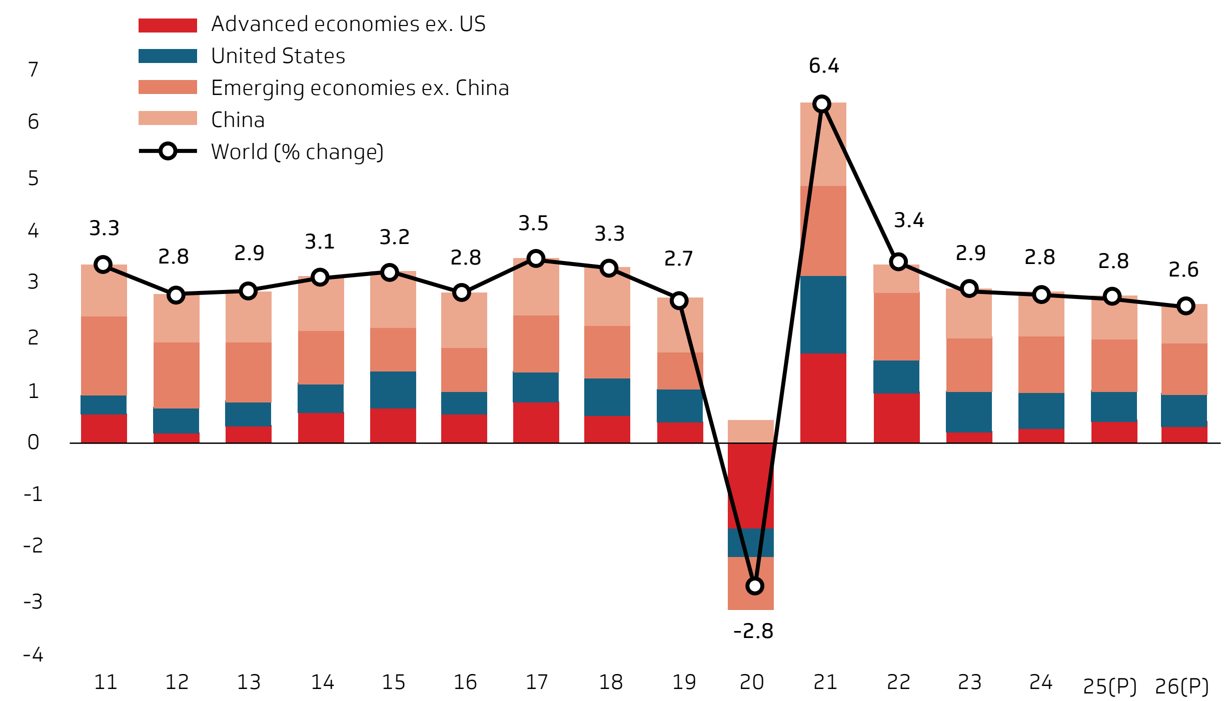


(Source: https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026) *[MECA – Middle East and Central Asia, EDA – Emerging and Developing Asia, LATC – Latin America and The Caribbean]

The global economic environment continues to reflect uneven growth patterns across major regions. In the United States, economic activity is expected to expand by approximately 2.2%, supported by resilient consumer spending, despite a notable increase in corporate bankruptcies during the second half of 2025. In the eurozone, growth is projected to remain modest at around 1%, driven largely by Germany's economic rebound supported by a significant investment stimulus. France, however, continues to face fiscal pressures, with its public deficit remaining above 5% of GDP, resulting in a comparatively moderate growth outlook of about 0.9%.

Central Europe has demonstrated relatively stronger economic momentum, with Poland leading the region with an estimated growth rate of 3.8%. In Asia, China's economic expansion is expected to moderate to approximately 4.4%, which may exert some pressure on regional growth dynamics. Southeast Asia continues to exhibit mixed economic performance across markets. In contrast, India has reaffirmed its position as one of the fastest-growing major economies globally, supported by strong domestic demand, structural reforms, and proactive public policy measures, with growth projected at around 6.1%.

Real global GDP growth (market exchange rates, %)



(Source: https://www.coface.com/news-economy-and-insights/risk-review-2026-a-moment-of-truth-for-the-global-economy)

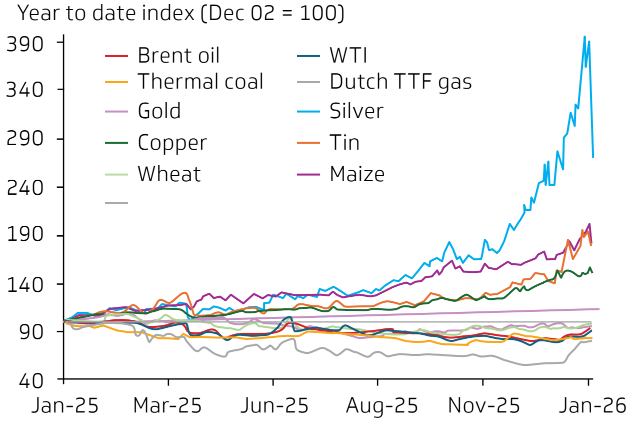
Global commodities market overview

Global commodity markets entered 2026 exhibiting significant divergence in price performance across sectors. Unlike previous years, when broad macroeconomic factors largely influenced commodity prices, market movements are increasingly being shaped by sector-specific fundamentals. Current market outlook suggests a clear divergence in trends, with metals expected to demonstrate relatively stronger performance, while energy and agricultural commodities are likely to experience softer price trends on average.

This divergence reflects structural differences in supply dynamics and demand drivers across commodity segments. Metal markets are being supported by sustained investments in energy transition technologies, rapid advancements in artificial intelligence infrastructure, and relatively constrained supply growth. In contrast, energy and agricultural commodities remain more sensitive to near-term supply-demand balances and cyclical consumption patterns.

Furthermore, as global economic growth moderates and energy intensity gradually declines, these sectoral differences are becoming more pronounced. Consequently, commodity price movements are increasingly being driven by sector-specific factors rather than by a uniform macroeconomic cycle, resulting in a more differentiated and complex commodity market environment.

Commodity Price Movement (from January 2025 to January 2026)



(Source: https://www.oxfordeconomics.com/resource/diverging-price-performance-across-commodity-markets-in-2026/)

The global metals market in 2026 is expected to deliver a mixed yet resilient performance. Precious metals, led by gold, are likely to remain strong amid geopolitical uncertainty and continued central bank buying, while battery metals may see a gradual recovery supported by EV demand, albeit constrained by existing oversupply. Base metals such as copper, aluminium, and tin are expected to stay firm, driven by infrastructure, digitalisation, and energy transition investments, alongside tightening supply conditions. In contrast, ferrous metals may face softer demand, particularly due to weakness in China's property sector, though policy support could stabilise steel prices.

Copper is set to benefit significantly from electrification, renewable energy, and AI-led infrastructure demand, with supply deficits potentially pushing prices higher.

IN RECENT YEARS, INDIA HAS SUSTAINED STABLE GROWTH LEVELS, WITH REAL GDP GROWTH OF 7.2% IN FY2023–24 AND 7.1% IN FY2024–25. DURING THE SAME PERIOD, NOMINAL GDP GROWTH STOOD AT 11.0% AND 9.7%, RESPECTIVELY.

Aluminium prices have also strengthened, supported by supply disruptions, low inventories, and robust demand across construction, transport, and energy sectors, indicating a firm near-term outlook.

Outlook

After a year of elevated trade barriers and uncertainty, the global economy now faces renewed pressure from the Middle East conflict. If contained, growth is projected to ease to 3.1% in 2026, with a slight recovery to 3.2% in 2027, while inflation may rise briefly before declining again. Emerging and developing economies are expected to feel the impact more sharply. The outlook remains skewed to the downside. Prolonged conflict, rising geopolitical tensions, weaker-than-expected AI productivity gains, or renewed trade frictions could further slow growth and disrupt markets. High public debt and weakening institutional credibility add to the risks, though easing trade tensions or stronger AI-led gains could provide some support. In this uncertain environment, resilience will depend on adaptive strategies, credible policies, and stronger global cooperation. While higher defence spending may boost short-term activity, it risks fuelling inflation, straining fiscal balances, and crowding out social investments.

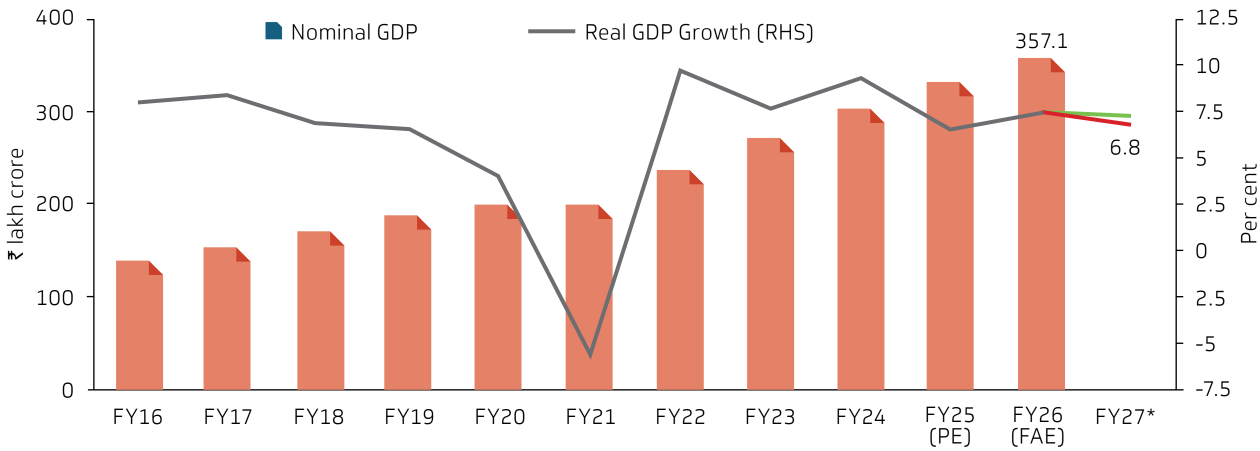
Indian economy overview

India's economy is expected to maintain a strong growth trajectory, with real GDP projected to expand by 7.6% in FY26, according to estimates by the Ministry of Statistics and Programme Implementation (MoSPI). This outlook underscores the country's robust macroeconomic fundamentals despite prevailing global uncertainties. Nominal GDP, which incorporates price movements including inflation, is estimated to grow by 8.6% during the year, reflecting a balanced expansion in both economic output and price levels.

The growth momentum has been supported by consistent quarterly performance, with real GDP growth of 8.4% recorded in Q2 and 7.8% in Q3 (October–December), indicating resilience across key sectors of the economy. In recent years, India has sustained stable growth levels, with real GDP growth of 7.2% in FY2023–24 and 7.1% in FY2024–25. During the same period, nominal GDP growth stood at 11.0% and 9.7%, respectively.

The manufacturing sector continues to play a pivotal role in driving economic expansion, registering double-digit growth, and reinforcing India's position as a key industrial hub. This momentum has been further supported by steady contributions from the secondary and tertiary sectors, reflecting the broad-based nature of the country's economic growth.

India Retains Strong Growth Momentum, Expected to Grow By 6.8 - 7.2% In FY27



(Source: https://www.indiabudget.gov.in/economicsurvey/doc/Infographics%20English.pdf) [PE – Provisional Estimates, FAE – First Advanced Estimates]

Domestic demand continued to underpin India's economic growth in FY26. According to the First Advance Estimates, the share of Final Private Consumption Expenditure (PFCE) in GDP increased to 61.5% during the year. The sustained strength in consumption reflects a supportive macroeconomic environment characterised by relatively low inflation, stable employment conditions, and improving real purchasing power. Rural consumption remained resilient, supported by strong agricultural performance, while urban consumption gradually improved, aided by the rationalisation of direct and indirect taxes. Together, these factors indicate that consumption-led growth remains broad-based across the economy.

61.5%

The share of Final Private Consumption Expenditure (PFCE) in GDP is expected to increase to 61.5% in FY26.

In addition to consumption, investment activity continued to play a significant role in driving economic expansion during FY26. Gross Fixed Capital Formation (GFCF) is estimated to account for approximately 30.0% of GDP. Investment momentum strengthened during the first half of the fiscal year, with GFCF growing by 7.6%, surpassing the pace recorded in the corresponding period of the previous year and remaining above the pre-pandemic average growth rate of 7.1%.

30%

Gross Fixed Capital Formation (GFCF) is estimated to account for approximately 30.0% of GDP.

The agriculture and allied sectors are estimated to grow by 3.1% in FY26. Agricultural performance during the first half of the fiscal year was supported by a favourable monsoon, leading to agricultural GVA growth of 3.6%, higher than the 2.7% growth recorded during the same period in FY25, though still below the long-term average of 4.5%. Allied activities, particularly livestock and fisheries, have demonstrated relatively stable growth in the range of 5–6%. With the increasing share of allied activities in agricultural GVA, overall agricultural growth is increasingly shaped by the interplay between the relatively volatile crop segment and the more stable expansion in allied sectors.

3.1%

The agriculture and allied sectors are estimated to grow by 3.1% in FY26.

The industrial sector showed steady improvement in FY26, with manufacturing growing 8.4% in H1, surpassing the full-year estimate of 7.0%. Construction remained resilient, supported by strong public capex and infrastructure momentum. Manufacturing's share in GDP held steady at 17–18%, with GVO at ~38%, comparable to services. Overall industrial growth is projected at 6.2% in FY26 (vs. 5.9% in FY25), with Q3 indicators such as PMI, IIP, and e-way bills reflecting strengthening demand. Construction indicators, including steel and cement consumption, also recorded stable growth. The outlook remains positive, supported by GST rationalisation and favourable demand conditions.

On the supply side, services continue to drive growth, with GVA expanding 9.3% in H1 FY26 and an estimated 9.1% for the full year. Growth was broad-based across segments, with most sub-sectors exceeding 9%, except trade, hospitality, and related services, which remain slightly below pre-pandemic levels.

Outlook

India's economic outlook remains resilient, supported by strong macroeconomic fundamentals and broad-based demand. Real GDP and GVA are projected to grow by 7.4% and 7.3% respectively in FY26, driven by robust agricultural performance and improving urban consumption. India's medium-term growth remains stable, with FY27 growth expected in the range of 6.8%–7.2%. Inflation has moderated significantly, with average headline inflation at 1.7% during April–December 2025, among the lowest levels recorded. The RBI has revised its FY26 inflation forecast to 2.0%, supported by favourable agricultural output, while IMF estimates remain moderate for FY26 and FY27. Looking ahead, inflation is expected to remain benign, providing a stable macroeconomic environment conducive to sustained economic growth and investment.

Indian MSME sector

The Micro, Small and Medium Enterprises (MSME) sector forms the backbone of India's economic landscape, comprising a diverse spectrum of businesses that differ in scale, technology, and innovation. These enterprises are vital drivers of economic progress, contributing meaningfully to GDP, exports, employment generation, and balanced regional development. With the ability to produce over 6,000 products, MSMEs play a crucial role in meeting the country's demand for mass consumption goods. Given its strategic significance, the sector holds immense potential to power sustained economic growth, provided it is supported by a conducive policy framework and focused developmental initiatives.

31.1%
Indian MSME sector's contribution to Indian GDP

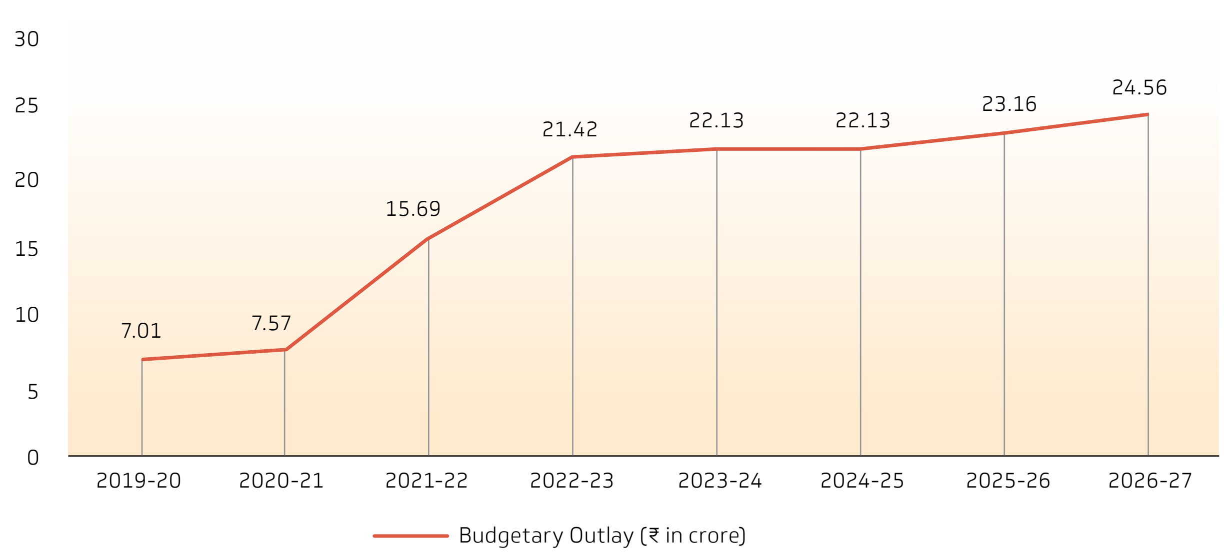
35.40%
Indian MSME sector's contribution to India's total manufacturing output

~48.58%
Indian MSME sector's contribution to India's total exports

~32.82 crore
Number of people employed by the Indian MSME sector

~7.47 crore
Number of registered enterprises in the Indian MSME sector

Budgetary outlay for the Indian MSME sector



(Source: https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=157367&ModuleId=3&reg=3&lang=1)

The MSME sector continues to serve as a cornerstone of India's economic architecture, driving structural transformation through decentralised industrialisation and broad-based growth. Contributing 31.1% to GDP and 35.4% to total manufacturing output, underscoring its pivotal role in strengthening domestic production capabilities. Beyond its economic contribution, MSMEs play a critical role in reducing regional disparities by anchoring local economies and fostering self-reliance. The sector also remains a key employment generator, providing livelihoods to over 32.82 crore individuals and acting as a vital instrument for socio-economic inclusion by empowering first-generation entrepreneurs and underserved communities.

MSMEs are increasingly emerging as engines of global competitiveness and innovation. Their integration into global value chains has significantly strengthened India's export performance, with the sector contributing 48.55% to merchandise exports in FY25. This momentum is supported by targeted policy initiatives, including export promotion schemes and enhanced access to collateral-free credit. Simultaneously, the rapid adoption of digital public infrastructure, such as ONDC, OCEN, and the Account Aggregator framework—is enabling greater formalisation, improved market access, and efficient credit delivery. MSMEs are also playing a growing role in advancing India's sustainability and innovation agenda, adopting green technologies and contributing to strategic sectors like defence and deep-tech manufacturing. With continued policy support and technological integration, the sector is well-positioned to drive inclusive, sustainable, and innovation-led growth aligned with India's long-term economic vision.

Key Budget takeaways for the Indian MSME Sector

The Union Budget 2026–27 places MSMEs at the centre of India's growth strategy, adopting a structured three-pillar approach focused on equity, liquidity, and capability building. A landmark initiative is the introduction of a ₹10,000 crore SME Growth Fund, aimed at nurturing high-potential enterprises into globally competitive "champion MSMEs" by providing long-term growth capital.

To further strengthen access to risk capital, the government has proposed an additional allocation to the Self-Reliant India Fund, ensuring continued equity support for micro and small enterprises. Alongside this, enhanced liquidity measures, particularly through the mandatory integration of the Trade Receivables Discounting System (TReDS) for public sector procurement, are expected to improve cash flows and address delayed payment challenges.

The Budget also emphasises ease of doing business and compliance simplification, with institutional support mechanisms such as "Corporate Mitras" to assist MSMEs, especially in Tier II and III markets. In a significant boost to exports, the removal of the ₹10 lakh cap on courier exports is set to expand global market access for small businesses, artisans, and startups.

Overall, the Budget signals a strategic shift from incremental support to building scale, competitiveness, and global integration, positioning MSMEs as key drivers of manufacturing growth, exports, and employment in India's long-term economic vision.

Global steel industry overview

Steel is the foundational material of the modern economy, underpinning construction, infrastructure, automotive manufacturing, energy infrastructure, and industrial machinery. The industry is currently undergoing two simultaneous transitions: a volume-driven expansion led by emerging market demand, and a technology-driven shift toward green steelmaking through electric arc furnaces (EAFs), hydrogen-based reduction, and energy-efficient induction-based heating systems.

The global steel market was valued at approximately USD 1.89 trillion in 2025 and is projected to reach USD 2.73 trillion by 2035, growing at a CAGR of approximately 5.3%. Global crude steel production reached 144.5 million tonnes in December 2024 alone — a 5.6% increase year-on-year — reflecting strong underlying demand. Asia Pacific dominates with a 65% market share, with India expected to register the highest CAGR through 2030 as it targets domestic steel production of 300 million tonnes by 2030.

Key growth drivers

Growing infrastructure investment and urbanisation in emerging economies, particularly in South and Southeast Asia, are the primary volume drivers. The accelerating transition to Electric Arc Furnaces (EAFs) and induction-based melting technologies, driven by decarbonisation mandates, rising carbon costs, and energy efficiency imperatives, is reshaping capital expenditure patterns within the industry, increasing demand for advanced induction heating and melting equipment. The construction segment, commanding 38.5% of end-use demand, alongside the automotive and renewable energy sectors, provides a broad and diversified demand base for steel and, by extension, for steel processing technologies.

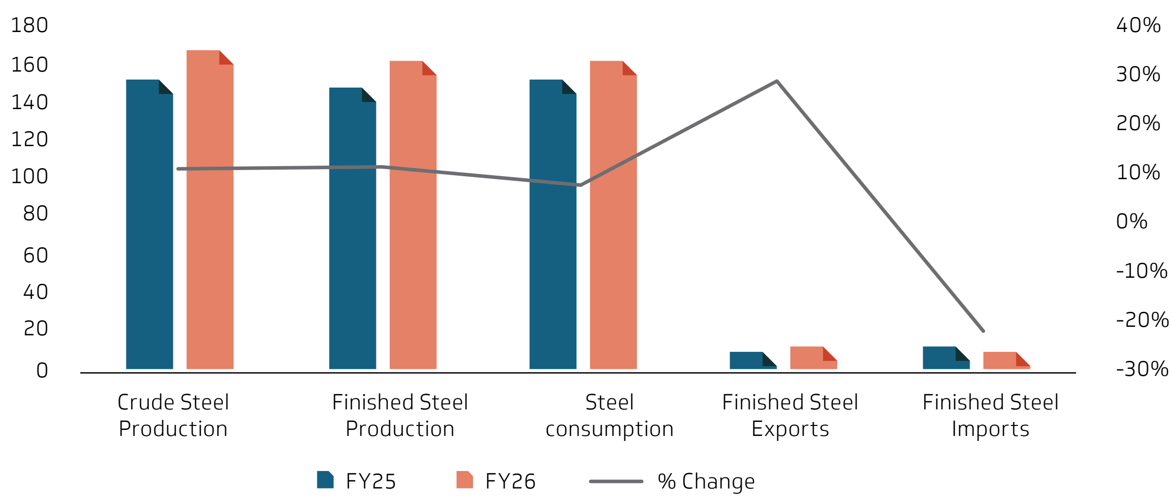
Outlook

The global steel industry is expected to sustain steady growth, driven by infrastructure-led demand in developing economies and a structural shift toward energy-efficient, low-emission production technologies. The EAF and induction melting segments are positioned for above-average growth as steel producers increasingly invest in clean production pathways to meet net-zero commitments and regulatory requirements.

Indian steel industry

The Indian steel industry delivered a resilient performance in FY 2025–26, reinforcing its position as the world's second-largest steel producer, even as it navigated global uncertainties and pricing pressures. Supported by strong domestic demand and sustained infrastructure activity, the sector recorded healthy growth in production, consumption, and exports. Crude steel production reached approximately 168 million tonnes in FY26, marking a robust 10.5% increase over ~152 million tonnes in FY25. Capacity utilisation levels among leading producers remained stable, reflecting the industry's ability to scale efficiently.

Indian steel industry production and consumption



(Source: https://www.linkedin.com/pulse/indian-steel-sector-performance-fy26-metalbook-app-2xh1c)

This growth was largely driven by capacity additions rather than a corresponding rise in demand, leading to a widening gap between production and domestic consumption. As a result, despite higher volumes, the industry experienced continued pressure on realisations and margins.

India's steel trade balance showed marked improvement in FY26. Finished steel exports rose by nearly 29% y-o-y, reaching 8.24 million tonnes, while imports fell by 22.8% y-o-y to 7.8 million tonnes. This shift brought India closer to becoming a net exporter of finished steel, supported by government safeguard duties and narrowing price gaps with global markets. The export momentum was particularly strong in long products, while imports of specialized grades continued to meet domestic shortfalls. This trade performance underscores India's growing competitiveness in global steel markets, though sustaining this trend will depend on demand stability abroad.

Despite higher production and stronger exports, the industry faced pricing pressures. The India Steel Composite Index fell by 2.2%, reflecting weak pricing power, particularly in flat steel products impacted by global oversupply. Long products demonstrated relative resilience, supported by infrastructure-led demand. Overall, profitability remained under strain as excess capacity and subdued demand growth limited margins.

Raw material availability posed challenges during the year. Iron ore production grew by 6.2%, but lagged behind steel output growth, increasing reliance on imports. Coking coal remained heavily import-dependent, with domestic production showing a marginal decline. On the other hand, scrap availability improved, supporting electric arc furnace operations and signalling a gradual transition toward circular steelmaking practices. This shift enhances sustainability but does not offset the structural vulnerability arising from coking coal dependence.

Key growth drivers

India's infrastructure push: Sustained government spending on roads, railways, and urban infrastructure continues to anchor steel demand, creating a strong foundation for long-term consumption growth.

Transportation and logistics expansion: Investments across the transportation sector, spanning highways, ports, and airports, are set to drive a meaningful uptick in steel demand. Strengthened logistics infrastructure will not only improve distribution efficiency but also reduce transportation costs, enabling steel producers to access new markets and expand their reach more effectively.

Urban India on the rise: Accelerated urbanisation and robust real estate activity—across residential and commercial segments, are driving consistent demand across the construction value chain.

Powering industrial growth: Expanding manufacturing activity, supported by India's push for self-reliance, is fuelling steel consumption across sectors such as automotive, engineering, and capital goods.

Rising domestic demand: Strong and steady domestic consumption remains the primary growth engine, reflecting broad-based economic momentum and sectoral resilience.

Expanding global footprint: Rising exports and improved trade positioning are strengthening demand, as Indian steel gains traction across key global markets.

Increasing capacity expansion: Ongoing investments by industry leaders such as Steel Authority of India Limited, Tata Steel, and JSW Steel underscore strong confidence in future demand, with capacity expected to scale significantly by 2030.

Policy support as a growth enabler: Government-led initiatives focused on infrastructure, manufacturing, and economic development continue to create a conducive ecosystem for sustained steel demand.

Outlook

Looking ahead, the Indian steel industry's prospects are shaped by both opportunities and risks. On the positive side, government-backed infrastructure projects and tariff reductions are expected to drive demand. However, the rapid pace of capacity expansion risks outstripping consumption, potentially limiting profitability. Global headwinds, such as weak demand, geopolitical tensions, and rising energy costs, add further uncertainty. To ensure long-term sustainability, the industry must focus on aligning capacity with demand, reducing raw material import dependence, and embracing sustainable production practices. While the outlook remains cautiously optimistic, profitability recovery will depend on demand growth rather than supply-driven expansion.

For Megatherm Induction Limited (MIL), this expansion directly translates into higher demand for induction furnaces and allied equipment. As steelmakers invest in new capacity and modernisation, MIL's technology-driven solutions are positioned to capture market share by enabling energy-efficient, cost-effective, and sustainable steelmaking. The industry's gradual transition toward electric arc furnaces and scrap-based steelmaking aligns perfectly with MIL's expertise, as induction furnaces are central to circular steelmaking practices.

Moreover, India's push for green steel and reduced dependence on coking coal creates opportunities for MIL to supply low-emission induction technologies, strengthening its role as a partner in sustainable steel production. The company's ability to deliver customised solutions for both large integrated producers and MSME steel units enhances its relevance across the value chain.

Global foundry industry

The foundry industry encompasses the production of metal castings, iron, steel, aluminium, and other alloys, used across automotive, aerospace, construction, defence, and industrial machinery applications. It is a critical intermediary in the global manufacturing value chain, converting raw metals into precision-engineered components. The industry is undergoing rapid modernisation, with growing adoption of Industry 4.0 technologies, automated casting systems, and energy-efficient induction melting furnaces replacing traditional cupola and reverberatory furnaces.

The global foundry market was valued at approximately USD 184 billion in 2025 and is projected to reach USD 225 billion by 2030, growing at a CAGR of approximately 4.3%. On a broader count including semiconductor foundries, the market reaches USD 306 billion in 2025, projected to touch USD 429 billion by 2032 at a CAGR of 5%. The foundry equipment market specifically was valued at USD 4.17 billion in 2024 and is projected to reach USD 5.68 billion by 2034. Asia Pacific, led by China and India, holds the largest regional share, accounting for over 45% of global foundry output.

Key growth drivers

The electrification of the automotive sector is a particularly significant driver, generating strong demand for precision aluminium die-cast components used in EV powertrains and lightweight vehicle structures. Rising infrastructure investment across emerging economies is fuelling demand for cast iron and steel components in construction machinery and utilities. The ongoing transition from traditional melting technologies to energy-efficient induction melting systems, driven by energy costs, emission norms, and quality requirements, represents a direct and growing opportunity for manufacturers of induction furnace equipment. Increasing automation, stringent quality standards, and the adoption of smart foundry practices are further accelerating equipment modernisation across the sector.

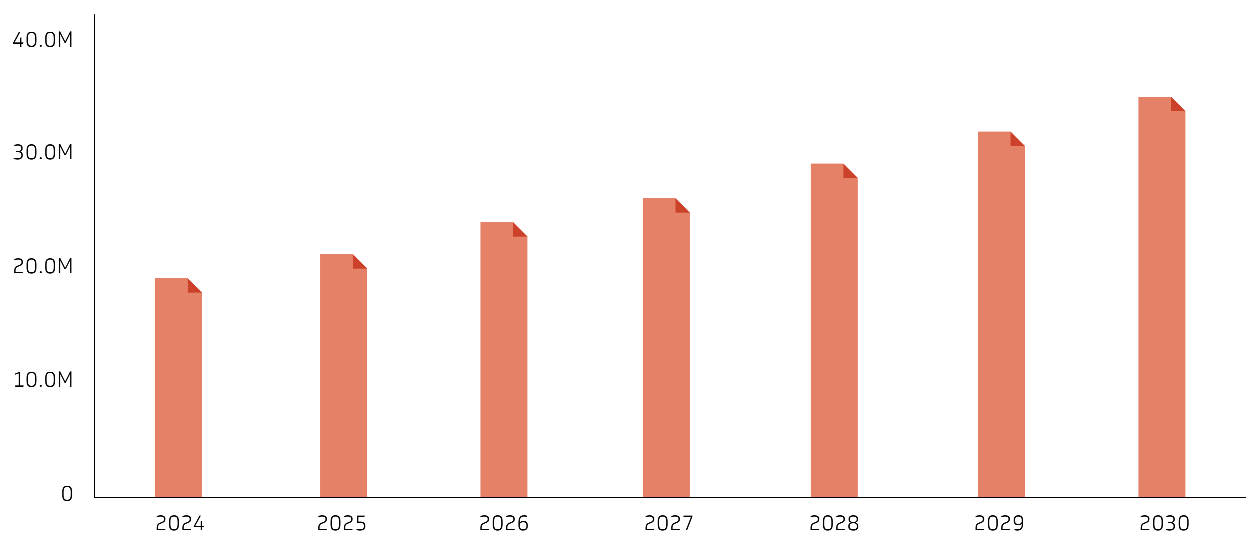
Outlook

The global foundry industry is set for sustained growth, underpinned by automotive electrification, infrastructure expansion, and the broad trend toward modern, energy-efficient manufacturing processes. The shift from conventional melting to induction-based technologies is expected to accelerate, creating durable demand for advanced foundry equipment and associated power systems.

Indian foundry industry

The Indian foundry market is on a strong growth trajectory, projected to expand from USD 26.28 billion in 2025 to USD 28.72 billion in 2026, and further to USD 46.72 billion by 2031, reflecting a robust CAGR of 10.22% between 2026 and 2031. The Indian foundry industry, the world's second largest after China, continues to play a pivotal role in advancing the nation's manufacturing ambitions and supporting the vision of Aatmanirbhar Bharat. With an annual production of 15.86 million metric tonnes in 2024–25 and an estimated valuation of US$22 billion, the sector serves as a critical backbone for key industries such as automotive, agriculture, railways, aerospace, power, and industrial machinery.

India's growing foundry market



(Source: https://www.archivemarketresearch.com/reports/india-foundry-market-867701)

Comprising nearly 5,000 units, of which about 90% are MSMEs, and providing employment to over 2 million people, the industry is also a strong contributor to India's export economy, with exports reaching US$4.31 billion.

This momentum is being driven by a combination of policy support and structural shifts within the industry. Import-substitution measures, the localisation push in electric vehicles (EVs), and increased public infrastructure spending have collectively steered the market away from short-term contracting towards long-term partnerships that prioritise quality, consistency, and lower carbon intensity. Aluminium high-pressure die-casting (HPDC) capacities are operating near peak levels, supported by domestic EV production crossing the one-million mark in FY2026. At the same time, the Vehicle Scrappage Policy is improving access to cost-effective scrap, reducing melt costs by 12–18%.

Additionally, safeguard duties on Chinese iron castings have redirected demand towards domestic manufacturers, shortening lead times and strengthening local supply chains. Emerging incentives for green hydrogen adoption are also encouraging early transitions from coke-based furnaces to cleaner alternatives. Together, these factors are enabling leading players to sustain pricing power, even amid ongoing volatility in scrap and energy costs.

The Indian foundry industry in 2026 is supported by several government initiatives and policies aimed at modernising production, enhancing sustainability, and boosting domestic manufacturing through the Make in India campaign. The government is actively facilitating the sector's transition toward becoming a global high-tech casting hub.

Key policy support

Production-linked incentive (PLI) schemes: Massive outlays, including ₹31.2 billion for automotive and specialty steel, are driving demand for precision castings. The PLI for Specialty Steel encourages the domestic production of high-grade steel essential for the aerospace and automotive sectors.

Import substitution: A 40% safeguard duty on Chinese iron castings has significantly redirected orders to domestic foundries.

Raw material relief: Basic Customs Duty (BCD) exemptions on raw materials for aircraft parts and maintenance (MRO) help lower costs for the aerospace casting segment.

Technological shift boosting the Indian foundry industry

The Indian foundry and casting sector is undergoing a significant technological shift, driven by the adoption of automation, simulation tools, and advanced robotics. The integration of computer-aided design (CAD) and computer-aided manufacturing (CAM) systems is streamlining operations, improving precision, minimising defects, and enhancing overall efficiency. At the same time, the use of 3D printing for pattern and mould development is accelerating product development cycles and enabling greater design flexibility.

Further advancements in melting and moulding technologies are not only boosting productivity but also reducing material wastage. Together, these innovations are elevating product quality, shortening production timelines, and strengthening the industry's competitiveness in both domestic and global markets. As the shift towards smart manufacturing and Industry 4.0 gathers pace, Indian foundries are increasingly leveraging data analytics and predictive maintenance to optimise processes, reduce downtime, and drive sustained operational excellence.

Scrap Incentives: The duty exemption on ferrous scrap has been extended to 31 March 2026 to ensure the availability of low-cost raw materials.

MSME support: A dedicated ₹10,000 crore SME Growth Fund and a ₹2,000 crore top-up to the Self-Reliant India Fund aim to help smaller foundries upgrade equipment and scale production.

National Green Hydrogen Mission: Subsidies are being provided to help foundries convert coke-fired cupolas to low-carbon furnaces or green hydrogen-ready systems.

Decarbonisation scheme: A proposed ₹5,000 crore scheme aims to incentivize emissions reduction, with up to 80% of funds earmarked for secondary steel players and foundries.

Circular economy: The steel scrap recycling policy aims to increase scrap usage to the global average of 31%, helping foundries reduce dependence on coking coal and lower emissions.

Waste-to-wealth: Collaborative projects are enabling the reuse of foundry sand in road construction to address environmental management challenges.

Defence and Aerospace: Policies focusing on Aatmanirbhar Bharat have increased domestic procurement for defence, creating a robust order book for forging and casting units.

Infrastructure spend: The 2026-27 Union Budget increased capital expenditure to ₹12.2 lakh crore, creating a continuous demand for fabricated metal components and fasteners in railways and roads.

Outlook

The Indian foundry industry is approaching a pivotal transformation, with 2027 set to redefine it from a traditional "smoke and iron" sector into a technology-driven, sustainability-focused powerhouse. Supported by strong growth, the industry is shifting towards high-value non-ferrous alloys and AI-enabled precision components to meet rising domestic value-addition demands in sectors like EVs and aerospace. However, tightening global regulations such as the EU's CBAM are intensifying pressure on MSMEs to adopt cleaner, future-ready technologies like green hydrogen-compatible furnaces. As a result, the sector is steadily evolving into a digitally integrated and environmentally responsible ecosystem, balancing domestic infrastructure needs with global sustainability expectations.

THE STEEL SCRAP RECYCLING POLICY AIMS TO INCREASE SCRAP USAGE TO THE GLOBAL AVERAGE OF 31%, HELPING FOUNDRIES REDUCE DEPENDENCE ON COKING COAL AND LOWER EMISSIONS.

The recent transformations in the Indian foundry industry creates a fertile ground for MIL. Foundries increasingly require precision melting, energy efficiency, and reduced carbon intensity, areas where MIL's induction furnaces and advanced melting technologies provide a competitive edge. The Vehicle Scrappage Policy and rising EV production are boosting scrap availability, lowering melt costs, and accelerating the shift toward induction-based melting solutions.

Government incentives under the PLI scheme for specialty steel, MSME support funds, and the National Green Hydrogen Mission further strengthen demand for modern induction systems. MIL's ability to deliver customised, scalable, and sustainable furnace solutions positions it as a key enabler of the foundry sector's transition from traditional coke-fired cupolas to future-ready, hydrogen-compatible induction furnaces.

Strategic positioning for MIL

- **Alignment with sustainability:** MIL's induction technologies directly support India's decarbonisation goals in steel and foundry sectors.
- **MSME integration:** With MSMEs forming the backbone of the foundry industry, MIL's scalable solutions are well-suited to empower smaller units.
- **Export potential:** As India strengthens its global steel and foundry footprint, MIL can leverage its technology to expand internationally.
- **Policy tailwinds:** Budgetary allocations, safeguard duties, and green hydrogen subsidies create a supportive ecosystem for MIL's growth.

Global automobile industry

The global automobile industry is one of the largest manufacturing sectors in the world, encompassing the design, production, and sale of passenger vehicles, commercial vehicles, and two-wheelers. The industry is undergoing its most significant structural transformation in a century, driven by the accelerating transition to electric vehicles (EVs), connected and autonomous vehicle technologies, and software-defined mobility platforms. These shifts are reshaping supply chains, manufacturing processes, and the equipment requirements of automotive component producers, many of whom rely on induction heating, hardening, and forging systems for precision part manufacturing.

The global automotive market was valued at USD 2.75 trillion in 2025 and is projected to reach USD 3.26 trillion by 2030, growing at a CAGR of approximately 3.5%. On a broader vehicle economy basis, the market is expected to reach USD 8,508 billion by 2035. Asia Pacific dominates with a 53% market share in 2024 and is the fastest-growing region at a CAGR of 3.85% through 2030. Global vehicle production is projected to rise from 88 million units in 2024 to 104 million units by 2030, with non-ICE vehicles growing at a CAGR of 18.9% over the same period.

Key growth drivers

The rapid global adoption of EVs is the defining growth catalyst, driving unprecedented investment in new manufacturing capacity for motors, battery components, and lightweight structural parts, all of which require precision thermal processing via induction heating and hardening systems. Rising urbanisation in emerging markets, especially in India and Southeast Asia, is generating structural volume growth across both passenger and commercial vehicle segments. Tightening emissions regulations across major economies are accelerating fleet electrification and component innovation, while government incentives and EV infrastructure investments are supporting global demand expansion.

Outlook

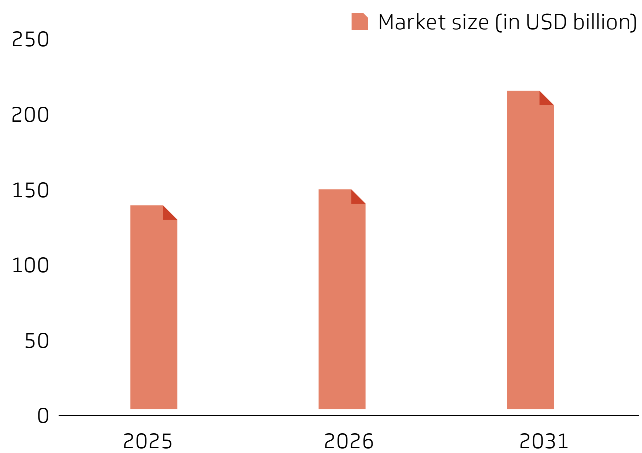
The global automotive industry is set for sustained growth, supported by a strong long-term structural tailwind from EV adoption and mobility electrification. The shift towards electric drivetrains and precision-manufactured components is reinforcing demand for advanced induction-based thermal processing equipment across the automotive supply chain. India and China are expected to lead volume growth, while the US and Europe are driving premium and technology-led market expansion.

Indian automobile industry

India's automotive industry today reflects a powerful convergence of innovation, scale, and sustainability. As one of the world's largest automobile markets, it has moved well beyond its identity as a manufacturing base to emerge as a hub of technological progress and global competitiveness. Backed by evolving consumer aspirations, supportive policy frameworks, and a decisive shift towards electric mobility, the sector in 2026 is steering confidently into a new era, defined by smarter, connected, and cleaner mobility solutions.

By the end of 2025, India's automobile industry has evolved into a formidable economic engine, valued at around USD 130–140 billion. India's automobile sector continues to gather strong momentum, reflecting both scale and sustained investor confidence. The market is projected to grow from USD 137 billion in 2025 to USD 147.6 billion in 2026, and further expand to USD 213.7 billion by 2031, registering a healthy CAGR of 7.69% over the period.

Commodity Price Movement (from January 2025 to January 2026)



(Source: https://www.mordorintelligence.com/industry-reports/analysis-of-automobile-industry-in-india)

FY26 proved to be a watershed year for Indian automobiles industry. The industry scripted a landmark chapter, with every major vehicle category, passenger vehicles, commercial vehicles, three-wheelers, and two-wheelers, recording their highest-ever annual sales in a single financial year, for the first time in seven years. Total sales reached approximately 2.83 crore units, growing around 10.4% over the prior year.

Passenger vehicle sales rose by 8% to 4.64 million units, while commercial vehicles saw a sharper increase of 12.6%, reaching 1.08 million units. Three-wheelers grew by 12.8% to 0.84 million units, and two-wheelers continued to dominate the market, expanding by 10.7% to 21.71 million units.

Two-wheelers remained the backbone of the industry, accounting for 77.87% of the total market, followed by passenger vehicles at 15.60%. Within the passenger vehicle segment, demand was largely driven by small and mid-sized cars, reflecting evolving consumer preferences and affordability trends.

Today, India stands as the world's largest producer of two-wheelers, the third-largest manufacturer of heavy trucks, and the fourth-largest car manufacturer globally. This robust growth trajectory is further reinforced by cumulative foreign direct investment inflows of nearly USD 35.4 billion into the sector between April 2000 and September 2023, underscoring its long-term potential and global competitiveness. Further, it contributes nearly 7% to the national GDP and supports over 37 million jobs, both directly and indirectly. The country now stands as the world's third-largest automobile market, having overtaken Japan in 2023, behind China and the United States.

The industry spans a diverse landscape, encompassing two-wheelers, passenger vehicles, commercial fleets, as well as emerging electric and hybrid mobility solutions. With annual sales exceeding 25 million vehicles, the domestic market continues to demonstrate strong momentum, fuelled by rapid urbanisation, expanding infrastructure, and the aspirations of a young, dynamic population.

India's automobile export

India's position as a global automotive manufacturing and export hub strengthened significantly, with total vehicle exports rising 24% to 6.65 million units. This growth was broad-based across segments. Passenger vehicle exports climbed 17.5% to 9.05 lakh units, while two-wheeler exports reached a record 51.8 lakh units, reflecting a 23.4% increase. Three-wheeler exports witnessed the sharpest surge, jumping 50.1% to 4.61 lakh units, and commercial vehicle exports also posted a healthy 17.4% growth to 0.95 lakh units. Together, these trends underscore India's expanding global footprint and growing competitiveness in the automotive sector.

Key growth drivers

Rising incomes and demographic advantage: India's favourable demographics, with nearly 65% of the population below the age of 35, continue to support long-term demand fundamentals. Rising disposable incomes are expanding the consumer base, particularly in Tier-2 and Tier-3 markets, driving higher first-time vehicle ownership and upgrade cycles.

Urbanisation and demand diversification: Ongoing urbanisation and migration are creating dual demand streams across urban and rural markets. The growth of suburban employment hubs is increasing reliance on personal mobility, supporting demand for two-wheelers and entry-level passenger vehicles.

Government push for electric mobility: Policy support remains a key enabler, with the FAME-II scheme allocating ₹11,500 crore (~USD 1.3 billion) to promote electric mobility across segments. Additional state-level incentives and the proposed FAME-III framework are expected to further accelerate EV adoption by improving the total cost of ownership. India's electric two-wheeler market crossed 1.18 million registrations between January and November 2025, reflecting steady EV adoption.

Infrastructure expansion driving accessibility: Enhanced road connectivity, with over 1,59,000 habitations linked through rural road development, is improving market access and reducing transit times. This is expanding dealer reach, strengthening rural demand, and improving supply chain efficiencies for manufacturers.

Emergence of new ownership models: Subscription-based and leasing models are gaining traction, particularly among urban, digitally native consumers. These models reduce upfront ownership costs while offering bundled services, enabling OEMs to unlock recurring revenue streams and improve customer lifecycle value.

Outlook

The Indian automotive industry is poised for sustained long-term growth, supported by strong macroeconomic fundamentals, a rising middle class, and deepening mobility penetration across urban and semi-urban markets. The sector is undergoing profound structural transformation, driven by premiumization, green mobility, and regulatory modernization, with consumer preferences shifting decisively toward SUVs, advanced safety features, and feature-rich vehicles. The electric vehicle transition remains the defining theme: India has committed over ₹42,000 crore toward EV incentives, infrastructure, and localisation, targeting 30% of new vehicle sales to be electric by 2030, reinforced by CAFÉ 3 norms effective April

2027. India is simultaneously strengthening its position as a global export hub for EVs and auto components, backed by significant OEM investment commitments. Key risks include supply chain consolidation, rare earth dependencies, geopolitical uncertainty, and the pace of charging infrastructure rollout, factors management will continue to monitor closely.

Global defence industry

The global defence equipment industry encompasses the development, production, and procurement of military hardware and systems including combat vehicles, weapons platforms, armoured vehicles, naval systems, and advanced electronics. The industry is experiencing its strongest growth cycle in decades, driven by elevated geopolitical tensions across multiple regions, accelerating military modernisation programmes, and rising national security investments by governments worldwide. The production of specialised military-grade alloys, armour components, and high-performance metal parts, all of which require precision induction melting and heat treatment, is a key segment of the broader defence manufacturing ecosystem.

The global defence market was valued at USD 506.9 billion in 2025, growing at a robust CAGR of 7.1%, and is projected to reach USD 682.1 billion by 2029. Total global military expenditure stood at approximately USD 2,688.7 billion in 2025, growing at 4.9% from 2024, with the United States alone spending USD 997 billion. The defence equipment segment specifically is projected to grow from USD 588.5 billion in 2026 to USD 830.5 billion by 2034 at a CAGR of 4.4%. Asia Pacific is the fastest-growing regional market at a CAGR of 4.8%, driven by significant defence budget expansion in India, China, and Japan.

Key growth drivers

Escalating geopolitical tensions, across Eastern Europe, the South China Sea, and the Middle East, are driving sustained and broad-based increases in defence budgets globally. Military modernisation programmes across NATO and Indo-Pacific nations are generating strong procurement pipelines for advanced land, air, and naval systems. The growing emphasis on indigenous defence manufacturing, exemplified by India's Make in India Defence initiative, is creating domestic demand for precision metallurgical processing and specialised alloy production capabilities. Increasing investment in autonomous systems, hypersonic technologies, and next-generation armoured platforms is further supporting demand for advanced defence manufacturing infrastructure.

Outlook

The global defence equipment market is expected to maintain strong growth momentum through the decade, supported by sustained government spending and broadening geopolitical imperatives. Asia Pacific, led by India's rising defence indigenisation ambitions and expanding domestic manufacturing programmes, presents a particularly compelling long-term growth market for suppliers of precision defence manufacturing technologies and equipment.

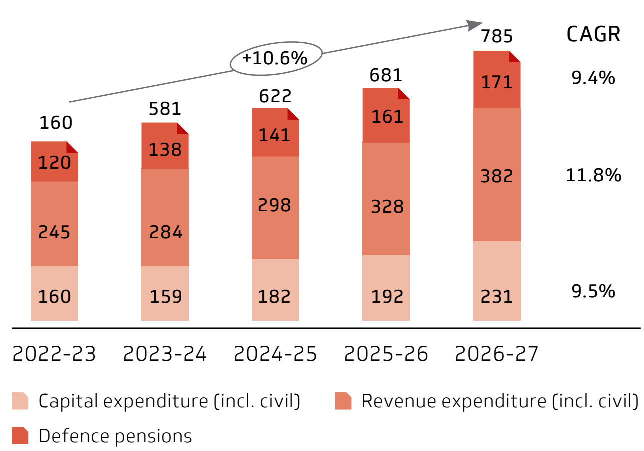
Indian defence industry

India's defence manufacturing industry has emerged as a critical driver of economic growth, supported by rising demand as the country accelerates military modernisation amid evolving security challenges. Historically dependent on imports, India often faced constraints around strategic autonomy and timely access to critical equipment.

Today, the sector is undergoing a decisive transformation, with indigenous capabilities, private sector participation and policy support converging to reshape the landscape. The launch of Atmanirbhar Bharat in 2020 marked a turning point, accelerating self-reliance through higher modernisation spending, import restrictions on over 400 items, streamlined approvals and the development of dedicated defence corridors.

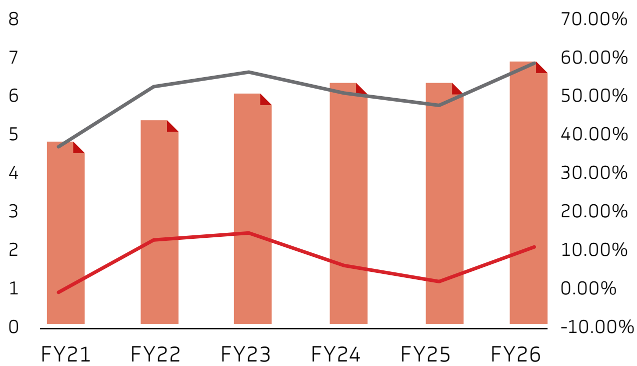
As a result, India is transitioning from one of the world's largest defence importers to an emerging exporter and self-reliant producer, with 2025 marking a significant milestone in establishing its position as a credible global defence manufacturing hub.

Key statistics of the Indian defence budget



(Source: https://www.pwc.in/assets/pdfs/union-budget-2026/union-budget-on-defence.pdf)

India's defence budget outlay



(Source: https://www.jeanuvs.com/blogs/india-defence-manufacturing-outlook-2026)

The Ministry of Defence was allocated a total budget of ₹6.81 lakh crore for FY26, reflecting a 9.5% increase from FY25, with ₹1.80 lakh crore earmarked for capital expenditure, including the procurement of new weapons, aircraft, warships, and military equipment. Looking into FY27, the defence budget is pegged at ₹7.84 lakh crore, approximately 15% of the Union Budget and around 2% of GDP, with capital spending rising to about 28% of overall defence expenditure, signalling higher modernisation intensity.

Annual defence production reached a record ₹1,50,590 crore in FY25, up 18% over FY24 and a staggering 90% increase since FY20. A robust defence industrial base comprising 16 Defence Public Sector Undertakings (DPSUs), over 430 licensed companies, and approximately 16,000 MSMEs is underpinning indigenous production capabilities, with the private sector contributing 21% to total defence production.

India's defence exports touched an all-time high of ₹38,424 crore in FY26, a sharp 62.66% jump over the previous financial year, with India now exporting defence equipment to over 100 countries including the United States, France, and Armenia. DPSUs recorded an exceptional surge of 151% in exports, rising from ₹8,389 crore in FY25 to ₹21,071 crore in FY26, while private sector exports grew 14% to ₹17,353 crore, highlighting their growing role in niche manufacturing and global supply chain integration.

The Defence Ministry has set a target of 70% self-reliance in weaponry by 2027. Expenditure on defence procurement from domestic vendors has increased from 61% in FY17 to approximately 75% in FY25, driven by five successive Positive Indigenisation Lists and the SRIJAN online portal for indigenisation. Policy continuity under the Defence Acquisition Procedure 2020, with its priority for "Buy Indian-IDDM" categories, has steered major procurements toward indigenous platforms, with a majority of contract value in FY25 awarded to Indian industry.

India's private defence sector is poised for sustained growth, with revenues expected to rise 16% – 18% in FY26, building on a strong 20% CAGR between FY22 and FY25, supported by favourable government policies, increased private investment in R&D and capex, and accelerating indigenisation. According to Goldman Sachs, private defence companies are likely to deliver ~32% annual EPS growth between FY25 and FY28, driven by expanding exports and localisation. The continued momentum in defence corridors across Uttar Pradesh and Tamil Nadu is further strengthening manufacturing ecosystems, aligning with India's target of ₹3 lakh crore defence production by 2029. Over the long term, the domestic defence market is projected to reach ₹10 lakh crore (USD 122 billion), with rapid advancements in indigenous technologies, such as drones, counter-UAS systems, electronic warfare, autonomous platforms, and precision munitions, positioning India as an emerging global hub for defence manufacturing and exports.

Key budget highlights for Indian defence sector (2026-27)

The Union Budget FY 2026–27 reinforces the Government's strong commitment to national security, modernisation and self-reliance, with the Ministry of Defence receiving a record allocation of ₹7.85 lakh crore, marking a 15.19% increase over the previous year and accounting for 14.67% of total government expenditure.

A significant focus has been placed on modernisation, with capital outlay exceeding ₹2.19 lakh crore, including ₹1.85 lakh crore for capital acquisition, aimed at strengthening capabilities across next-generation platforms such as fighter aircraft, naval assets, drones and advanced weapon systems.

The Budget continues to drive Aatmanirbhar Bharat in defence manufacturing, with ₹1.39 lakh crore earmarked for domestic procurement and nearly 75% of capital acquisition reserved for Indian industry, providing a strong growth impetus to private sector players.

In parallel, the Government has strengthened the innovation ecosystem, increasing allocation to DRDO to ₹29,100 crore while expanding industry participation in defence R&D, thereby accelerating indigenous technology development and collaboration.

Infrastructure and connectivity have also received a boost, with higher allocations to the Border Roads Organisation (₹7,394 crore) and investments in defence communication networks, enhancing operational preparedness.

Additionally, the Budget underscores a continued commitment to veterans' welfare, with ₹12,100 crore allocated to the Ex-Servicemen Contributory Health Scheme (up 45.49%) and ₹1.71 lakh crore for defence pensions, ensuring social security alongside strategic capability building.

Outlook

India's defence manufacturing sector is entering a high-growth phase, supported by rising defence spending, strong indigenisation policies, and a clear export roadmap. Defence expenditure is projected to increase from USD 92.9 billion in 2026 to USD 125.2 billion by 2030, with nearly 75% of the modernisation budget earmarked for domestic procurement. The government aims to achieve ₹3 lakh crore in annual defence production and ₹50,000 crore in exports by 2029.

Growth is expected to be further driven by innovation, strategic global partnerships, and increasing private sector participation alongside DPSUs. Initiatives such as Operation Sindoor have reinforced the credibility of indigenous defence capabilities, boosting global confidence and export momentum. While the long-term outlook remains strong, key risks such as procurement delays, supply chain constraints, and technology dependencies may impact execution timelines.

Indian railway sector

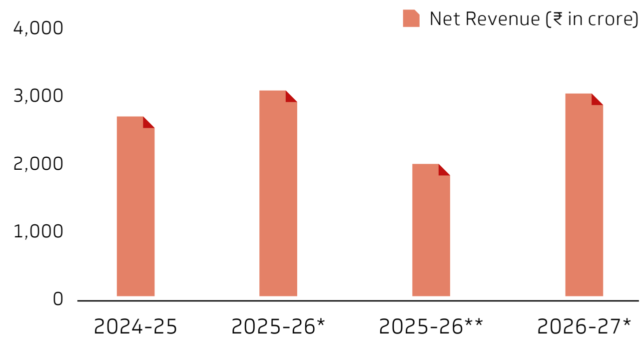
With a more than 162-year's history, the Indian Railways is one of India's most critical national assets, operating over 19,000 trains across 7,112 stations. It is the second-largest railway network in Asia and the fourth-largest globally. Serving as the backbone of connectivity, it drives economic activity, enables citizen mobility, and supports trade through a robust logistics network. Organised into 17 zones and 68 divisions, it ensures efficient operations at scale. With a workforce of over 1.3 million, Indian Railways is also one of the country's largest employers, playing a vital role in nation-building.

In FY26, Indian Railways delivered a year of robust and balanced progress, marked by notable achievements across freight and passenger operations, infrastructure expansion, safety enhancements, and digital innovation, while steadily advancing self-reliance in technology and manufacturing. Together, these milestones reinforce its pivotal role in powering economic growth, strengthening connectivity, and enabling seamless mobility across the nation.

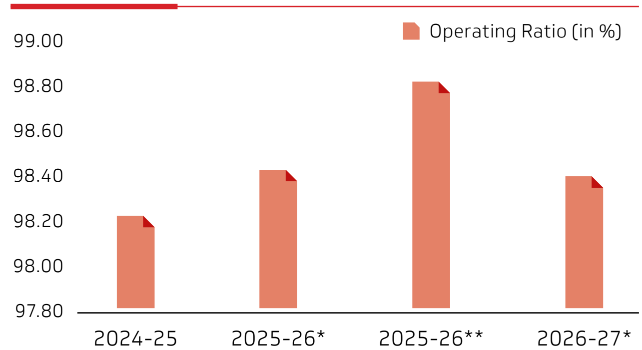
Railways' capital expenditure for FY26 was targeted at ₹3,02,000 crore, supported by gross budgetary support of ₹2,52,000 crore. Indian Railways utilised 80.54% of its allocated budgetary support as of December 2025, with a 6.54% increase in GBS utilisation compared to the same period in the prior year, with expenditure primarily focused on safety measures, capacity enhancement, infrastructure modernisation, and passenger amenities. Separately, 100 railway projects involving new lines, doubling, multitracking, and other works were sanctioned in FY26, a 56% increase, with a total investment commitment of ₹1.53 lakh crore covering more than 6,000 kilometres of railway network.

Indian Railways at a glance

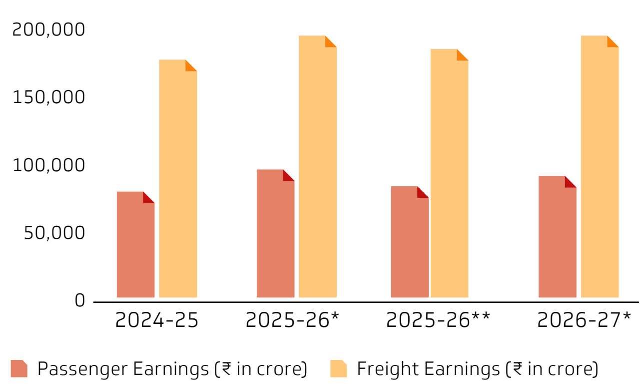
Revenue trend



Operating Ratio



Earnings Trend



(Source: https://indianrailways.gov.in/HindiMagazine/2026/IRFeb2026.pdf) [*Budget Estimates, **Revised Estimates]

As of April 1, 2025, Indian Railways has approved an ambitious pipeline of 431 infrastructure projects spanning new lines, gauge conversions, and track doubling. Together, these projects cover nearly 36,000 km and represent a planned investment of ₹6.75 lakh crore (US$ 78.41 billion). Of this, over 12,700 km has already been commissioned already, with an expenditure of around ₹2.91 lakh crore (US$ 33.65 billion), reflecting steady progress in strengthening the nation's rail network.

Indian Railways continued its steady growth trajectory in FY 2025–26, carrying 741 crore passengers, up 3.54% from 716 crore in the previous year. Passenger revenues also rose to approximately ₹80,000 crore, reflecting a 5.96% increase over ₹75,500 crore in FY 2024–25. This consistent rise underscores sustained demand for rail travel, supported by improved service delivery and stronger revenue realisation.

On the freight side, Indian Railways achieved a record haul of 1,670 million tonnes (MT), registering a 3.25% year-on-year growth. The number of wagons handled increased by 4.56%, from 2.79 crore to 2.92 crore. This upward momentum highlights the growing preference for rail as a reliable and cost-effective logistics backbone, particularly for bulk transportation.

Freight revenues remained resilient at ₹1,77,754 crore in FY 2025–26, marking a 1.44% increase over the previous year. Iron ore continued to lead as the highest revenue-generating commodity, followed by cement, pig iron and finished steel, fertilisers, food grains, and mineral oil. The diversified commodity mix reflects the Railways' critical role in supporting core industries and driving economic activity across the country.

Digital transformation remained a core focus area, with the launch of the RailOne App in July 2025 offering passengers a unified platform for ticket booking, train enquiries, and grievance redressal, while over 3.04 crore suspicious user accounts were removed to promote fair and transparent access to railway services. Indian Railways is also deploying advanced AI and machine learning devices to enhance safety and operational efficiency through smart monitoring systems.

Outlook

Looking ahead, Indian Railways is set to significantly scale its transformation journey, with a planned investment of ₹16.7 lakh crore (US$ 193.98 billion) by 2031. This includes modernising 1,309 stations, expanding dedicated freight corridors, advancing high-speed rail projects, and accelerating electrification, collectively aimed at enhancing efficiency, improving connectivity, and reducing logistics costs across the country.

Global power industry

The global power generation industry is at the centre of the world's most consequential industrial transition, the shift from fossil fuel-based electricity generation to renewable and clean energy sources. The sector encompasses conventional generation (coal, gas, nuclear) alongside rapidly expanding renewable capacity (solar, wind, hydro, geothermal) and the associated grid infrastructure, storage systems, and power electronics required to manage an increasingly complex and distributed energy landscape. For manufacturers of induction-based power systems and heating equipment, the power sector's ongoing infrastructure build-out represents a significant and growing end market.

The global power generation market was valued at approximately USD 1.57 trillion in 2024 and is projected to reach USD 3.25 trillion by 2034, growing at a CAGR of 7.5%. Within this, the renewable energy segment has emerged as the industry's primary growth engine: the global renewable energy market was valued at USD 1,602 billion in 2025 and is projected to reach USD 4,861 billion by 2033 at a CAGR of 14.7%. Asia Pacific holds the largest regional share at approximately 42%, driven by massive renewable capacity additions in China, India, and Southeast Asia. India alone is targeting 500 GW of renewable energy capacity by 2030.

Key Growth Drivers

The structural global transition toward clean energy, supported by net-zero commitments, carbon pricing mechanisms, and rapidly declining renewable technology costs, is driving unprecedented investment in new generation capacity, grid modernisation, and energy storage infrastructure. Rising electricity demand from industrial expansion, urbanisation, EV charging networks, and data centre proliferation is creating durable long-term demand for new power generation and distribution infrastructure. Government policy frameworks, including India's National Electricity Plan, the US Inflation Reduction Act, and the EU's REPowerEU programme, are accelerating capital deployment across the sector. The growing adoption of smart grid technologies and energy storage systems is further expanding the infrastructure investment cycle.

Outlook

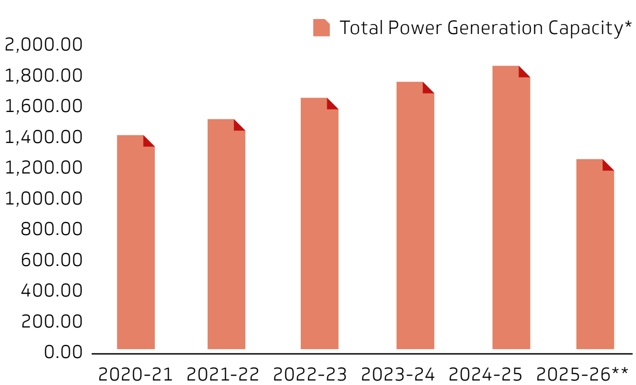
The global power industry is entering a prolonged and high-investment growth phase, underpinned by the dual imperative of meeting rising electricity demand and decarbonising the energy system. Asia Pacific will remain the epicentre of capacity additions, with India expected to be among the world's fastest-growing power markets through 2035. The sector's scale of infrastructure investment presents a sustained and expanding opportunity for manufacturers of power conversion systems, induction heating equipment, and associated power electronics.

Indian power industry

Electricity remains one of the most critical yet often unseen pillars of modern life, powering homes, industries, agriculture, healthcare, and digital infrastructure. For a country of India's scale and diversity, ensuring reliable, affordable, and universal access to electricity is both a complex technical undertaking and a significant governance achievement. Over the past decade, the Indian power sector has undergone a structural transformation, evolving into a system defined by improved capacity adequacy, enhanced reliability, and stronger institutional frameworks.

As of January 2026, India's total installed power generation capacity stands at approximately 520 GW, reflecting sustained investments across both conventional and renewable sources. Thermal power continues to hold a significant share, with coal-based capacity accounting for around 43% of the total mix. However, the energy landscape is steadily diversifying, with renewable energy sources, solar, wind, small hydro, and bio-energy, contributing nearly 40% of the installed capacity. Large hydropower accounts for about 10%, while gas, nuclear, lignite, and diesel together form the balance, underscoring a gradual shift toward a more balanced and sustainable energy mix.

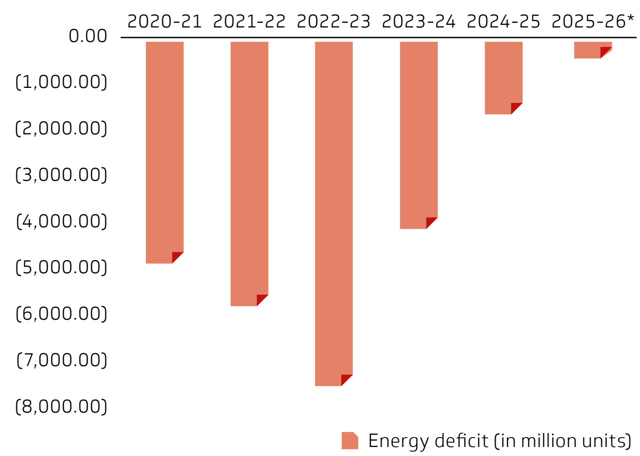
India's growing power generation capacity*
(in billion units)



(Source: https://powermin.gov.in/sites/default/files/uploads/power_sector_at_glance_Nov_2025.pdf)
[* including renewable sources | ** till November 2025]

Capacity addition has remained robust, with 52.5 GW of new generation capacity added during FY2025–26 (up to January 2026), marking the highest-ever annual addition. Notably, renewable energy accounted for a dominant share of this expansion, led by solar and wind installations. This growth, representing an increase of over 11% in total capacity, positions India to effectively meet rising electricity demand driven by economic growth, urbanisation, and improving living standards.

India's declining energy deficit



(Source: https://powermin.gov.in/sites/default/files/uploads/power_sector_at_glance_Nov_2025.pdf)
[* till November 2025]

Parallel to generation expansion, significant investments have been made in strengthening the transmission and distribution infrastructure. India's national grid, now one of the largest synchronous grids globally, has surpassed 5 lakh circuit kilometres of transmission lines, with transformation capacity reaching 1,407 GVA. These enhancements have improved grid stability, reduced transmission bottlenecks, and enabled the seamless integration of renewable energy into the power system.

520.51 GW
India's total installed power generation capacity

5,00,000 ckm
India's National transmission network

1,407 GVA
India's total transformation capacity

The sector has also witnessed notable improvements in operational efficiency and financial health. Power shortages have declined sharply from 4.2% in FY2014 to just 0.03% by December 2025, reflecting enhanced supply adequacy and better demand management. Electrification initiatives have extended connectivity to over 18,000 villages and nearly 2.86 crore households, significantly improving access in rural and semi-urban regions. Additionally, reforms in the distribution segment have led to a reduction in outstanding dues and a return to profitability for DISCOMs, supported by improved billing efficiency and the ongoing rollout of smart metering.

India's ability to meet a peak power demand of 242.49 GW during FY2025–26 underscores the growing resilience of the sector. Reliable electricity supply has reduced dependence on alternative energy sources such as diesel, contributing to cost efficiencies and improved environmental outcomes.

Overall, the Indian power sector today stands on a strong foundation of scale, reliability, and sustainability. With continued policy support, infrastructure investments, and technological advancements, the sector is well-positioned to support the country's long-term economic growth while advancing its clean energy and energy security objectives.

Company overview

Megatherm Induction Limited is a leading engineering company specialising in the design, manufacturing and servicing of advanced induction heating and melting solutions. With a strong foundation in metallurgical engineering and power electronics, the Company caters to a wide spectrum of industries including steel, foundry, forging and heat treatment, delivering efficient and technology-driven thermal processing systems.

The Company designs, engineers, supplies, erects, and commissions turnkey steel melt shop solutions, along with comprehensive after-sales services including maintenance and spare parts, catering to a diverse base of end-use industries. Its product portfolio encompasses induction melting furnaces, induction heating equipment, transformers, ladle refining furnaces, continuous casting machines, and fume extraction systems, serving the full upstream and downstream requirements of steel melt shops.

The Company serves steel producers, auto ancillaries, ordnance factories, railways, and ductile iron pipe manufacturers, with over 3,000 installations across more than 52 countries spanning South America, Africa, Asia, and Europe. Its manufacturing facility at Kharagpur, West Bengal, is ISO 9001:2015 certified and carries an annual capacity of approximately 300 furnaces and transformers, supporting both domestic demand and a growing international export footprint.

The Company differentiates itself through continuous in-house R&D and product innovation, with several firsts to its credit in induction heating and hardening applications, reflecting its stated commitment to keeping customers future-ready and technically ahead of the competition.

Our SWOT analysis

Strengths

- Strong domain expertise in induction heating and metallurgical engineering
- Integrated capabilities across design, manufacturing and commissioning
- Energy-efficient, sustainable solutions aligned with industry needs
- Diversified presence across steel, foundry and forging sectors
- Established customer relationships with robust service support
- Proven track record in executing complex, large-scale projects

Weaknesses

- High dependence on capital-intensive industries like steel and metals
- Exposure to cyclical demand impacting order inflows
- Limited brand visibility compared to larger global competitors
- Working capital intensity due to project-based business model

Opportunities

- Growing demand for energy-efficient and sustainable industrial solutions
- Expansion of the domestic steel and infrastructure sectors
- Rising focus on 'Make in India' and import substitution
- Increasing export opportunities in emerging and developing markets
- Adoption of automation and Industry 4.0 in manufacturing processes

Threats

- Intense competition from global and domestic players
- Volatility in raw material prices affecting project costs
- Regulatory and environmental compliance pressures
- Delays in customer capex cycles impacting order execution
- Technological disruptions requiring continuous upgradation

Financial review

MIL has developed a diverse product portfolio along with service offerings, with solid process expertise to provide complete solutions. In the last couple of years, the Company emphasised being more agile while remaining committed to its long-term sustainable growth strategies.

In FY26, revenue from operations, including other income, stood at ₹352.83 crores, EBITDA stood at ₹39.81 crores and PAT stood at ₹23.68 crores after growing by 9.00%, 2.29% and 11.15% respectively, compared to the previous year.

Revenue contribution from the domestic market stood at 90.23% while 9.77% came in from exports. Domestic revenues for FY26 stood at ₹312.42 crores, compared to ₹288.12 crores in FY25. Revenue contribution from exports stood at ₹33.81 crores in FY26, up by 4.39% compared to ₹32.39 crores in the previous financial year. Steady revival in economic activity, combined with cost excellence initiatives undertaken by the Company, helped increase market share in both domestic and internal markets

P&L analysis

Particulars	FY26 (₹ in crore)	FY25 (₹ in crore)	Growth (change in %)
Revenue from operations	351.13	322.01	9.04%
Cost of materials consumed	251.55	233.27	7.84%
Employee Benefits Expense	21.70	17.61	23.23%
Interest Income	1.70	1.70	
Interest cost	3.85	6.01	-35.94%
EBITDA	39.81	38.92	2.29%
PBT	30.60	28.95	5.70%
PAT	23.68	21.31	11.12%
EPS (in ₹)	12.57	11.31	11.14%

Key financial ratios

S No.	Ratio	Ratio as on 31 March 2026	Ratio as on 31 March 2025	Variation
(a)	Current Ratio	1.41	1.44	-2.63%
(b)	Debt-Equity Ratio	0.30	0.23	29.86%
(c)	Debt Service Coverage Ratio (DSCR)	3.31	3.41	-2.87%
(d)	Return on Equity Ratio	14.32	15.04	-4.77%
(e)	Inventory Turnover Ratio	2.25	2.61	-13.85%
(f)	Trade Receivables Turnover Ratio	9.47	9.48	-0.20%
(g)	Trade Payables Turnover Ratio	6.13	5.82	5.20%
(h)	Net Capital Turnover Ratio	5.35	5.59	-4.23%
(i)	Net Profit Ratio	0.07	0.07	2.89%
(j)	Return on Capital Employed	13.92%	17.64%	-21.07%
(k)	Return on Investment	14.32%	15.04%	-4.77%

Analysis of Balance Sheet

Particulars	FY26 (₹ in crore)	FY25 (₹ in crore)	Growth (change in %)
Total equity	18.84	18.84	0%
Long-term borrowings	0.09	3.25	-97.23%
Short-term borrowings	49.35	29.37	68.03%
Total non-current assets	103.94	91.75	13.29%
Trade receivables	37.55	35.39	6.10%
Cash and cash equivalents	55.29	25.63	115.72%
Land	4.49	4.54	-1.10%

As on March 31st March, 2026, the Company's Equity Capital stood at ₹18.84 crores compared to ₹18.84 crores as of 31st March, 2025.

Total long-term borrowings of MIL as of 31st March, 2026 stood at ₹0.09 crore vis-à-vis ₹3.25 crore as on 31st March, 2025. We reduced finance costs by 35.89% during the year from ₹6.01 crore in FY25 to ₹3.85 crore in FY26 through rationalisation of external exposures.

Our tangible assets as of 31st March, 2026 stood at ₹84.58 crore vis-à-vis ₹76.00 crore as on 31st March, 2025, an increase of 11.29%.

Cash and cash equivalents as of 31st March, 2026 stood at ₹55.29 crore vis-à-vis ₹25.63 crore as on 31st March, 2025, an increase of 115.67%.

Risk management

Megatherm Induction Limited recognises that effective risk management is integral to sustaining growth, safeguarding stakeholder value, and navigating an evolving industrial landscape. The Company has established a structured risk management framework that enables the timely identification, assessment, and mitigation of key business risks, supported by continuous monitoring and internal controls.

Cyclical industry risk

The Company's performance is closely linked to capital expenditure cycles in core sectors such as steel and metals. To mitigate this, Megatherm focuses on diversifying its end-user industries and expanding into new geographies, thereby reducing dependence on any single sector.

Raw material price volatility

Fluctuations in the prices of critical inputs can impact project costs and margins. The Company addresses this through strategic sourcing, vendor diversification, and appropriate contract structuring, including price variation clauses where feasible.

Technology obsolescence risk

Rapid advancements in industrial technologies necessitate continuous innovation. Megatherm mitigates this risk through sustained investments in R&D, product upgradation and adoption of advanced engineering and digital solutions.

Execution and project risk

Given the customised and project-based nature of operations, delays in execution can affect profitability and customer satisfaction. The Company employs robust project management practices, detailed planning, and close client coordination to ensure timely delivery.

Regulatory and compliance risk

Stringent environmental and safety regulations require strict adherence. The Company maintains strong compliance systems and regularly updates its processes to align with evolving regulatory standards.

Working capital risk

The business model involves significant working capital requirements due to long project cycles. This is managed through disciplined financial planning, efficient receivables management, and strong banking relationships.

Market competition risk

Intense competition from domestic and global players can impact market share. The Company continues to differentiate itself through quality, customised solutions, competitive pricing, and reliable after-sales support.

Through this proactive and structured approach, Megatherm Induction Limited remains well-positioned to mitigate risks while capitalising on emerging opportunities, ensuring resilient and sustainable growth.

Internal control systems and their adequacy

At MIL, robust internal control systems are in place to ensure financial integrity and regulatory compliance, aligned with the Company's evolving scale and operational complexity. These controls encompass a wide range of policies, procedures, and statutory requirements, forming a strong foundation for sustainable growth.

The framework is designed to continuously evaluate and manage risks across all aspects of the business, including geopolitical and raw material price fluctuations risks, partner, and stakeholder interests, as well as commercial and financial exposures. Comprehensive management reporting systems further support the oversight of strategy, performance, operations, risk, funding, and governance. Internal auditors conduct detailed, year-round audits across all locations and departments, with their findings reported to a dedicated Committee for timely review and action.

Human resource and Industrial relations

In today's fast-evolving and competitive business environment, MIL firmly believes that its people are its greatest asset. Acknowledging that employees form the backbone of the organisation's success, MIL has adopted a holistic approach to workforce development. By integrating industry the best practices and standard operating procedures across departments, the company ensures operational consistency, enhances team efficiency, and drives collective performance.

But MIL's commitment goes beyond process. With a strong focus on future-readiness, the company continuously invests in skill development through structured learning and training programs. These initiatives are designed not just to upskill employees but to cultivate a mindset of curiosity, adaptability, and continuous growth. As of March 31, 2026, the company had 374 employees on its payroll.

Cautionary statement

The statements made in this report describing the Company's objectives, estimations, expectations, projections, outlooks, constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements based on any subsequent developments, information or events.

Annexure – V

Prescribed particulars of Conservation of Energy and Technology Absorption under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A) Conservation of Energy:

The company is in the process of diversifying towards manufacturing Grid-tied Inverter-duty Transformers to be used for solar energy applications. This complies with its long-time commitment to work on grid-connected solar power plants to achieve conservation of energy.

B) Technology Absorption:

i) Effort made towards technology absorption:

1. Power MOSFETs, because of their low switching losses are finding increasing applications in small and medium size induction furnaces in the frequency range of 30 to100 kHz. In-house design and development of few power MOSFET based inverters has been successfully carried out and presently they are in testing phase.
2. The ambit of applications of IGBT in induction furnaces has been broadened through in-house research by successfully enhancing the capacity of the inverter for larger size furnaces and developing different IGBT based inverter topologies. Few of them are now in production line.
3. A Swiss company, Enclustra was entrusted to develop a FPGA based control strategies for specific operations in induction furnaces. This work is now complete and the knowhow has been transferred to Megatherm. At this stage, our Company is in the process of assimilation of the technology, development of PCBs and hardware for this purpose and also testing at different stages.
4. The company is also working towards in-house design and development few other FPGA based control schemes for induction furnace applications. This is being carried out in collaboration with IIT Kharagpur under an ongoing collaborative project with IIT Kharagpur.
5. Megatherm is actively involved as an Industry Partner to the prestigious ANRF-MAHA-EV Mission project of Govt. of India. The project is led by IIT Kharagpur and Megatherm is collaborating with two institutions- IIT Kharagpur and BIT Mesra. Several meetings were held at Megatherm Kharagpur Works premise where designs presented by the participating institutes were vetted and details of procurement of components, fabrication and testing were chalked out.
6. A comprehensive approach has been taken for design and layout of the hydraulic cooling circuit. Integrating software like Pipe-Flow and COMSOL, it is now possible to model the hydraulic circuit and predict parameters like temperature rise, pressure drop and flow rate through different manifolds and branches with fair accuracy and optimize the flow paths.

ii) Benefits derived like product improvement

1. Incorporation of the in-house developed L-L-C-C topology for inverters in the production line has resulted in considerable reduction of manufacturing cost, at the same time, improved the efficiency of furnace operation.
2. The newly designed Aluminum-Copper heat sinks have been successfully integrated with the cooling system for IGBTs and MOSFETs. Use of Aluminum in these heat sinks make them lighter in weight and less costly; at the same time, their performance is at per with the copper based heat sinks, used earlier.
3. With addition of manpower in R&D team and procurement of several multi-user software licenses, it is now possible to simulate the performance of all the subsections like, furnace coil, static frequency converter, cooling circuit etc. in an integrated manner. With the new arrangement the performance of overall system can be predicted with fairly good accuracy at the design stage itself. This has resulted in improved performance, optimum selection of devices and reduction of failures. Besides, it is now possible to analyze failures of running plants, detect the fault and suggest quick remedies through simulations. All these have resulted in reduction of plant outages in newly installed plants and at the same time reduction of downtime for old plants.

For and on behalf of Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Managing Director
DIN: 00961593

Satadri Chanda
Director
DIN: 02302312

Place: Kolkata
Date: 1st August, 2026

Annexure – VI

Annexure to the Annual Report on CSR Activities for Financial Year 2025-26

1. **Brief outline on CSR Policy of the Company:** The main objectives are to promote, carry out, support activities relating to education, healthcare, rural development, sports, welfare of animals; and any other activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Shesadri Bhusan Chanda	Chairman & Managing Director	1	1
2.	Mr. Satadri Chanda	Whole Time Director & CFO	1	1
3.	Mr. Shravan Manjaya Shetty	Independent Director	1	1

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:** https://megatherm.com.

4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **(a) Average net profit of the company as per section 135(5):** ₹2,729.80 Lacs

   (b) Two percent of average net profit of the company as per section 135(5): ₹54.60 Lacs

   (c) Surplus arising out of the CSR projects or programmes or activities of the previous Financial years: NA

   (d) Amount required to be set off for the financial year, if any: NA

   (e) Total CSR obligation for the financial year (5b+5c-5d): ₹54.60 Lacs

6. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
54,62,450	-	-	-	-	-

(b) Details of CSR amount spent against both Ongoing Project and other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Ongoing Project	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District				Name.	CSR registration number.
1	Promote Education	Promote Education	Yes	West Bengal		1,81,130/-	No	Yes	-	-
2	Rural Development	Rural Development	Yes	West Bengal		420/-	No	Yes	-	-
3	Sustainable Development	Sustainable Development	Yes	West Bengal		1,00,000/-	No	No	Megatherm Foundation	CSR00102714
4	Rural Development	Rural Development	Yes	West Bengal		7,78,800/-	No	No	Megatherm Foundation	CSR00102714
5	Krira-Shakti	a Sports Project to empower the underprivileged	Yes	West Bengal		3,00,000/-	No	No	School Of Fitness And Personality Development	CSR00050345
6	Animal welfare	Animal welfare	Yes	West Bengal		2,00,000/-	No	No	Megatherm Foundation	CSR00102714
7	Health Care	Promote Health Care	Yes	West Bengal		14,11,200/-	No	No	Megatherm Foundation	CSR00102714
8	Promote Education	Promote Education	Yes	West Bengal		19,40,000/-	No	No	Megatherm Foundation	CSR00102714
9	FPGA Lab Setup	Contributions to public funded University - Jadavpur University	Yes	West Bengal		5,50,900/-	No	Yes	-	-
	Total					**54,62,450/-**				

(c) Amount spent in Administrative Overheads: NA

(d) Amount spent on Impact Assessment, if applicable: NA

(e) Total amount spent for the Financial Year (8b+8c+8d): ₹54,62,450/-

(f) Excess amount for set off, if any: NA

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)**	**Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)**	**Amount Spent in the Financial Year (in ₹)**	**Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any**	**Amount remaining to be spent in succeeding Financial Years (in ₹)**	**Deficiency, if any**
1.	2022-23	-	-	-	-	-	-
2.	2023-24	-	-	-	-	-	-
3.	2024-25	10,05,616	-	9,81,046.01	24,569.99	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2025-26: Yes

Number of Capital assets created/ acquired: 1

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year 2025-26:

Sl. No.	Short particulars of the property or asset(s)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
1.	FPGA Design Laboratory Equipment	700032	27/11/2025	17,42,364.01	Jadavpur University

For and on behalf of Board of Directors of
Megatherm Induction Limited

Shesadri Bhusan Chanda
Chairman and Managing Director
DIN: 00961593

Satadri Chanda
Director & CFO
DIN: 02302312

Place: Kolkata
Date: 1st August, 2026

Financial Section

Note: All the figures mentioned in the Financial Statements are in Lacs in line with Audited Financial Statements.

Independent Auditor's Report

To the Members of Megatherm Induction Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Megatherm Induction Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profits 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 Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 for the year ended March 31, 2026. 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.

Sr. No.	Key Audit Matters	How the Key Audit Matter were addressed in our audit
1.	**Revenue Recognition: Cut Off Risk** As stated in Note 2.10 of accounting policies to the financial statements, revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer and are recorded net of trade discounts, rebates, and Goods and Service Tax. Revenue from services is recognized pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognized net of Goods and service tax. The application of these policies requires management to exercise judgment in determining the timing of transfer of control, especially around the reporting date. There is a risk that revenue may be recorded in the incorrect accounting period due to inappropriate cut-off. Accordingly, we identified year end recognition of revenue as a key audit matter.	Our audit procedures, in respect of this matter included but not limited to the following: • We performed an understanding of the systems and processes for recognising revenue. • Evaluated the design and implementation of key internal controls over revenue recognition, including controls relating to dispatch, delivery documentation, and billing. • Tested the operating effectiveness of controls over recording of revenue transactions and cut-off at the year-end. • Obtained supporting documentation, on a sample basis for revenue transactions recorded near to balance sheet date to determine whether revenue was recognised in the correct period. • We performed cut-off testing by tracing sample of revenue transactions around the period end to customer acceptance or proof of delivery, to ensure significant risks and rewards of ownership of the goods are transferred to the customers before recognition of revenue.

Note: All the figures mentioned in the Financial Statements are in Lacs in line with Audited Financial Statements.

Sr. No.	Key Audit Matters	How the Key Audit Matter were addressed in our audit
		• Reviewed contractual terms with customers to evaluate the appropriateness of the timing of revenue recognition. • For service contracts, assessed the basis of revenue recognition over time, including verifying contract terms and testing revenue recognized with reference to the period of service delivery. • Evaluated the adequacy of disclosures relating to revenue in the financial statements.
2.	**Provision for warranty** The Company estimates and provides for liability for product warranties in the year in which the products are sold. These estimates are established using historical information on the nature, frequency, quantum of warranty claims and corrective actions against product failures and the estimates are reviewed annually for any material changes in assumptions. The cost of warranty are recorded on best estimate of costs of repairing and replacing products and spares within the warranty period. The timing of outflows will vary based on the actual warranty claims. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation. Accordingly, we identified warranty provisions as a key audit matter. Also refer Note 2.18 of accounting policies to the financial statements in relation to provisions.	Our audit procedures, in respect of this matter included but not limited to the following: • Obtained an understanding of the warranty claims process and evaluated the design, implementation and tested operating effectiveness of internal controls over the provision for warranties. • Assessed the management estimate of warranty provision for consistency with prior periods and industry practices. • Tested the accuracy and completeness of underlying data used in the estimation, including historical warranty claims and sales data. • Compared historical estimates of warranty provisions with actual claims incurred to evaluate the reliability of management's estimation process. • Carried out reconciliations with the sales data to determine completeness of transactions on which warranty obligation is determined. • Reviewed contracts with customers for terms of warranty contained therein and the estimation of warranty provision on the basis of these terms. • Evaluated the adequacy of disclosures relating to warranty provisions in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance and take necessary action, as applicable under relevant laws and regulations.

Responsibilities of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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. 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 of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management and Board of Directors 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 the Board of Directors 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 Standards on Auditing 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

    a. We have sought and 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 except for the matters stated in the paragraph h(vi) below on reporting under Rule 11(g).

    c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under 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 March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under section 143(3)(b) and paragraph (h)(vi) below on reporting under Rule 11(g).

    g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

    h. 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. 1) The Management has represented that, to the best of it's knowledge and belief as discussed in note no 45 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Management has represented, that, to the best of it's knowledge and belief as discussed in note no 45 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 47 to the financial statements. Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for retention.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

Chartered Accountants
ICAI Firm Registration No.105047W/W101187

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 26063682ECLAYX6872

Place: Kolkata
Date: May 29, 2026

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2026 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

Chartered Accountants
ICAI Firm Registration No.105047W/W101187

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 26063682ECLAYX6872

Place: Kolkata
Date: May 29, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ₹5 crores rupees, in aggregate from Banks/financial institutions on the basis of security of current assets.

Based on the records examined by us in the normal course of audit of the financial statements, quarterly returns / statements filed with such Banks/financial institutions are not in agreement with the books of accounts of the Company. Details of the same are as below.

Quarter Ended	Particulars of security	Amount as per books of accounts (in lacs)	Amount as per quarterly return/ statement (in lacs)	Discrepancy (give details)
June 30, 2025	Trade Receivables and Inventory	4,151.60	6,387.54	The Company has not considered the trade receivables and advance from customers due for more than 90 days and balances with Group Companies in the quarterly statement.
September 30, 2025	Trade Receivables and Inventory	4,039.26	7,014.12	
December 31, 2025	Trade Receivables and Inventory	4,507.04	6,993.60	
March 31, 2026	Trade Receivables and Inventory	5,653.16	9,931.12	

iii. According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of section 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have not generally been regularly deposited by the Company with the appropriate authorities during the year, though delays in deposit have not been serious.

We have been informed that the provisions of the Service Tax, Sales Tax, duty of Excise, Value Added Tax are not applicable to the Company.

No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

vii. (b) According to the information and explanations given to us and the records examined by us, dues relating to goods and services tax, provident fund etc which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (₹ in Lacs)	Amount Paid (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax	Goods and Service Tax Demand	155.99	-	Financial year 2021-2022	Appeal yet to be filed
Goods and Service Tax	Goods and Service Tax Demand	15.02	-	Financial year 2023-2024	High Court, West Bengal

There are no dues relating to employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans in the current financial year. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) The Company does not have any subsidiary or associate and does not hold any investment in joint venture as on March 31, 2026. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary or associate and does not hold any investment in joint venture as on March 31, 2026. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the company had raised funds during the financial year 2023-24, which were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilization have been invested in fixed deposits amounting to ₹2,600.00 and ₹0.89 lacs held in current account of the Company as explained in note 44 of the financial statements of the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group does not have any Core Investment Company (as part of its group). Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 41 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 43 to the financial statements.

(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Companies Act, 2013 as disclosed in note 43 to the financial statements.

xxi. According to the information and explanations given to us, the company does not have any Subsidiary or Associate and does not hold any investment in joint venture as on March 31, 2026. Accordingly, the reporting under clause 3(xxi) of the Order is not applicable.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

Chartered Accountants
ICAI Firm Registration No.105047W/W101187

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 26063682ECLAYX6872

Place: Kolkata
Date: May 29, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MEGATHERM INDUCTION LIMITED

[Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Megatherm Induction Limited on the Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Megatherm Induction Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2026, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of 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) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement 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 with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)

Chartered Accountants
ICAI Firm Registration No.105047W/W101187

Dipak Jaiswal
Partner
Membership No. 063682
UDIN: 26063682ECLAYX6872

Place: Kolkata
Date: May 29, 2026

Balance Sheet

as at 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

	Note No.	31 March 2026	31 March 2025
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	1,884.07	1,884.07
(b) Reserves and surplus	4	14,649.05	12,280.98
		16,533.12	**14,165.05**
2) Non-current liabilities			
(a) Long-term borrowings	5	9.71	324.90
(b) Deferred tax liabilities (net)	6	497.36	459.95
(c) Long-term provision	7	298.38	216.06
		805.45	**1,000.91**
3) Current liabilities			
(a) Short-term borrowings	8	4,934.60	2,937.22
(b) Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		650.65	1,708.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		4,250.82	2,571.84
(c) Other current liabilities	10	6,938.10	5,910.46
(d) Short-term provisions	7	323.38	359.60
		17,097.55	**13,488.10**
TOTAL		**34,436.12**	**28,654.06**
II. ASSETS			
1) Non-current assets			
(a) Property, plant and equipment and Intangible assets			
(i) Property, plant and equipment	11	8,458.32	7,600.09
(ii) Intangible assets	12	118.97	71.76
(iii) Capital work-in-progress	13	337.66	61.29
(b) Other non-current assets	14	1,479.09	1,441.97
		10,394.04	**9,175.11**
2) Current assets			
(a) Current investment	15	194.21	600.00
(b) Inventories	16	12,669.77	9,701.75
(c) Trade receivables	17	3,754.61	3,538.89
(d) Cash and cash equivalents	18 (a)	5,528.78	2,563.48
(e) Other bank balances	18 (b)	422.97	2,463.66
(f) Short-term loans and advances	19	1,388.71	518.95
(g) Other current assets	20	83.03	92.22
		24,042.08	**19,478.95**
TOTAL		**34,436.12**	**28,654.06**

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements 1 to 54

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Dipak Jaiswal
Partner
Membership No: 063682

Place : Kolkata
Date: 29 May 2026

For and on behalf of the Board of Directors of
Megatherm Induction Limited
CIN: L31900WB2010PLC154236

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Abanti Saha Basu
Company Secretary
Membership No:- A69276
Place : Kolkata
Date: 29 May 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

	Note No.	31 March 2026	31 March 2025
I. Revenue from operations	21	34,622.71	32,050.84
II. Other income	22	660.62	320.11
III. Total income (I + II)		**35,283.33**	**32,370.95**
IV. Expenses			
Cost of materials consumed	23	26,334.76	23,455.22
Changes in inventories of finished goods and work-in-progress	24	(1,179.53)	(128.26)
Employee benefits expense	25	2,170.23	1,761.21
Finance costs	26	385.01	600.59
Depreciation and amortisation expense	27	460.59	396.87
Other expenses	28	3,976.73	3,390.93
Total expenses		**32,147.79**	**29,476.56**
V. Profit before exceptional items and tax		**3,135.54**	**2,894.39**
Exceptional Items	29	75.56	-
Va. Profit before tax		**3,059.98**	**2,894.39**
VI. Tax expenses			
Current tax		732.42	716.98
Income tax relating to earlier years		(77.92)	(97.32)
Deferred tax charge		37.41	144.18
Net tax expenses		**691.91**	**763.84**
VII. Profit for the year		**2,368.07**	**2,130.55**
VIII. Earnings per equity share [nominal value of share ₹10 each (previous year ₹10 each)]	30		
Basic		12.57	11.31
Diluted		12.57	11.31

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements 1 to 54

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Dipak Jaiswal
Partner
Membership No: 063682

Place : Kolkata
Date: 29 May 2026

For and on behalf of the Board of Directors of

Megatherm Induction Limited
CIN: L31900WB2010PLC154236

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Abanti Saha Basu
Company Secretary
Membership No:- A69276

Place : Kolkata
Date: 29 May 2026

Cash Flow Statement

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

	Particulars	Year ended 31 March 2026		Year ended 31 March 2025	
A.	**Cash Flow from Operating Activities**				
	Profit Before Tax		3,059.98		2,894.39
	Adjustments for:				
	Depreciation & amortisation	460.59		396.87	
	Bad Debts/advances written off	39.51		55.99	
	Provision for doubtful debts	34.51		-	
	Interest expenses	385.01		600.59	
	Unrealized foreign exchange (Gain)	(25.28)		(13.71)	
	Interest income	(169.20)		(166.91)	
	Liabilities no longer required written back	(307.66)		-	
	Profit on sale of investment	(0.65)		(2.65)	
			416.83		**870.18**
	Operating Profit before Working Capital Changes		**3,476.81**		**3,764.57**
	Adjustments for :				
	(Increase) in trade receivables	(200.86)		(385.78)	
	(Decrease)/Increase in loans and advances	(861.48)		579.73	
	(Decrease)/Increase in other assets	(236.83)		94.35	
	Increase in trade payables	646.96		25.25	
	(Increase) in inventories	(2,968.02)		(1,532.02)	
	Increase in provisions	105.81		149.01	
	Increase/(Decrease) in other current liabilities	1,268.35	(2,246.07)	(473.67)	(1,543.13)
	Cash generated from Operations		**1,230.74**		**2,221.44**
	Income tax paid		(714.22)		(610.16)
	Net cash generated from Operating Activities		**516.52**		**1,611.28**
B.	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment, including movement in CWIP and capital advances	(1,666.12)		(1,901.62)	
	Sale of investment	405.79		100.00	
	Investment in / (proceeds from) fixed deposits	2,246.51		(383.68)	
	Profit on sale of investment	0.65		2.65	
	Interest received	164.77		159.88	
	Net cash generated from/(used in) Investing Activities		**1,151.60**		**(2,022.77)**
C.	**Cash Flow from Financing Activities**				
	Repayment of long term borrowings	(586.54)		(317.97)	
	Increase/(Decrease) in cash credit facility & other borrowings	2,268.73		(35.47)	
	Interest paid	(385.01)		(600.59)	
	Net cash generated from/(used in) Financing Activities		1,297.18		(954.03)
	Net increase/(decrease) in cash and cash equivalent		2,965.30		(1,365.52)
	Cash and cash equivalents at the beginning of the year		2,563.48		3,929.00
	Cash and cash equivalents at the end of the year		**5,528.78**		**2,563.48**

Cash Flow Statement (contd.)

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Cash Flow Statement for the year ended 31 March 2026	As at 31 March 2026	As at 31 March 2025
Cash and Cash Equivalents comprise:		
Cash in hand	0.36	1.45
Bank Balances with Scheduled Banks:		
Current account	2,528.42	2,562.03
On deposit accounts (with original maturity of less than 12 months)	3,000.00	-
	5,528.78	**2,563.48**

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
2. Figures in ( ) represents cash outflow.

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Dipak Jaiswal
Partner
Membership No: 063682

Place : Kolkata
Date: 29 May 2026

For and on behalf of the Board of Directors of

Megatherm Induction Limited
CIN: L31900WB2010PLC154236

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Abanti Saha Basu
Company Secretary
Membership No:- A69276

Place : Kolkata
Date: 29 May 2026

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

1 General Information

Megatherm Induction Limited 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, India and sells primarily in domestic markets. The Company is listed public limited company and a subsidiary of Megatherm Electronics Private Limited.

The financial statements have been authorized to be issued by the Board of Directors of the Company in the meeting held on 29 May 2026.

2 Summary of Significant Accounting Policies

2.01 Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual and going concern basis in compliance with all material aspects of the Accounting Standards (AS) notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014. The accounting policies adopted in the preparation of financial statements have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy until now (hitherto) in use with those of previous year.

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 III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.02 Use of estimates

The preparation of financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.03 Property, Plant and Equipment

Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation, revaluation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Any item of Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognized in the Statement of Profit and Loss.

Any item of Property, plant and equipment whose value is less than ₹5,000 is being charged off to Statement of Profit and Loss.

Intangible assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during development / acquisition and exclusive of Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

Subsequent expenditure relating to intangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

2.04 Depreciation on property, plant and equipments

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses straight line method and has used following useful lives to provide depreciation of different class of its property, plant and equipment and intangible assets.

Particulars	Year ended 31 March 2026 (Useful life in years)	Year ended 31 March 2025 (Useful life in years)
Leasehold land	99	99
Buildings	30	30
Office building	30	30
Plant and machinery	15	15
Material handling equipments	10	10
Testing & inspection equipments	15	15
Storage equipment & accessories	15	15
Electrical installation	10	10
Furniture and fixtures	10	10
Office equipment	3-5	3-5
Tools & equipments	10	10
Vehicles	8	8
Computer	3	3

The depreciation charge for each year is recognized in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset.

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset. (Component Accounting)

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.The useful life, residual value and the depreciation method are reviewed atleast at each year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

2.05 Amortization of Intangible assets

Amortization of intangible assets has been calculated on straight line basis at the following rates, based on management estimates, which in the opinion of the management are reflective of the estimated useful lives of the Intangible assets.

Particulars	Year ended 31 March 2026 (Useful life in years)	Year ended 31 March 2025 (Useful life in years)
Computer Softwares	3	3

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Amortization on addition to intangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Amortization on sale/ discard from intangible assets is provided for upto the date of sale, deduction or discard of intangible assets as the case may be.

The amortization period and the amortization method are reviewed at least at each year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

2.06 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful life.

2.07 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are capitalized until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized as expenditure in the period in which they are incurred."

2.08 Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

2.09 Foreign currency translation

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they occur."

2.10 Revenue recognition

Revenue is recognized to the extent, that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

are transferred to the buyer and are recorded net of trade discounts, rebates, and Goods and Service Tax 'Unbilled receivables' included in trade receivables represent cost and earnings in excess of billings as at the balance sheet date.

Revenue from services

Revenue from services is recognized pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognized net of Goods and service tax.

'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized.

Interest Income

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

Dividend Income

Dividend is recognized when the Company's right to receive dividend is established.

2.11 Retirement and other employee benefits

Short Term Employee Benefits

Employee benefits payable wholly within twelve months of rendering of the service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service.

Defined contribution plan

The Company makes defined contribution to Government Employee Provident Fund and Employee State Insurance, which are recognized in the Statement of Profit and Loss on accrual basis.

Defined Benefit Plan- Gratuity

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.

Other long-term benefits

Leave encashment- Encashable

The employees are entitled for 15 days leave during the calendar year, which can be accumulated up to 30 days. The company provides for the liability at year end on account of unavailed leave as per the actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses are recognized in the Statement of Profit and Loss as and when incurred.

2.12 Provision for Onerous Contracts

Provisions for onerous contracts are recognized when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received by the Company from the contract. Provisions for estimated losses, if any, on incomplete contracts are recognized in the period in which such contracts become onerous and the loss is probable and can be reliably estimated. The unavoidable costs under a contract represent the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfill the contract. The provision is measured at the value of the expected unavoidable costs of meeting the obligations under the contract.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

2.14 Inventories

Raw materials, components, stores and spares, and packing material are valued at cost. However, these items are considered to be realizable at replacement

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

cost if the finished goods, in which they will be used, are expected to be sold below cost.

Cost of inventories is computed on a weighted-average basis. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress and manufactured finished goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, Cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item by item basis.

2.15 Income Taxes

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit (Wherever applicable).

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

2.16 Exceptional Items

Exceptional items comprise material items of income or expense that, in the opinion of management, are required to be disclosed separately in the Statement of Profit and Loss due to their size, nature, or incidence, to enable a better understanding of the Company's financial performance for the year and to facilitate comparison with prior periods.

2.17 Leases

As a Lessee:

Finance leases, which effectively transfers to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management (or the useful life envisaged in Schedule II to the Companies Act, 2013, whichever is lower). However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset (the lease term or the useful life envisaged in Schedule II to the Companies Act, 2013).

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

As a Lessor:

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

2.18 Contingent Liability, Provisions and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The Company records a provision for decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recorded nor disclosed in the financial statements.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

When the grant or subsidy related to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant is related to an asset, it is adjusted with the gross value of assets.

When the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

2.21 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which is primarily market based.

Unallocated items include general corporate income and expense items, which are not allocated to any business segment.

2.22 Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III of the Act unless otherwise stated.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

3. Share capital

The Company has only one class of Share Capital having a par value of ₹10 per share, referred to herein as Equity Shares.

	31 March 2026	31 March 2025
Authorised		
1,90,00,000 (31 March 2025 : 1,90,00,000) Equity Shares of ₹10/- each		
At the commencement of the year	1,900.00	1,900.00
Add: Increased during the year	-	-
At the end of the year	**1,900.00**	**1,900.00**
Issued, subscribed and fully paid up		
1,88,40,729 (31 March 2025 : 1,88,40,729) Equity Shares of ₹10/- each	1,884.07	1,884.07
	1,884.07	**1,884.07**

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

	31 March 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	1,88,40,729	1,884.07	1,88,40,729	1,884.07
Add: Bonus Shares Issued during the year	-	-	-	-
Add: Fresh Shares Issued during the year	-	-	-	-
At the end of the year	**1,88,40,729**	**1,884.07**	**1,88,40,729**	**1,884.07**

b. Rights, preferences and restrictions attached to equity shares

The company has only one class of equity shares having par value of ₹10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Pursuant to the approval of the shareholders in Extra-Ordinary General Meeting held on August 08, 2023, the company has allotted 46,16,243 equity shares of ₹10 each as fully paid-up bonus shares in the ratio of 1 (One) equity share for every 2 (two) equity share outstanding on the record date i.e. August 09, 2023 by capitalization of securities premium. Further, The company has neither issued any shares for consideration other than cash nor bought back any shares during the period of five years immediately preceding the reporting date. (31 March 2025 : nil)

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

	31 March 2026		31 March 2025	
	Number	Amount	Number	Amount
Equity shares of ₹10 each fully paid up held by: Megatherm Electronics Private Limited - Holding Company	1,35,06,929	1,350.69	1,36,83,729	1,368.37

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

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

	31 March 2026		31 March 2025	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹10 each fully paid up held by:				
Megatherm Electronics Private Limited - Holding Company	1,35,06,929	71.69%	1,36,83,729	72.63%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

f. Details of Shares held by Promoters at the end of the year

Promoter name	31 March 2026			31 March 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Megatherm Electronics Private Limited	1,35,06,929	71.69%	-1.29%	1,36,83,729	72.63%	-
Shesadri Bhusan Chanda	7,500	0.04%	0.00%	7,500	0.04%	-
Satadri Chanda	3,600	0.02%	0.00%	3,600	0.02%	-

4. Reserves and surplus

	31 March 2026	31 March 2025
Securities Premium		
At the commencement of the year	5,180.35	5,180.35
Add: Movement for the year	-	-
Balance at the end of the year	**5,180.35**	**5,180.35**
Surplus in the Statement of Profit and Loss		
At the commencement of the year	7,100.63	4,970.08
Add: Profit for the year	2,368.07	2,130.55
Balance at the end of the year	**9,468.70**	**7,100.63**
Total Reserves and surplus	**14,649.05**	**12,280.98**

5. Long-term borrowings

	31 March 2026	31 March 2025
Term Loans (secured)		
From banks	-	593.13
Car Loans (secured)		
From banks	14.98	8.39
Less: Amount disclosed under the head "Short-term borrowings" (Refer Note 8)	(5.27)	(276.62)
	9.71	**324.90**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

(a) Terms of repayment

As on 31 March 2026

Name of the lender	No of Instalment Due	Rate of Interest (%)	Within one year (₹)	After one year but not more than 5 years (₹)	More than 5 years (₹)
Car loans (secured)					
Bank of Baroda EV Car No:4178 Loan no:00210600004221	59.00	8.50	1.69	8.18	-
Axis Bank -AUR031907828586 (2nd Battery Car)	16.00	8.75	3.58	1.53	-
Total			**5.27**	**9.71**	**-**

As on 31 March 2025

Name of the lender	No of Instalment Due	Rate of Interest (%)	Within one year (₹)	After one year but not more than 5 years (₹)	More than 5 years (₹)
Rupee loans (secured)					
GECLS Loan Account-7209968838	24.00	9.25	137.04	150.95	-
Axis Bank -AUR031907828586 (2nd Battery Car)	29.00	8.75	3.58	4.81	-
Open Term Loan Account -7417195951	9.00	10.75	136.00	169.14	-
Total			**276.62**	**324.90**	**-**

(b) Details of security of Vehicle Loan

Nature of Security

Loan from Axis Bank is secured by hypothecation of the vehicle financed.

Loan from Bank of Baroda is secured by hypothecation of the vehicle financed.

(c) Open Term Loan for procurement of Plant and Machinery from Indian Bank amoutning to ₹305.14 lacs outstanding as at 31 March 2025 (Non current - ₹169.14 lacs and Current - ₹136.00 lacs) have been fully repaid during the F.Y 2025-26 and consequently the charge with the bank has been modified during the year. For modified charges refer note 8.

(d) Term Loan under emergency credit line guarantee scheme (GECL-1.0 Extension Loan) from Indian Bank amounting to ₹287.99 lacs outstanding as at 31 March 2025 (Non current - ₹150.95 lacs and Current - ₹137.40 lacs) have been fully repaid during the F.Y 2025-26 and consequently the charge with the bank has been modified during the year. For modified charges refer note 8.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

6. Deferred tax liabilities (net)

	31 March 2026	Charge/ (benefit) for the year	31 March 2025
Deferred tax liabilities			
Difference between book depreciation & tax depreciation	536.33	72.67	463.66
Deferred tax assets			
Expenses provided but allowable in Income Tax on payment basis	(38.97)	(35.26)	(3.71)
Deferred tax liability (net)	**497.36**	**37.41**	**459.95**

7. Provision

	Long-term		Short-term	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Provision for employee benefits:				
Provision for gratuity (unfunded) (Refer Note 36)	280.46	198.30	25.97	24.13
Provision for Leave Encashment (Refer Note 36)	17.92	17.76	1.50	4.28
Other provisions:				
Provision for Warranties (Refer Note 31b)	-	-	260.61	240.63
Provision for Onerous Contracts	-	-	4.45	-
Provision for Income tax [net of advance tax and tax deducted at source of ₹701.57 lacs (previous year ₹593.47 lacs)	-	-	30.85	90.56
	298.38	**216.06**	**323.38**	**359.60**

8. Short-term borrowings

	31 March 2026	31 March 2025
Loans repayable on demand		
From banks (secured)		
Cash Credit (refer note (a) below)	2,409.82	2,650.60
From Others (Unsecured)		
Reverse Factoring (refer note (b) below)	2,519.51	10.00
Current maturities of long-term borrowings (refer note 5)	5.27	276.62
	4,934.60	**2,937.22**

Notes:

(a) Cash credit facility from Indian Bank carry interest @MCLR + 2.35% p.a (31 March 2025: MCLR + 2.35% p.a) and are repayable on demand. The facilility is secured by way of below mentioned charges as on 31 March 2026:

Primary:

Hypothecation of all Stocks, book-debts & other current asset and plant & machinery.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Collateral:

(i) Equitable Mortgage of factory land measuring 10 acres leased out by WBIDC for 99 years by lease deed dated 14.02.2011 along with building & other structures located at JL 226, Mouza Malipur, Baridiha, Dist-Paschim Mednipur.

(ii) Registered Mortgage of space on 5th & 6th Floor having Super built up area 7800 sq ft and 3567 sq ft respectively located at Block GP, 24 Parganas (N), Bidhannagar, Pin-700091.

(iii) Equitable Mortgage of leasehold unit being module no 123, ground floor 1614 Super Built up area at SDF Building in Salt Lake Electronics Complex, Block GP, PIN-700091

Guarantee:

Personal Guarantee of Mr. Shesadri Bhusan Chanda and Mr. Satadri Chanda.

(b) The Company has entered into an agreement with M1xchange, a Trade Receivables Discounting System (TReDS) platform authorized by the Reserve Bank of India under the Payment and Settlement Systems Act, 2007, for facilitating the discounting and re-discounting of trade receivables of the Company's suppliers which are payable by the Company. The financiers on platform charges interest to the company for the extended credit period which ranges from 8.95% p.a - 9.35% p.a, is included in other borroiwng costs under Finance cost.

(c) The company has a sanctioned working capital limit of ₹4000 lacs from Yes Bank as on 31 March 2026 (31 March 2025: 400 lacs) and amount outstanding is Nil (31 March 2025: Nil). The facility is secured by first pari passu charge over current assets and moveable fixed assets of the company, in line with the other lender.

(d) The company has a sanctioned working capital limit of ₹2000 lacs from State Bank of India as on 31 March 2026 (31 March 2025: Nil) and amount outstanding is Nil (31 March 2025: Nil). The facility is secured by pari passu charge on hypothecated stock, receivables and existing plant & machinery of the company.

(e) The Company has used the borrowings from banks for specific purpose for which it was taken at the balance sheet date.

(f) During the year the company has not defaulted on any repayment of borrowings.

9. Trade payables

	31 March 2026	31 March 2025
Total outstanding dues of micro enterprises and small enterprises	650.65	1,708.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,250.82	2,571.84
	4,901.47	**4,280.82**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31 March 2026	31 March 2025
(a) Amount remaining unpaid to any supplier at the end of each accounting year:		
Principal	650.65	1,708.98
nterest	0.00	19.38
Total	**650.65**	**1,728.36**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Trade Payables ageing schedule

31 March 2026	Current						
Particulars	Unbilled Payables	Not due	Outstanding for following periods from date of invoice				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	650.65	-	-	-	650.65
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	437.34	-	3,769.85	28.64	9.14	5.85	4,250.82
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**437.34**	**-**	**4,420.50**	**28.64**	**9.14**	**5.85**	**4,901.47**

31 March 2025	Current						
Particulars	Unbilled Payables	Not due	Outstanding for following periods from due date of invoice				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	1,666.07	19.00	23.11	0.79	1,708.98
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	237.60	-	2,275.79	13.50	38.64	6.31	2,571.84
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**237.60**	**-**	**3,941.86**	**32.50**	**61.75**	**7.10**	**4,280.82**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

10. Other current liabilities

	31 March 2026	31 March 2025
Advances received from customers	6,704.90	5,686.52
Goods and Service tax payable	17.11	16.30
TDS payable	32.73	27.27
Other Statutory dues	15.47	12.38
Interest accrued and due on borrowings	0.04	0.06
Unearned Revenue	-	12.01
Other payables	167.85	155.92
	6,938.10	**5,910.46**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

11. Property, Plant and Equipments

Particulars	Leasehold Land	Buildings	Office Building	Plant and Machinery	Material Handling Equipments	Testing & Inspection Equipments	Storage Equipment & Accessories	Electrical Installation	Furniture and fixtures	Office Equipments	Tools & Equipments	Vehicles	Computer	Total
Gross Block														
Balance as at 01 April 2024	530.89	4,037.25	796.89	1,306.32	410.47	51.00	123.47	310.35	43.15	47.89	2.85	44.44	62.39	7,767.36
Additions during the year	-	1,401.15	18.22	227.62	225.29	3.57	6.76	32.41	6.09	19.19	-	-	18.24	1,958.54
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Received	-	(117.51)	-	(147.34)	(40.14)	(2.02)	(18.02)	-	-	-	-	-	-	(325.03)
Balance as at 31 March 2025	**530.89**	**5,320.89**	**815.11**	**1,386.60**	**595.62**	**52.55**	**112.21**	**342.76**	**49.24**	**67.08**	**2.85**	**44.44**	**80.63**	**9,400.87**
Additions during the year	-	430.97	178.50	519.40	9.04	9.45	8.64	18.78	13.71	36.93	7.18	33.30	6.05	1,271.95
Disposals/Discard	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2026	**530.89**	**5,751.86**	**993.61**	**1,906.00**	**604.66**	**62.00**	**120.85**	**361.54**	**62.95**	**104.01**	**10.03**	**77.74**	**86.68**	**10,672.82**
Accumulated Depreciation														
Balance as at 01 April 2024	71.55	676.45	2.35	265.61	110.67	17.44	20.03	194.38	22.07	21.54	0.38	11.76	39.89	1,454.12
Depreciation for the year	5.36	125.94	25.23	87.98	29.29	2.97	7.75	30.04	4.17	8.93	0.27	5.28	13.45	346.66
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 March 2025	**76.91**	**802.39**	**27.58**	**353.59**	**139.96**	**20.41**	**27.78**	**224.42**	**26.24**	**30.47**	**0.65**	**17.04**	**53.34**	**1,800.78**
Depreciation for the year	5.25	162.50	31.36	99.47	32.92	3.24	7.15	32.17	4.80	13.55	0.32	6.80	14.19	413.72
Accumulated depreciation on disposals/discard	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance as at 31 March 2026	**82.16**	**964.89**	**58.94**	**453.06**	**172.88**	**23.65**	**34.93**	**256.59**	**31.04**	**44.02**	**0.97**	**23.84**	**67.53**	**2,214.50**
Net Block														
Balance as at 31 March 2025	**453.98**	**4,518.50**	**787.53**	**1,033.01**	**455.66**	**32.14**	**84.43**	**118.34**	**23.00**	**36.61**	**2.20**	**27.40**	**27.29**	**7,600.09**
Balance as at 31 March 2026	**448.73**	**4,786.97**	**934.66**	**1,452.94**	**431.78**	**38.35**	**85.92**	**104.95**	**31.91**	**59.99**	**9.06**	**53.90**	**19.15**	**8,458.32**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Notes:

(A) Details of assets taken on Finance Leases :

Particulars	Vehicles	Total
Gross Block		
Balance as at 01 April 2024	36.52	36.52
Addition to finance lease	-	-
End of finance lease	-	-
Subsidy received	-	-
Balance as at 31 March 2025	**36.52**	**36.52**
Addition to finance lease	14.46	14.46
End of finance lease	(19.77)	(19.77)
Subsidy received	-	-
Balance as at 31 March 2026	**31.21**	**31.21**
Accumulated Depreciation		
Balance as at 01 April 2024	10.62	10.62
Depreciation for the year	4.35	4.35
Accumulated depreciation on end of finance lease	-	-
Balance as at 31 March 2025	**14.97**	**14.97**
Depreciation for the year	4.52	4.52
Accumulated depreciation on end of finance lease	(12.15)	(12.15)
Balance as at 31 March 2026	**7.34**	**7.34**
Net Block		
Balance as at 31 March 2025	**21.55**	**21.55**
Balance as at 31 March 2026	**23.87**	**23.87**

(B) Refer note 5 and 8 for security related details.

(C) All the tittle deeds are in the name of the company.

12. Intangible Assets

Owned Asset- Intangible Asset	Software	Total
Gross Block		
Balance as at 01 April 2024	137.10	137.10
Additions during the year	28.07	28.07
Balance as at 31 March 2025	**165.17**	**165.17**
Additions during the year	94.08	94.08
Balance as at 31 March 2026	**259.25**	**259.25**
Accumulated Amortization		
Balance as at 01 April 2024	43.20	43.20
Amortization for the year	50.21	50.21
Balance as at 31 March 2025	**93.41**	**93.41**
Amortization for the year	46.87	46.87
Balance as at 31 March 2026	**140.28**	**140.28**
Net Block		
Balance as at 31 March 2025	**71.76**	**71.76**
Balance as at 31 March 2026	**118.97**	**118.97**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

13. Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress ageing schedule

Movement

CWIP	2025-26			
Particulars	Movement in CWIP			
	As at 01 April 2025	Expenditure During The Year	Capitalizations/ Adjustments	As at 31 March 2026
Projects in progress	61.29	781.09	504.72	337.66
Total	**61.29**	**781.09**	**504.72**	**337.66**

CWIP	2024-25			
Particulars	Movement in CWIP			
	As at 01 April 2024	Expenditure During The Year	Capitalizations/ Adjustments	As at 31 March 2025
Projects in progress	4.13	217.78	160.62	61.29
Total	**4.13**	**217.78**	**160.62**	**61.29**

Note:

a) There are no projects as capital work-in-progess as at 31 March 2026 and 31 March 2025, whose completion is overdue or cost of which has exceeded in comparison to its original plan or which has been temporarily suspended.

b) No borrowing costs has been capitalised during the year (31 March 2025: Nil) against qualifying assets under construction.

For Capital-work-in progress ageing schedule

CWIP	As on 31 March 2026				Total
Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	337.66	-	-	-	337.66
Total	**337.66**	**-**	**-**	**-**	**337.66**

CWIP	As on 31 March 2025				Total
Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	61.29	-	-	-	61.29
Total	**61.29**	**-**	**-**	**-**	**61.29**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

14. Other non-current assets

Particulars	31 March 2026	31 March 2025
(Unsecured, considered good)		
Security and other deposits	28.43	14.37
Deposit with bank (more than 12 months)	0.95	216.43
Trademark on lease	306.66	333.33
Capital advances	206.61	182.89
Prepaid expenses	11.48	33.06
Retention money	924.96	661.89
	1,479.09	1,441.97

Ageing of Retention Money :

31 March 2026	Non-Current							
	Outstanding for following periods from the date of transaction							
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Retention Money – considered good	-	-	460.32	27.82	286.15	34.90	115.77	924.96
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-	-	-	-
Total	**-**	**-**	**460.32**	**27.82**	**286.15**	**34.90**	**115.77**	**924.96**

Ageing of Retention Money :

31 March 2025	Non-Current							
	Outstanding for following periods from the date of transaction							
Particulars	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Retention Money – considered good	-	-	338.01	74.60	69.70	160.07	19.51	661.89
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

31 March 2025	Non-Current							
Particulars	Outstanding for following periods from the date of transaction							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-	-	-	-
Total	**-**	**-**	**338.01**	**74.60**	**69.70**	**160.07**	**19.51**	**661.89**

15. Current Investment

Current Investments	31 March 2026		31 March 2025	
	Units	Book Value	Units	Book Value
Short term trade investments (valued at lower of cost or market value) - Quoted				
Investments in mutual funds - Aditya Bira Sun life Liquid Fund- Direct Plan- Growth Option (31 March 2025: DSP Overnight Fund Direct Plan - Growth Option)	44,340.54	194.21	43,900.05	600.00
Net current investments	**44,340.54**	**194.21**	**43,900.05**	**600.00**
Aggregate market value as at the end of the period:				
Market value of quoted investments		197.34		600.43

16. Inventories

Particulars	31 March 2026	31 March 2025
(Valued at the lower of cost and net realisable value unless stated otherwise)		
Raw materials [inlcudes goods in transit ₹336.78 lacs (31 March 2025: ₹95.37 lacs)]	7,919.99	6,131.50
Work-in-progress	4,213.28	3,122.73
Finished goods	536.50	447.52
	12,669.77	**9,701.75**

17. Trade receivables

Particulars	31 March 2026	31 March 2025
Unsecured, considered good	3,754.61	3,538.89
Unsecured, considered good		
Unsecured, considered doubtful	150.55	116.04
Less: Provision for doubtful receivables	150.55	116.04
	3,754.61	**3,538.89**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

31 March 2026	Current							
Particulars	Outstanding for following periods from date of invoice							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	9.17	-	2,908.23	414.49	310.43	93.26	19.03	3,754.61
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	150.55	150.55
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-	-	(150.55)	(150.55)
Total	**9.17**	**-**	**2,908.23**	**414.49**	**310.43**	**93.26**	**19.03**	**3,754.61**

31 March 2025	Current							
Particulars	Outstanding for following periods from date of invoice							Total
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	63.49	-	2,772.45	474.18	191.42	30.00	7.35	3,538.89
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	116.04	116.04
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-	-	(116.04)	(116.04)
Total	**63.49**	**-**	**2,772.45**	**474.18**	**191.42**	**30.00**	**7.35**	**3,538.89**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

18 (a). Cash and Cash Equivalents

Particulars	31 March 2026	31 March 2025
Cash on hand	0.36	1.45
Balances with banks		
On current accounts	2,528.42	2,562.03
Deposits with original maturity of less than three months	3,000.00	-
	5,528.78	**2,563.48**

18 (b). Other Bank Balances

Particulars	31 March 2026	31 March 2025
Current maturities	397.97	1,710.00
Unspent CSR	-	9.66
Margin money or deposits under lien	25.00	744.00
	422.97	**2,463.66**
	5,951.75	**5,027.14**

19. Short-term loans and advances

Particulars	31 March 2026	31 March 2025
(*Unsecured, considered good unless otherwise stated*)		
To parties other than related parties		
Advances to suppliers	887.34	287.57
Advance to employees	69.87	49.92
Prepaid expenses	76.78	50.07
GST input credit receivable	354.72	131.39
	1,388.71	**518.95**

20. Other current assets

Particulars	31 March 2026	31 March 2025
(*Unsecured, considered good*)		
To parties other than related parties		
Interest accrued but not due on deposits	35.34	30.91
Security and other deposits	9.35	8.44
Export incentive receivable	11.20	26.20
Other Receivable	0.47	-
Trademark on lease	26.67	26.67
	83.03	**92.22**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

21. Revenue from operations

Particulars	31 March 2026	31 March 2025
Sale of products		
Finished Goods	34,178.92	31,739.62
Sale of services	341.19	207.23
Other operating revenue		
Export incentives	82.54	80.52
Scrap Sale	20.06	23.47
	102.60	**103.99**
	34,622.71	**32,050.84**

22. Other income

Particulars	31 March 2026	31 March 2025
Interest on fixed deposits with banks	169.20	166.91
Gain on foreign exchange fluctuation	-	42.18
Liabilities no longer required written back	307.66	37.55
Rental income	28.17	62.84
Miscellaneous income	155.59	10.63
	660.62	**320.11**

23. Cost of materials consumed

Particulars	31 March 2026	31 March 2025
Inventory of raw materials at the beginning of the year (inlcudes goods in transit of ₹95.37 lacs)	6,131.50	4,727.74
Purchases	28,123.25	24,858.98
	34,254.75	**29,586.72**
Less: Inventory of raw materials at the end of the year (includes goods in transit of ₹336.78 lacs)	7,919.99	6,131.50
	26,334.76	**23,455.22**

(a) Details of raw material and components consumed

Particulars	31 March 2026	31 March 2025
Copper	7,900.43	7,036.57
CRNGO	2,896.82	2,580.07
Steel and Structure	6,320.34	5,629.25
Other Materials	9,217.17	8,209.33
	26,334.76	**23,455.22**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

(b) Value of imported and indigenous raw materials consumed

Current Investments	31 March 2026		31 March 2025	
	Amount	%	Amount	%
Imported	3,008.57	11.42%	2,752.58	11.74%
Indigenous	23,326.19	88.58%	20,702.64	88.26%
	26,334.76	**100.00%**	**23,455.22**	**100.00%**

(c) Details of closing inventory of raw material and components

Particulars	31 March 2026	31 March 2025
Copper	1,755.50	1,284.33
CRNGO	164.48	132.15
Steel and Structure	635.12	7.26
Other Materials	5,364.89	4,707.76
	7,919.99	**6,131.50**

24. Changes in inventories of finished goods and work-in-progress

Particulars	31 March 2026	31 March 2025
Opening stock		
Work-in-progress	3,122.73	3,017.12
Finished goods	447.52	424.87
	3,570.25	**3,441.99**
Closing stock		
Work-in-progress	4,213.28	3,122.73
Finished goods	536.50	447.52
	4,749.78	**3,570.25**
	(1,179.53)	**(128.26)**

25. Employee benefits expense

Particulars	31 March 2026	31 March 2025
Salaries, wages and bonus	1,831.66	1,436.55
Contribution to provident and other funds (*)	121.29	140.50
Staff welfare expenses	217.28	184.16
	2,170.23	**1,761.21**

(*) Refer note 29 - Exceptional items for impact due to amendment in labour code.

26. Finance costs

Particulars	31 March 2026	31 March 2025
Interest expense		
On bank loan	90.77	260.42
On assets on finance lease	0.65	0.95
Other borrowing costs	241.25	230.93
Bank charges	52.34	108.29
	385.01	**600.59**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

27. Depreciation and amortisation expense

Particulars	31 March 2026	31 March 2025
on tangible assets (Refer note 11)	413.72	346.66
on intangible assets (Refer note 12)	46.87	50.21
	460.59	**396.87**

28. Other expenses

Particulars	31 March 2026	31 March 2025
Consumption of stores and spare parts	355.88	313.00
Labour charges	432.35	292.68
Erection & Commissioning	56.40	127.93
Power and fuel	222.47	183.09
Freight, clearing and forwarding	257.44	203.60
Packing charges	198.91	199.00
Rent	218.59	50.84
Repairs to:		
Plant and machinery	32.86	18.71
Building	30.25	12.40
Computer	2.17	3.00
Others	148.44	115.79
Insurance	67.53	45.49
Rates and taxes	9.49	57.35
Travelling and conveyance expenses	95.69	89.48
Legal and professional fees	482.79	336.81
Payment to auditors' (refer note (a) below)	24.26	22.03
Advertisement and sales promotion	170.98	255.11
Security service charges	49.08	45.74
Research and development expense	9.20	8.28
Telephone and communication expenses	19.48	15.75
Provision for doubtful debts	34.51	-
Corporate social responsibility (Refer Note 43)	54.62	36.41
Provision for warranty (Refer Note 31 b)	283.71	391.83
Bad debt/advance written off	39.51	55.99
Selling expenses	511.70	412.04
Amortization of trade mark fees	26.67	26.67
Loss on foreign exchange fluctuation	52.38	-
Miscellaneous expenses	89.37	71.91
	3,976.73	**3,390.93**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

a. Payment to auditors':

Particulars	31 March 2026	31 March 2025
As auditors':		
Statutory audit	13.13	12.50
Tax audit	2.00	1.75
Limited Review	6.30	6.00
Certification Fees	1.50	0.50
Reimburement of expenses	1.33	1.28
	24.26	**22.03**

29. Exceptional Items

Particulars	31 March 2026	31 March 2025
Gratuity expense (refer note below)	75.56	-
	75.56	**-**

Note:

The Government of India had announced the implementation of the four Labour Codes - The Code on Wages, 2019, The Industrial Relations Code, 2020, The Code on Social Security, 2020 and The Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as 'the New Labour Codes') with effect from 21 November 2025. On 8 May 2026, the Ministry of Labour & Employment notified the final Central Rules under these Codes. The Company has assessed the impact of these changes, including the notified Rules, based on available information and actuarial valuation, which resulted in an increase of provision for gratuity by ₹75.56 lacs arising from past service costs. The Company have appropriately accounted for the impact of these in financial results in accordance with the Accounting Standard on Employee Benefits (AS-15). The Company continues to monitor the notification of State Rules.

Given the non-recurring nature of this impact arising from the application of the requirements of the Labour Codes, the Company has presented this as an Exceptional Item.

30. Earnings per share (EPS)

Particulars		31 March 2026	31 March 2025
Profit after tax as reported	(a)	2,368.07	2,130.55
Net Profit attributable to Equity Shareholders for calculation of basic and diluted (₹in Lacs)	(b)	2,368.07	2,130.55
Weighted average number of equity shares outstanding during the year for calculation of basic EPS (in no's)	(c)	1,88,40,729	1,88,40,729
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS (in no's)	(d)	1,88,40,729	1,88,40,729
Basic EPS of ₹10 each	(e) = (b) / (c)	12.57	11.31
Diluted EPS of ₹10 each	(f) = (b) / (d)	12.57	11.31
Nominal value of equity share (in ₹)	10.00	10.00	

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

31. Contingent liabilities and Commitments

(to the extent not provided for)

a) Contingent Liabilities:

Particulars	31 March 2026	31 March 2025
(i) Guarantee issued by bank	932.63	1,108.18
(ii) Letter of credit by bank	2,392.48	2,190.05
(iii) GST demand in dispute/ under appeal	171.01	182.99
(iv) Income Tax in dispute/ under appeal	-	-
(v) ESI Demand in dispute/ under appeal	-	-

Note: During the year, demand amounting to ₹155.99 lacs (31 March 2025: 182.99 lacs) and ₹15.02 lacs (31 March 2025: Nil) with respect to Goods and Service Tax pertaining to the FY 2020-21 and FY 2023-24, respectively, is pending with the competent authoriries.

b) Provision for Warranty

Particulars	31 March 2026	31 March 2025
Opening balance of provision for warranty	240.63	154.96
Add : Created during the year	283.71	391.83
Less : Utilized during the year	263.73	306.16
Closing balance of provision for warranty	260.61	240.63

32. CIF value of imports

Particulars	31 March 2026	31 March 2025
Raw materials	3,212.89	2,917.32
Capital goods	23.04	-
Stores & spares	1.96	-
	3,237.89	**2,917.32**

33. Expenditure in foreign currency

Particulars	31 March 2026	31 March 2025
Erection & Commissioning	-	39.21
Selling expenses	17.30	-
Advertisement and sales promotion	11.65	7.34
Travelling and conveyance	11.13	40.06
Miscellaneous expense	0.32	-
Total Expenditure in foreign currency	**40.40**	**86.61**

34. Earnings in foreign currency

Particulars	31 March 2026	31 March 2025
Exports at F.O.B. Value	3,381.16	3,239.10
Total Earning in foreign currency	**3,381.16**	**3,239.10**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

35. Leases

Operating lease: Company as lessee

The Company has entered into commercial leases on certain office building and factory premises. These leases have an average life of between one to five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

Particulars	31 March 2026	31 March 2025
Minimum payments	Minimum payments	
Within one year	97.92	44.93
After one year but not more than five years	34.51	63.64
More than five years	-	-

36. Employee benefits:

i) Post employment benefit plans

1. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Employee State Insurance Fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Employee State Insurance Fund for the year aggregated to ₹86.29 lacs (31 March 2025: ₹72.97 lacs).

2. Defined benefit plans

The following table summarises the position of assets and obligations relating to the gratuity plan:

Particulars	31 March 2026	31 March 2025
Net (liability) recognised in Balance sheet as at the year end		
Fair value of plan assets	-	-
Present value of obligations	313.29	222.43
Unrecognized past service cost	6.86	-
(Liability) recognised in balance sheet	**(306.43)**	**(222.43)**
Classification into current/ non-current		
Current portion	25.97	24.13
Non-current portion	280.46	198.30
Movement in present value of defined benefit obligations		
Opening Defined benefit obligation	222.43	167.98
Current service cost	23.31	18.95
Interest cost	17.29	11.71
Past Service Cost	82.42	-
Unrecognized past service cost	(6.86)	-
Actuarial (gains) / losses	(5.60)	36.87
Benefits paid by the plan	(26.56)	(13.08)
Closing Defined benefit obligations	**306.43**	**222.43**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Note:

A total Past Service Cost (PSC) of ₹82.42 lacs has arisen due to the implementation of the new labour code. Of this, ₹75.56 lacs has been recognised immediately in the Statement of Profit and Loss, which includes ₹74.73 lacs relating to vested benefits and ₹0.84 lacs in respect of the portion of non-vested benefits attributable to the period from the date of notification to the current valuation date. The balance non-vested PSC of ₹6.86 lacs will be recognised over the remaining average period to vesting of 2.97 years, on a straight line basis in accordance with Accounting Standard - 15 (Employee Benefits).

Particulars	31 March 2026	31 March 2025
Composition of plan assets		
Qualifying insurance policies	0%	0%
Expense recognised in the Statement of Profit and Loss		
Current service cost	23.31	18.95
Interest on obligation	17.28	11.71
Expected return on plan assets	-	-
Past Service Cost	82.42	
Unrecognised Past Service Cost	(6.86)	
Net actuarial (gain)/ loss recognised in the year	(5.60)	36.87
Total included in 'Employee benefits expense' (Refer note 25 & 29)	**110.55**	**67.53**
Principal actuarial assumptions		
Discount rate	7.46%	6.69%
Expected return on plan assets	NA	NA
Salary growth rate	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five-year information

Amounts for the current and previous four periods are as follows:

Particulars	31 March 2026	31 March 2025	31 March 2024	31 March 2023	31 March 2022
Gratuity					
Present Value of defined benefit obligation	306.43	222.43	167.98	150.55	146.45
Fair value of plan assets	-	-	-	-	-
Surplus / (deficit) in the plan	(306.43)	(222.43)	(167.98)	(150.55)	(146.45)
Experience adjustments arising on plan liabilities [(gain)/ loss]	8.28	31.78	9.31	(11.18)	(19.66)
Experience adjustments arising on plan assets [gain/ (loss)]	-	-	-	-	-
Actuarial gain/(loss) due to change in assumption	-	-	-	-	7.59

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

ii) Leave Benefits

The Company provides for accumulation of leave, as per acturial report, by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was ₹19.42 Lacs (31 March 2025: ₹22.04 Lacs).

37. Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures

(i) List of related party and relationship where control exists

(a) Enterprises having control over the Company with which transaction has taken place during the year and previous year.

Megatherm Electronics Private Limited - Immediate holding company

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

EMT Megatherm Private Limited

(c.) Enterprises over which Key Managerial Personnel or their relatives are able to exercise significant influence.

Megatherm Induction Accessories

Megatherm Foundation

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

(a) Key Managerial Personnel

Mr. Shesadri Bhusan Chanda, Chairman and Managing Director

Mr. Satadri Chanda, Director

Ms. Christina Paul Chowdhury

Mr. Siddhartha Sen (resigned on 05-01-2025)

Mr. Ankit Rathi (resigned on 15-09-2025)

Mr. Shravan Manjaya Shetty (appointed on 20-12-2024)

Mr. Bikramjit Ghosh (appointed on 12-09-2025)

Ms. Abanti Saha Basu, C.S.

(iii) Details of transactions with related parties

Particulars	31 March 2026	31 March 2025
Relating to Profit and Loss account		
Sale of Products/services		
EMT Megatherm Private Limited	165.35	373.18
Megatherm Electronics Private Limited	2,616.78	2,926.57
Megatherm Induction Accessories	266.97	-
Purchase of Products/Services		
EMT Megatherm Private Limited	1,540.75	3,904.07
Megatherm Electronics Private Limited	-	28.31

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

Particulars	31 March 2026	31 March 2025
Rental Income		
EMT Megatherm Private Limited	25.13	60.30
Rent and Electricity Expenses		
Megatherm Electronics Private Limited	35.79	11.57
EMT Megatherm Private Limited	150.00	-
Corporate Social Responsibility Expense		
Megatherm Foundation	44.31	-
Labour Charges		
EMT Megatherm Private Limited	162.55	-
Salaries/ Managerial Remuneration		
Mr. Shesadri Bhusan Chanda	62.40	62.40
Mr. Satadri Chanda	87.00	87.00
Ms. Abanti Saha Basu, C.S.	5.61	5.10
Sitting Fees paid to Independent Directors		
Ms. Christina Paul Chowdhury	3.00	4.00
Mr. Siddhartha Sen (resigned on 05-01-2025)	-	4.00
Mr. Ankit Rathi (resigned on 15-09-2025)	1.00	1.00
Mr. Shravan Manjaya Shetty (appointed on 20-12-2024)	3.00	0.25
Mr. Bikramjit Ghosh (appointed on 12-09-2025)	1.00	-
Asset Purchased		
Megatherm Electronics Private Limited	173.65	-
EMT Megatherm Private Limited	218.94	1,290.62

(iv) Balances at the year end

Particulars	31 March 2026	31 March 2025
Trade Receivables		
EMT Megatherm Private Limited	68.89	478.99
Megatherm Electronics Private Limited	1,271.12	974.76
Megatherm Induction Accessories	37.39	-
Remunaration/Sitting Fees Payable		
Mr. Shesadri Bhusan Chanda	5.20	5.20
Mr. Satadri Chanda	7.25	7.25
Mrs. Christina Paulchowdhury	-	4.00
Ms. Abanti Saha Basu, C.S.	0.50	0.41

Terms and conditions of transactions with related parties:

The sales and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. As at March 31, 2026 and as at March 31, 2025, the Company has not recorded any provision for receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

38. Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

Name of the Bank	Particulars of Security	Amount Utilized During Quarter	Quarter Ended	Amount disclosed as per quarterly return/ statement	Amount as per books of accounts	Amount of difference	Reason for Material Variance
Indian Bank, Yes Bank and State Bank of India	Trade Receivables and Inventory	2,378.14	June 30, 2025	6,387.54	4,151.60	2,235.94	The Company has not considered the trade receivables and advance from customers due for more than 90 days and balances with Group Companies in the quarterly statement.
	Trade Receivables and Inventory	2,344.26	June 30, 2024	6,123.54	7,237.09	(1,113.55)	
	Trade Receivables and Inventory	2,288.92	September 30, 2025	7,014.12	4,039.26	2,974.86	
	Trade Receivables and Inventory	2,586.79	September 30, 2024	5,860.94	6,976.45	(1,115.51)	
	Trade Receivables and Inventory	2,451.27	December 31,2025	6,993.60	4,507.04	2,486.56	
	Trade Receivables and Inventory	2,392.44	December 31,2024	4,306.91	1,658.10	2,648.81	
	Trade Receivables and Inventory	2,407.75	March, 31, 2026	9,931.12	5,653.16	4,277.96	
	Trade Receivables and Inventory	2,650.00	March, 31, 2025	6,262.46	3,014.42	3,248.04	

39. Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institutions in the current year and previous year.

40. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, in the current year and previous year.

41. Ratios

S. No.	Ratio	Formula	31 March 2026		31 March 2025		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	31 March 2026	31 March 2025		
(a)	Current Ratio	Current Assets(i) / Current Liabilities(ii)	24,042.08	17,097.55	19,478.95	13,488.10	1.41	1.44	-2.63%	Not Applicable
(b)	Debt-Equity Ratio	Total Debt(iii) / Shareholder's Equity	4,944.31	16,533.12	3,262.12	14,165.05	0.30	0.23	29.86%	The Increase in Debt Equity Ratio is due to higher utilisation of M1xchange (Treds) platform for payment to MSME vendors.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

S. No.	Ratio	Formula	31 March 2026		31 March 2025		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	31 March 2026	31 March 2025		
(c)	Debt Service Coverage Ratio (DSCR)	Earning available for debt Service(iv) / Debt Service(v)	3,213.67	971.55	3,128.01	918.56	3.31	3.41	-2.87%	Not Applicable
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Average Shareholder's Equity	2,368.07	16,533.12	2,130.55	14,165.05	14.32	15.04	-4.77%	Not Applicable
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	25,155.23	11,185.76	23,326.96	8,935.74	2.25	2.61	-13.85%	Not Applicable
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	34,520.11	3,646.75	31,946.85	3,368.24	9.47	9.48	-0.20%	Not Applicable
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	28,123.25	4,591.15	24,858.98	4,269.29	6.13	5.82	5.20%	Not Applicable
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	34,622.71	6,467.69	32,050.84	5,734.15	5.35	5.59	-4.23%	Not Applicable
(i)	Net Profit Ratio	Net Profit / Net Sales	2,368.07	34,622.71	2,130.55	32,050.84	0.07	0.07	2.89%	Not Applicable
(j)	Return on Capital Employed	EBIT / Capital Employed(vi)	3,059.98	21,974.79	3,155.76	17,887.12	13.92%	17.64%	-21.07%	Not Applicable
(k)	Return on Investment	Net Profit / Net Investment	2,368.07	16,533.12	2,130.55	14,165.05	14.32%	15.04%	-4.77%	Not Applicable

Footnote:

(i) Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Bank balances + Short-term loans and advances + Other Current Assets

(ii) Current Liability = Short term borrowings + Trade Payables + Short Term Provisions + Other Current Liabilities

(iii) Total Debt = Long term borrowings + Short term borrowings

(iv) Earning for Debt Service = Net Profit after taxes + Depreciation and Amortisation exepnses + Finance cost

(v) Debt Service = Interest Payments + Principal Repayments

(vi) Capital Employed= Tangible Net Worth + Total Debt + Deferred Tax Liabilities

42. Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period in the current year and previous year.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

43. Corporate Social Responsibility

Particulars	31 March 2026	31 March 2025
Amount required to be spent by the Company during the year as per section 135 for the Companies Act 2013	54.62	36.41
Amount approved by the Board	54.62	36.41
Amount of expenditure incurred during the year	54.62	26.35
Amount of shortfall for the period(*)	-	10.06
Amount of cumulative shortfall at the end of the year	-	10.06

Details of CSR Expenses incurred

Particulars	31 March 2026	31 March 2025
a) Contribution to School of Fitness and Personality Development (a Trust registered with ROC for undertaking CSR activities)	3.00	3.00
b) Contribution to Water Pump at Kharagpur Project	0.00	6.71
c) Contribution to Footstep Foundation for Promoting Education	-	0.45
d) Contribution to Bharat Sevashram Sangha	-	5.00
e) Contribution to Peoples Relief Committee	-	5.00
f) Contribution to Kolkata Animal Welfare Indian Foundation.	-	2.00
g) Contribution to Activity for Sankara Netralaya Camp.	-	2.09
h) Contribution to Activity for Jadavpur University Electronics Department	5.51	2.10
i) Contribution to Baradiha Panchanan Siksha Niketan Primary School	1.80	-
j) Contribution to Megatherm Foundation	44.31	-
m) Other Overhead	-	-
	54.62	**26.35**

*Unspent CSR pertaining to FY 24-25 amounting to ₹10.05 lacs has been spent in the FY 2025-26 under Contribution to Activity for Jadavpur University Electronics Department amounting to ₹9.81 lacs and balance ₹0.25 lacs has been deposited with PM Care fund on 06 February 2026.

44. Utilisation of IPO Funds

During the FY 2023-24, the company has completed the initial public offer(IPO) pursuant to which 49,92,000 Equity shares of 10 each were allotted, at an issue price of ₹108.00 per Equity Share under SME IPO, which got listed on NSE Emerge Platform on 05 February 2024 having NSE Scrip Code "MEGATHERM". The gross proceeds from the IPO aggregated to ₹5,391.36 lacs and the corresponding issue related expenses paid amounted to ₹576.28 lacs. The company has utilised ₹2,790.47 Lacs for the objects i.e to meet its procurement of fixed asset, working capital requirements and general corporate purpose, as mentioned in the Prospectus and the unutilized amount of ₹2,600.00 lacs invested in fixed depoits and ₹0.89 lacs are held in current bank account and fixed deposits of the Company.

45 Utilisation of Borrowed funds and share premium:

(i) The Company has not advanced or loaned or invested funds in current year and previous year to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

(ii) The Company has not received any fund in current year and previous year from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

46. Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the current year and previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

47. Audit Trail

The Company is using accounting software, SAP Business One, for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that the audit trail feature is available and enabled only at the application level, but it was not enabled at the database level throughout the year.

48. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current year and previous year.

49. Details of Benami Property held

The Company does not have any Benami property in current year and previous year, where any proceeding has been initiated or pending against the company for holding any Benami property.

50. Segment information

Primary Segment Information (Business Segment)

Segments have been identified in line with the Accounting Standard 17 - Segment Reporting, taking into account the nature of products and services, the different risks and returns, the organisational structure and the internal financial reporting system. The Company is engaged in the business of manufacturing and sale of induction. It has manufacturing location in India only. Based on the dominant source and nature of risk and returns of the Company, its internal organisation and management structure and its system of internal financial reporting, business segment has been identified as the primary segment. The Company has only one business segment.

Secondary Segment Information (Geographical Segment)

Particulars	31 March 2026	31 March 2025
Revenue by Geographical Market		
In India	31,241.55	28,811.74
Outside India	3,381.16	3,239.10
Total	**34,622.71**	**32,050.84**
Carrying Amount of Segment Assets		
In India	34,436.12	28,654.06
Outside India	-	-
Total	**34,436.12**	**28,654.06**
Additions to Property, Plant and Equipment and Intangibles (including movement in CWIP)		
In India	1,642.40	2,043.77
Outside India	-	-
Total	**1,642.40**	**2,043.77**

Notes forming part of the Financial Statements

for the year ended 31 March 2026

(All amounts are in INR Lacs, unless otherwise stated)

51. Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables / trade payables not hedged by derivative instruments are as follows:

Particulars	31 March 2026			31 March 2025		
	Currency	Amount in FC*	Amount	Currency	Amount in FC*	Amount
Trade Receivables (including retention monies)	USD	4.62	435.36	USD	8.37	715.65
Trade Payables	USD	11.92	1,124.37	USD	7.08	605.40
Trade Payables	EUR	1.05	113.34	EUR	1.12	103.86

*In Lacs

52. Subsequent events

No Significant Subsequent events have been observed which may require an adjustments to the financial statements.

53. During the year, a new Joint Venture namely Megatherm Cyprium Inc, was incorporated in Michigan, United States, between Megatherm Induction Limited and US based Cyprium Induction, on 16 January 2026 with the puprose to conduct the business of selling and promoting all Megtherm Induction Limited's product into the North American market, including metal heating and metal equipment, automation and power distribution equipments. As per the joint venture agreement, equity participation will be 49.99% & 50.01%, between Megatherm Induction Limited and Cyprium Induction, respectively. No transactions or investment have been made during the financial year ended on 31 March 2026. The preparation and submission of consolidated financial statements for the year ended 31 March 2026 is not applicable since the Company did not have any investment in subsidiary, associate or joint venture during the respective reporting periods.

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

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Dipak Jaiswal
Partner
Membership No: 063682

Place : Kolkata
Date: 29 May 2026

For and on behalf of the Board of Directors of

Megatherm Induction Limited
CIN: L31900WB2010PLC154236

Shesadri Bhusan Chanda
Chairman & Managing Director
DIN: 00961593

Satadri Chanda
Director & Chief Financial Officer
DIN: 02302312

Abanti Saha Basu
Company Secretary
Membership No:- A69276

Place : Kolkata
Date: 29 May 2026

Megatherm Induction Limited
Plot- L1 Block GP, Sector V,
Electronics Complex
Salt Lake City Kolkata-700091