



MAKE POSSIBLE **WITH ESAB**



ANNUAL REPORT

2025-2026

Board of Directors

Kevin Johnson (till 30th April 2026)
Chairman
Curtis Evan Jewell (w.e.f. 1st May 2026)
Chairman
Rohit Gambhir
Managing Director
B Mohan
Director & CFO
N Ramesh Rajan
Independent Director
Raja Venkataraman
Independent Director
Cauvery Dharmaraj
Independent Director

Key Managerial Personnel

Rohit Gambhir
Managing Director
B Mohan
Director & Chief Financial Officer
G Balaji
Company Secretary & Compliance Officer
Email : balaji.g@esab.co.in
investor.relations@esab.co.in

Registered Office

Plot No.13, 3rd Main Road, Industrial Estate
Ambattur, Chennai - 600 058.
Tel : 044-4228 1100
Fax : 044-4228 1150
www.esabindia.com
CIN: L29299TN1987PLC058738

Bankers to the Company

1. AXIS Bank Limited
No. 82, Dr Radhakrishnan Salai,
Mylapore, Chennai - 600 004.
2. HDFC Bank Limited
No. 115, Dr Radhakrishnan Salai,
Mylapore, Chennai - 600 004.
3. JP Morgan Chase Bank, N.A.
Off C.S.T Road, Kalina, Santacruz (East)
Mumbai - 400 098.

Registrar & Share Transfer Agent Integrated Registry Management Services Private Limited

2nd Floor, 'Kences Towers' No.1,
Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017.
Tel : 044-2814 0801 / 02 / 03
Fax : 044-2814 2479 / 3378
E-mail : einward@integratedindia.in

Audit Committee

N Ramesh Rajan	Chairman
Raja Venkataraman	Member
Kevin Johnson (till 30 th April 2026)	Member
Curtis Evan Jewell (from 1 st May 2026)	Member

Stakeholders Relationship Committee

Raja Venkataraman	Chairman
Rohit Gambhir	Member
Kevin Johnson (till 30 th April 2026)	Member
Curtis Evan Jewell (from 1 st May 2026)	Member

Nomination & Remuneration Committee

N Ramesh Rajan	Chairman
Cauvery Dharmaraj	Member
Kevin Johnson (till 30 th April 2026)	Member
Curtis Evan Jewell (from 1 st May 2026)	Member

Corporate Social Responsibility Committee

Cauvery Dharmaraj	Chairperson
Rohit Gambhir	Member
Kevin Johnson (till 30 th April 2026)	Member
Curtis Evan Jewell (from 1 st May 2026)	Member

Risk Management Committee

Kevin Johnson (till 30 th April 2026)	Chairman
Curtis Evan Jewell (from 1 st May 2026)	Chairman
Rohit Gambhir	Member
Raja Venkataraman	Member
B Mohan	Member

Statutory Auditors

M/s. Deloitte Haskins & Sells

Chartered Accountants
ASV Ramana Tower,
52, Venkatanarayana Road,
T Nagar, Chennai - 600 017.
Firm Regn : 008072S

Internal Auditors

M/s. KPMG Assurance & Consulting Services, LLP

Chartered Accountants
KRM Towers, Ground Floor, No. 1,
Harrington Road, Chetpet, Chennai - 600 031.
Tel. No. 044-3914 5000

Cost Auditors

M/s. Geeyes & Co.

Cost & Management Accountants
A-3, III Floor, 56, Seventh Avenue,
Ashok Nagar, Chennai - 600 083.
Tel. No: 044-4203 3470

Secretarial Auditor

Mr. V Mahesh, Practicing Company Secretary

No. 555, Level 8, 'B' Wing, Capital Towers,
Anna Salai, Teynampet, Chennai - 600 018.
Tel. No: 044-2435 4113



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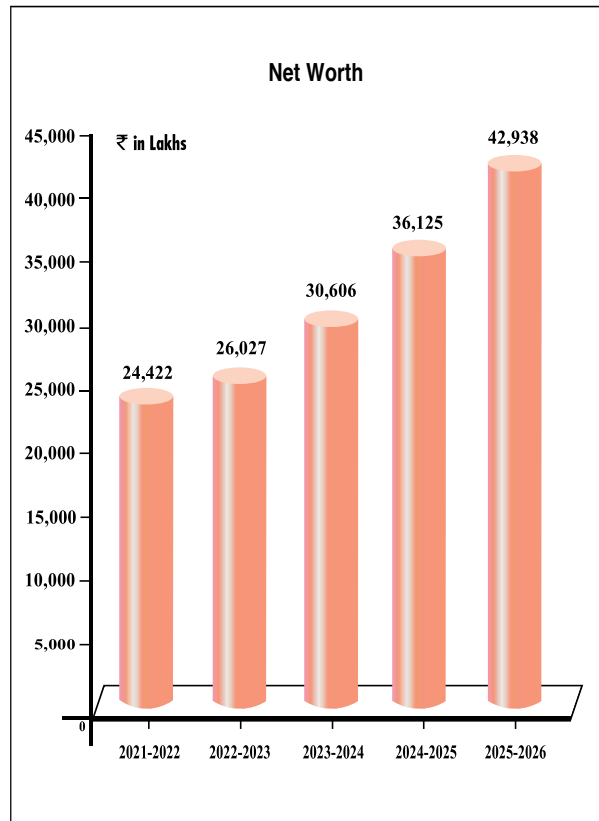
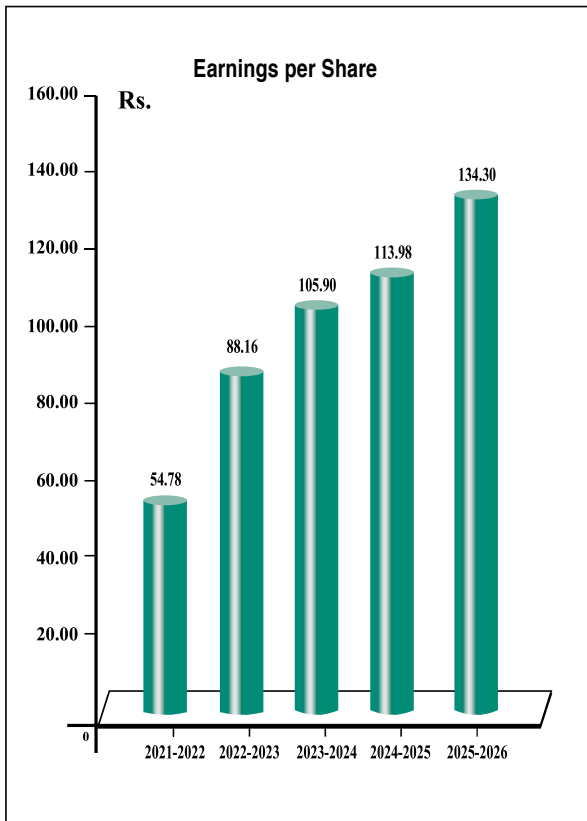
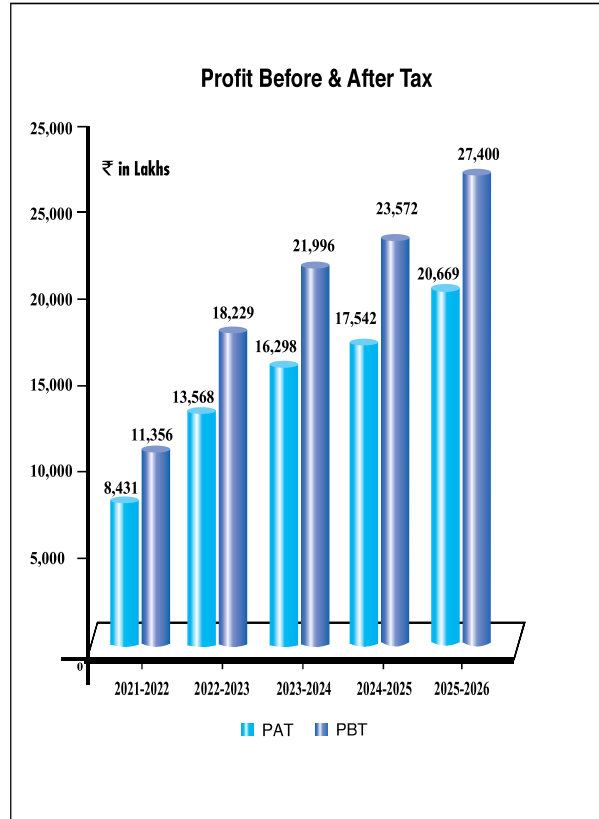
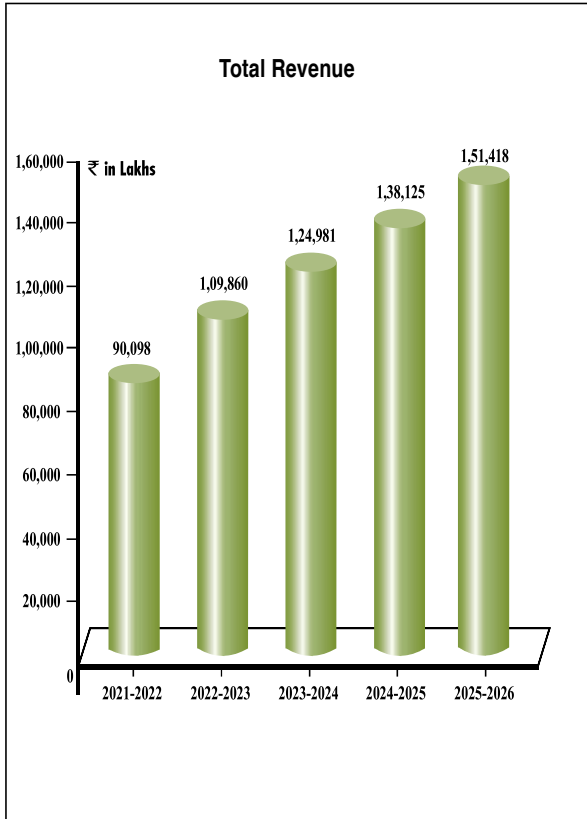
Five years

Financial Highlights

₹ in Lakhs

Operating Results	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022
Total Revenue	1,51,418	1,38,125	1,24,981	1,09,860	90,098
Materials	87,850	81,498	74,401	67,192	56,423
Manufacturing, Selling and Administrative Expenses	35,981	31,395	27,163	23,201	21,125
Interest and Finance Charges	207	168	42	50	61
Depreciation	1,706	1,492	1,379	1,188	1,133
Operating Profit	25,674	23,572	21,996	18,229	11,356
Exceptional / Extraordinary items	1,726	–	–	–	–
Profit before Tax	27,400	23,572	21,996	18,229	11,356
Taxation	(6,731)	(6,030)	(5,698)	(4,661)	(2,925)
Profit after Tax	20,669	17,542	16,298	13,568	8,431
Other comprehensive income / (loss)	(23)	(18)	(20)	44	74
Total comprehensive income for the period, net of tax	20,646	17,524	16,278	13,612	8,505
Earnings per share (Rs)	134.30	113.98	105.90	88.16	54.78
Dividends	14,162	12,005	11,699	12,007	10,005
*Dividend per share (Rs)	92	78	76	78	65
Dividend Payout Ratio	69%	69%	72%	88%	118%
Earnings for the year	20,646	17,524	16,278	13,612	8,505
Financial Position	2025-2026	2024-2025	2023-2024	2022-2023	2021-2022
Sources of Funds					
Capital	1,539	1,539	1,539	1,539	1,539
Reserves	41,399	34,586	29,067	24,488	22,883
Net Worth	42,938	36,125	30,606	26,027	24,422
Total	42,938	36,125	30,606	26,027	24,422
Application of Funds					
Fixed Assets	15,358	14,537	12,956	11,455	9,251
Investments	4,377	2,372	44	15	3,116
Deferred Tax Assets	930	1,166	198	108	162
Non Current Assets / Financial Assets	806	1,288	1,021	706	557
Current Assets / Current Financial Assets	48,416	45,555	40,880	35,117	30,524
Non Current Liabilities	(2,456)	(1,152)	(1,077)	(1,010)	(640)
Current Liabilities and Provisions	(24,493)	(27,641)	(23,416)	(20,364)	(18,548)
Total	42,938	36,125	30,606	26,027	24,422
Number of Employees	1,003	933	867	829	822

* Dividend per share is considered based on dividend payout during the financial year.



Notice to Shareholders

NOTICE is hereby given that the **Thirty Ninth Annual General Meeting** of the Members of the Company will be held on Wednesday the **29th day of July 2026 at 3:30 p.m.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2026 together with the Reports of Directors and the Auditors thereon.
2. To declare final dividend of ₹ 25 per equity share of ₹10 each i.e., 250%.
3. To appoint a director in place of Mr. B Mohan (DIN: 00261434), who retires by rotation and is eligible for re-appointment.

SPECIAL BUSINESS

4. **Approval of the appointment of Mr. Curtis Evan Jewell as Non-Executive Nominee Director**

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

RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 read with the rules made thereunder (including any statutory modifications or enactment thereof for the time being in force), Articles of Association of the Company and Regulation 17(1C) & (1D) of SEBI Listing Obligations and Disclosure Requirements Regulations 2015, the appointment of Mr. Curtis Evan Jewell (DIN: 11666741) as Non-Executive Nominee Director with effect from 1st May 2026, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Rohit Gambhir, Managing Director, Mr. B Mohan, Director & Chief Financial Officer and Mr. G Balaji, Company Secretary be and are hereby severally authorized to file necessary documents / forms with the Registrar of Companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to

this resolution and for matters connected therewith or incidental thereto.

5. **Ratification of Remuneration payable to Cost Auditors**

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

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand Only), in addition to reimbursement of travel and out-of-pocket expenses, payable to M/s. Geeyes & Co., Practicing Cost Accountants, Chennai holding Firm Registration No.000044, who have been appointed as Cost Auditor of the Company for the financial year ending 31st March 2027 as recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 27th May, 2026 be and is hereby ratified.

6. **Approval for payment of Commission to Independent Directors**

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**

RESOLVED THAT in terms of Regulation 17 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable provisions of the SEBI Regulations and pursuant to the provisions of Section 197(4) & (6) and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded to the payment of remuneration by way of commission not exceeding 1% of the net profits of the Company, in any financial year, for a period of five financial years commencing from 1st April, 2026 to 31st March, 2031 to Independent Directors of the Company.

By Order of the Board of Directors

Chennai
27th May, 2026

G. Balaji
Company Secretary

NOTES:**1. EXPLANATORY STATEMENT REQUIRED PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 (ACT) IN RELATION TO ITEM NOS. 4, 5 AND 6 IS PRESENTED BELOW.****2. GENERAL INFORMATION TO SHAREHOLDERS**

- i) Voting rights shall be reckoned on the basis of the shares registered in the name of the Members / Beneficial Owners as on **23rd July 2026**
- ii) Pursuant to Ministry of Corporate Affairs (MCA) Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, General Circular No. 03 / 2025 dated 22nd September 2025 and all other relevant circulars (MCA Circulars) issued from time to time, Companies are permitted to hold the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) without the physical presence of the Members until further orders from MCA. In compliance with the provisions of the Companies Act, 2013 ("Act") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.
- iii) As per the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Pursuant to MCA Circulars the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-Voting.
- iv) Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send to the Scrutinizer by e-mail to their registered email address maheshvenki@vmacs.co.in with a copy marked to evoting@nsdl.co.in, a certified copy of the relevant Board Resolution / Authorization authorizing their representative(s) to attend the AGM through VC / OAVM and to vote through remote e-Voting.
- v) The relevant details, pursuant to Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is presented hereto.
- vi) As per Regulation 40 of SEBI LODR Regulations, as amended, any request received for transfer, transmission or transposition of securities of listed

companies held in physical form shall be effected only in dematerialized form.

- vii) In view of this and to eliminate all the risks associated with physical shares and ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent (RTA), Integrated Registry Management Services Private Limited for any assistance in this regard.
- viii) Niveshak Shivir is a joint initiative by SEBI and the Investor Education and Protection Fund Authority (IEPFA) to help investors reclaim unclaimed dividends and shares, update KYC/nomination details, and resolve pending claims directly with companies and registrars. It acts as a one-stop facilitation camp for investor grievance redressal and financial literacy.
- ix) In alignment with the objectives of Niveshak Shivir, IEPF Authority has launched its 100 days Campaign titled "Saksham Niveshak". This initiative is aimed at assisting shareholders in claiming their unclaimed shares/dividends and facilitating the updation of KYC records to improve investor service delivery. During this Campaign all the shareholders who have not claimed their dividends for any financial years or have not updated their KYC or any issues related to unclaimed dividends and shares may write to the Companies Registrar and Transfer Agent (RTA) i.e., Integrated Registry Management Services Private Limited, situated at 2nd Floor, "Kences Towers", No 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Email: einward@integratedindia.in.
- x) With effect from 1st April 2024, any payment of dividend to the holders of securities who have not updated their KYC / Bank account details with the Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited, shall be paid only through electronic mode upon updation of their relevant details.
- xi) Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Integrated Registry Management Services Private Limited in case the shares are held by them in physical form.
- xii) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in

electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Company's RTA i.e., Integrated Registry Management Services Private Limited.

- xiii) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Integrated Registry Management Services Private Limited in case the shares are held by them in physical form.

- xiv) As per the provisions of Section 72 of the Act, the facility for making nominations is available for the Members in respect of the shares held by them. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly.

Members who hold shares in a single name are advised, in their own interest, to avail the nomination facility by submitting Form SH 13. Members holding shares in dematerialized form may contact their Depository Participant to record the nomination in respect of their shares.

- xv) Members holding shares under identical names (in the same order) in more than one folio are requested to write to the Company Secretary at the Registered Office of the Company, enclosing their share certificate to enable consolidation of their holding into one folio. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

- xvi) Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company **on or before 25th July 2026** through email on investor.relations@esab.co.in or balaji.g@esab.co.in. The same will be replied by the Company suitably.

- xvii) Pursuant to the provisions of Section 124 (5) & (6) of the Companies Act, 2013, the Company has transferred on due dates, unpaid or unclaimed dividends up to the financial year 2018-19 to Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education

and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2026 on the website of the Company (www.esabindia.com), and on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

In accordance with the following schedule, the dividend for the years mentioned below, if unclaimed within a period of seven years will be transferred to IEPF.

Year	Type of dividend	Dividend per share (₹)	Date of declaration	Due date for transfer	Unpaid / Unclaimed amount as on 31.03.2026 (₹)
2019-20	Interim	70.00	28.05.2020	03.07.2027	38,00,468.00
2020-21	Interim	19.00	10.02.2021	18.03.2028	9,29,169.25
2020-21	Final	25.00	12.08.2021	17.09.2028	12,35,436.00
2021-22	1 st Interim	22.00	10.11.2021	16.12.2028	10,06,422.00
2021-22	2 nd Interim	18.00	10.02.2022	18.03.2029	7,45,614.00
2021-22	Final	20.00	11.08.2022	16.09.2029	9,48,313.00
2022-23	1 st Interim	30.00	11.11.2022	17.12.2029	12,75,414.00
2022-23	2 nd Interim	28.00	10.02.2023	19.03.2030	10,71,459.29
2022-23	Final	20.00	10.08.2023	15.09.2030	8,79,393.24
2023-24	1 st Interim	32.00	10.11.2023	16.12.2030	14,71,263.80
2023-24	2 nd Interim	24.00	27.03.2024	02.05.2031	18,51,082.22
2023-24	Final	30.00	08.08.2024	15.09.2031	18,01,931.00
2024-25	1 st Interim	25.00	08.11.2024	14.12.2031	16,10,446.00
2024-25	2 nd Interim	23.00	10.02.2025	18.03.2032	14,07,782.00
2024-25	Final	42.00	11.08.2025	19.09.2032	28,55,092.00
2025-26	1 st Interim	25.00	08.12.2025	16.12.2032	14,32,416.00
2025-26	2 nd Interim	25.00	10.02.2026	17.04.2033	15,06,976.50
Total					2,58,28,678.30

- xviii) Members are requested to note that pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred to IEPF. In pursuance of this provision, the Company has already transferred the shares pertaining to shareholders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund (IEPF).

- xix) The Company had already sent a communication to all the shareholders that henceforth all documents to be sent to the shareholders under the provisions of Companies Act, 2013 will be

sent to their registered email address, thereby enabling paperless compliance. Further, in compliance with the aforesaid MCA General Circular No. 3/2025 dated September 22, 2025, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories.

- xx) Pursuant to Regulation 36(1)(b) of SEBI (LODR) Regulations 2015, the Company, through its RTA, will send a letter providing a weblink including the exact path where complete details of the annual report are available to those shareholders who have not registered their e-mail address with the Company or with depositories. Further, the Company will provide a hard copy of the full annual report to those shareholders who request the same.
- xxi) In line with the MCA General Circular No.03/2025 dated September 22, 2025 members may note that the Notice and Annual Report for the financial year 2025-26 will be available on the Company's website www.esabindia.com, website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) www.evoting.nsdl.com
- xxii) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
- xxiii) AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General Circular No.03/2025 dated September 22, 2025.
- xxiv) Members can join the AGM through VC / OAVM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- xxv) 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.
- xxvi) The facility for participation in the AGM will be available for 1000 members on first come first served basis except for large shareholders (Holding more than 2% or more of 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.
- xxvii) 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 Circular issued by the Ministry of Corporate Affairs dated September 22, 2025 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 e-Voting on the date of the AGM will be provided by NSDL.

- xxviii) In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of Mr. B Mohan, Director & CFO, who is liable to retire by rotation and who is eligible for reappointment including his expertise in specific functional areas, other directorships and committee memberships, shareholding, and relationship with other directors of the Company are given below:

I. A Brief Profile of Mr. B Mohan, Director & CFO

Name	B Mohan
DIN	00261434
Date of Birth	20-09-1965
Nationality	Indian
Date of first appointment on the Board	20 th June 2023
Shareholding in ESAB	Nil
List of Directorships held in other Companies (excluding Foreign and Section 8 Companies)	Director in EWAC Alloys Limited, GCE India Private Limited and Aktiv Technologies Private Limited
Membership / Chairmanship of Audit and Stakeholders' Relationship Committees across Public Companies	Chairman of Audit Committee of EWAC Alloys Limited
Disclosure of relationship between directors inter-se	He is not related to any Director of the Company.

Mr. B Mohan graduated in the year 1985 and completed Chartered Accountancy in 1986. He is also a qualified Company Secretary. He started his career with A.F.

Ferguson and Associates, Mumbai handling statutory audits in leading Companies including Tata Steel, Hindustan Unilever and a few businesses of General Electric. He moved to Wipro, Bangalore and served in multiple roles as divisional finance head across various IT businesses of Wipro. After a year with Gillette, Delhi in the Corporate Accounting function moved to Valeo, Chennai a part of Valeo S.A, France headquartered auto components entity. Over a period of 7.5 years, he headed Finance function in two of their Joint ventures from a project set up stage. He has expertise in the field of Finance, Accounting and Management.

He finally moved to ESAB India Limited in 2005 as CFO and has been heading Finance and IT for over 20 years.

Mr. B Mohan is a Non-Executive Director of EWAC Alloys Limited, GCE India Private Limited and Aktiv Technologies Private Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

3. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM THROUGH VC/OAVM VOTING THROUGH ELECTRONIC MEANS:

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI LODR Regulations, and MCA General Circular No. 03/ 2025 dated 22nd September 2025 the Company is pleased to provide members with the facility to attend the AGM through VC / OAVM and to cast their vote electronically, through the NSDL e-Voting services, on all the resolutions set forth in the Notice.

The remote e-Voting period begins on **26th July 2026 at 09:00 A.M. and ends on 28th July 2026 at 05:00 P.M.** The remote e-Voting module shall be disabled by NSDL for voting thereafter. Members whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., **23rd July 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, i.e., **23rd July 2026**.

The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

Those Members who will be present in the AGM through VC / OAVM facility and have not cast 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 during the time of conduct of Annual General Meeting and until conclusion of the Annual General Meeting.

The Board of Directors has appointed Mr. V Mahesh (Membership No. F4162) of V Mahesh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.

The Scrutinizer shall within two working days from the conclusion of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company or to any authorized signatory of the Company.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **23rd July 2026**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., **23rd July 2026** may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

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. 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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL. (continued)	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. 2. 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 3. 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. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL (continued)	code mentioned below for seamless voting experience. NSDL Mobile App is available on    
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 use 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

Type of shareholders	Login Method
	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 and 022-2499 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 22 55 33

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 use 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".

Select "EVEN" of the Company which is **139776**.

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 maheshvenki@vmacs.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, 022 - 2499 7000 or send a request to (Prajakta Pawle) 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), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Registrar and Transfer Agent (RTA) of the Company einward@integratedindia.in

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), AADHAAR (self attested scanned copy of Aadhaar Card) to the email ID of our Registrar and Transfer Agent (RTA) einward@integratedindia.in. If you are an Individual shareholder 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 shareholders / 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.

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. Members who have any queries on the subjects detailed in the Annual Report, may send in their questions in advance from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, email id, mobile number to email ID balaji.g@esab.co.in on or before **25th July 2026** (5:00 p.m. IST). The same will be replied by the Company suitably.
6. Alternatively, a Q&A panel would also be made available for the Members on the date of AGM i.e., **29th July 2026** and the Members may raise questions through such panel also. The Company reserves the right to restrict the number of questions depending on the availability of time for the AGM.

Other Instructions:

The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting and within two working days of conclusion of the AGM, submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.esabindia.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately.

The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The resolutions, if approved, will be taken as passed effectively on the date of Annual General Meeting.

The Board of Directors at its meeting held on 27th May 2026 appointed the scrutinizer for e-Voting as per details given below:

Mr. V Mahesh

Practicing Company Secretary

C/o. Integrated Registry Management Services Private Ltd

Unit: ESAB India Limited

2nd Floor, 'Kences Towers', No.1 Ramakrishna Street,
North Usman Road, T. Nagar, Chennai 600017.

Members who have cast their vote already by remote e-Voting shall not be entitled to cast their vote again on the day of AGM.

The Scrutinizer, after completion of the Scrutiny, will submit his report to the Chairman of the Company or any person authorized by him in writing. The results will be declared by the Chairman or by any person authorized by him in this regard on or before 31st July 2026.

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

Item No.4

Approval of the Appointment of Mr. Curtis Evan Jewell as Non-Executive Nominee Director

Pursuant to Articles 111 and 147 of the Articles of Association of the Company, ESAB Holdings Limited, UK has submitted a nomination letter dated 22nd April 2026 appointing Mr. Curtis Evan Jewell as Non-Executive Nominee Director replacing Mr. Kevin Johnson with effect from 1st May 2026.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 30th April 2026 have appointed Mr. Curtis Evan Jewell as Non-Executive Nominee Director effective from 1st May 2026 and recommended the same for approval of the shareholders.

Pursuant to Regulation 17(1C) (a) of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, it is proposed to obtain approval from the shareholders for appointment of Mr. Curtis Evan Jewell as a Non-Executive Nominee Director effective from 1st May 2026.

The disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below

A Brief Profile of Mr. Curtis Evan Jewell, Non-Executive Nominee Director

Name	Curtis Evan Jewell
DIN	11666741
Date of Birth	01-12-1981
Nationality	USA
Date of first appointment on the Board	1 st May 2026
Shareholding in ESAB	Nil
List of Directorships held in other Companies (excluding Foreign and Section 8 Companies)	Director of GCE India Private Limited and Aktiv Technologies Private Limited
Membership / Chairmanship of Audit and Stakeholders' Relationship Committees across Public Companies	Nil
Disclosure of relationship between directors inter se	He is not related to any Director of the Company.

Mr. Curtis Evan Jewell is a Senior Vice President and General Counsel of ESAB Corporation. Prior to ESAB Corporation, he served as General Counsel of ESAB. He has significant experience in leading legal teams through complex acquisitions and cross border initiatives while driving process improvement. Prior to his appointment at ESAB, he was the Corporate Secretary of Colfax Corporation, where he held roles of increasing responsibility since joining in February 2011.

Before joining Colfax, Mr. Curtis Evan Jewell was in private practice at Hogan Lovells LLP, where he focused on securities law and corporate governance, mergers and acquisitions and capital market transactions. He began his legal career at Schulte Roth & Zabel LLP in New York. Mr. Curtis Evan Jewell earned his bachelor's degree in philosophy and political science from Washington University in St. Louis, and his law degree from The University of Pennsylvania Carey Law School, where he also received a Certificate in Business and Public Policy from The Wharton School.

Mr. Curtis Evan Jewell is a Non-Executive Director of GCE India Private Limited and Aktiv Technologies Private Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item No.4.

The Board hereby recommends an Ordinary Resolution as set out at item No.4 of the Notice for approval by the Shareholders.

Item No.5

Ratification of remuneration payable to Cost Auditors

The Board at its meeting held on 27th May 2026 appointed M/s. Geeyes & Co., Practicing Cost Accountants, holding Firm Registration No. 000044, as Cost Auditor of the Company in terms of Section 148 of the Companies Act, 2013 (the Act 2013) and fixed a sum of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand only) as remuneration payable to them, for the financial year ending 31st March 2027.

The remuneration, as recommended by the Audit Committee and approved by the Board, is required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules, 2014, read with Section 148 (3) of the Act 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in item No.5.

The Board hereby recommends an Ordinary Resolution as set out at item No.5 of the Notice for approval by the Shareholders.

Item No.6

Approval for payment of commission to Independent Directors

Pursuant to Section 197 of the Companies Act 2013 and Regulation 17(6)(a) of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company shall recommend the payment of compensation if any paid to non-executive directors including independent directors and shall require approval of shareholders in general meeting. Accordingly, the Board of Directors at its meeting held on 27th May 2026 have recommended payment of remuneration by way of Commission to the Independent Directors of the Company for a period of five financial years from 2026-27 to 2030-31, not exceeding 1% of the net profits of the Company in any financial year.

Independent Directors play a crucial role in:

- Providing objective judgment and oversight on Board decisions.

- Ensuring adherence to corporate governance standards.
- Safeguarding the interests of minority shareholders.
- Bringing in expertise and independent perspectives to strategic, financial, and risk management matters.

Given the significant time commitment, responsibilities, and accountability expected of Independent Directors, the Board considers it is appropriate to compensate them through commission, in addition to sitting fees, as recognition of their valuable contribution to the Company's growth and governance.

All Independent Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of the commission payable to them. No other Director, Key Managerial Personnel, or their relatives are concerned or interested in this resolution.

The Board hereby recommends an Ordinary Resolution as set out at item No.6 of the Notice for approval by the Shareholders.

By Order of the Board of Directors

Chennai
27th May, 2026

G. Balaji
Company Secretary

Directors' Report to Shareholders

Your Directors' take pleasure in presenting the Thirty Ninth Annual Report together with the audited financial statements of the Company for the financial year ended 31st March 2026.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2025-26	2024-25
Total Revenue	1,51,418	1,38,125
Profit before Interest expense and Depreciation	27,587	25,232
Depreciation & Amortisation	(1,706)	(1,492)
Finance cost	(207)	(168)
Profit before exceptional and prior period items and tax	25,674	23,572
Exceptional items	(1,726)	–
Profit before Tax from continuing operations	27,400	23,572
Tax Expense	(6,731)	(6,030)
Net Profit After Tax	20,669	17,542

The financial statements of the Company for the year under review and for the previous financial year were prepared under IND AS.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There were no reportable events subsequent to the date of the financial statements except the recommendation of the Final Dividend 2025-26 @ 250% at the Board Meeting held on 27th May 2026 subject to the approval of the shareholders.

Pursuant to nomination letter dated 22nd April 2026 by ESAB Holdings Limited, UK, Mr. Curtis Evan Jewell has been appointed as Non-Executive Nominee Director and Chairman of the Board replacing Mr. Kevin Johnson with effect from 1st May 2026.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There has been no material change in the nature of business during the period under review.

4. DIVIDEND

The shareholders at the Annual General Meeting held on 14th August 2025 had approved a Final Dividend of ₹ 42/- per equity share of ₹ 10/- each (420%) for the financial year 2024-25 resulting in a cash outflow of about ₹ 64.65 crores and the same was paid on 10th September 2025.

During the Financial Year 2025-26, the Board of Directors approved two Interim Dividends as detailed below.

- First Interim Dividend of ₹ 25/- per equity share of ₹ 10/- each (250%) at its meeting held on 10th November 2025 resulting in a cash outflow of about ₹ 38.48 crores, which was paid on 8th December 2025; and
- Second Interim Dividend of ₹ 25/- per equity share of ₹ 10/- each (250%) at its meeting held on 10th February 2026 resulting in a total cash outflow of about ₹ 38.48 crores, which was paid on 6th March 2026.

In addition to the above two interim dividends for the financial year 2025-26, the Board has proposed a final dividend of ₹ 25/- per equity share of ₹ 10/- each (250%) for the financial year 2025-26, which is subject to approval of the shareholders at the ensuing Annual General Meeting to be held on 29th July 2026.

5. IND AS STANDARDS

Your Company had adopted IND AS in pursuance of Section 133 of the Companies Act, 2013 and in compliance with the Companies (Indian Accounting Standards) Rules, 2015. The financials for the current financial year ended 31st March 2026 and the comparative figures for the last financial year ended 31st March 2025 have been prepared and published based on such IND AS standards.

The quarterly results are also published by the Company based on IND AS. These have been published in newspapers and also made available in the Company's website https://esabindia.com/in/ind_en/investor-relationship/paper-advertisements/ and the website of the stock exchanges where the shares of the Company are listed.

6. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016 ("The Rules"), all unpaid / unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer of unpaid / unclaimed dividend to Unpaid Dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the dematerialized account created by the IEPF authority. The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company transferred the unpaid or unclaimed dividends and corresponding shares pertaining to

- Final Dividend 2017-18 on 26th September 2025 and on 18th October 2025 respectively and
- Interim Dividend 2018-19 on 2nd January 2026 and on 23rd January 2026 respectively.

Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account of the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as prescribed by IEPF Authority from time to time.

The Member / Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Due dates for transfer of Unclaimed Dividend to IEPF are provided elsewhere in the notice calling the Annual General Meeting.

Details of shares / shareholders in respect of which dividends have not been claimed, are provided on our website at https://esabindia.com/in/ind_en/investor-relationship/statement-of-unclaimed-dividends/. The shareholders are encouraged to verify their records and claim their dividends of all the preceding seven years, if not claimed.

7. BOARD MEETINGS

The Board of Directors met 5 times during the financial year 2025-26. The Meetings were held on 27th May, 11th August, 10th November of 2025, 10th February and 25th March 2026.

8. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has six members.

Mr. Kevin Johnson was the nominee of ESAB Holdings Limited and a non-retiring Director in terms of the Articles of Association and Chairman of the Board until 30th April, 2026.

Pursuant to nomination letter dated 22nd April 2026 by ESAB Holdings Limited, UK, Mr. Curtis Evan Jewell has been appointed as Non-Executive Nominee Director and Chairman of the Board replacing Mr. Kevin Johnson with effect from 1st May 2026.

As per Regulation 17(1C) & (1D) of SEBI (LODR) Regulations 2015, the appointment of Mr. Curtis Evan Jewell (DIN: 11666741) as Non-Executive Nominee Director with

effect from 1st May 2026 requires shareholders approval. The Company has placed this subject before the shareholders at the forthcoming AGM for their approval.

Mr. Rohit Gambhir is the Managing Director of the Company. He was initially appointed for a period of five years with effect from 1st November 2013 and thereafter for a second term of five years until 31st October 2023. He was then appointed at the Annual General Meeting held on 10th August 2023 for a period of five years with effect from 1st November 2023.

Mr. B Mohan, Director & CFO, was appointed for a period of five years with effect from 20th June 2023. In accordance with the provisions of Article 129 of the Company's Articles of Association, Mr. B Mohan, retires by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

Mr. N Ramesh Rajan and Mr. Raja Venkataraman were inducted into the Board of Directors for a period of five years with effect from 27th January 2025. Their appointment was approved by the shareholders via Postal Ballot on 12th March 2025.

Ms. Cauvery Dharmaraj was appointed as Independent Director for a period of five years from 23rd March 2023. Her appointment was approved by the shareholders via Postal Ballot on 3rd March 2023.

Pursuant to Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014, in the opinion of the Board, the Independent Directors are competent, experienced and are the persons of expertise (including the proficiency), having positive attributes, standards of integrity, ethical behavior, qualifications & independent judgement.

The composition of the Board of Directors consists of the following members as on the date of this report.

S. No	Name of the Director	Designation
1	Kevin Johnson*	Chairman (Until 30 th April 2026)
2	Curtis Evan Jewell**	Chairman (w.e.f 1 st May 2026)
3	Rohit Gambhir	Managing Director
4	B Mohan	Director & CFO
5	N Ramesh Rajan	Independent Director
6	Raja Venkataraman	Independent Director
7	Cauvery Dharmaraj	Independent Director

*Mr. Kevin Johnson was Non-Executive Nominee Director & Chairman of the Board until 30th April 2026.

**Mr. Curtis Evan Jewell was appointed as the Non-Executive Nominee Director and Chairman of the Board with effect from 1st May 2026.

Key Managerial Personnel

In compliance with Section 203 of the Companies Act, 2013, Mr. Rohit Gambhir, Managing Director, Mr. B. Mohan, Director & Chief Financial Officer, and

Mr. G Balaji, Company Secretary have been designated as the Key Managerial Personnel of the Company.

Mr. Rohit Gambhir was appointed as Managing Director with effect from 1st November 2023. Mr. B Mohan was appointed as Chief Financial Officer of the Company effective from 1st February 2005 and subsequently appointed as Director effective from 20th June 2023. Mr. G. Balaji was appointed as Company Secretary effective from 25th March 2022.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

As required under Section 149 (6) and (7) of the Companies Act, 2013 all the Independent Directors on the Board of the Company have individually issued the annual declarations confirming that they meet all the criteria of independence as stipulated under the Companies Act and SEBI Regulations. Further, the Independent Directors have completed their KYC confirmation on the MCA website and have also uploaded their profile in the Indian Institute of Corporate Affairs before the stipulated date.

10. COMMITTEES OF THE COMPANY

A. AUDIT COMMITTEE

The Company's Audit Committee consists of two Independent Directors and one Non-Executive Director. Mr. Ramesh Rajan is the Chairman of the said Committee. The other members of the Audit Committee are Mr. Kevin Johnson and Mr. Raja Venkataraman as of 31st March 2026.

Mr. Curtis Evan Jewell has been inducted as a member of the Audit Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

The said Committee met 4 times during the financial year 2025-26 on 27th May, 11th August, 10th November 2025 and 10th February 2026. The constitution and the terms of reference of the Committee are in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no occasions during the year when the Board of Directors did not accept the recommendations of the Audit Committee.

B. NOMINATION AND REMUNERATION COMMITTEE

The Company's Nomination and Remuneration Committee consists of two Independent Directors and one Non-Executive Director. Mr. N Ramesh Rajan is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee are Ms. Cauvery Dharmaraj, Independent Director and Mr. Kevin Johnson, Chairman of the Board as of 31st March 2026.

Mr. Curtis Evan Jewell has been inducted as a member of the Nomination and Remuneration Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

The Committee met only once during the financial year 2025-26 on 25th March 2026.

The Committee lays down the policy on remuneration stating therein the attributes required for the Managing Director,

Independent Directors and Key Managerial Personnel. The said policy also states the modus operandi for determining the remuneration of the KMP's and senior management. The remuneration policy of the Company can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/remuneration-policy/

The said committee is constituted in compliance with Section 178 (4) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The salient features of the NRC Policy is available in the Corporate Governance Report under the heading Nomination and Remuneration Committee.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company's Stakeholders Relationship Committee consists of one Independent Director, one Non-Executive Director and the Managing Director. Mr. Raja Venkataraman is the Chairman of the Committee. Mr. Kevin Johnson and Mr. Rohit Gambhir are the Members of the Committee.

Mr. Curtis Evan Jewell has been inducted as a member of the Stakeholders Relationship Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

The Committee met four times during the financial year on 27th May, 11th August, 10th November of 2025 and 10th February 2026.

The composition of the said Committee and the matters being placed before the Committee are in compliance with Section 178(5) of the Companies Act 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company's Corporate Social Responsibility Committee consists of one Independent Director, one Non-Executive Director and the Managing Director. Ms. Cauvery Dharmaraj, Independent Director, is the Chairperson of the Committee. Mr. Kevin Johnson and Mr. Rohit Gambhir, Managing Director are the members of the said Committee.

Mr. Curtis Evan Jewell has been inducted as a member of the Corporate Social Responsibility Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

The Committee met twice during the financial year 2025-26 on 27th May 2025 and on 10th February 2026.

The Committee lays down the Policy on Corporate Social Responsibility stating therein the strategy, objectives, funding & allocation for the CSR projects, implementation, strategy and steps involved in achieving the CSR objectives. The Policy on Corporate Social Responsibility can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/.

The budget allocation for CSR Projects for the year 2025-26 can be viewed on the company's website https://esabindia.com/in/ind_en/investor-relationship/policies/csr-annual-action-plans/

The formation of the Committee and its terms of reference are in line with the requirements of Section 135 (1) of the Companies Act, 2013. The CSR Report for the financial year 2025-26 is attached as an annexure to this report, complies with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

E. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee as stipulated by the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Risk Management Committee consists of Mr. Kevin Johnson, Chairman of the Board, Mr. Rohit Gambhir, Managing Director, Mr. Raja Venkataraman, Independent Director and Mr. B Mohan, Director & CFO of the Company. A Risk Management Committee is mandatory for the Company since it is part of the Top 1000 Companies in terms of market capitalization.

Mr. Curtis Evan Jewell has been inducted as a Chairman of the Risk Management Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings. Accordingly, the said Committee met twice during the financial year on 27th May 2025 and on 10th November 2025.

The said Committee lays down the Policy on Risk Management. The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and mitigating those risks which are material in nature and are associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management.

The Risk Management Policy of the Company can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/risk-management-policy/.

11. VIGIL MECHANISM

The Company has set up a whistleblower policy which can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrongdoings. The said policy has been made available at the Offices / Plants of the Company at conspicuous places to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. Employees who join the Company newly are appraised of the availability of the said policy as a part of their induction schedule.

The above complies with the requirements of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, there were no complaints.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors make the following statements as per the requirements of Section 134 (5) of the Companies Act, 2013.

1. In the preparation of the annual accounts for the financial year ended 31st March 2026 the applicable accounting standards have been followed.
 2. The Directors have selected such accounting policies listed in Note 2.2 to the Notes to the Financial Statements and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year as on 31st March 2026 and of the Profit of the Company for that year.
 3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
 4. The Directors have prepared the annual accounts for the financial year ended 31st March 2026 on a going concern basis.
 5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 6. 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.
13. There were no instances of fraud reported by the auditors of the Company under sub-section 12 of Section 143 of the Companies Act, 2013.

14. MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Macro-economic and geo-political headwinds continued along with potentially disruptive AI to make it yet another challenging year.

Continued surge in commodity prices along with increase in energy costs and a weaker Rupee in the last quarter posed significant challenges to profitability.

Overall growth and growth in industrial segments relevant to the Company remained muted with weakness overall in capital expenditure as well.

The Company continued to push for volume growth and productivity with growth in exports to offset some of the FX risks on imports.

New products and channel expansion continued to contribute to growth in a difficult environment.

B. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Overall fabrication segment showed low growth. All key product categories performed well for us with a high degree of resilience to market headwinds. We had good growth in exports of goods and services during the year to offset anemic market conditions domestically.

C. OUTLOOK, OPPORTUNITIES AND THREATS

We remain invested for the long term and expect strong volatility to continue in the face of developments in West Asia.

We continue to focus de-risking in supply chain to ensure high levels of service to customers. The short-term outlook remains challenging, and the medium-term outlook has multiple external dependencies to call.

International developments on the geo-political front, currency movements, tariffs and fiscal/ monetary policies would continue to be the key drivers for the ongoing financial year.

Development of new products, export opportunities for goods and services, capital goods cycle revival are potentially key opportunities for the year ahead. Service revenue streams continue to witness opportunities given the cost competitiveness and talent pool availability in India.

International presence with expanding footprint from acquisitions, long presence in India with established business partners and a relatively healthy financial position are seen as opportunities.

D. RISKS AND CONCERNS

Pricing pressures, liquidity challenges and supply chain driven issues on working capital together with global factors are seen as key risks apart from cyber security and technology driven risks.

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls are evaluated by the Management on an ongoing basis drawing on inputs from global framework, learnings from previous years and the emerging landscape on technology and regulatory framework. Independent Internal Auditors are engaged by the Company to test efficacy of controls in terms of design and operating effectiveness. We continue to work with internal auditors and domain experts to test these and identify areas for improvement. As a subsidiary of a US listed entity, it is subjected to additional reviews applicable to such entities. Key findings and actions taken to implement or remediate the same are reviewed by the Audit Committee periodically at its meetings. The scope and coverage of internal audits

are aligned to have coverage in terms of key controls and locations. The endeavor is to align to the requirements of Internal Control on Financial Reporting (ICFR) framework while leveraging on work done as part of global reporting requirements. Management testing through independent audit teams followed by external testing were done during the year.

The Internal Auditors' scope of work includes review of controls on accounting, operational controls, financial reporting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

The Company continues to focus on compliance with the requirements of Internal Controls on Financial Reporting.

16. FINANCIAL PERFORMANCE OF THE COMPANY

A. INCOME AND EXPENDITURE

Revenue from operations grew by 9.80%. The growth was across all product categories and driven by volume and price. New product launches were well received in the markets and we also witnessed growth in exports during the year. This growth was achieved through a strong and growing distribution network and also with the leverage of global customer relationships.

We saw continuing growth in support services through our GCC and R&D services to related parties with double digit growth and new workstreams. Other income was lower due to one-time income lines in 2025 on indirect tax refunds.

Material costs as a percentage of sales were comparable with the previous year as adjusted for product mix. Overheads including employee costs were higher due to the impact of inflation and also costs on service activities recharged out.

The Company has continued to provide for Depreciation at useful lives based on a technical evaluation of useful life of assets. Profit before tax was higher by 8.92% over the previous year with the impact of higher contributions from revenue growth.

B. BALANCE SHEET

Shareholders' funds were at ₹ 429.38 Crores at the end of the year as against ₹ 361.25 Crores at the end of the previous year. The Company had declared and paid two interim dividends aggregating to ₹ 50/- per equity share and has also proposed a final dividend of ₹ 25/-per share.

The Company navigated yet another volatile year which ended with growth in sales and profitability. Cash flows continued to be strong despite challenges on working capital and supply chain issues. Costs and productivity continued to be areas of high focus as we leveraged on global business tools and metrics to benchmark and improve.

Capital Expenditure was at ₹ 29.78 Crores in the current financial year. Capital expenditure was primarily on Infrastructure including Buildings, EHS, R&D and refurbishments on existing lines. Capital Expenditure was directed towards productivity improvements, marginal capacity enhancements and upgrading IT systems.

Cash and cash equivalents were at ₹ 57.46 Crores at the end of the year as against ₹ 65.11 Crores at the end of the previous year. All business requirements were funded by internal cash generation and the Company continued to remain debt free.

C. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

We believe that investing in our people is key to driving sustainable organizational growth and success. Our team is focused on enhancing the skills, knowledge, and abilities of employees to improve both individual and organizational performance. It's a continuous process to maximize the potential of human capital within an organization, fostering a culture of learning and growth. Human Resource Development initiatives include training, career development, performance management, and succession planning, all designed to align employee development with organizational goals.

As we continue to grow, we remain committed to keeping our employees motivated, skilled and prepared to meet future challenges in our pursuit of excellence.

As at the end of March 2026 the Company had 1,003 employees as against 933 at the end of 31st March 2025.

D. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There are no significant changes in the key financial ratios exceeding 25% over the previous financial year.

- E. Return on net-worth slightly increased from the previous financial year 2024-25 on account of incremental growth in profitability.

17. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

The Company does not have any subsidiary, joint venture, or associate company.

18. HOLDING COMPANY

ESAB Corporation, Delaware, USA, is the ultimate parent company of ESAB India Limited. ESAB Corporation holds 73.72% of equity shares of your Company through ESAB Holdings Limited, UK and Exelvia Group India B V, Netherlands.

19. ANNUAL RETURN

Pursuant to sub section (3) of section 92 of the Companies Act 2013, your Company has placed a copy of the annual return for the financial year 2024-25 and a draft annual return for financial year 2025-26 on its website and it can be

viewed from the company's website viz. https://esabindia.com/in/ind_en/investor-relationship/annual-returns/.

20. STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the 37th Annual General Meeting held on 8th August 2024 till the conclusion of 42nd Annual General Meeting.

The details of remuneration of the statutory auditors with break-up of fee paid to M/s. Deloitte Haskins & Sells as required by the provisions of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year 2024-25 is given as part of the Corporate Governance Report.

Their remuneration is fixed in line with the recommendations of the audit committee and as duly approved by the Board of Directors.

The Statutory Auditors have issued an unqualified report on the financials of the Company for the financial year ended 31st March 2026. Members may please take note of the changes in the requirements with respect to the report of the Auditors including specific references for key audit matters.

21. SECRETARIAL AUDITOR

In terms of Section 204 (1) of the Companies Act, 2013 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. V Mahesh, Practicing Company Secretary, were appointed as Secretarial Auditors of the Company for a period of five years from 2025-26 to 2029-30. Their appointment was informed to the Registrar of Companies, Chennai vide SRN AA8328369 in form MGT-14 dated 6th June 2024.

Mr. V Mahesh has now completed their secretarial audit and has issued their certificate dated 18th May 2026 as per the prescribed format MR-3 to the shareholders of the Company, which is annexed to this Report as **Annexure-2**.

The Secretarial Auditor has no observations and has confirmed that the Company has proper board processes and a compliance mechanism in place. He has also affirmed that the Company has complied with the relevant statutes, rules and regulations and secretarial standards, as applicable.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The information required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in **Annexure - 1** and forms part of this Report.

23. DETAILS RELATING TO DEPOSITS

The Company has not accepted any deposits during the period under review as envisaged under Section 73, 74 & 76 of the Companies Act, 2013. There have been additional

filing requirements introduced with respect to liabilities not in the nature of deposits. The necessary form DPT 3 has been filed for the financial year 2024-25 on 19th June 2025 vide SRN No. AB4742426.

24. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, there have been no significant & material orders passed by any regulators / courts / tribunals that could impact the going concern status and the company's operations in future.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company had not lent any loan to any related party as envisaged under Section 186 of the Companies Act, 2013 during the year under review.

The Board of Directors from time to time has authorized the Company to invest the surplus funds of the Company in deposits with the Bank and investments in debt funds, liquid funds and fixed maturity plans with mutual funds for a tenure not exceeding 100 days.

The investments are made in debt funds and liquid funds. The Company has earned an income of around ₹ 139 Lakhs from investment in mutual funds for the period 1st April 2025 to 31st March 2026. The Company has not given any guarantees other than bank guarantees in the normal course of business to meet its contractual obligations..

26. RISK MANAGEMENT POLICY

In compliance with the requirements of Section 134 (3) (n) of the Companies Act, 2013 and under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted a Risk Management Committee consisting of Mr. Kevin Johnson, as the Chairman, Mr. Rohit Gambhir, Mr. Raja Venkataraman and Mr. B Mohan as the Members of the Committee. With effect from 1st May 2026, the Chairman of the Committee has been replaced by Mr. Curtis Evan Jewell.

The said Committee lays down the procedures to identify risks, mitigation procedures and adopted a policy in this regard. The Board of Directors defines the roles and responsibilities of the Committee.

The said committee updates the Board of Directors on a periodical basis on the material risks faced by the Company and the measures taken by the Company to mitigate the said risks. The Committee analyzed various risks including ESG risk and those arising from cyber security aspects, remote access control and other different controls necessary to be established with executives working from home. They suggested the actions to be taken to mitigate these risks which went a long way in the Company successfully managing all the risks.

27. CORPORATE SOCIAL RESPONSIBILITY

As required under Section 134 (3) (o) read with Section 135 (1) of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Committee has Ms. Cauvery Dharmaraj as the Chairperson of the said committee. Mr. Kevin Johnson, Chairman of the Board and Mr. Rohit Gambhir, Managing Director are the other members of the said Committee. Mr. Curtis Evan Jewell has been inducted as a member of the Corporate Social Responsibility Committee replacing Mr. Kevin Johnson effective from 1st May 2026.

The Committee formulated a policy on CSR and the Board of Directors approved the same. The policy as required under Section 135 (4) (a) of the Companies Act, 2013 has been uploaded on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/

As part of CSR initiatives, the Company has been involved in promoting and educating safe welding practices including usage of all personal protective equipment during the process of welding to ensure total safety of the welders, especially at smaller towns through deployment of duly trained resources. The Company had also tied up with certain vocational institutions for educating the welders in Tier II and Tier III cities on safe welding practices through deployment of personnel.

During the year under review, the Company had the eligible 2% spend of ₹ 4,25,32,665/-

There was an unspent amount of ₹ 35,49,274/- and an excess spent of ₹ 15,59,769/- pertaining to FY 2024-25. These amounts were adjusted against the current year's liability leaving the total amount to be spent for the financial year 2025-26 as ₹ 4,45,22,170/-.

During the financial year 2025-26, the Company budgeted an amount of ₹ 4,45,22,170/- against which the Company had spent an amount of ₹ 4,16,42,049/- leaving an unspent amount of ₹ 28,80,121/- against two ongoing projects. This unspent amount of ₹ 28,80,121/- has been transferred to a separate unspent CSR account on 28th April 2026.

The Company's policy on CSR envisages expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013. The annual report on CSR activities is enclosed by way of **Annexure – 3** to this report.

28. RELATED PARTY TRANSACTIONS

As required under Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company places before the audit committee the list of related parties from whom they buy raw materials or finished goods, to whom the Company extends services or exports goods. The details of the basis of pricing and the margins on such transactions are also tabled. The Audit Committee accords its omnibus approval for such related party transactions on an annual basis. The updates on the transactions with the related parties are placed before the audit committee on

a quarterly basis. The details are also placed before the Board of Directors for its information.

As required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a policy on related party transactions and the same was approved by the Audit Committee and the Board of Directors. The said policy has been uploaded on the company's website https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-related-party-transaction/.

All the transactions with the related parties entered into during the period under review were in the ordinary course of business and at arms' length basis. There have been no material-related party transactions entered into during this period.

The details of related party transactions pursuant to Clause (h) of sub-section (3) of Section 134 of the Act, is enclosed in form no. AOC 2 as **Annexure – 4**.

29. FORMAL ANNUAL EVALUATION

As required under Section 134 (3) (p) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had already approved the evaluation criteria for evaluating the performance of the Board of Directors, its committees and the performance of Independent Directors.

Accordingly, as required under Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors at their separate meeting held on 16th February 2026 evaluated the performance of the non-independent Directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company and also assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Also as required under Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board assessed the performance of the Independent Directors as per the criteria laid down and has recommended their continuation on the Board of the Company at its meeting held on 27th May 2026.

As required under the said regulations, the Board of Directors assessed the performance of the individual directors on the Board based on parameters such as, relevant experience and skills, ability, and willingness to speak up, focus on shareholder value creation, high governance standards, knowledge of business, processes and procedures followed, openness of discussion / integrity, relationship with management, impact on key management decisions etc. The Members of the Committees of Audit, Nomination & Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Risk Management were also

assessed on the above parameters and also in the context of the committee's effectiveness vis-a-vis the Act and the listing regulations.

The Independent Directors fulfilled the independence criteria as specified under the said regulations and the Companies Act, 2013. The Board was satisfied with the evaluation results which reflected the overall engagement and the effectiveness of the Board and its committees. The Independent Directors also updated their current profiles by paying up the relevant fees on the website of the Ministry of Corporate Affairs on Independent Directors for a period of five years. All the Independent Directors possess the necessary experience and expertise in their respective fields.

30. COST AUDITOR

As required under Section 148 of the Companies Act, 2013 the Board of Directors at its meeting held on 27th May 2026 has appointed M/s. Geeyes & Co., Cost Accountants within the meaning of The Cost Accountants Act, 1959 and holding a valid certificate of practice No.000044 as the Cost Auditor for conducting the Cost Audit for the financial year 2026-27. The Audit Committee recommended the appointment subject to the compliance of the requirements stipulated in the relevant notifications issued by Ministry of Corporate Affairs.

The Company has received a letter dated 12th April 2026 from the Cost Auditor stating that the appointment, if made, will be within the limit prescribed under the Act.

The relevant Form CRA 2 for appointment of Cost auditor for the financial year 2025-26 was filed with the Registrar of Companies on 17th July 2025 vide SRN AB5486636.

The cost audit report issued by the Cost Auditor for the financial year ended 31st March 2025 was filed with the Registrar of Companies vide form CRA - 4 dated 9th September 2025 vide SRN AB6633124. The cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 are maintained.

31. RATIO OF REMUNERATION TO EACH DIRECTOR

As required under Section 197 (12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of ratio of remuneration of each Director to the median employee remuneration are as given below:

A. Executive Director

Ratio of remuneration paid to Mr. Rohit Gambhir, Managing Director vs. the median employee is **26:1** for the year ended 31st March 2026 (26:1 for the year ended 31st March 2025).

B. The percentage increase in remuneration of CFO and CS in the financial year 2025-26 was **7.50%** and **7.50%** respectively.

C. The percentage increase in the median remuneration of employees in the financial year 2025-26 was **7.34%**.

D. The number of eligible permanent employees in the rolls of the Company as on 31st March 2026 is **722** (630 as on 31st March 2025).

E. Average percentile increase made in salaries of employees other than KMP in comparison to the percentile increase in the remuneration of KMP and the justification thereof.

The average percentile increases in salaries of employees other than KMP proposed was **7.65%** while that of KMPs was **7.50%**.

As at the end of March 2026 the Company had **1,003** employees as against 933 at the end of March 2025. The Company believes in providing a working environment that is focused on the customers, teamwork, continuous improvement, innovation and a competitive environment where employees strive to improve value for shareholders.

The Board of Directors would like to affirm that the remuneration paid to the Executive and Non-executive Directors and the Key Managerial Personnel is in line with the Remuneration Policy of the Company.

As required under the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the name and other particulars of the top ten employees in terms of remuneration drawn is set out in the **Annexure - 5** to this Report.

In terms of Section 136(1) of the Companies Act, 2013 the Annual report excluding the aforesaid annexure is now being sent. The annexure is available for inspection at the Registered Office of the Company and any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the Registered Office of the Company.

32. FINANCE

The Company's relationship with its bankers, viz. AXIS Bank Ltd., HDFC Bank Ltd. and J.P Morgan continued to be cordial during the year. The Company would like to thank its Bankers for their support.

33. ENVIRONMENT, HEALTH AND SAFETY

The Company continued its commitment to industrial safety and environment protection and all its factories have obtained its ISO 14001 and OHSAS 18001 certification. Periodical audits are done by external and internal agencies to assess the continued levels of EHS efficiency of each of these plants and the OHSAS certification given is renewed after every such audit. The Company is also networked with the Group on EHS initiatives and works closely with them on initiatives and actions concerning EHS. During the year under review, the Company's Plants at Ambattur and Nagpur won global recognition for EHS initiatives.

Cautionary Statement

Certain statements in this Directors' Report may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from those either expressed or implied in this Report.

34. LISTING WITH STOCK EXCHANGES

The Company's equity shares are listed with a) BSE Limited and b) National Stock Exchange of India Limited. The annual fees for both the exchanges have been paid promptly for the year 2026-27. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had executed fresh listing agreements with BSE Limited and National Stock Exchange of India Limited on 9th November 2015.

The Company had **20,502** shareholders as at the end of the year 31st March 2026. **99.48%** of the shares are held in dematerialized form.

The Company is part of the Top 1000 Companies by way of Market capitalization. The Company has adopted a dividend policy, formed a Risk Management Committee and have also prepared a Business Responsibility and Sustainability Report for the year under review.

The dividend distribution policy is available in the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/dividend-distribution-policy/.

As required under Regulation 39 (4) Read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the shares issued by the Company consequent to amalgamation of erstwhile Maharashtra Weldaids Limited with the Company in 1994, the details of the physical shares which remains unclaimed and transferred to the Unclaimed Suspense Account and the reconciliation of the shares claimed by shareholders during the year 2025-26 and the shares outstanding in the suspense account as on 31st March, 2026 is given below:

Sl. No.	Details	No. of shareholders	No. of equity shares
1.	Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the beginning of the year i.e., as on 1.4.2025	30	2,060
2.	Number of shareholders who approached the Company and to whom shares were transferred from Unclaimed Suspense Account during the year.	1	50
3.	Transferred to Investor Education and Protection Fund	4	300
4.	Aggregate Number of shareholders and the outstanding shares lying in the unclaimed Suspense Account at the end of the year i.e., 31.3.2026	25	1,710

25 shareholders holding 1,710 equity shares constituting about 0.011% of shares have not made their claim from the Company on the shares outstanding in the Unclaimed Suspense Account of ESAB India Limited. The voting rights for these shares shall remain frozen until these are claimed by the rightful owners.

As on 31st March 2026 there were no shares in the Demat Suspense Account.

35. CORPORATE GOVERNANCE

In terms of Chapter IV Regulation 15 Read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Corporate Governance Report is made part of this Annual report.

A certificate from the Secretarial Auditors of the Company regarding compliance of the conditions stipulated for Corporate Governance as required under Clause E of Schedule V read with Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

The declaration by the Managing Director addressed to the Members of the Company pursuant to Clause D of Schedule V Read with Regulation 34 (3) Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct by the Members of the Board and by the Members of the Senior Management Personnel of the Company is also attached to this Report.

36. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE ACT

The Company has also adopted the mandatory policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Employees have been sensitized on the provisions of this enactment and the Company has also reconstituted an Internal Complaints Committee with effect from 27th May 2026 to deal with complaints, if any, under the said Act. The Committee also has an independent external NGO representative as one of its members. The Committee meets as and when the requirement arises. The Company believes in providing safe working place for the Women in the Company and adequate protection are given for them to carry out their duties without fear or favour. All the employees of the Company as a part of the induction are sensitized about the provisions of the said Act.

As required under Section 21 of Chapter VIII of the said Act, the Committee has submitted its annual report in the prescribed format to the designated authority within the stipulated period.

Pursuant to the amendment dated 30th May 2025 to Companies (Accounts) rules 2014, the details of the

POSH cases recorded during the year 2025-26 as given below:

Sl. No.	No. of compliants received during the year	No. of compliants disposed during the year	No. of cases pending for more than 90 days
1	Nil		

37. MATERNITY BENEFIT

The Company is committed to providing a safe, inclusive and supportive work environment for all employees, including women employees. The Company complies with the provisions of the Maternity Benefit Act, 1961 and the rules framed thereunder, as amended from time to time.

38. SECRETARIAL STANDARDS

As on 31st March 2026 all the applicable Secretarial Standards which have been notified have been complied with by the Company.

A certificate of compliance issued by the Secretarial Auditor Mr. V Mahesh dated 18th May 2026 is enclosed as **Annexure - 2** and forms part of this Report.

39. ISSUE OF SHARES

The Company during the year under review has not issued any SWEAT equity shares or shares with differential rights or under the Employee Stock Option Scheme nor did it buy back any of its shares.

40. THE DETAILS OF APPLICATION MADE /PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application during the year and no proceeding is pending under Insolvency & Bankruptcy Code, 2016 (IBC).

41. THE DETAILS OF ONE TIME SETTLEMENT / VALUATION WITH BANK OR FINANCIAL INSTITUTION

The Company has not availed any loan from bank / financial institution nor it has entered into one-time settlement / valuation while taking loan from the Bank or Financial Institution.

42. ACKNOWLEDGEMENTS

Your Directors' place on record their appreciation for the confidence reposed and continued support extended by its customers, suppliers and shareholders.

Your Board would like to place on record its sincere appreciation to the employees for having played a very significant part in the Company's operations till date and more so in a difficult year that we went through.

For and on behalf of the Board of Directors

Curtis Evan Jewell
Chairman

Chennai
27th May, 2026

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 1

Statement under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2026.

A. CONSERVATION OF ENERGY

- Sustained usage of the Energy Management Information System (EMS) enabled systematic tracking, monitoring, and analysis of energy consumption driving improved energy performance and enhanced efficiency.
- Implementation of auto cut-off system for coolers in assembly lines and plate warmers in cafeteria resulted in productivity and energy savings.
- Automatic control for various usages in the operations resulting in efficiency improvements and energy savings.
- Transition from the usage of metal halide lights to LED lights in shop floor resulting in energy savings.
- Usage of energy-efficient equipment & light fittings with auto switching system.
- Optimize power factor to reduce KVA demand charges and line losses within plant.
- Reduce the operating pressure of the air compressor, check for leakages, and turn it off completely when not in use.
- Continue to increase use of electricity through alternative renewable energy sources.
- Measures initiated to identify other energy saving opportunities.
- Energy-efficient AC and lighting installed across new facilities, reducing energy use and emissions.
- Ensuring Zero Liquid Discharge of effluent through its ZLD ETP plant installed and operational at one of its manufacturing facility.
- Recycling of STP water for flushing, gardening & vegetation purposes.
- Reduction of paper consumption through various initiatives.
- Various other initiatives have been taken to conserve energy.

B. TECHNOLOGY ABSORPTION

- Installation and commissioning of Zero Liquid Discharge (ZLD) Plant enabling reuse of water and supporting sustainable manufacturing practices.
- Enhanced productivity by embracing the advanced technology of extruder line with tunnel and chain continuous oven along with automatic packing set up.
- Enhanced operational efficiency and productivity by addition of new layer winding machines and SAW Reeling Machines.
- Embraced a spot cooling system for a better working environment.
- Kaizen on process time reduction done for high temperature continuous oven.
- Shifted from traditional Diesel driven heater to LPG in the Thermic Fluid Heater resulted in savings.
- Introduction of automation Teflon wrapping machine.
- Implementation of real time monitoring digital Kanban platform
- Embraced digital platform for implementation of information base management system
- Embraced auto lubrication system for drawing lines.
- Embraced vacuum pack system for standardized packaging of FCW spools.
- Enhanced the productivity of pre-drawing machine of electrode plant by installation of new VFD along with PLC.
- Installation of ABT Meters for Captive Wind power generation and its utilizations
- Embraced rotary discharge system in dust collection system.
- Adopted fire snipes unmanned areas – MV panel system.
- Embraced light intensity fire detector in the dust collection system.
- Adopted electronic descender for cooling tower pipeline.
- Adopted portable dust collection for sieving machine.

C. FOREIGN EXCHANGE

The Company exports its products and services to Angola, Australia, Bangladesh, Czech Republic, China, Dubai, Sri Lanka, Nepal, Singapore, Oman, Indonesia, Malaysia, Mongolia, Maldives, Nigeria, Philippines, Qatar, Hungary, Russia, Saudi Arabia, Tanzania, Thailand, Vietnam, Ivory Coast, Germany, USA, Ghana, Canada and Bhutan.

During the year, the total outflows in foreign exchange amounted to ₹ 27,743 lakhs (which includes ₹ 22,105 lakhs for the import of raw materials,

components and capital goods and ₹ 5,639 lakhs towards expenditure in foreign currency).

During the financial year, the foreign exchange earnings were ₹ 25,206 lakhs resulting in net foreign exchange outflow of ₹ 2,573 lakhs for the year.

For and on behalf of the Board of Directors

Curtis Evan Jewell
Chairman

Chennai
27th May, 2026

ANNEXURE - 2

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

M/s. ESAB INDIA LIMITED,

CIN: L29299TN1987PLC058738

Plot No. 13, 3rd Main Road,

Industrial Estate, Ambattur,

Chennai - 600 058.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ESAB India Limited** (hereinafter referred to as '**The Company**'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period (01st April, 2025 to 31st March, 2026) covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 according to the provisions of the below said Acts & subject to modifications/re-enactments wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - d. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - f. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Following laws, are specifically applicable to the Company as per the representation given by the Company (apart from General Laws such as Environment Laws, Labour Laws etc):
 - a. The E-Waste (Management and Handling) Rules, 2016
 - b. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011
 - c. The Petroleum Act, 1964
 - d. Gas Cylinder Storage, Rules
 - e. Batteries (Management and Handling) Rules, 2001
 - f. Indian Boilers Act, 1923
 - g. Electricity Act, 2003
 - h. Food Safety and Standards Act, 2006
 - i. The Apprentices Act, 1961
 - j. The Environment Protection Act & Rules, 1986

- k. Public Liability Insurance Act, 1991
- l. Plastic Waste Management Rules, 2016
- m. The Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958
- n. Air (Prevention and control of pollution) Act, 1991
- o. Water (Prevention and control of pollution) Act, 1974
- p. The Noise pollution (Regulation and control) Rules, 2000
- q. Employees State Insurance Act, 1948
- r. Employees Provident Funds and Miscellaneous Provisions Act 1952
- s. Payment of Bonus Act, 1965
- t. Goods and Services Tax, 2017
- u. Maternity Benefit Act, 1961
- v. The Inter-State migrant workmen (Regulation of employment and condition of services) Act, 1979
- w. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986
- x. The Contract Labour (Regulation and abolition) Act, 1970 and Rules 1971
- y. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH)

However, during the year under purview there were no instances attracting the following Laws/regulations:

1. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
2. Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
3. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
4. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
5. Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

We have also checked the compliance with the applicable clauses pertaining to the following:

- (i) Secretarial Standards with regard to Meetings of Board of Director (SS-1), General Meetings (SS-2) issued by The Institute of Company Secretaries of India subject to such modifications and amendments thereon;

- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited(NSE) and BSE Limited;
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with an appropriate balance of Executive Directors, Non-Executive Directors, and Independent Directors. During the period under review, there were no changes in the composition of the Board, and the existing composition is in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were being sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board was taken upon by the approval of majority of the Members of the Board and no dissenting views were expressed by any Board members on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

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.

We further report that during the audit period the following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards taken place: Nil

For V. Mahesh & Associates

V. Mahesh
Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Place: Chennai
Date : 18.05.2026

Peer Review No.:2107/2022
UDIN: F004162H000391659

Annexure - A

To

The Members,
M/s. ESAB INDIA LIMITED,
CIN:L29299TN1987PLC058738
Plot No. 13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058.

Our Secretarial Audit report dated 18/05/2026 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 these 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 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 regulations and 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 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 V. Mahesh & Associates

V. Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Place: Chennai

Date : 18/05/2026

Peer Review No.:2107/2022

UDIN: F004162H000391659

**ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/S. ESAB INDIA LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2026**

We V. Mahesh & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by the listed entity,
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other documents/ filings, as may be relevant, which has been relied upon to make this report,

for the financial year ended 31st March, 2026 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The Specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable to the listed entity during the review period**);
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (**Not Applicable to the listed entity during the review period**);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021(**Not Applicable to the listed entity during the review period**);
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (**Not Applicable to the listed entity during the review period**);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

and circulars/ guidelines issued thereunder;

(a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there-under, except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulations/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
Not Applicable										

(b) The Listed Entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulations/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
Not Applicable										

We hereby report that, during the Review Period the Compliance Status of the Listed Entity is appended as below:

S. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS*
1.	Secretarial Standards: The Compliances of the Listed Entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	–
2.	Adoption and timely updation of the Policies: - All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. - All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI.	Yes Yes	– –
3.	Maintenance and Disclosures on Website: - The Listed entity is maintaining a functional website. - Timely dissemination of the documents / information under a separate section on the website. - Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes Yes Yes	– – –
4.	Disqualification of Director: None of the Director(s) of the Company is/are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	NA	None of the Directors of the Company were disqualified during the review period
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: - Identification of material subsidiary companies. - Disclosure requirement of material as well as other subsidiaries.	NA NA	During the review period, the Company does not have any Subsidiary
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	–
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	–

S. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS*
8.	Related Party Transactions: - The listed entity has obtained prior approval of Audit Committee for all related party transactions; or - In case no prior approval has been obtained, the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee	Yes NA	During the Review Period, there are no such instances
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	Yes	–
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	–
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	NA	During the Review Period, there are no such instances
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/ or its material subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	–
13.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation / circular / guidance note etc except as reported above.	NA	During the Review Period, there are no such instances.

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity. .

For V. Mahesh & Associates

V. Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Peer Review No.:2107/2022

UDIN: F004162H000391791

Place: Chennai
Date : 18/05/2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of
the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,

ESAB INDIA LIMITED,

Plot No. 13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ESAB INDIA LIMITED** having CIN L29299TN1987PLC058738 and having registered office at Plot No. 13, 3rd Main Road, Industrial Estate, Ambattur, Chennai - 600 058 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/management representation letter furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been disqualified or debarred from being appointed or

continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

S. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Kevin Johnson	09147729	24/03/2021
2.	Mr. Rohit Gambhir	06686250	01/11/2013
3.	Mr. Bhuvarahan Mohan	00261434	20/06/2023
4.	Ms. Cauvery Dharmaraj	02917088	23/03/2023
5.	Mr. Raja Venkataraman	00669376	27/01/2025
6.	Mr. Ramesh Rajan Natarajan	01628318	27/01/2025

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Mahesh & Associates

V. Mahesh
Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Peer Review No.: 2107/2022

UDIN: F004162H000391857

Place: Chennai
Date : 18.05.2026

ANNEXURE 3

REPORT ON CSR ACTIVITIES FOR THE YEAR 2025-26

1. Brief Outline on CSR Policy of the Company

CSR policy encompasses the company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare and sustainability, development of community at large and is titled "ESAB's CSR Policy" which can be accessed at

https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / nature of Directorship	Number of meetings of held during the year	Number of meetings of CSR Committee meeting attended during the year
1	Ms. Cauvery Dharmaraj	Chairperson	2	2
2	Mr. Rohit Gambhir	Member	2	2
3	Mr. Kevin Johnson	Member	2	1

3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

a) CSR Committee -

https://esabindia.com/in/ind_en/investor-relationship/committees/corporate-social-responsibility-committee/

b) CSR Policy -

https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/

c) CSR Annual Action Plan 2025-26 -

https://esabindia.com/in/ind_en/investor-relationship/policies/csr-annual-action-plans/

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable.

5. a) Average Net profit of the Company as per Section 135 (5) (₹ in lakhs)

Financial year	Net Profit as per Section 135	Average of the profits for the last three years
2022-23	18,229	
2023-24	21,997	
2024-25	23,572	21,266

(b) Two percent of average net profit of the Company as per Section 135 (5) ₹ 4,25,32,665/-

(c) Surplus arising out of the CSR projects Programmes or activities of the previous Financial years Nil

(d) Amount required to be set off for the Financial year, if any ₹ 15,59,769/-

(e) Total CSR Obligation for the financial year* (5b + 5c - 5d) ₹ 4,45,22,170/-

*The Company had an opening balance of unspent CSR amount of ₹ 35,49,274/- which has been adjusted in the total CSR Obligation.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ₹ 4,16,42,049/-

(b) Amount spent in Administrative Overheads NIL

(c) Amount spent on Impact Assessment NA

(d) Total amount spent for the financial year (6a + 6b + 6c) ₹ 4,16,42,049/-

(e) CSR amount spent or unspent for the financial year 2025-26

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 (in ₹)	Date of transfer	Name of fund	Amount (in ₹)	Date of transfer
4,16,42,049	28,80,121	28.04.2026	NA	NA	NA

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

S. No	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the Company as per sub-section (5) of Section 135	4,25,32,665
2.	Total amount spent for the Financial Year	4,16,42,049
3.	Excess amount spent for the Financial Year [(2)-(1)]	Nil
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
5.	Amount available for set off in succeeding Financial Years [(3)-(4)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years

S. 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 relevant 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)
					Amount (in ₹)	Date of Transfer		
1.	2022-23 (FY - 1)	21,40,469	—	68,21,675	40,00,000	13.09.2022	—	—
2.	2023-24 (FY - 2)	4,87,987	—	21,40,469	—	—	—	—
3.	2024-25 (FY - 3)	35,49,274	—	4,87,987	—	—	—	—

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135 (5)

During the financial year 2025-26, the Company has spent an amount of ₹ 4,16,42,049/- leaving an unspent amount of ₹ 28,80,121/- as of 31st March 2026. The unspent amount of ₹ 28,80,121/- has been transferred to a separate unspent CSR account on 28th April 2026. The Company will ensure to spend the unspent amount of ₹ 28,80,121/- during the financial year 2026-27.

Rohit Gambhir
Managing Director

Cauvery Dharmaraj
Chairperson
CSR Committee

Place : Chennai

Date : 27th May, 2026

ANNEXURE - 4

FORM No. AOC-2

Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts / arrangements / transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any:	
(h) Date on which the resolution was passed in general meeting as required under first proviso to Section 188.	

B. Details of Material contracts or arrangements or transactions at arm's length basis:

(a) Name(s) of the related party and nature of relationship	Nil
(b) Nature of contracts / arrangements / transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Justification for entering into such contracts or arrangements or transactions	
(f) Date(s) of approval by the Board	
(g) Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Curtis Evan Jewell
Chairman

Place : Chennai

Date : 27th May, 2026

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L29299TN1987PLC058738
2	Name of the Listed Entity	ESAB India Limited
3	Year of incorporation	10 th November 1987
4.	Registered office address	No.13, 3 rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.
5.	Corporate address	Same as Registered office address
6.	E-mail	balaji.g@esab.co.in
7.	Telephone	+91 44 4228 1100 / 1109
8.	Website	www.esabindia.com
9.	Financial year for which reporting is being done	2025-26
10.	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital	₹ 15,39,30,200/-
12.	a. Name of the Contact Person	Mr. G Balaji, DGM (Legal & Compliance)
	b. Contact Number	+91 44 4228 1109
	c. Email ID	balaji.g@esab.co.in
13	Reporting boundary (Standalone / Consolidated)	Standalone
14	Name of Assurance Provider	N.A.
15	Type of Assurance obtained	N.A.

II. PRODUCTS / SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	100

17. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Fabrication Technology	2592	71
2	Fabrication Technology	2710	29

III. OPERATIONS

18. Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	11	14
International	Nil	Nil	Nil

19. Markets served by the entity:

a. Number of locations

	Location	Number
	National (No. of States)	28
	International (No. of Countries)	10
	We serve the markets in India, Nepal, Bangladesh, Bhutan and Sri Lanka directly. We also serve Middle East, Africa, Australia, South-East Asia, China and North Asia through our group companies.	

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports to the total turnover is about 17%.

c. A brief on types of customers

The Company primarily serves commercial customers (B2B) for re-selling, but also a few direct customers (B2C).

Welding & Cutting operations are integral to almost every industry with applications covering fabrication of various grades of Steels, Ni alloys, Aluminium alloys etc. ESAB's solutions find application in a diverse range of industries viz. Automotive, General Fabrication & Construction, Pipelines, Pipemills, Power Generation, Process Industry, Railways, Shipbuilding & Offshore and Transport & Mobile Machinery. We also provide Repair & Maintenance solutions to a wide range of industries such as steel, cement, power, mining etc.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	765	670	87.58%	95	12.42%
2.	Other than Permanent (E)	51	45	88.24%	6	11.76%
3.	Total employees (D + E)	816	715	87.62%	101	12.38%
WORKERS						
4.	Permanent (F)	169	169	100%	0	0.0%
5.	Other than Permanent (G)	396	374	94.44%	22	5.56%
6.	Total workers (F + G)	565	543	96.11%	22	3.89%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	–	–	–	–	–
2.	Other than Permanent (E)	–	–	–	–	–
3.	Total differently abled employees (D+E)	–	–	–	–	–
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	–	–	–	–	–
5.	Other than Permanent (G)	–	–	–	–	–
6.	Total differently abled workers (F+G)	–	–	–	–	–

21. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.66%
Key Management Personnel	3	Nil	0.00%

22. Turnover rate for permanent employees and workers (*Disclose trends for the past 3 years*)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	7%	10%	10%	6%	9%	11%	9%	11%
Permanent Workers	2%	0	2%	4%	0	4%	3%	0	3%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the the listed entity? (Yes/No)
1	ESAB Corporation, Delaware, USA	Indirect Holding through i) ESAB Holdings Ltd. UK - 37.31% ii) Exelvia Group India BV, Netherlands - 36.41%	73.72	Yes

VI. CSR DETAILS

24. CSR Details

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (₹ in Cr) 2025-26	1,508.15
(iii) Net worth (₹ in Cr) 2025-26	429.38

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaints is received	Grievance Redressal Mechanism in Place (Yes / No) (if yes then provide web-link for grievance redressal policy)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	No	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	No	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes https://esabindia.com/in/ind_en/investor-relationship/investor-grievances/ RTA resolves all Investor grievances and submit quarterly Investors Grievance Report	418	Nil	Nil	284	Nil	Nil
Employees and workers	Yes Internal Grievance Redressal mechanism and Whistle Blower Policy https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/	Nil	Nil	Nil	2	Nil	Nil
Customers	Yes Through toll free number and e-mail	14	Nil	Nil	43	Nil	Nil
Value Chain Partners	Yes Code of Conduct for Business Partners. www.esabindia.com	Nil	Nil	Nil	Nil	Nil	Nil
Others (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The Company has various Grievance Redressal Mechanisms in place to address the grievances of specific stakeholders.

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES - (Continued)

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

The Company conducts its business in a socially and environmentally conscious manner considering all environmental and social aspects, focusing on conserving natural resources, and protecting the environment and its stakeholders.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Regulatory compliance	Risk	Dynamic regulatory landscape	Compliance with all applicable laws and regulations	Negative
2	Product Stewardship / Responsibility	Opportunity	Foster Innovation, improve competitiveness and enhance brand image	Investment in R&D, Development of new products	Positive
3	Customer relationships and satisfaction	Opportunity	Retain customers, expand customer base, maintain competitive edge, and growth	Sustained focus on Product quality and customer satisfaction	Positive
4	Employee Wellbeing and development	Opportunity	Employee wellness, Employee Training and Development, employee morale, and talent retention.	Employee Development Programmes	Positive
5	Occupational Health & Safety	Risk	Health and safety hazards in workplace	OHS Management Systems, Employee Wellness initiatives, OHS audits	Negative
6	Energy and Environmental management	Risk & Opportunity	Compliance, Climate change	Embracing energy efficient technologies in all units, use of renewable energy, process modifications	Both
7	Resource Management and Circular manufacturing	Opportunity	Increased use of resource substitution and optimization, conservation of resources.	Resource efficiency, reduction of waste, material substitution	Positive
8	Supply Chain Management	Risk & Opportunity	Ensuring uninterrupted supply of materials, scaling up volumes, brand reputation, improved green supply chain	Supplier evaluation, and supplier support programmes	Both
9	Technology	Opportunity	New technologies enable improved / new processes and products, and provide opportunities to enhance the value offerings to the customer with higher quality, efficiency and reliability	Sustained focus on ideation, new technologies, new product development, investment in people, R&D and infrastructure	Positive
10	Community development	Opportunity	Growing focus on community engagement, improving goodwill	Periodic review of programmes, impact assessment, and better engagement with communities	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. a)	Policy and management processes									
	Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes								
	b) Has the policy been approved by the Board ? (Yes/No)	Yes								
c)	Weblink of the Policies, if available	www.esabindia.com								
2.	Whether the entity has translated the policy in to procedures. (Yes / No)	Yes								
3.	Do the enlisted policies extend to your value chain partners ?(Yes/No)	Yes								
4.	Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fair trade, Rain forest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Yes, the Company has adopted ISO, BIS and those standards are mapped to each principle. Besides, the Company's BRSR Policy and Code of Conduct also refer to these principles.								
5.	Specific commitments, goals and targets set by the entity with defined time lines, if any	The Company is committed to protect environmental, social, health & safety aspects while conducting its business operations. Periodical review meetings on these aspects are conducted in order to inculcate a culture of doing business in the interests of environment, society and all stakeholders. The Company has been constantly focusing on several energy efficiency, resource conservation, operational improvement and waste reduction projects.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance on the environmental and social aspects, besides operations and product innovation, is being monitored and met as per the standards and the company's performance targets.								

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements <i>(listed entity has flexibility regarding the placement of this disclosure)</i> The Company believes in Sustainability and endeavours to balance its concern for the environment and people with efficient and profitable operations. It is committed to resource efficiency and minimizing its carbon footprint. The company also seeks to ensure the satisfaction of all its stakeholders. Besides focusing on the holistic well-being of its employees, through various Health and Safety initiatives and providing continuous learning & development opportunities, the company also places importance on the development of communities around its manufacturing units.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). Mr. Rohit Gambhir, Managing Director
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues ? (Yes / No). If yes, provide details. The Managing Director is responsible for decisions on all sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other- please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action.	Yes									Annually								
	The Board meets once in every quarter to review and discuss key issues to the organization and its stakeholders.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non- compliances	Yes									Quarterly								
	The status of all statutory compliances of the Company are presented to the Board on a quarterly basis for the Board to review and to take note of. Key discussions are being held on the statutory compliances and necessary guidance / directions are also provided by the Board to the management on periodic basis. The Board collectively ensures along with the Senior Management that the Company drives the statutory compliances in a robust manner.																	
	P1	P2	P3	P4	P5	P6	P7	P8	P9									
11 Has the entity carried out independent assessment / evaluation of the working of its policies by an External agency (Yes /No). If yes, provide name of the Agency.	No.																	

12 If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	Not Applicable								
The entity does not have the financial or / human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)	Not Applicable								
Any other reason (please specify)	Not Applicable								

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 - BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	The Board is familiarised of the principles of the NGRBC released by SEBI/MCA, and ESAB Business Conduct Guidelines (BCG).	100%
Key Managerial Personnel (KMPs)	3	All KMPs are trained on the ESAB Business Conduct Guidelines (BCG), Anti-corruption Policy, POSH and the principles of NGRBC every year.	100%
Employees other than BoD and KMPs	8	All employees are trained on the ESAB Business Conduct Guidelines (BCG), Anti-corruption Policy, POSH and the principles of NGRBC.	100%
Workers	10	Awareness is being created among all the Workers on the ESAB Business Conduct Guidelines (BCG), safety, environment, etc.	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / fine	–	Income tax Authority	₹ 1,23,10,580/- (AY 2017-18) ₹ 21,86,636/- (AY 2018-19)	Income Tax Authority has reassessed the total income computed for AY 2017-18 & 2018-19 with the allegation that the income is under reported and levied penalty. We are challenging this claim	Yes
Settlement	–	–	–	–	–
Compounding fee	–	–	–	–	–

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment Punishment	NIL			

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
Income Tax Authority has reassessed the total income computed for AY 2017-18 & 2018-19 with the allegation that the income is under reported and levied penalty. We preferred an appeal with complete details supporting the correctness of the income computed for AY 2017-18 & 2018-19.	Income Tax Appellate Tribunal

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an Anti-bribery policy in place and the importance of complying with the anti-bribery policy is disseminated to all the employees, customers, vendors and other stakeholders. The policy is available in the company's website https://esabindia.com/in/ind_en/investor-relationship/policies/anti-bribery-policy/.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption.

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

During the year under review, there were no such instances occurred as referred above.

8. Number of days of accounts payables ((Accounts payable*365) / Cost of goods / services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	79	83

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	33.34%	30%
	b. Number of trading houses where purchases are made from	84	151
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	73.76%	71.25%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales.	69%	69%
	b. Number of dealers / distributors to whom sales are made	393	386
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	26%	26%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	10%	10%
	b. Sales (Sales to related parties / Total Sales)	14%	13%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	P1, P2, P3, P4, P5, P6, P8, P9	100% Suppliers onboarded are covered through ESAB Code of Conduct, Anti-bribery policy and Environment, Health and Safety, etc., and on our various policies and statutory obligations.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes / No) If yes, provide details of the same.

Yes, in order to avoid / manage conflicts of interest, the company obtains annual declaration from the members of the Board confirming that they are in compliance with ESAB India Business Code of Conduct.

PRINCIPLE 2 - BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	59%	56%	Improvement in process efficiency, energy savings, ensuring employees safety and ergonomics and adhering to product environmental compliances.
Capex	8.98%	11.24%	Zero Liquid Discharge (ZLD) Effluent Treatment Plant is operational at our Nagpur plant, which ensures that no wastewater is released into the environment, delivering maximum ecological protection. It ensures complete recycling and reusing treated water, it eliminates water pollution, conserves freshwater resources, and safeguards aquatic ecosystems. This also recover valuable by-products from effluents, reduce dependency on external water sources, and promote sustainable industrial practices. This ensures regulatory compliance but also strengthens long-term environmental balance and resource efficiency.

2. a. Does the entity have procedures in place for sustainable sourcing?(Yes/No)

Yes, ESAB follows sustainable procurement practices and endeavours to source materials locally to the maximum extent possible, to reduce emissions and control costs.

b. If yes, what percentage of inputs were sourced sustainably?

Around 80% of input raw materials sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The customers fully consume the products of the Company and hence there is no reclaim procedure involved in our business operations as related to our products. Any residual quantity of metals available after usage of the products, would be disposed off as scrap at the customers' end through authorized scrap dealers for recycling purpose without harming the environment. Other wastes are handled as per the rules.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, it is applicable. The company's waste collection plan is in line with the Extended Producer Responsibility plan submitted to the Pollution Control Boards.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes /No) If yes, please provide the web-link
NIL					

Though ESAB has a life cycle perspective, LCA has not been conducted. It will be planned and carried out over subsequent reporting years.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Electrode / Flux cored wire, SAW Flux	Flying powders	Dust collectors are installed in production process.
Plant level	Waste water from the process	ETP & STP plant installed to recycle the water and reduce fresh water usage.
MIG/SAW, Wear Plate	Generation of acidic / welding fumes, effluent	Scrubbers, Dust collectors, and ETP are installed
Industrial gas equipment	Plastic waste	Disposed through authorized vendor.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Metal Powders	₹ 7.15 Mn	₹ 6.77 Mn
RM's & Wires	₹ 12.60 Mn	₹ 15.58 Mn

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3 - BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	670	670	100%	670	100%	NA	NA	NA	NA	NA	NA
Female	95	95	100%	95	100%	95	100%	NA	NA	NA	NA
Total	765	765	100%	765	100%	95	12.42%	NA	NA	NA	NA
Other than Permanent employees											
Male	45	7	15.56%	45	100%	NA	NA	NA	NA	NA	NA
Female	6	4	66.67%	6	100%	6	100%	NA	NA	NA	NA
Total	51	11	21.57%	51	100%	6	11.76%	NA	NA	NA	NA

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	169	169	100%	169	100%	NA	NA	NA	NA	NA	NA
Female	0	0	0%	0	0%	NA	NA	NA	NA	NA	NA
Total	169	169	100%	169	100%	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	374	NA	NA	374	100%	NA	NA	NA	NA	NA	NA
Female	22	NA	NA	22	100%	NA	NA	NA	NA	NA	NA
Total	396	NA	NA	396	100%	NA	NA	NA	NA	NA	NA

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.70%	0.66%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	93.75%	100%	Y	91.39%	100%	Y
Gratuity	93.75%	100%	Y	91.39%	100%	Y
ESI	5.62%	0%	Y	1.19%	0%	Y
Others - please specify	–	–	–	–	–	–

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

If not, whether any steps are being taken by the entity in this regard.

Yes, it is accessible to all employees and workers. The Company has provided facilities such as Wheelchairs, Lift and means of access such as Pathways, Ramps, Signages, and Pedestrian Crossings.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Though there is no separate policy, ESAB India Ltd. is an equal opportunity employer encouraging diversity in the workplace.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Workers Union
Other than Permanent Workers	Yes, Monthly meeting
Permanent Employees	Yes, Internal Grievance Redressal mechanism, Employee Engagement Survey
Other than Permanent Employees	Yes, Employee Engagement Survey

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	765	0	0%	690	0	0 %
- Male	670	0	0%	620	0	0%
- Female	95	0	0%	70	0	0%
Total Permanent Workers	169	164	97.0%	162	157	96.91%
- Male	169	164	97.0%	162	157	96.91%
- Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Male	670	670	100%	670	100%	620	620	100%	620	100%
Female	95	95	100%	95	100%	70	70	100%	70	100%
Total	765	765	100%	765	100%	690	690	100%	690	100%
WORKERS										
Male	169	169	100%	169	100%	162	162	100%	162	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	169	169	100%	169	100%	162	162	100%	162	100%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male	670	670	100%	620	620	100%
Female	95	95	100%	70	70	100%
Total	765	765	100%	690	690	100%

Note: Non-permanent workers were excluded for the above clauses 8 & 9.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, ESAB India Limited has implemented an Occupational Health and Safety management system, certifiable to ISO 45001, across all its locations. The commitment to maintaining, fostering, and continually improving the safety and well-being of employees is embedded in the company's wider risk management and control processes.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

As part of the implementation of ISO standards, procedures for Hazard Identification and Risk Assessment (HIRA) have been established and implemented across the business units. HIRA is conducted for both routine and non-routine activities. Individuals involved in operations, EHS officers, and contractor representatives (where applicable) identify work-related hazards. The identified hazards are recorded, and control measures are discussed and defined according to the hierarchy of controls. The Corrective and Preventive Action (CAPA) tracker is employed to proactively identify safety risks in high-risk activities and implement engineering controls to mitigate these risks. A Cross-Functional Team reviews high-risk activities and implements engineering controls where feasible to mitigate risks. Focused training sessions on "Behavioural Based Safety" (BBS) are conducted to raise awareness among third-party and contractor employees, promoting the adoption of safe work practices.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, ESAB India Ltd. has implemented a robust system for reporting Unsafe Acts and Unsafe Conditions (UAUC), near misses, and incidents. Workers are actively encouraged to report UAUC, near misses, and incidents and to promptly remove themselves from any associated risks. UAUC incidents are documented in an EHS dashboard, covering project sites, factories, and office locations. These reports are analysed based on Safety Essentials categories, and corrective and preventive actions are initiated to mitigate safety risks.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Employees and workers at ESAB India Ltd. have access to non-occupational medical and healthcare services, including Preventive Health Checks (PHC), and rehabilitation programs, as well as wellness initiatives.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category*	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.54	0.61
	Workers	0.00	2.54
Total recordable work-related injuries	Employees	1	1
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The EHS management system has empowered businesses to mitigate EHS-related risks, ensuring a safe and healthy workplace. Structured programs have been established and implemented to ensure business continuity and the following measures were taken in this regard.

- Conducting JSA reviews for each zones addressing the risk
- ISO 45001 internal audit to meet the compliance requirements.
- Loss prevention audit by 3rd party insurer (Zurich) recommendations
- Adhering the ESAB's life critical standards
- Practising mock drill for emergency preparedness
- Installed scrubber for acid fumes
- Usage of required PPE
- Adherence to the PPE matrix of machine
- Health check-up

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The EHS team of ESAB India Limited conducts regular training to all the employees in order to ensure safety at workplaces. EHS team also verifies the working conditions on a continuous basis and take initiatives wherever improvement requires. Safety related aspects also reviewed by the company's Global EHS team.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, ESAB India Limited has life insurance scheme for all its employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As part of ESAB Business Code of Conduct, the upstream value chain partners viz. suppliers are required to be ethical and compliant with laws and necessary checks are carried out to ensure that the statutory dues are deducted and deposited with the government. Further, in the downstream value chain partners, the statutory dues arising from the payment to workers are being monitored.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company motivates the employees on their learning and growth curve and supports them in all possible means.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% All suppliers are required to ensure health & safety practices at work place. This is emphasized through the contracts with them.
Working Conditions	100% The safety of the workers at the workplace is of utmost importance to the company and it is emphasized in all our corporate communications to the employees and workers.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The EHS team of ESAB India Limited conducts regular awareness sessions to the value chain partners viz. suppliers and workers. The EHS practices in the company are robust and all the value chain partners are adhering to the same.

PRINCIPLE 4 - BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder groups are identified based on the nature of their engagement with the company. The process is qualitative and is conducted in consultation with the operating departments and senior management.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No. The Company is an equal opportunity employer encouraging diversity in the workplace	1. E-mails - Monthly updates, Newsletters 2. Notice Boards in factories 3. Company intranet and website 4. Regular updates on our internal social media group. 5. Townhalls and virtual meetings.	1. Employee satisfaction survey through ESAB global - Annually 2. Business specific monthly/ quarterly meetings 3. Annual meeting	1. Information about Company's business growth plans and business performance 2. Top-down communication about important changes, policies, wellbeing initiatives. 3. Platform for gathering informal feedback. 4. Workplace diversity is encouraged through various diversity, equity and inclusion initiatives.
Shareholders	No	e-mails, newspapers, notice board, website, stock exchanges, RTA.	Quarterly and need based	Shareholder related communications
Customers /Service partners	No	e-mails, website, webinars	On need basis.	Information on business offerings.
NGOs & Communities	Yes	Meetings, quarterly and annual reports	Quarterly periodic review meetings based on the characteristics of each CSR project.	To develop the CSR project along with the community according to the needs of the community.
Suppliers	No The Company encourages suppliers from all sections. However, final engagement depends upon the quality and timely delivery.	e-mails, conference calls, virtual meetings	On need basis.	To understand new market trends and educating the suppliers

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

ESAB has formulated several Committees of which Board Members are a part to address stakeholders concerns. These are as follows:

- i) **Audit Committee:** The committee is entrusted with the Business, Economic and Environmental responsibilities of the organization. The Audit Committee supervises the Company's financial reporting and disclosures ensuring timeliness and compliance with regulatory requirements.
- ii) **Nomination and Remuneration Committee:** The committee recommends suitable persons for the post of Directors, Key Managerial Personnel and their remuneration. The Board of Directors considers their recommendation and seeks the approval of the shareholders for the appointment of Directors. This committee also lays down performance evaluation criteria for Independent Directors based on expertise and value offered and attendance at committee meetings.
- iii) **Stakeholders Relationship Committee:** This committee oversees the timely and appropriate resolution of investor complaints. Members of this committee also formulate policies to service the stakeholder groups.
- iv) **Risk Management Committee:** The committee is responsible for reviewing and evaluating all business risks identified by the Company's management, including those pertaining to the environment. Members of this committee oversee the formulation of the Risk Management Policy and also provide strategic direction to minimize potential risks. They also oversee the establishment, implementation and monitoring of the organization's risk management system.
- v) **CSR Committee:** The Committee is entrusted with the social responsibility obligations of the company. It is responsible for developing and modifying the organization's CSR policy, identifying the CSR programs and related expenditure, and monitoring of CSR projects.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company welcomes the inputs from the stakeholders and considers them in a constructive manner. It is committed to improve quality of life and create lasting value for society and thereby contribute to a sustainable future.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

Through its Corporate Social Responsibility, the Company has undertaken several CSR initiatives to transform an unskilled person to a trained and skilled welder so that he can be employable and lead a respectable livelihood in the society. The Company is addressing the concerns of this vulnerable / marginalized stakeholder group through its CSR initiatives.

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
EMPLOYEES						
Permanent	670	670	100%	690	690	100%
Other than permanent	95	95	100%	65	65	100%
Total Employees	765	765	100%	755	755	100%
WORKERS						
Permanent	169	169	100%	162	162	100%
Other than permanent	396	396	100%	402	402	100%
Total Workers	565	565	100%	564	564	100%

- 2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Permanent										
Male	670	0	0%	670	100%	620	0	0%	620	100%
Female	95	0	0%	95	100%	70	0	0%	70	100%
Other than Permanent										
Male	45	0	0%	45	100%	58	0	0%	58	100%
Female	6	0	0%	6	100%	7	0	0%	7	100%
WORKERS										
Permanent										
Male	169	0	0%	169	100%	162	0	0%	162	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	374	374	100%	0	0%	384	384	100%	0	0%
Female	22	22	100%	0	0%	18	18	100%	0	0%

3. Details of remuneration / salary / wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	5	-	1	-
Key Managerial Personnel	3	₹ 1,84,63,840	Nil	Nil
Employees other than BoD and KMP	667	₹ 10,46,940	95	₹ 8,01,060
Workers	169	₹ 5,69,892	Nil	Nil

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	7.8%	6.10%

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes. At the Factories, the Factory Managers. For the company, the Head HR

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Any grievance related to human rights issues is addressed through whistle blower mechanism.

Also, we have Internal Complaints Committee under POSH Policy to redress the grievances, if any.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Confidentiality of the Complainant is strictly maintained.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced / involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others - please specify	–

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There was no issue or concern relating to child labour, forced labour, sexual harassment, discrimination at workplace or wages being less than the statutory limit. The Company monitors the compliances on a quarterly basis and the same is also being reported to the Board in every meeting. The assessments on these matters are being carried out by the entity internally.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company through its quarterly due diligence process, checks whether there are any human rights grievances / complaints. The Company has not received any complaint on human rights issues.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Factory Managers and Operations Head along with HR Head do periodical review to ensure that the workers and employees do not have any concerns in their day-to-day operations including but not limited to human rights concerns.

Training and awareness programmes and robust legal & regulatory compliance monitoring at all levels through our Internal Audit system and Safety Audit on periodical basis, are part of the due diligence process.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour / Involuntary Labour	100%
Wages	100%
Others-please specify	–

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There are no concerns arising from the assessment.

PRINCIPLE 6 - BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year) In GJ	FY 2024-25 (Previous Financial Year) In GJ
From renewable sources		
Total electricity consumption (A)	38,321	21,824
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	38,321	21,824
From non-renewable sources		
Total electricity consumption (D)	35,141	44,957
Total fuel consumption (E)	17,743	17,203
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	52,884	62,160
Total energy consumed (A+B+C+D+E+F)	91,205	83,984
Energy intensity per rupee of turnover (Total energy consumed in GJ per turnover ₹ in crores)	60.47	61.14
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) GJ per USD in Cr. (Total energy consumed / Revenue from operations adjusted for PPP) (1 USD = ₹ 22.40 as per World Bank for 2024)	1,354.53	1,367.82
Energy intensity in terms of physical output	–	–
Energy intensity (optional) - the relevant metric may be selected by the entity	–	–

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	9,116	12,683
(iii) Third party water	47,387	54,145
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	56,503	66,828
Total volume of water consumption (in kilolitres)	56,503	66,828
Water intensity per rupee of turnover (Total water consumption in KL / Turnover Rs. in Crores)	37.46	48.59
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL per USD in Cr.) (1 USD = Rs.22.40 as per World Bank for 2022)	839.10	1,088.40
Water intensity in terms of physical output	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	Nil	4,375 KL
(v) Others		
- No treatment	-	-
- With treatment – after primary & secondary treatment in STP, ETP & RO.	Nil	62,453 KL
Total water discharged (in kilolitres)	Nil	66,828 KL

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At all manufacturing locations suitable and efficient wastewater treatment like Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) are installed with primary, secondary, and tertiary treatment which include RO treatment facilities to treat wastewater to usable quality water.

The treated water is further used for flushing and in maintaining a greenbelt, i.e., gardening activities within the premises. This in turn has resulted in reduced use of freshwater. No wastewater directly discharged to the environment.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	µg / m3	18.90	19.08
SOx	µg / m3	11.47	11.99
Particulate matter (PM)	µg / m3	26.49	48.14
Persistent organic pollutants (POP)	Nil	–	–
Volatile organic compounds (VOC)	Nil	–	–
Hazardous air pollutants (HAP)	Nil	–	–
Others	µg / m3	–	–

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Provide details of green house gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tones of CO ₂ Equivalent	1,194	1,185
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	16,148	15,668
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total scope 1 and scope 2 GHG Emissions in MT / Revenue ₹ in Crores)		11.49	12.25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) (MT of CO ₂ e per USD in Cr.) (1USD = ₹ 22.40 as per world bank for 2024)		257.38	274.48
Total Scope 1 and Scope 2 emission intensity in terms of physical output		–	–
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		–	–

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.

No.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. -

Company is opting to increase renewable energy consumption and is undertaking many energy efficiency projects.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	62.15	39.31
E-waste (B)	3.95	4.2
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	448.15	249.75
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2,983.88	2,871.47
Total (A+B + C + D + E + F + G + H)	3,498.13	3,164.73
Waste intensity per rupee of turnover (Total waste generated in MT / Revenue ₹ in crores)	2.31	2.30
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT per USD in Cr.) (1 USD = ₹ 22.40 as per World Bank for 2024)	51.74	51.54
Waste intensity in terms of physical output	–	–
Waste intensity (optional) - the relevant metric may be selected by the entity	–	–
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,649.18	1,781.65
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	–	–
Total	1,649.18	1,781.65
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Land filling	1,848.95	1,382.88
(iii) Other disposal operations	–	–
Total	1,848.95	1,382.88

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Through continuous improvement in the process, the Company strives to minimize the waste generation. These include reduction in material consumption, recycling, etc.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Nil

S. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons there of and corrective action taken, if any.
	–	–	–

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Nil

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Weblink.
–	–	–	–	–	–

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is in compliance with the applicable environmental laws.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
–	–	–	–	–

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

None of the manufacturing locations is in water stressed area and hence this section is not applicable.

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	–	–
(ii) Groundwater	–	–
(iii) Third party water	–	–
(iv) Seawater / desalinated water	–	–
(v) Others	–	–
Total volume of water withdrawal (in kilolitres)	–	–
Total volume of water consumption (in kilolitres)	–	–
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water intensity (optional) - the relevant metric may be selected by the entity	–	–
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	–	–
- With treatment - please specify level of treatment	–	–
(ii) Into Groundwater		
- No treatment	–	–
- With treatment - please specify level of treatment	–	–
(iii) Into Seawater		
- No treatment	–	–
- With treatment - please specify level of treatment	–	–
(iv) Sent to third-parties		
- No treatment	–	–
- With treatment - please specify level of treatment	–	–
(v) Others		
- No treatment	–	–
- With treatment - please specify level of treatment	–	–
Total water discharged (in kilolitres)	–	–

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Scope 3 emissions are indirect GHG emissions that occur outside the organization, including both upstream and downstream emissions. We will be monitoring and reporting the Scope 3 emissions going forward.

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	–	–
Total Scope 3 emissions per rupee of turnover		–	–
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity		–	–

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Through continuous improvement in the process, the Company strives to improve resource efficiency and reduce the impact due to emissions, etc.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Process modification	- Reduced paper consumption and replaced hard copy manual of certain products to e-copy to eliminate paper usage. - Improved the existing practices in handling Wooden pallets, installed battery operated stacker for safe material handling and implemented emergency lighting system in unmanned areas. - Process improvement in wooden pallet consumption.	- Eliminated major paper consumption. - Reduction of OHS risks. - Reduction in the consumption of wooden pallets.
2	Energy conservation	- Installed auto on / off interlocking provided in the cooling tower to reduce the energy consumption and reduce the wastewater. - Installed auto cut off system to Electrical panel AC's to achieve energy savings. - Spot ventilation or panel AC mounted to electrical panel and removal of control room split AC for energy conservation - Increased usage of natural lighting through transparent roof top by reducing energy consumption during day lighting. - Steps initiated for reducing the fossil fuel energy and increasing the renewable energy.	Reduction in energy consumption & reduced wastewater. Reduction in the CO₂ equivalent through renewable energy consumption.
3	Water Conservation	Installation of Auto inlet valve for all Finish draw line, and utilization of treated STP water for flushing.	Reduction of water consumption.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Yes

All our Manufacturing units are having emergency preparedness and business continuity plans to handle any disaster. The plans are designed to contain the incident, minimize casualties and prevent further injuries, mitigation measures, quick and streamlined relief and rescue operation, speed up restoration of normalcy and ensure each member of the emergency operation including response team and employees are aware of their role in emergency. It is critical also to ensure the Plants can manage these risks well.

This is achieved by developing a comprehensive emergency plan to handle various identified and potential emergencies, implementing the plan and training the people, improving response through regular conduct of mock drills, and monitoring implementation by inspecting and auditing controls to ensure that the system is working as planned.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Value chain partners have not been assessed for environmental impacts. This process will be initiated in the coming years.

The Company ensures that there are no adverse impacts to the environment arising from its value chain.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Value chain partners have not been assessed for environmental impacts. This process will be initiated in the coming years.

8. How many Green Credits have been generated or procured:

a. By the listed entity - Nil

b. By the Top ten value chain partners (in terms of value purchases and sales respectively) - Nil

PRINCIPLE 7 - BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers / associations.

Two

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Indian Institute of Welding	National
2	Engineering Export Promotional Council of India (EEPC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil	Nil	Nil

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others - please specify)	Web Link, if available
	Nil	Nil	Nil	Nil	Nil

PRINCIPLE 8 - BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
Nil	Nil	Nil	Nil	Nil	Nil

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
1.	Nil	Nil	Nil	Nil	Nil	Nil

- 3. Describe the mechanisms to receive and redress grievances of the community.**

All the Plants have designated CSR teams to interact with the community at large and address any grievances by planning projects towards the same. The teams have a good rapport with all stakeholders like the community, district administration, and political parties and work towards finding a feasible and satisfactory solution.

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs / small producers	46.55%	42.32%
Directly from within India	73.74%	73.69%

- 5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	—	—
Semi-urban	₹ 2,00,32,608	₹ 73,22,280
Urban	₹ 15,18,73,736	₹ 14,17,84,656
Metropolitan	₹ 1,03,40,412	₹ 86,31,732

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Nil	Nil

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	Bihar	Aurangabad	8,14,379.36
2	Uttarakhand	Haridwar	10,47,279.54
3	Andhra Pradesh	Vishakapatnam	2,24,958.81
4	Andhra Pradesh	YSR Kadapa	11,65,961.54

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

No, contracts are awarded on merit and not on preference.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company has not acquired or owned Intellectual Property rights based on the traditional knowledge during the reporting period.

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	Nil	Nil	Nil	Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Nil	Nil	Nil

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Vocational Skills development on Safe welding practices	9,923	100% Rural Population
2	Training in welding skills in association with various institutions & educational support	106	100%
3	Research based collaboration with Sri Sivasubramaniya Nadar College of Engineering (SSN), Chennai supporting an ESAB Chair Professor in Welding and funding two research scholars per annum for a four-year period to pursue research in five identified thrust areas.	Students' community	100%

PRINCIPLE 9 - BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

ESAB connects with customers through its sales & service personnel of over 120 trained engineers and its extended distribution network of over 350 dealers spread across the country. The regular interaction allows for easy communication of customer concerns. In addition, ESAB's products and website provide all relevant details for communication and registering customer concerns. Our "Customer Concern Resolution" Policy provides for a "No Questions Asked Replacement" for visible defects and specific product categories, wherein the first ESAB representative registering the concern is empowered to authorize product replacement. In other cases, a review is conducted on the concern by the Quality team and suitable actions are planned including subsequent corrective and preventive actions at the plant. The Company carries out periodic customer satisfaction surveys, through interaction with end users and the information is utilised to improve the business operations/services.

2. Turnover of products and / services as a percentage of turnover from all products/service that carry information about:

All products are covered under the storage and handling guidelines. Customers are also supported with "Material Safety Data Sheet" on request. These cover guidelines on recyclability / disposal.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

If available, provide a web-link of the policy.

Yes, we do have data privacy policy and the web-link of the policy is http://esabindia.com/in/ind_en/privacy-policy/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There were no consumer complaints on issues relating to advertising, cyber security and data privacy of customers.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - NIL
- b. Percentage of data breaches involving personally identifiable information of customers - NIL
- c. Impact, if any, of the data breaches - NIL

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services is available on the ESAB India Ltd. website under www.esabindia.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

The usage of products and services is outlined in manuals and on website for MSDS, videos on safe practices on website as well as Youtube channel: https://www.youtube.com/playlist?list=PLQqXOiDcFfDq_m7IUyCDariEIXJ2MmIfP

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

The products and services offered by the company do not come under the category of essential services and hence this disclosure is not applicable.

Marketing and Product Information are shared on a regular basis with internal teams, dealers, retailers and consumers on updates related to marketing, products and services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, product information on all packages are in line with laws applicable in the US in addition to India and ESAB's own internal assessment of consumer needs in terms of technical and safety information.

Yes. Annual Customer Satisfaction Survey is conducted, and actions planned based on the feedback.

For and on behalf of the Board of Directors

Curtis Evan Jewell
Chairman

Place : Chennai

Date : 27th May, 2026

To

The Members of ESAB India Limited

Declaration regarding Code of Conduct pursuant to Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Rohit Gambhir, Managing Director of ESAB India Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March 2026.

Chennai
27th May, 2026

Rohit Gambhir
Managing Director

Report on Corporate Governance

1. Your Company is committed to good Corporate Governance in all its activities and processes. The Directors' endeavor is to create an environment of fairness, equity, accountability and transparency in transactions with the underlying objective of securing long-term shareholder value and wealth generation, while, at the same time, protecting the rights of all stakeholders.

2. BOARD OF DIRECTORS

A. Composition of Board

In order to pursue the above-mentioned Corporate Governance philosophy in the right earnest, all statutory and other significant material information are placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

The Board of Directors consists of six members viz. 3 Non-Executive Independent Directors (NE-ID), 1 Non-Executive Non-Independent Director (NE-NID) and 2 Executive Non-Independent (E-NID) Directors. Mr. Rohit Gambhir is the Managing Director of the Company who was re-appointed for a period of five years effective from 1st November 2023. Mr. B Mohan, Chief Financial Officer of the Company was appointed as Director effective from 20th June 2023.

Mr. Kevin Johnson, Chairman of the Board, was a nominee director representing ESAB Holdings Limited, UK, with effect from 24th March 2021 to 30th April 2026. As per SEBI (LODR) Second Amendment Regulations, 2023 dated 15th July 2023 and as per Regulation 17(1D) of SEBI LODR Regulations, any director who is serving on the Board without the approval of shareholders for the last five years or more shall be subject to approval of shareholders. Accordingly, Mr. Kevin Johnson's appointment was approved by the shareholders through Postal Ballot on 12th March 2025.

Pursuant to nomination letter dated 22nd April 2026 by ESAB Holdings Limited, UK, Mr. Curtis Evan Jewell has been appointed as Non-Executive Nominee Director and Chairman of the Board replacing Mr. Kevin Johnson with effect from 1st May 2026.

As per Regulation 17(1C) & (1D) of SEBI (LODR) Regulations 2015, the appointment of Mr. Curtis Evan Jewell (DIN: 11666741) as Non-Executive Nominee Director with effect from 1st May 2026 requires shareholders' approval. The Company has placed this subject before the shareholders at the forthcoming AGM for their approval.

Mr. N Ramesh Rajan and Mr. Raja Venkataraman were inducted into the Board of Directors for a period of five years with effect from 27th January 2025. Their appointment was approved by the shareholders via Postal Ballot on 12th March 2025. Ms. Cauvery Dharmaraj, NE-ID was appointed for a period of five years effective from 23rd March 2023.

All Independent Directors possess the requisite qualifications and are experienced in their own fields. None of the Directors on the Board of your Company is a member of more than ten committees or Chairman of more than five committees in public limited companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship and have been taken on record by the Board at its meeting held on 30th April 2026.

B. Attendance of Director at the Board Meetings and the last Annual General Meeting

During the period 1st April 2025 to 31st March 2026, 5 Board Meetings were held viz 27th May 2025, 11th August 2025, 10th November 2025, 10th February 2026 and 25th March 2026 with not more than 120 days elapsed between any two meetings.

The details of the Directors' attendance at the Board Meetings during the year and at the last Annual General Meeting held on 14th August 2025 and particulars of their Directorships and Committee Memberships / Chairmanships in other Companies are given below:

Name of director	Category	Board Meetings held during the period 2025-26	No. of Board Meetings eligible to attend in 2025-26	Attendance	
				at Board Meeting in 2025-26	at the previous AGM held on 14 th August 2025
Kevin Johnson*	NE-NI	5	5	4	Yes
N Ramesh Rajan	NEI	5	5	5	Yes
Raja Venkataraman	NEI	5	5	5	Yes
Cauvery Dharmaraj	NEI	5	5	4	Yes
Rohit Gambhir	Executive	5	5	5	Yes
B Mohan	Executive	5	5	5	Yes

NE-NI - Non-Executive and Non-Independent Director

NEI - Non-Executive Independent Director

*Nominee of ESAB Holdings Limited till 30th April 2026.

C. The details of their other Company Directorships / Committee Memberships are given below:

Name of the Director	Category	DIN	Number of Directorships in Other Companies		Number of Committee Memberships in other Companies		Name of the listed entities where he / she is a Director	Category of Directorship
			Chairman	Member	Chairman	Member		
Kevin Johnson	Non-Executive Chairman	09147729	Nil	2	Nil	Nil	Nil	NA
Rohit Gambhir	Executive - Managing Director	06686250	1	Nil	Nil	1	Nil	NA
B Mohan	Executive - Director & CFO	00261434	Nil	3	1	Nil	Nil	NA
N Ramesh Rajan	Non -Executive & Independent	01628318	Nil	2	2	1	1. Cholamandalam Investment and Finance Company 2. Rane (Madras) Limited	Non -Executive & Independent Director
Raja Venkataraman	Non -Executive & Independent	00669376	Nil	7	4	2	1. Greaves Cotton Limited 2. Amrutanjan Healthcare Limited	Non -Executive & Independent Director
Cauvery Dharmaraj	Non - Executive & Independent	02917088	Nil	2	Nil	2	Inspirisys Solutions Limited	Non -Executive & Independent Director

Membership of Audit Committee & Stakeholders Relationship Committee alone has been considered for the above purpose as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance with Section 165 (1) of the Companies Act, 2013 and Regulation 17A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, none of the Directors is a Director in more than 10 public companies, 7 listed entities or an Independent Director in more than 7 listed Companies. The Managing Director does not serve as an Independent Director in any Listed Company. Further, none of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees across all Companies in which they are Directors.

D. Details of the number of meetings of the Board of Directors and the dates on which it was held is as given below:

Name of the Director	Meeting Dates				
	27.05.2025	11.08.2025	10.11.2025	10.02.2026	25.03.2026
Kevin Johnson	Yes	Yes	Yes	No	Yes
N Ramesh Rajan	Yes	Yes	Yes	Yes	Yes
Raja Venkataraman	Yes	Yes	Yes	Yes	Yes
Cauvery Dharmaraj	Yes	No	Yes	Yes	Yes
Rohit Gambhir	Yes	Yes	Yes	Yes	Yes
B Mohan	Yes	Yes	Yes	Yes	Yes

E. None of the Directors is related to each other on the Board of the Company and to the Key Managerial Personnel of the Company.

F. None of the Directors hold any shares or convertible instruments in the Company.

G. During the year under review, familiarization program to all the Independent Directors was conducted in an extensive manner. The Company Secretary / Statutory Auditors brief the Directors about legal, statutory and regulatory updates on a quarterly basis as part of the familiarization process.

The details of such familiarization programs presented to the Independent Directors are given on the weblink of the Company https://esabindia.com/in/ind_en/investor-relationship/familiarization-programme-for-independent-directors/

H. Chart setting out the skills, expertise, competence of the Board of Directors.

The Board of Directors of the Company are highly competent professionals with varied experience and expertise in their niche area. The Board of Directors consists of six professional Directors having experience in areas like engineering, market strategy and planning, finance and accounts, Human Resources, legal and compliance related matters.

Their contribution to the above said areas are derived by their extensive participation in the meetings of the board and its various committees. Their continuance

on the board is based on assessment of their performance based on the skill matrix as given below:

Description	*Kevin Johnson	Rohit Gambhir	B Mohan	N Ramesh Rajan	Raja Venkata raman	Cauvery Dharmaraj
Experience	Yes	Yes	Yes	Yes	Yes	Yes
Ability to act as Director of the Company	Yes	Yes	Yes	Yes	Yes	Yes
Willingness to speak up	Yes	Yes	Yes	Yes	Yes	Yes
Focus on shareholder value creation	Yes	Yes	Yes	Yes	Yes	Yes
Maintenance of high governance standards	Yes	Yes	Yes	Yes	Yes	Yes
Knowledge of business of the Company	Yes	Yes	Yes	Yes	Yes	Yes
Openness of discussion / integrity	Yes	Yes	Yes	Yes	Yes	Yes
Relationship with Management	Yes	Yes	Yes	Yes	Yes	Yes
Impact on key management decisions	Yes	Yes	Yes	Yes	Yes	Yes
Ability to handle others	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at the Meetings	Yes	Yes	Yes	Yes	Yes	Yes
Ability to disagree and stand his / her ground	Yes	Yes	Yes	Yes	Yes	Yes

*Mr. Kevin Johnson has stepped down from the directorship of the Company effective from 1st May 2026.

The profile of the Board of Directors of the Company as of 31st March 2026 is given below:

i. Mr Kevin Johnson (DIN: 09147729)

Kevin Johnson, aged 50 years, works as Chief Financial Officer for ESAB Corporation. Prior to this he held various positions in Colfax such as Vice President – Investor Relations, FP&A and also supported acquisition, diligence & integration. Prior to Colfax, he was with Howden in the roles of increasing responsibility including CFO for its South African Publicly - listed Company.

Mr. Kevin Johnson earned his MBA from University of Hasselt, Belgium, Master degree in Accounting from Macquarie University, Sydney, Australia and earned his CPA in Australia.

ii. Mr Rohit Gambhir (DIN: 06686250)

Mr. Rohit Gambhir, aged 53 years, is a B. Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has overall experience of 30+ years. He started his career in August 1994 with Saint Gobain. He rose through the ranks to be the Sales Manager for Abrasive Industrial trade products by April 2003, and he served them till November 2007. In 2007, Mr. Rohit Gambhir joined Stanley Black & Decker as its Business Head. He joined ESAB India in March 2013 as its Head of Sales & Marketing.

His areas of expertise include Business Management and strategy, marketing plans and implementation, end user B2B sales, international projects with Emerging Market focus, Sales and Operating margin management, Working capital management, Organization development, Supply Chain Management and Segment development.

Mr. Rohit Gambhir is a Non-Executive Director of EWAC Alloys Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

iii. Mr. B Mohan (DIN: 00261434)

Mr. B Mohan, aged 60 years, graduated in the year 1985 and completed Chartered Accountancy in 1986. He is also a qualified Company Secretary. He started his career with A.F. Ferguson and Associates, Mumbai handling statutory audits in leading Companies including Tata Steel, Hindustan Unilever and a few businesses of General Electric. He moved to Wipro, Bangalore

and served in multiple roles as divisional finance head across various IT businesses of Wipro. After a year with Gillette, Delhi in the Corporate Accounting function moved to Valeo, Chennai a part of Valeo S.A, France headquartered auto components entity. Over a period of 7.5 years, he headed Finance function in two of their Joint ventures from a project set up stage. He has expertise in the field of Finance, Accounting and Management.

He finally moved to Esab India Limited in 2005 as CFO and has been heading Finance/ IT for over 20 years.

Mr. B Mohan is a Non-Executive Director of EWAC Alloys Limited, GCE India Private Limited and Aktiv Technologies Private Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

iv. Mr N. Ramesh Rajan (DIN: 01628318)

Mr. N Ramesh Rajan, aged 68 years is a Fellow Member of the Institute of Chartered Accountant and a B.Com. graduate from Vivekananda College, Chennai. He started his career as an Assistant Manager with Lovelock & Lewes, Chartered Accountants, Chennai in the year 1981.

In the earlier period of his career with Lovelock & Lewes, he was seconded to the Computer Audit group of Coopers & Lybrand, London. He then took charge as Manager (Computer Audit) in the year 1987 with Lovelock & Lewes. From the year 1988 to 2002, he had handled multiple assignments and with his expertise he had grown up in his career ladder from Manager to Global Risk Management Services Leader (GRMS) in PwC India. He was responsible for developing and leading the GRMS practice in India post the sale of PwC's Global Consulting practice to IBM.

From January 2003 to April 2007, he has held various high positions in his career with PwC, India. He was a member of PwC's India Leadership Team and Internal Audit Leader / Deputy Assurance Leader.

He was the Engagement Partner and Country Relationship Partner for several large Domestic and Multinational Groups. Apart from statutory audits, Ramesh has led several large Due Diligence and Risk management engagements.

Mr. N. Ramesh Rajan also held the position of Chairman and Senior Partner of PwC India

responsible for overall strategy and operations of all PwC Indian entities. He was also a member of the Global Strategy Council of PwC International and served as a member council of PwC's Central Cluster led by PwC, UK.

During the period 2010 to June 2013, he was the Partner, Global Assurance for PwC International responsible for reviewing and formulation of PwC International's Global Audit Delivery Strategy.

Mr. N Ramesh Rajan currently holds the position of Independent Director in the listed entities viz. Cholamandalam Investment and Finance Co. Ltd., Rane Madras Limited,

Mr. N Ramesh Rajan does not hold any equity shares in the Company and is not related to any other Director on the Board of the Company.

v. Mr. Raja Venkataraman (DIN: 00669376)

Mr. Raja Venkataraman, aged 68 years, is a commerce graduate from St Xavier's College Kolkata and a qualified Chartered Accountant and a Company Secretary. He has work experience of more than 40 years spanning across diverse industries in India including automotive tires, Leather, Food & Beverages, Batteries, Healthcare and Consumer goods. His career span has been across reputed organizations including Unilever, GE, Tyco and Philips and in diverse functional roles including General Management, Finance, Sourcing, Commodity Buying, Human Resources, Legal, Company secretarial and Business Development.

He has been a CEO cum Managing Director for over 14 years and CFO for over 10 years across Industry with a proven track record of delivering results consistently with the highest standards of Ethical values and Governance.

During his long corporate career, he has held number of leadership positions in Industry associations, participated and spoken at number of forums and has been credited with driving Reverse innovation in Healthcare in India that has been widely recognized across India and abroad besides featuring as a Harvard business school case study.

The leadership talent that he has nurtured and groomed over the years, several of whom hold CEO and CFO positions in India and abroad across various companies, is considered by him as the most satisfying accomplishment of his life.

Post his retirement in September 2017 from the role of Managing Director of Philips India Ltd, he works as a Management and Strategy

consultant. Mr. Raja Venkataraman currently holds the position of Independent Director in the listed entities viz. Greaves Cotton Limited and Amrutanjan Health care Limited. He also holds Directorships in private and unlisted public companies viz. Premium Transmission Limited, Healthmap Diagnostics Private Limited, Greaves Electric Mobility Limited, MLR Auto Limited, and Taiki Consulting Private Limited.

Mr. Raja Venkataraman does not hold any equity shares in the Company and is not related to any other Director on the Board of the Company.

vi. Ms. Cauvery Dharmaraj (DIN: 02917088)

Ms. Cauvery Dharmaraj, aged 58 years, is a postgraduate in Human Resource Management from Xavier School of Management (XLRI). She started her career in the year 1992 with Royal Enfield Motors Limited as an Assistant Manager – Human Resource. After a two years stint at the corporate office, she became an independent Human Resource Consultant where the main focus was on setting up HR systems for startups, project-based consulting in the areas of performance evaluation, review systems and compensation structures for a period of nine years from 1994 to 2003.

In 2004, she became the Head – Human Resource of MM Imagine Technologies Private Limited where she provided her guidance and directions not just to HR team but also to the rest of the organization to achieve the business goals and organization's vision & growth for a period of five years till 2009.

In February 2010, she became a Director of Kelsa Solutions. She continued as the Director of the Company till November 2020.

After 30+ years of experience in the field of Human Resource, Ms. Cauvery Dharmaraj is passionate about normalizing conversations around Mental Health. She is an accredited instructor for Mental Health First Aid (MHFA). The aim is to increase information around mental health, reduce stigma and encourage normalization of mental health as an integral part of our daily lives.

Ms. Cauvery Dharmaraj currently holds the position of Independent Director in Inspiysis Solutions Limited. She is also a director in MHFA India Private Limited.

Ms. Cauvery Dharmaraj does not hold any equity shares in the Company and is not related to any other Director on the Board of the Company.

I. Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

At the meeting of the Board of Directors held on 27th May 2026, the performance of the Independent Directors was evaluated under various criteria laid down and all of them in the opinion of the Board, fulfill the conditions specified in the SEBI (LODR) Regulations and are independent of Management.

J. Detailed reasons for the resignation of an independent director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Not Applicable

3. AUDIT COMMITTEE

The terms of reference of the Committee are governed by a Charter, covering all applicable matters specified under Part C of Schedule II of Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dealing with Corporate Governance and Section 177 of the Companies Act, 2013.

The Members of the Committee were:

N Ramesh Rajan	Chairman	Independent Director
Raja Venkataraman	Member	Independent Director
Kevin Johnson	Member (upto 30 th April 2026)	Non-Executive Nominee Director
Curtis Evan Jewell	Member (w.e.f. 1 st May 2026)	Non-Executive Nominee Director

More than two-thirds of the members are Independent Directors of the Committee, and all the members of the Audit Committee are financially literate. Mr. N Ramesh Rajan was appointed as the Chairman of the Audit Committee with effect from 29th January 2025 and the Company benefits in him being an expert in finance and related matters.

The Company's Managing Director, Chief Financial Officer, its Statutory Auditors and its Internal Auditors are permanent invitees to the Committee meetings held on a quarterly basis and as and when the need arises. The Company Secretary is the secretary to the Committee. The Cost Auditors are invited to the meetings as and when the Cost Audit Reports are considered by the Audit Committee. The Members of the Audit Committee are also given free access

to other executives of the Company, and such executives attend the meeting at the behest of the Audit Committee.

The quorum for the Audit Committee meeting is either two members or one third of the total strength of the Committee, whichever is higher, but a minimum of two Independent Directors' presence is required to constitute a quorum.

Mr. Ramesh Rajan, Chairman of the Audit Committee attended the Annual General Meeting of the Company held on 14th August 2025.

The text of the Charter which describes the terms of reference of the Audit Committee is available on the Company's website https://esabindia.com/in/ind_en/investor-relationship/committees/audit-committee/

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the Audit Committee cover all matters specified in Part C of Schedule II of Regulation 18 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and those specified in Section 177 of the Companies Act, 2013. The terms of reference broadly include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to: -
 - a) Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion in the draft audit report.

- Reviewing with the management the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval of any subsequent modification of transactions of the Company with Related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussions with internal auditors of any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- To look into the reasons, if any, for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, expertise and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Reviewing the utilization of loans and/ or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Management Discussion and Analysis of financial condition and results of operations;
- Management Letters / Letters of Internal Control weaknesses issued by the statutory auditors; and
- Internal Audit reports relating to Internal Control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

The Committee Members have also reviewed the performance of the Committee and the performance of its members at its meeting held on 27th May 2026. Details of the constitution of the Audit Committee and the Meetings held during the 2025-26 are as given below:

Audit Committee	Members	Meeting Dates			
		27.05.2025	11.08.2025	10.11.2025	10.02.2026
N Ramesh Rajan	Chairman & Independent Director	Yes	Yes	Yes	Yes
Raja Venkataraman	Member & Independent Director	Yes	Yes	Yes	Yes
Kevin Johnson	Member & Non-executive Nominee Director	Yes	Yes	Yes	No

Not more than 120 days have elapsed between any two meetings during the year under review. The first audit committee meeting for the financial year 2025-26 was held on 27th May 2025 to consider audited financials of 2024-25.

4. NOMINATION AND REMUNERATION COMMITTEE

- a. The Company to comply with the requirements of Section 178 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has constituted a Nomination and Remuneration Committee and the composition of the same as on 31st March 2026 is as below:

N Ramesh Rajan	Chairman	Independent Director
Cauvery Dharmaraj	Member	Independent Director
Kevin Johnson	Member (upto 30 th April 2026)	Non-Executive Nominee Director
Curtis Evan Jewell	Member (w.e.f. 1 st May 2026)	Non-Executive Nominee Director

The terms of reference of the Committee as stipulated under Schedule II Part (D) of the Regulation 19 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which inter alia includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
 - For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - A) Use the services of an external agency, if required;
 - B) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - C) Consider the time commitments of the candidates.
 - Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
 - Devising a policy on diversity of Board of Directors.
 - Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
 - To extend or continue the terms of appointment of the Independent Director on the basis of the performance evaluation of Independent Directors.
 - Determination of the remuneration / incentives of Managing Director / Executive Director / Whole time Director / Key Managerial Personnel / Senior Management Personnel and review of the remuneration policy of the Company.
 - The Committee also reviews recruitments one level below the Board of Directors and Direct reports to Key Managerial Personnel.
 - The Committee also reviews the KPIs / KRAs of the Managing Director and its Direct Reports.
 - Recommend to the board, all remuneration, in whatever form, payable to senior management personnel.
- b. During the financial year 2025-26, one meeting was held on 25th March 2026. The details of the

Composition of the Committee and the attendance of the members at the meeting are as given below:

Nomination & Remuneration Committee	Members	Meeting Date
		25.03.2026
N Ramesh Rajan	Chairman & Independent Director	Yes
Cauvery Dharmaraj	Member & Independent Director	Yes
Kevin Johnson	Member & Non-Executive Director	Yes

The Company Secretary is the Secretary to the Committee. The quorum for meetings of the Nomination and Remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. This requirement was adhered to during the year under review.

c. Remuneration Policy

The salient features of the policy *inter alia* are to:

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- ensure that the remuneration of the Directors, Key Managerial Personnel and other employees is performance driven, motivates them, recognizes their merits and achievements and promotes excellence in their performance.
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in Board; and
- fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

The Nomination & Remuneration Committee reviews the policy on a periodical basis and suggests changes

to the Board as and when the need arises. They recommend an increase in salary and incentive payable to the Managing Director subject to the approval of the Board. They also approve the increase in salary payable and the incentive payable to the senior management personnel of the Company i.e., one level below the board who are direct reports to the Managing Director and all the functional heads of the Company.

d. Policy on Board Diversity

The Nomination & Remuneration Committee at its meeting held on 19th May 2016 recommended the policy on Board Diversity as required under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and duly approved by the Board of Directors. The said policy is available on the website of the Company viz. https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-board-diversity/.

e. Performance Evaluation of Independent Directors

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of the Independent Directors as per the criteria laid down at its meeting held on 27th May 2026.

The Board of Directors assessed the performance of the Independent Directors on the Board based on parameters as given in the matrix. The Independent Directors fulfilled the independence criteria as specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 and their independence from the management.

The Members of the Committee of Audit, Nomination & Remuneration, Corporate Social Responsibility, Stakeholders' Relationship and Risk Management, were also assessed on the above parameters and also in the context of the Committee's effectiveness vis-à-vis the Act and the SEBI regulation requirements.

The Directors were satisfied with the evaluation results, which reflected the overall engagement and the effectiveness of the Board and its Committees.

5. REMUNERATION OF DIRECTORS AND DISCLOSURES

The details of payment of remuneration to Directors during 2025-26 are as follows:

(in ₹)

Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid	Commission
Kevin Johnson	-	-	-	-	-
N Ramesh Rajan	-	-	-	3,79,000	3,70,000
Raja Venkataraman	-	-	-	4,38,500	3,40,000
Cauvery Dharmaraj	-	-	-	2,78,000	10,10,000
B Mohan	1,55,44,523	10,05,618	2,16,000	-	17,51,699
Rohit Gambhir	*4,69,56,838	25,63,885	4,61,520	-	52,07,716

*Includes Stock Unit award granted by the ultimate holding company and exercised by said employee during the financial year 2025-26 without any recharge to the Company. Please refer to Note No. 44 for relevant disclosures.

The following sitting fee is paid to the Non-Executive Independent Directors for attending one meeting

Type of Meeting	Sitting fee per meeting (in ₹)
Board	40,000
Audit Committee	30,000
Stakeholders Relationship Committee	7,500
Nomination & Remuneration Committee	29,500
Risk Management Committee	
Corporate Social Responsibility Committee	
Independent Directors	

TDS at the rate of 10% is deducted for the financial year 2025-26 from the sitting fee payable to the Independent Directors and GST at the rate of 18% is also paid on reverse charge basis by the Company.

The payment of Commission to Non-Executive Directors not exceeding 1% of the net profits of the Company as calculated under the applicable provisions of the Companies Act, 2013 was approved by the Members at the Annual General Meeting held on 12th August 2021 for a period of five years commencing from financial years 2021-22 to 2025-26. The proposal for payment of commission, in any financial year, not exceeding 1% of the net profits of the Company for a period five years commencing from 2026-27 to 2030-31 has been placed before the shareholders for their approval at the forthcoming AGM scheduled on 29th July 2026. The approval was based on their roles and responsibilities and their contribution to the Company in their respective capacities. Based on the above principle, Commission has been individually determined for each Non-Executive Director based on their varying commitments of time and effort to the Board and to its committees. The commission paid to the Managing Director and Director & CFO is based on their performance and contribution to the Company's performance.

The details of the Service Contract

The Agreement with the Executive Director is for a period of five years. Three months' notice of either side as per agreed terms & conditions. There is no severance fee.

During the year, the Company did not have any transaction material or otherwise with any of the Non-Executive Independent Directors or with the Key Managerial Personnel. None of the Directors hold any equity shares in the Company. None of the Directors are related to each other and there are no other pecuniary relationships or transactions with the Non-Executive Directors vis-à-vis of the Company.

The Company neither has any schemes for stock options nor has it granted any stock options to any of its Directors or employees during the year under review. However, certain employees of the Company are covered under the Stock Unit reward schemes of its ultimate holding company without any recharge to the Company. Please refer Note No.44 to the financial statements.

Criteria for making payments to Non-Executive Directors

The Company has laid down the criteria for making payments to the Non-Executive Directors. The details of such criteria are available in the Remuneration Policy. The said policy is available and can be viewed on the website of the Company https://esabindia.com/in/ind_en/investor-relationship/policies/nomination-remuneration-policy-08-11-2024/

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee functions under the Chairmanship of Mr. Raja Venkataraman, a Non-Executive Independent Director. The other members of the Committee were Mr. Kevin Johnson (Until 30th April 2026), Mr. Curtis Evan Jewell (w.e.f. 1st May 2026) and Mr. Rohit Gambhir.

Mr. G Balaji, Company Secretary, is the Compliance Officer of the Company.

The role of the Committee shall inter alia include the following:

- Resolving the grievances of the security holders including complaints related to transfer / transmission

/ transposition / name change of shareholders of equity shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, dematerialization, general meetings, and rematerialization of shares etc.

- ii. Review the measures taken for effective exercise of voting rights by shareholders.
- iii. Review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent - Integrated Registry Management Services Private Limited.
- iv. Review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensured timely receipt of dividend warrants/annual reports/statutory notices to the shareholders of the Company.
- v. Review transfer of unpaid dividend amount to Investor Education & Protection Fund and the equity shares pertaining to shareholders which remained unclaimed for more than 7 years which are transferred to Investor Education & Protection Fund.

There were four meetings held during the year 2025-26. The details of the Composition of the Committee and the attendance of the members at such meetings are given below:

Stakeholders Relationship Committee	Members	Meeting Dates			
		27.05.2025	11.08.2025	10.11.2025	10.02.2026
Raja Venkataraman	Chairman & Independent Director	Yes	Yes	Yes	Yes
Kevin Johnson	Member & Non-Executive Director	Yes	Yes	Yes	No
Rohit Gambhir	Member & Managing Director	Yes	Yes	Yes	Yes

During the year, the Company received 418 complaints from the shareholders. The details of the complaints received from the shareholders are as given below:

Sl.No.	Nature of Complaint	June 2025	Sep 2025	Dec 2025	Mar 2026
1.	Non-receipt of dividend warrants	7	101	34	16
2.	Non-receipt of share certificate	39	24	31	32
3.	Transmission procedure	18	15	14	15
4.	Others	10	23	23	16
	Total	74	163	102	79

All the complaints were appropriately addressed as per applicable guidelines and regulations. All requests for dematerialization of shares were carried out within the stipulated time period. Mr. V Mahesh, Practicing Company Secretary vide their certificate dated 8th April 2026 for the relevant year has certified that the Company has been prompt in transferring the shares to the shareholders and the same has been filed with the stock exchanges BSE and NSE by the Company. SEBI vide circular Ref CIR/OIAE/2/2011 dated June 3, 2011 informed the Company that they had commenced processing of investor complaints in a web-based complaints redressal system viz. SCORES. Under this system all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit action taken report along with supporting documents electronically in SCORES.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 (1) of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee consisting of one Independent Director, one Non-Executive Director and the Managing Director. Ms. Cauvery Dharmaraj is the Chairperson of the said Committee. Mr. Kevin Johnson (Until 30th April 2026) and Mr. Rohit Gambhir are the members of the said Committee.

Mr. Curtis Evan Jewell, Non-Executive Nominee Director has been inducted as a member of the Committee effective from 1st May 2026

The Committee has laid down the Policy on Corporate Social Responsibility stating therein the strategy, objectives, funding & allocation for the CSR projects implementation strategy and steps involved in achieving the CSR objectives. The Policy on Corporate Social Responsibility of the Company can be viewed under the weblink https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/.

The Committee met twice on 27th May 2025 and 10th February 2026 during the financial year 2025-26. The details of the attendance of the Committee members in the meeting are given below:

CSR Committee	Members	Meeting Dates	
		27.05.2025	10.02.2026
Cauvery Dharmaraj	Chairperson & Independent Director	Yes	Yes
Kevin Johnson	Member & Non-Executive Nominee Director	Yes	No
Rohit Gambhir	Member & Managing Director	Yes	Yes

During the year under review the Company has spent money on projects identified under CSR. The unspent

money budgeted for CSR on identified and ongoing projects was transferred to the Unspent CSR Account 2025-26 opened with HDFC Bank Limited, Chennai on 29th April 2026, in pursuance of the Companies (Corporate Social Responsibility) Amendment Rules, 2022. The details of CSR budget and spend for the year 2025-26 are given as **Annexure - 3** to the Directors' Report.

8. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee consisting of Mr. Kevin Johnson, Chairman of the Board (Until 30th April 2026), Mr. Rohit Gambhir, Managing Director, Mr. Raja Venkataraman, Independent Director and Mr. B Mohan, Director & CFO. Regulation 21(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, states that the Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director. Mr. Curtis Evan Jewell, Non-Executive Nominee Director has been inducted as Chairman of the Committee effective from 1st May 2026.

The Committee had laid down the Policy on Risk Management and its mitigation. The Policy on Risk Management of the Company can be viewed under the weblink https://esabindia.com/in/ind_en/investor-relationship/policies/risk-management-policy/

The role of the Committee shall inter-alia, include the following

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met twice during the financial year 2025-26 on 27th May 2025 and 10th November 2025. The details of the attendance of the Committee members at the meetings are given below:

Risk Management Committee	Members	Meeting dates	
		27.05.2025	10.11.2025
Kevin Johnson	Chairman & Non-Executive Director	Yes	Yes
Raja Venkataraman	Member & Independent Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes
B Mohan	Member & Director & CFO	Yes	Yes

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than two hundred and ten days shall elapse between any two consecutive meetings.

9. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors of the Company had met on 16th February 2026 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and had assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors after the conclusion of their meeting, had given their suggestions and opinions on various matters to the Chairman of the Board for his consideration.

The Board of Directors had during their meeting held on 27th May 2026 reviewed the individual performance of all the Independent Directors as per the standard evaluation criteria and format laid down. The Independent Director whose performance was reviewed by the Board, excused themselves from attending that part of the meeting as required under the statute.

10. SENIOR MANAGEMENT

The details of senior management including the changes therein since the close of the previous financial year are furnished below:

Sl. No.	Name of the Senior Management Personnel	Designation	Changes from the close of the previous financial year
1	Debobroto Banerjee	Vice President - M&A & Special Projects	-
2	Mohan B	Director & CFO	-
3	Jagannathan P V	Vice President – Operations	-
4	Jaimon Antony V	Vice President – HR	-
5	Narula Anil Kumar	General Manager - Consumable Sales	-
6	Biswadeep Banerjee	General Manager - Equipment Sales & After Market	-
7	Ajai Bajpai	Business Head - Welding Automation	-
8	Paramasivam S	Vice President – R&D	-
9	Raman N V	General Manager - Finance	-
10	Balaji G	Deputy General Manager - Legal & Compliance	-
11	Meenakshi A	Head R&D – Filler Metals	-

11. CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL & POLICY ON BUSINESS CONDUCT IN ORDER TO PREVENT BRIBERY AND CORRUPTION

The Board of Directors has adopted the Code of Conduct, applicable to Directors and to Senior Management Personnel of the Company. The said Code of Conduct has been posted on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/code-of-conduct/

The Company has obtained declarations from all its Directors and Senior Management Personnel affirming their compliance with the applicable Code of Conduct.

The declaration by the Managing Director under Schedule V Part D Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the financial year ended 31st March 2026 is attached to this Corporate Governance Report.

Being a subsidiary of ESAB Corporation, the Board of Directors of the Company has also adopted a Guideline on Business Conduct to prevent Bribery and Corruption and all the employees of the Company are bound to comply with the provisions of this policy. The details of this policy are also available on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/anti-bribery-policy/

12. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF EMPLOYEES IN ESAB INDIA LIMITED

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention of sexual harassment of women employees at workplace and has constituted an Internal Complaints Committee to consider and redress complaints on sexual harassment, if any. All the employees have been sensitized on the provisions of the Act. No complaints were received during the year under review viz. 2025-26.

13. SUBSIDIARY COMPANIES

There were no subsidiaries to the Company as on 31st March 2026.

14. RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

A qualified Practicing Company Secretary carries out an audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital and the reports are placed before the Board of Directors for its perusal. The said report confirms that the total issued and listed capital is in agreement

with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

15. GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details given below:

Year	Date	Time	Mode & Venue
2022-23	10 th August, 2023	03.30 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2023-24	8 th August, 2024	03.30 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2024-25	14 th August, 2025	03.30 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in the respective Notices.

Mr. V Mahesh, the Practicing Company Secretary was appointed as the Scrutinizer for e-Voting process at the Annual General Meeting held on 14th August 2025. The Company has entered into a tripartite agreement with NSDL and the Registrar and Transfer Agent viz. M/s Integrated Registry Management Services Private Limited and accordingly an e-Voting facility was provided to the shareholders to exercise their voting rights on the above-said resolutions.

All the resolutions set forth in the notice calling the Annual General Meeting are being passed through e-Voting in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.

The procedures for casting votes under e-voting have been elaborated in the Notice calling the Annual General Meeting on 14th August 2025. The members are requested to read this document to cast their votes accordingly.

Details of special resolution passed in the previous three Annual General Meetings:

- In the Annual General Meeting held on 10th August 2023, the Company obtained approval from the shareholders through special resolution for re-appointment of Mr. Rohit Gambhir as Managing Director for a period of five years from 1st November 2023 to 31st October 2028.

Details of special resolution passed last year through postal ballot and voting pattern:

The Company passed a special resolution through Postal Ballot on 12th March 2025 for appointment of two new Independent Directors, Mr. N Ramesh Rajan and Mr. Raja Venkataraman for a period of five years effective from 27th January 2025 to 26th January 2030. The Company had conducted the postal ballot process through electronic

means in accordance with Section 110 of Companies Act 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. Mr. V Mahesh, the Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot exercise..

Details of the Voting Pattern.

Sl No.	Brief Particulars of Resolution	Total No. of votes	No. of shares and % of total votes cast in favour		No. of shares and % of total votes cast against		Invalid votes	
		No of Shares	No of Shares	% of votes	No of Shares	% of votes	No of Shares	% of votes
1	Appointment of Mr. Ramesh Rajan (DIN 01628318) as Non-Executive Independent Director	1,35,67,856	1,35,03,062	99.52%	65,794	0.48%	Nil	Nil
2	Appointment of Mr. Raja Venkataraman (DIN 00669376) as Non-Executive Independent Director	1,35,68,856	1,35,68,666	99.99%	190	0.01%	Nil	Nil

No special resolution is proposed to be passed through Postal Ballot as on the date of this annual report.

16. MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements.

These financial results, in the prescribed format, as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in leading local language and national newspapers in compliance with Regulation 47(1) of the said regulations. These results are not sent individually to the shareholders.

The results are normally being published in "The Business Standard" in English and in the regional language newspaper "Makkal Kural" in Tamil.

The Company has in place a website viz. www.esabindia.com. The quarterly / annual financial results, shareholding pattern, Integrated Governance Report, the details of the Board of Directors, Senior Management Personnel, the composition of the Board of Directors / Committee of Directors, the various policies adopted by the Company viz. Whistle Blower Policy, Risk Management Policy, Policy on Corporate Social Responsibility, Related Party Transactions Policy, Remuneration Policy, Policy on Disclosure of Material Events, Policy on Document Retention, Policy on Board Diversity are published in the Company's website. The Company makes use of its website for publishing official news releases.

The Company as a part of its code of conduct adopted under the SEBI (Prohibition of Insider Trading)

Regulations, does not meet any institutional investors or analysts. Only the Chairman of the Company is authorized to meet them and there have been no occasions in the past 12 months where the Chairman met the institutional investors or the analysts.

17. GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date & Time 29th July, 2026 at 15: 30 hrs.
Venue By Video Conference Mode / Other Audio Visual Mode

Financial Year of the Company 1st April, 2025 to 31st March, 2026

Approval of financial results proposed	
Quarter ended 30 th June, 2025	Within 45 days from the end of the quarter
Quarter ended 30 th September, 2025	- do -
Quarter ended 31 st December, 2025	- do -
Year ended 31 st March, 2026	Within 60 days from the end of the Financial Year

Particulars of Dividend Payment for the financial year ended 31st March 2026

Final dividend 2024-25

Date of declaration of Final dividend	14 th August, 2025
Rate of Dividend	₹ 42/- per equity share of ₹ 10/- each (i.e. 420%)
Record date	7 th August, 2025 to 14 th August, 2025
Date of payment of Dividend	10 th September, 2025
Amount of Dividend Paid	₹ 64,65,06,840/-
Share capital	₹ 15,39,30,200/-

First interim Dividend 2025-26

Date of declaration of interim dividend	10 th November 2025
Rate of Dividend	₹ 25/- per equity share of ₹ 10/- each (i.e. 250%)
Record Date	14 th November 2025
Date of payment of Dividend	8 th December 2025
Amount of Dividend Paid	₹ 38,48,25,500/-
Share capital	₹ 15,39,30,200/-

Second Interim Dividend 2025-26

Date of declaration of Second interim dividend	10 th February 2026
Rate of Dividend	₹ 25/- per equity share of ₹ 10/- each (i.e. 250%)
Record Date	14 th February 2026
Date of payment of Dividend	6 th March 2026
Amount of Dividend Paid	₹ 38,48,25,500/-
Share capital	₹ 15,39,30,200/-

Listing of shares

Name and address of the stock exchange	Stock Code
BSE Limited 25 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	500133
National Stock Exchange of India Limited "Exchange Plaza" BKC, Bandra (E), Mumbai 400 051.	ESABINDIA
ISIN allotted by Depositories (Company ID Number)	INE284A01012

The listing fees for the financial year 2026-27 were duly paid to the above stock exchanges during April 2026 .

Dividend History

Year	Type of Dividend	Dividend Rate	Dividend Amount ₹ in lakhs
2019-20	Interim Dividend	700%	10,775.11
2020-21	Interim Dividend	190%	2,924.67
2020-21	Final Dividend	250%	3,848.26
2021-22	First Interim Dividend	220%	3,386.46
2021-22	Second Interim Dividend	180%	2,770.74
2021-22	Final Dividend	200%	3,078.60
2022-23	First Interim Dividend	300%	4,617.90
2022-23	Second Interim Dividend	280%	4,310.04
2022-23	Final Dividend	200%	3,078.60
2023-24	First Interim	320%	4,925.77
2023-24	Second Interim	240%	3,694.32
2023-24	Final Dividend	300%	4,617.90
2024-25	First Interim	250%	3,848.26
2024-25	Second Interim	230%	3,540.39
2024-25	Final Dividend	420%	6,465.07
2025-26	First Interim	250%	3,848.26
2025-26	Second Interim	250%	3,848.26

Registrar and Share Transfer Agent

Integrated Registry Management Services Private Limited
2nd Floor, 'Kences Towers'
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai 600 017.
Contact Person: Suresh Babu K,
Director
Tel : 044-28140801-03,
Fax : 044-28142479, 28143378
E-mail : einward@integratedindia.in

Shareholders are requested to correspond with the share transfer agent for transfer / transmission of shares, change of address, queries pertaining to their shareholding, dividend etc., at their address given above.

Share Transfer System

a. Integrated Registry Management Services Private Limited, Chennai is the Registrar & Share Transfer Agent for the Company.

- b. Share transfers are processed and approved, subject to receipt of all requisite documents.
- c. Pursuant to SEBI (Depositories and Participants) Regulations, 2015, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.
- d. The Company as required under Regulation 46(2) (j) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has designated two mail ids viz balaji.g@esab.co.in and investor.relations@esab.co.in for the purpose of registration of complaints, if any, by the investors and expeditious redressal of their grievances and the same has already been hosted on the Company's website.
- e. With a view to expediting the approval process, the Board of Directors has severally authorized the Chairman of the Board, the Chairman of the Stakeholders Relationship Committee and the Company Secretary to approve the transfer of shares.

Distribution of shareholding as on 31 March, 2026

Shareholding	Number of Shareholders	%	Number of Shares	%
Upto 500	20,008	97.59	8,76,183	5.69
501 - 1000	277	1.35	2,04,857	1.33
1001 - 2000	114	0.56	1,65,707	1.08
2001 - 3000	31	0.15	77,932	0.51
3001 - 4000	17	0.08	58,304	0.38
4001 - 5000	11	0.05	50,512	0.33
5001 - 10,000	14	0.07	1,06,949	0.69
ABOVE 10001	30	0.15	1,38,52,576	89.99
TOTAL	20,502	100	1,53,93,020	100

Note: The total number of shareholders is based on number of folios.

Shareholding pattern as on 31 March, 2026

Category	Number of Shareholders	Number of Shares	% of total
Promoter Companies			
Esab Holdings Limited	1	57,43,200	37.31
Exelvia Group India BV	1	56,04,760	36.41
Sub Total	2	1,13,47,960	73.72
Mutual Funds & UTI	8	19,55,110	12.70
Alternate Investment Funds	2	3,618	0.02
Foreign Portfolio Investors	66	2,39,274	1.55
Financial Institutions / Banks	5	25,882	0.17
Indian Public	18,156	14,91,258	9.69
Non-Resident Indians	909	68,585	0.45
IEPF	1	75,183	0.49
Bodies Corporate	169	58,354	0.38
Others	519	1,27,796	0.83
Sub Total	19,835	40,45,060	26.28
Grand Total	19,837	1,53,93,020	100

Note: The total number of shareholders is based on PAN.

Dematerialisation of shares and liquidity

As on 31st March 2026, 99.48% of the total paid-up equity capital was held in dematerialised form. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer shareholders the option to dematerialise their shares with these depositories. The ISIN number of the Company's shares in demat form is INE284A01012.

Outstanding GDRs / ADRs

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instruments which is likely to have an impact on Company's equity.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does have exposure to Commodity Price Risks arising primarily from movements in the prices of Metals used in the procured items of Raw materials and finished goods. The Company does not buy or sell Metals in any unprocessed form and items transacted are processed metals and alloys. The Company does not take any hedges.

The Company has exposure to Foreign Exchange risks arising from its international transactions on goods and services. The Company takes a considered view on hedging its risks based on underlying exposures in net terms and mix of currencies. During the Financial year 2025-26, the Company has not entered into any contracts for hedging on Foreign Exchange.

Plant Locations

Plant No.1 Plot No.13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai 600 058.

Plant No.2 G22, Sipcot Industrial Park,
Irungattukottai, Sriperumbudur,
Kancheepuram Taluk,
Chengalput District,
Tamilnadu - 602 105.

Plant No.3 B-28, MIDC Industrial Area,
Kalmeshwar, Nagpur - 441 501.

Address for correspondence G Balaji
Company Secretary
ESAB India Limited
Plot No.13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058.

Tel : 044 42281100

Fax: 044 42281150

E-mail balaji.g@esab.co.in
investor.relations@esab.co.in

Credit Ratings

The Company has no debt instruments, fixed deposit program or any scheme or proposal involving mobilization of funds, in India or abroad and the Company has not obtained any credit ratings during the year.

18 .DISCLOSURES

- The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended.

- There were no public, rights or preferential issues during the year under review.
- Key Managerial Personnel / Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in conflict with the interest of the Company at large. The Company did not have any materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the other related party transactions which are in the ordinary course of business and at arms' length basis are approved by the Audit Committee and the Board of Directors of the Company on a regular basis.
- The Company in compliance of the revised requirements of SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, has adopted the Code of Conduct for prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedure and Conduct for Regulation, Monitoring and Reporting of Trading in the securities for the designated employees and connected persons, policy on legitimate purpose and the whistle blower policy. The said policy has been uploaded and made available on the website of the Company https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/
- The same has been strictly adhered to by the Directors and the designated employees. The Company informs the Directors and the designated employees about the date of the Board Meeting to consider any Unpublished Price Sensitive Information (UPSI) and advising them not to trade in the Company's shares, during the closure of the Trading Window Period. The Company also obtains declarations from the Directors and the Senior Management Personnel with regard to their compliance with the Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations.
- The Company also informs the stock exchanges promptly on the details of the trading window closure period and the fact that the designated employees have been instructed not to deal with the shares of the Company during such time the trading window is closed. All the other applicable compliances under the said statute have been made.
- All contracts entered into by the Company now specify the need for the contracting third party to adhere to the Company's policy on SEBI (Prohibition of Insider Trading) Regulations and draws attention of the said parties to the policy adopted by the Company and advises them to desist from dealing with the shares of the Company without prior intimation.
- All the Directors and the designated persons have also executed a Non-disclosure agreement in favour of the Company stating therein that they are fully aware of the fact that they in their ordinary course of executing

their day to day work would be coming across or be in possession of certain price sensitive information which they would not divulge to any third parties.

- The Company has also entered the details of all the Directors of the Board, Key Managerial Personnel and all employees in Grade E8 and above along with the PAN numbers in NSDL website to monitor if there are any transactions in the shares of the Company in compliance with the amended SEBI (Prohibition of Insider Trading) Regulations.
- The Managing Director and the Chief Financial Officer of the Company certify to the Board every quarter on matters related to the financial statements and other matters in accordance with Regulation 33(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Key Managerial Personnel of the Company also certify on an annual basis to the Board of Directors on the existence of adequate Internal Financial Controls commensurate with the size of the Company as required under Section 134 (5) of the Companies Act, 2013 to enable the Board of Directors to confirm to the shareholders that the Company has laid down internal financial controls and that the same are adequate and such controls are operating effectively.
- The Independent Directors have confirmed that they meet the criteria of “Independence” as stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation done on 27.05.2026 by the Board of Directors confirmed that all the Independent Directors meet the requisite criteria as given under Schedule IV of the Companies Act, 2013 and hence qualified to continue as Independent Directors on the Board of the Company.
- To enhance standards of corporate governance and strengthen controls, the Company has set up a whistle blower policy which can be accessed on Company’s website https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. In terms of such whistle blower policy, it is affirmed that the employees have been given free access to the Audit Committee Chairman. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.
- In compliance with Regulation 46 (2) (j) & (k) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and as required under the listing agreement entered into with the stock exchanges in compliance of Regulation 109 (2) of the said SEBI regulations, the Company has designated the mail

ID balaji.g@esab.co.in and investor.relations@esab.co.in and posted this in the Company’s website and also on the websites of the stock exchanges where the Company’s shares are listed. The investors can send their grievances, if any, to these designated mail IDs’. Mr. G Balaji is the Company Secretary and the Compliance Officer of the Company.

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have vide Regulation 46 (1) stipulated that the Company should maintain a functional website containing basic information about the Company and update the contents of the said website periodically. In pursuance of this clause the Company updates its website with all the relevant information as envisaged in the said regulation and as per the provisions of the Companies Act, 2013 and they are now available in its official website www.esabindia.com.
- In line with the circular no. CIR/OIAE/2/2011 dated June 3, 2011 from SEBI, the Investor Complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes investor complaints through this system and updates status periodically.
- In pursuance of Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% shareholding of the promoter group Companies has been dematerialized and all the shares are held in dematerialized mode to allow the shares of the Company to be traded in the stock exchanges in the normal segment.
- Pursuant to Rule 5 (8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified on 5 September 2016 company has within a period of sixty days after the Annual General Meeting held on 14th August 2025 has uploaded on Company’s website https://esabindia.com/in/ind_en/investor-relationship/statement-of-unclaimed-dividends/ and filed e-Form No. IEPF – 2 – Statement of unclaimed and unpaid dividends as referred in sub-section 2 of Section 125 of the Act vide SRN AB8075602 dated 9th October 2025.
- Pursuant to applicable provisions of the Companies Act, 2013 (“the Act”) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“The Rules”) all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the dematerialization account created by the IEPF Authority. The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares.

- In terms of Section 173 (2) of the Companies Act, 2013 and in terms of the provisions of the Articles of Association of the Company, the Company allows the Board of Directors of the Company to attend / participate in a meeting of Board / Committee of Directors through electronic mode using video conference facility.
- MCA vide its General Circular No. 03/ 2025 dated 22nd September 2025, have permitted the companies to hold their Annual General Meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) until further orders are issued in this regard. Hence, this Annual General Meeting is being held on Video Conferencing Mode on 29th July 2026.
- Maharashtra Weldaids Limited (MWL) merged with the Company with effect from 12 January, 1994. The Company issued equity shares to the shareholders of MWL in the ratio of 1:2. These shares were issued in physical mode and were to be exchanged on submission of the old MWL share certificate. Some of these share certificates were not yet claimed by the shareholders of the Company.
- As required under Regulation 39 (4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company after complying with the necessary procedural requirements have now dematerialized and transferred the remaining unclaimed shares to a single demat account titled "ESAB India Limited Unclaimed Suspense Account" opened with M/s Integrated Registry Management Services Private Limited.
- In terms of said Regulation 39 (4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of these shares are given below:
- Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. In pursuance of this provision, the Company has already transferred the shares pertaining to shareholders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund.
- 25 Shareholders holding 1,710 equity shares constituting about 0.011% of shares have not made their claim from the Company on the shares outstanding in the Unclaimed Suspense Account of ESAB India Limited. The voting rights for these shares shall remain frozen until these are claimed by the rightful owners.
- In terms of Point F of Schedule V of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, we confirm that as on 31st March 2026 there were no shares in the Demat Suspense Account.
- In relation to the Company, no agreement was entered into by any of the parties as specified in clause 5A to paragraph A of Part A of Schedule III of SEBI (LODR) Regulations 2015 during the financial year 2025-26 and hence there were no details to disclose.
- The Policy on Board Diversity as approved by the Board of Directors is available in the Company's web site https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-board-diversity/
- The Company vide Form No. MGT 15 dated 19th August 2025 vide SRN AB6099457 have filed the report on last year's Annual General Meeting held on 14th August 2025.
- The Independent Directors have intimated the Company that they have registered their details in the Independent Directors Data Bank being maintained by Indian Institute of Corporate Affairs.
- The Company in pursuance of Rule 16 of Companies (Acceptance of Deposits) Rules, 2014 have filed form DPT-3 on 19th June 2025, vide SRN No. AB4742426 with the Registrar of Companies giving details of transactions not considered as deposits.
- The Company in pursuance of order 2 and 3 dated 22nd January 2019 under Section 405 of the Companies Act, 2013 have filed the details of amount outstanding to Micro and Small Enterprises under the MSMED Act, vide form No. MSME Form 1 on 29th April 2025 vide SRN No. AC3242183/1-25376461435 with respect to half yearly return i.e. as of 31st March 2026 and another MSME Form for the half year i.e. as of 30th September 2025 vide Form MSME 1 on 30th October 2025 vide SRN No. AB8578265/1-21960093024 in respect of outstanding payments to Micro and Small Enterprises.
- Reserve Bank of India had mandated all Companies using the banking channel to obtain a Legal Entity Identification (LEI) Number. The Company renewed

Aggregate number of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	30 shareholders holding 2,060 equity shares of ₹ 10/- each
Number of the shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year	1 shareholder
Number of shareholders whose shares were transferred to Investor Education and Protection Fund	4 shareholders
Number of shares transferred from the unclaimed suspense account to the shareholder's account during the year	50 equity shares
Number of Shares transferred to Investor Education and Protection Fund	300 equity shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	25 shareholders holding 1,710 equity shares of ₹ 10/- each

its LEI Certificate No. 3358001SJHTOXOICND66 on 3rd October 2025 for a period of 2 years. The Certificate is valid till 20th November 2027.

- A Management Discussion and Analysis Report, forming part of the Directors' Report, is included in the Annual Report.

19. OTHER DISCLOSURES

a) **Materially Significant Related Party Transactions**

The Company did not have any materially significant related party transactions to disclose during the year under review.

b) **Details of Non-compliance**

The Company had no occasion to disclose regarding non-compliance during the last three years. There were no penalties or strictures imposed by Stock Exchange or the Board of any statutory authority or any matter related to capital markets during the last three years.

c) **Vigil Mechanism**

The Company has established a Whistle Blower Policy and the same has been uploaded in the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. The said policy has also been made available at the Offices / Plants of the Company at conspicuous places to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. All the employees are given direct access to the Audit Committee Chairman to report their concerns, if any. The employees are also apprised of the availability of the whistle blower policy at the time of their induction into the Company. There were no occasions during the year under review where any concerns were reported under the said policy.

d) **Compliance with the Mandatory and Non-Mandatory Requirements**

The Company has complied with all the Mandatory requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the non-mandatory requirements to the extent and in the manner as stated here-in-above.

e) **Weblink where policy for determining 'material' subsidiaries is disclosed**

The Company does not have any material subsidiary as on 31st March 2026.

f) **Weblink where policy for dealing with related party transactions**

The Company has formulated a policy on Related Party Transactions in terms of Regulation 23(1)

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee accorded its omnibus approval for the said related party transactions at its meeting held on 27th May 2026 in terms of Regulation 23(3) of the said Regulations. The said policy and the list of related parties have been uploaded in the Company's website viz. https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-related-party-transaction/. The transactions with the related parties are being placed before the Audit Committee and the Board on a quarterly basis for it to review the same in terms of Regulation 23(3)(d) of the said Regulations.

g) **Disclosure of commodity price risks and commodity hedging activities**

The Company does have exposure to Commodity Price Risks arising primarily from movements in the prices of Metals used in the procured items of Raw materials and finished goods. The Company does not buy or sell Metals in any unprocessed form and items transacted are processed metals and alloys. The Company does not take any hedges.

h) **The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

i) **Mr. V Mahesh, Practising Company Secretary has issued the certificate dated 18 May 2026 that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

j) **Mr. V Mahesh, Practicing Company Secretary has completed the secretarial audit and has issued a certificate dated 18th May 2026 as per the prescribed format in MR-3 to the shareholders of the Company, which is annexed to the Director's Report as Annexure - 2. He has also confirmed that the Company has proper board processes and a compliance mechanism in place. He further affirmed that the Company has complied with the relevant statutes, rules and regulations and secretarial standards, as applicable.**

The Annual Secretarial Compliance report for the year ended 31st March 2026 was obtained from Mr. V Mahesh, Practicing Company Secretary. The Company has filed the Annual Secretarial Compliance report dated 18th May 2026 with the Stock Exchanges on 21st May 2026.

k) **The Board has accepted all the recommendations made by the Committees.**

l) **Total fees to the Statutory Auditor for the financial year 2025-26 is as below:**

Deloitte Haskins & Sells, Chennai (DHS) for the financial year 2025-26 is ₹ 54,00,000/- (Rupees Fifty Four Lakhs only).

- m)** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No. of Complaints filed during the financial year 2025-2026	No. of complaints disposed of during the financial year 2025-2026	No. of complaints pending as at end of the financial year 2025-2026
Nil	Nil	Nil

- n)** The Company has not made loans and advances in the nature of loans to firms / companies in which directors are interested.
- o)** The Company does not have any subsidiary for the financial year ended 31st March 2026.
- p)** All the Independent Directors have entered their profile in the Independent Director's database of Indian Institute of Corporate Affairs under Ministry of Corporate Affairs.

20. DISCRETIONARY REQUIREMENTS

As required under Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of discretionary requirements are given below:

a) The Board

The Company has not set up any office for the Non-executive Chairman and no expenses / reimbursement of expenses are incurred in the performance of his duties.

b) Shareholder rights

The quarterly un-audited results of the Company after being subjected to a Limited Review by the Statutory Auditors, are published in newspapers viz. Business Standard in English and Makkal Kural in Tamil and on the Company's website https://esabindia.com/in/ind_en/investor-relationship/financial-results/. These results are not sent to shareholders individually.

c) Modified Opinion(s) in Audit Report

The Auditors have issued an unmodified opinion on the statutory financial statements of the Company.

d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed two separate people for the post of Chairperson and Managing Director.

- e)** The Company has designated Mr. Kevin Johnson, Non-Executive Nominee Director, as the Chairman of the Company. His appointment was placed before the shareholders via Postal Ballot on 12th March 2025. He is not related to the Managing Director as defined under

the Companies Act, 2013. He was the Chairman until 30th April 2026. With effect from 1st May 2026, Mr. Curtis Evan Jewell has been appointed as Non-Executive Nominee Director & Chairman of the Board.

- f)** Mr. Rohit Gambhir as the Managing Director of the Company and his current term as Managing Director is valid until 30th September 2028.

g) Reporting of Internal Auditor

- a.** M/s. KPMG, Assurance & Consulting Services, LLP, Chennai, were the Internal Auditors of the Company during the year. The internal auditors report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

h) Independent Directors

- a.** As per SEBI (Listing Obligations and Disclosure Requirements) Third Amendment Regulations, 2024 with effect from 13th December 2024, the independent directors of the Company shall endeavor to hold at least two meetings in a financial year, without the presence of non-independent directors and members of the management.
- b.** The independent directors of the Company met on 16th February 2026 during the financial year 2025-26.

i) Risk Management

- a.** The Company has a Risk Management Committee chaired by Mr. Kevin Johnson, Non-Executive Nominee Director (Until 30th April 2026) in line with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. With effect from 1st May 2026, Mr. Curtis Evan Jewell has been appointed as the Chairman of the Committee.

Request to Investors

- Investors are requested to communicate change of address, if any, directly to the Registrar and Share Transfer Agent of the Company.
- Investors holding shares in electronic form are requested to deal only with their respective Depository Participants (DP's) for change of address, nomination facility, bank account number, etc.
- As required by SEBI, investors shall furnish details of their respective bank account number and name and address of the bank for incorporating in the dividend warrants to reduce the risk to them of fraudulent encashment.
- Electronic Clearing Service (ECS) helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility are requested to register their ECS details with the Share Transfer Agent or their respective Depository Participants.

- Shareholders who have multiple folios of identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
- Investors are requested to note that National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the respective transfers. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs) and made a request for such services. No charge will be levied by NSDL / CDSL on DPs for providing this facility to investors. Further information is available on the website of NSDL and CDSL viz. www.nsdl.com and www.cdslindia.com respectively.
- The Ministry of Corporate Affairs (MCA) has launched a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) by allowing various documents to be sent to you – under the provisions of Companies Act, 2013 – to your registered email address; thereby enabling paperless compliance. Keeping in view the underlying theme and the circular issued by MCA, we send all documents to you – like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report and Auditors' Report, Postal Ballot Notice etc., in electronic form, to the e-mail address provided by you and made available to us by the Depositories.
The soft copy of the Annual Report would be uploaded on the Company's website https://esabindia.com/in/ind_en/investor-relationship/financial-results/ under investor relations page.
- Niveshak Shivr is a joint initiative by SEBI and the Investor Education and Protection Fund Authority (IEPFA) to help investors reclaim unclaimed dividends and shares, update KYC / nomination details, and resolve pending claims directly with

companies and registrars. It acts as a one-stop facilitation camp for investor grievance redressal and financial literacy.

- In alignment with the objectives of Niveshak Shivr, IEPF Authority has launched its 100 days Campaign titled "Saksham Niveshak". This initiative is aimed at assisting shareholders in claiming their unclaimed shares/dividends and facilitating the updation of KYC records to improve investor service delivery. During this Campaign all the shareholders who have not claimed their dividends for any financial years or have not updated their KYC or any issues related to unclaimed dividends and shares may write to the Companies Registrar and Transfer Agent (RTA) i.e., Integrated Registry management services Private Limited, situated at 2nd Floor, "Kences Towers", No 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017, Email: einward@integratedindia.in.

Shares held in Dematerialised form

For Shareholders holding shares in Dematerialized form, the Company will send documents in electronic form to the email ID registered with the Depository. All Shareholders are requested to ensure that the registered email ID with the Depository to be current and updated.

Shares held in Physical form

Shareholders having shares in physical form should provide their email ID to the Company for receiving notices and/or documents electronically. To register their email ID with the company, Shareholders are requested to send a communication addressed to the Company Secretary.

For and on behalf of the Board of Directors

Curtis Evan Jewell
Chairman

Chennai
27th May, 2026

CERTIFICATE OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) OF THE COMPANY

We, Rohit Gambhir, Managing Director and B Mohan, Director & Chief Financial Officer of the Company ESAB India Limited having its registered office at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058, to the best of our knowledge and belief, certify that:

- (1) We have reviewed the financial statements for the year ended 31st March 2026 and that to the best of our knowledge and belief, certify that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- (2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2026 which are fraudulent, illegal or violative of the Company's code of conduct.
- (3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (4) We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the quarter, if any.
 - (ii) significant changes in accounting policies, if any, during the quarter and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

B Mohan
Director & Chief Financial Officer

Rohit Gambhir
Managing Director

Place : Chennai
Date : May 27, 2026



Practicing Company Secretary's Certificate in Compliance with Corporate Governance

[Pursuant to Clause E of SCHEDULE V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

ESAB INDIA LIMITED

Plot No. 13, 3rd Main Road, Industrial Estate,
Ambattur, Chennai - 600058

We have examined the compliance of the conditions of Corporate Governance by **ESAB India Limited** ('the Company') for the year ended on 31st March, 2026, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the

representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

For V. Mahesh & Associates

V. Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Peer Review No.:2107/2022

UDIN: F004162H000391441

Chennai

18/05/2026



Financial Statements 2025-26

Independent Auditor's Report

to the Members of ESAB INDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ESAB India Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified

under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	Auditor's Response
1	Determination of provision for excess and obsolescence inventories: As at March 31, 2026, the Company held inventories of Raw Material, Work-in-progress, Finished Goods and Traded Goods aggregating ₹ 13,641 Lakhs (net of provision of ₹ 1,553 Lakhs). Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for excess and obsolescence inventories, as considered necessary and applicable. Determination of the provision for excess and obsolete inventories require significant management judgment in terms of analysis of orders on hand, historical usage, future expectations and usability of certain categories of inventories and therefore has been considered to be a key audit matter.	The principal audit procedures performed by us in respect of the key audit matter is summarized below: - Evaluated the design and implementation and tested the operating effectiveness of management's controls over valuation of inventories including the determination of provision for excess and obsolete inventories. - Obtained the provision of inventory workings from the management and re-performed the calculation for arriving at the provision amount. Validated historical usage, orders on hand and usability of certain categories of inventories, on a sample basis. - Performed a retrospective review of certain estimates considered such as orders on hand and future expectations and evaluated whether the inventory provision was reasonable and adequate considering

Sr. No.	Key audit matter	Auditor's Response
1	Refer Note 8 to the financial statements for the year ended 31 March 2026 .	the various categories of inventories held as at the year end. • Compared the methodology adopted by the management to determine provision for excess and obsolete inventory for consistency with prior periods and discussed with the management to understand the reasons for changes, if any. • Reviewed the accounting policy relating to provision for excess and obsolete inventory for its consistency and appropriateness.

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 the Director's report, Management Discussion and Analysis, Business Responsibility and Sustainability Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.
- 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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 financial controls 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 adequate 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial controls 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 of the current period 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 not keeping backup on a daily basis of such books of account maintained in electronic mode in a server physically located in India (refer Note 45(xii) to the financial statements)
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - 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 is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.
 - 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / payable by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- i) 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, as amended 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 34(b) 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 (vii) 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.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 45(viii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, 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 (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable

The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with Section 123 of the Companies Act, 2013.

As stated in note 48 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention, that was enabled and operated since the commencement of audit trial requirements from April 1, 2023, as stated in Note 46 to the financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
 (Firm's Registration No.008072S)

P Usha Parvathy
Partner

Chennai
 May 27, 2026

(Membership No. 207704)
 (UDIN: 26207704QKSSHC2011)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)



ESAB INDIA LIMITED

Report on the Internal Financial Controls with reference to financial statements 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 ESAB India Limited (the “Company”) as at March 31, 2026 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The Company’s management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 criteria for internal financial control with reference to financial statements 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.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 26207704QKSSHC2011)

Chennai
May 27, 2026

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work in progress.
- (B) The Company has maintained proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment and some of the items under capital work in progress were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification, at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in- transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories/alternate procedures performed as applicable, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements (including revised returns) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, and not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
 - a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - b) The investments made, during the year are, in our opinion, not prejudicial to the Company's interest. The Company has not provided any guarantees or security, granted any loans or advances in the nature of loans.
 - c) The Company has not provided any loans or advances in the nature of loans during the year, and hence reporting under clause 3(iii)(c), (d), (e) & (f) of the Order is not applicable.
- (iv) The Investments in respect of which provisions of Section 186 of the Companies Act, 2013 is applicable have been complied with by the Company. The Company has not granted any loans or provided guarantees or securities that are covered under the provisions of Section 185 and 186 of Companies Act, 2013.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	AY 2003-04	190	190
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	AY 2004-05	78	78
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2017-18	238	86
Income Tax Act, 1961	Income Tax - Penalty	National Faceless Appeal Centre Penalty	AY 2017-18	123	103
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2018-19	44	–
Income Tax Act, 1961	Income Tax- Penalty	National Faceless Appeal Centre	AY 2018-19	22	18
Income Tax Act, 1961	Income Tax	Income Tax Income Tax Appellate Tribunal	AY 2020-21	10	10
Income Tax Act, 1961	Income Tax	Assistant Commissioner of Income Tax	AY 2021-22	8	8
Sales Tax	Non Submission of Sales Tax Forms	Assistant Commissioner, Commercial Taxes	FY 1996-00	914	894
Sales Tax	Non Submission of Sales tax Forms	Deputy Commissioner, Commercial Taxes	FY 2011-18	59	–
Sales Tax	Value Added Tax (VAT)	Hon'ble Supreme Court	FY 2013-15	215	215
Central Excise Act, 1944	Excise Duty	Central Excise & Service Tax Appellate Tribunal	FY 1997-00	935	899
Central Excise Act, 1944	Excise Duty	Central Excise & Service Tax Appellate Tribunal	FY 2011-12	47	47
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	FY 2012-15	86	78
Finance Act, 1994	Service Tax	Central Excise & Service Tax Appellate Tribunal	FY 2006-11	107	99
Finance Act, 1994	Service Tax	Joint Commissioner, Service Tax	FY 2003-05	6	6
Goods and Services	Goods and Services	Assistant Commissioner, Goods and Service Tax	FY 2024-25	13	–

Notes:

- The above does not include Show cause notices (pending formal demand notices) and draft assessment orders received by the Company.
- Out of the total disputed dues, an amount of ₹ 65 lakhs for Excise duty and service tax related matters, ₹ 220 lakhs for income tax matters, ₹ 79 lakhs for sales tax matters was pre-deposited by the Company.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) As informed to us, the Company has not raised any short-term loan during the year and there are no unutilised short term loans at the beginning of the year and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of the report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year upto December 31, 2025 and the draft of the internal audit report where issued after the balance sheet date covering the January 1, 2026 to March 31, 2026 for the period under audit.
- (xv) 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 hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. The Group doesn't have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility

(CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of Section 135(6) of the Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

P Usha Parvathy
Partner
(Membership No. 207704)
(UDIN: 26207704QKSSHC2011)

Chennai
May 27, 2026

Balance Sheet

as at March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	Notes	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	3	14,313	12,949
Right-of-use assets	35	343	412
Capital work in progress	3	565	943
Other Intangible assets	3	137	233
Financial assets			
(i) Investments	4	258	61
(ii) Other financial assets	5	395	693
Non-current tax assets (net)	6	241	394
Deferred tax assets (net)	29	930	1,166
Other non-current assets	7	170	201
Total non-current assets (A)		17,352	17,052
Current assets			
Inventories	8	14,067	13,066
Financial assets			
(i) Investments	4	4,119	2,311
(ii) Trade receivables	9	25,407	22,626
(iii) Cash and cash equivalents	10.1	5,746	6,511
(iv) Bank balances other than (iii) above	10.2	1,731	1,371
(v) Other financial assets	11	53	104
Other current assets	12	1,412	1,668
Total current assets (B)		52,535	47,657
Asset classified as held for sale (C)	13	-	209
Total assets (A+B+C)		69,887	64,918
Equity and liabilities			
Equity			
Equity Share Capital	14	1,539	1,539
Other equity	16	41,399	34,586
Total equity (A)		42,938	36,125
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	35	277	337
(ii) Other financial liabilities	17	-	55
Provisions	18	2,179	760
Total non-current Liabilities (B)		2,456	1,152
Current liabilities			
Financial Liabilities			
(i) Lease liabilities	35	58	56
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	19	4,360	5,156
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	19	16,339	14,302
(iii) Other financial liabilities	17	1,837	5,345
Provisions	18	646	621
Other current liabilities	20	1,162	1,038
Current tax liabilities (net)	6	91	1,123
Total current Liabilities (C)		24,493	27,641
Total liabilities (B+C)		26,949	28,793
Total Equity and liabilities (A+B+C)		69,887	64,918
Summary of the material accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No: 008072S

Rohit Gambhir
Managing Director
DIN: 06686250

N Ramesh Rajan
Director
DIN: 01628318

P Usha Parvathy
Partner
Membership No: 207704

B Mohan
Director & Chief Financial Officer
DIN: 00261434

G Balaji
Company Secretary

Place : Chennai
Date : May 27, 2026

Place : Chennai
Date : May 27, 2026

Statement of Profit and Loss

for the year ended March 31, 2026



ESAB INDIA LIMITED

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from operations	21	1,50,815	1,37,347
Other income	22	603	778
Total Income		1,51,418	1,38,125
Expenses			
Cost of raw materials and components consumed	23	64,407	60,947
Purchase of stock-in-trade	23	23,443	20,744
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	-	(193)
Employee benefits expense	24	14,512	12,061
Finance costs	25	207	168
Depreciation and amortisation expenses	26	1,706	1,492
Other expenses	27	21,469	19,334
Total Expense		1,25,744	1,14,553
Profit before exceptional items and tax		25,674	23,572
Exceptional items	28	1,726	-
Profit after exceptional items and before tax		27,400	23,572
Tax expense	29		
Current tax		6,550	6,961
Tax relating to earlier years		(63)	31
Deferred tax (net)		244	(962)
Total Tax expense		6,731	6,030
Profit for the year		20,669	17,542
Other comprehensive income	30		
Items that will not be reclassified to profit or loss:			
(a) Remeasurement of net defined benefit liability		(31)	(24)
(b) Income tax relating to item (a) above		8	6
Total Other comprehensive loss for the year, net of tax		(23)	(18)
Total comprehensive income for the year, net of tax		20,646	17,524
Earnings per equity share (Face value of ₹ 10 each)	31		
- Basic (in ₹)		134.30	113.98
- Diluted (in ₹)		134.30	113.98
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No: 008072S

Rohit Gambhir

Managing Director

DIN: 06686250

N Ramesh Rajan

Director

DIN: 01628318

P Usha Parvathy

Partner

Membership No: 207704

B Mohan

Director & Chief Financial Officer

DIN: 00261434

G Balaji

Company Secretary

Place : Chennai

Date : May 27, 2026

Place : Chennai

Date : May 27, 2026

Statement of Cash Flow

for the year ended March 31, 2026



ESAB INDIA LIMITED

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from Operating Activities:		
Profit after exceptional items and before tax	27,400	23,572
Adjustments to reconcile profit before tax to net cash flows:		
Exceptional Items	(1,726)	-
Gain on fair value of investments measured at FVTPL	(19)	(11)
Gain on sale of investments	(120)	(117)
Loss / (Gain) on sale of property, plant and equipment	(8)	6
Interest on bank deposits and others	(114)	(127)
Unrealised foreign exchange loss/(gain)	114	(65)
Share-based payment expenses	329	-
Provision no longer writtenback	(7)	(108)
Allowance for expected credit loss	241	315
Finance costs	207	168
Depreciation and amortisation expenses	1,706	1,492
Written off of Property, plant and equipment	11	24
Operating cash flow before working capital changes	28,014	25,149
Working capital adjustments:		
(Increase) / decrease in inventories	(1,001)	(1,940)
(Increase) / decrease in trade receivables	(2,959)	(3,857)
(Increase) / decrease in other financial assets	47	100
(Increase) / decrease in other non current financial assets	(24)	-
(Increase) / decrease in other current assets	256	14
(Increase) / decrease in other non current assets	24	-
Increase / (decrease) in trade payables	1,198	6,014
Increase / (decrease) in other current and non-current financial liabilities	23	522
Increase / (decrease) in provisions	(14)	93
Increase / (decrease) in other current liabilities	124	(28)
Operating cash flow after working capital changes	25,688	26,067
Income tax paid (net of refund)	(7,619)	(6,186)
Net cash flows generated from operating activities (A)	18,069	19,881
B. Cash flow from Investing activities:		
Purchase of property, plant and equipment including Intangible assets, changes in capital work in progress, capital advances and capital creditors	(3,155)	(2,796)
Proceeds from sale of property, plant and equipment	72	7
Proceeds from sale of land (net of advance)	214	-
Purchase of current investments	(19,100)	(22,150)
Purchase of non current investments	(197)	(17)
Proceeds from sale of current investments	17,432	19,967
Placement of bank deposits	(322)	(1,136)
Redemption / maturity of bank deposits	360	1,226
Decrease / (Increase) in Earmarked bank balances	-	3,308
Interest income received	118	129
Net cash flows used in investing activities (B)	(4,578)	(1,462)
C. Cash flow from Financing activities:		
Dividend paid to shareholders	(14,162)	(15,636)
Finance costs paid	(36)	(43)
Payment of lease liabilities	(58)	(65)
Net cash flows used in financing activities (C)	(14,256)	(15,744)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(765)	2,675
Cash and cash equivalents at the beginning of the year	6,511	3,836
Cash and cash equivalents at the end of the year	5,746	6,511
Refer Note 10.4 for Change in liabilities arising from financing activities and for non-cash financing and investing activities.		
Summary of material accounting policies	Note 2.2	

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No: 008072S

Rohit Gambhir
Managing Director
DIN: 06686250

N Ramesh Rajan
Director
DIN: 01628318

P Usha Parvathy
Partner
Membership No: 207704

B Mohan
Director & Chief Financial Officer
DIN: 00261434

G Balaji
Company Secretary

Place : Chennai
Date : May 27, 2026

Place : Chennai
Date : May 27, 2026

Statement of Changes in Equity



ESAB INDIA LIMITED

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

A. Equity Share Capital

As at March 31, 2026

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of share	Amount
Balance as at April 1, 2025	1,53,93,020	1,539
Changes in Equity share capital due to prior period errors	—	—
Restated balance as at April 1, 2025	1,53,93,020	1,539
Changes in Equity share capital during the current year	—	—
Balance as at March 31, 2026	1,53,93,020	1,539

As at March 31, 2025

Equity shares of ₹ 10 each issued, subscribed and fully paid	Number of share	Amount
Balance as at April 1, 2024	1,53,93,020	1,539
Changes in Equity share capital due to prior period errors	—	—
Restated balance as at April 1, 2024	1,53,93,020	1,539
Changes in Equity share capital during the current year	—	—
Balance as at March 31, 2025	1,53,93,020	1,539

B. Other Equity (Refer Note 16)

Particulars	Reserves and Surplus					Items of OCI	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserve	Capital Contribution from ultimate holding company	General Reserve	Remeasurement of net defined benefit liability	
Balance as at April 1, 2025	932	28,602	100	-	4,990	(38)	34,586
Profit for the year	-	20,669	-	-	-	-	20,669
Other comprehensive loss for the year (Refer note 30)	-	-	-	-	-	(23)	(23)
Total comprehensive income for the year	-	20,669	-	-	-	(23)	20,646
Payment of dividend to shareholders (Refer Note 15)	-	(14,162)	-	-	-	-	(14,162)
Stock awards granted by ultimate holding company to the employees of the company (Refer note 44)	-	-	-	329	-	-	329
Balance as at March 31, 2026	932	35,109	100	329	4,990	(61)	41,399

For the year ended March 31, 2025

Particulars	Reserves and Surplus					Items of OCI	Total Other Equity
	Securities Premium	Retained Earnings	Capital Reserve	Capital Contribution from ultimate holding company	General Reserve	Remeasurement of net defined benefit liability	
Balance as at April 1, 2024	932	23,065	100	-	4,990	(20)	29,067
Profit for the year	-	17,542	-	-	-	-	17,542
Other comprehensive loss for the year (Refer note 30)	-	-	-	-	-	(18)	(18)
Total comprehensive income for the year	-	17,542	-	-	-	(18)	17,524
Payment of dividend to shareholders (Refer Note 15)	-	(12,005)	-	-	-	-	(12,005)
Balance as at March 31, 2025	932	28,602	100	-	4,990	(38)	34,586

Summary of material accounting policies

Note 2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No: 008072S

Rohit Gambhir

Managing Director

DIN: 06686250

N Ramesh Rajan

Director

DIN: 01628318

P Usha Parvathy

Partner

Membership No: 207704

B Mohan

Director & Chief Financial Officer

DIN: 00261434

G Balaji

Company Secretary

Place : Chennai

Date : May 27, 2026

Place : Chennai

Date : May 27, 2026

Notes to financial statements for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

1. Company Information

ESAB India Limited ("the Company") (CIN L29299TN1987PLC058738) was incorporated on November 10, 1987 and commenced its business operations in July 1988. The Company is a Public Limited Company domiciled in India and has its primary listings on BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058. The Company is engaged in the business of fabrication technology. The Company caters to both domestic and international markets. Information on other related party relationships of the Company is provided in Note 36.

2. Basis of preparation and presentation of material accounting policy information

2.1 Statement of compliance and basis of preparation

The financial statements have been prepared in compliance with Indian Accounting Standards ("Ind AS"), the provisions of Schedule III to the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter. All accounting policies have been applied consistently to all periods presented in these financial statements, except for the adoption of new accounting standards, amendments and interpretations effective from April 1, 2025.

The assets which are expected to be realised within a period of twelve months from the end of reporting period are classified as current assets. Similarly, the liabilities which are expected to be settled within a period of twelve months from the end of reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

All amounts included in the financial statements are reported in lakhs of Indian Rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ rearranged, wherever necessary.

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements are presented in lakhs of Indian rupees and all values are rounded to the nearest lakhs, except when otherwise indicated.

The financial statements were approved for issue in accordance with the resolution passed by the Board of Directors on May 27, 2026.

Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Functional and presentation currency

The financial statements are presented in Indian Rupee ('INR' or 'Rs') which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless otherwise stated.

2.2 Summary of Material Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level	Remarks
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

d. Revenue from operations

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Goods

Revenue is measured at the transaction value of the consideration received or receivable, including freight

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

recovered and net of returns, allowances and rebates and Goods and Services tax.

Revenue is recognised upon transfer of control of promised products to customers, in accordance with a sales contract, which is primarily ex-works in case of dealers and in accordance with incoterms with respect to other than dealers, in an amount that reflects the consideration which the company expects to receive in exchange for those products. Revenue is recognised only to the extent that there is a probability of ultimate collections.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration and consideration payable to the customer.

Variable Consideration - Incentives

The Company provides retrospective incentives to certain dealers once the quantity or value of the products purchased during the period exceeds a threshold specified in the contract. The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future incentives (i.e., the amount not included in the transaction price).

Installation services

The Company provides installation services that are bundled together with the sale of certain products for which the installation services can be obtained from other providers and does not significantly customise or modify the product. The Company determined that both the equipment and installation are capable of being distinct.

Rendering of services

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

Interest Income

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Export Benefits

Export incentives such as Remission of Duties and Duty Drawback Benefits are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Export Benefits are accounted for in the year export of products and services based on eligibility and where there is no uncertainty in receiving the same.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' incentives. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend Income is accounted when the right to receive is established.

e. Taxes

Income taxes comprise Current and deferred tax. Income tax expense/credit is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity, respectively.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that it is unlikely that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned.

The Company treats sale of the asset to be highly probable when:

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet. A gain or loss on disposal of asset held for sale is recognised at the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

g. Property, plant and equipment and Depreciation of PPE

Property, Plant and Equipment (PPEs) are recorded at cost less accumulated depreciation and accumulated impairment loss (if any). The Company capitalizes all costs relating to acquisition and installation of Property, Plant and Equipment. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipment up to the date the Property, Plant and Equipment is ready for its intended use.

Cost of spares relating to specific item of Property, Plant and Equipment is capitalized. Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalized, where there is a certainty of deriving future economic benefits from the use of such assets.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized separately, based on the technical assessment of the Management.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work-in-Progress".

Capital Work in Progress

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation :

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particulars	Useful Life
Buildings	30 - 60 years
Plant & Machinery	4 - 21 years
Furniture and Fixtures	16 years
Vehicles	6 years

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

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Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

h. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost. They are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

The Company holds only acquired computer software which are amortized on a straight line basis over a period of 4 years.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industry or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Notes to the Financial Statements

for the year ended March 31, 2026

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Raw materials:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.

Stock in Trade (Goods acquired for Trading):

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with excess obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Stores and spares which do not meet the definition of Property, plant and equipment are accounted as inventories.

k. Retirement and other employee benefits

Employee benefits include provident fund, gratuity, pension, compensated absences and other termination benefits.

i. Defined contribution plans

Employee defined contribution plans include Provident Fund, Employee state insurance.

Provident Fund and Employee State Insurance:

All employees of the Company receive benefits from Provident Fund and Employee's State Insurance (where applicable), which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance (where applicable) scheme maintained by the Central Government of India

and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

ii. Defined benefit plans

The Company operates two defined benefit plans for its employees, viz., gratuity and pension. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability).

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer

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for the year ended March 31, 2026

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withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees. Short-term employee benefits: A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The Company has funded this with Life Insurance Corporation of India ('LIC').

iii. Other employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of

profit and loss net of any reimbursement. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date and measured using the present value of cash flows estimated to settle the present obligations (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the financial statements, contingent assets are only disclosed when it is probable that has economic benefits will flow to the entity.

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instruments.

i. Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at

Notes to the Financial Statements

for the year ended March 31, 2026

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amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below). All other financial assets are subsequently measured at fair value.

(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash

receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'Other income' line item.

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(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item in profit or loss.

The Company designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking;

(iv) Financial assets at fair value through profit or loss (FVTPL):

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item;
- for debt instruments measured at FVTOCI that are not art of a designated hedging

Notes to the Financial Statements

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relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;

- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased

significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months. For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the

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Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- Or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future

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cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an

extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within 'other income'.

(iii) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

p. Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company. The Company declares and pays dividends in Indian rupees and are subject to applicable taxes.

q. Cash Flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past

or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

r. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

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s. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. Refer to the

accounting policies in section (i) impairment of non financial assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

t. Segment reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The Managing Director of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

The accounting policies adopted for segment reporting are in line with the accounting policies

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of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

u. Provision for Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

v. Share-based payments

The Company is covered under the 2022 Omnibus Incentive Plan of ESAB Corporation, USA (the Ultimate Holding Company). Under the plan, the employees of the Company may be granted Restricted stock units ('RSUs'), Stock options and other stock awards (together referred as "stock awards") of the ultimate holding company, in accordance with the terms and conditions as specified in the plan. The plan is assessed, managed and administered by the Ultimate Holding Company, whose shares have been granted to the employees of the Company. As required under INDAS102, the cost of such grants has been accounted for by the Company in accordance with the said standard and a corresponding increase recognised in other equity as a Capital Contribution from Ultimate Holding Company, where no payments are required to be made to the Ultimate Holding Company. Also Refer Note 16.

Equity settled share based payments to the employee and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details relating to the determination of the fair value of equity - settled share based transactions are set out in Note 44.

The total expense in respect of the share based payment schemes is recognised over the vesting

period with a corresponding credit to capital contribution from Ultimate Holding Company. The estimate of number of awards expected to vest is revised at each year end based on service conditions and impact of revision if any as recognised in statement of profit and loss with corresponding adjustment to capital contribution from Ultimate Holding Company.

w. Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies (Refer Note 39)
- Capital management (Refer Note 40).

Judgements

In the process of applying the Company's accounting policies, management has not made any judgement, which has significant effect on the amounts recognised in the Financial Statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Allowances for excess slow / Non-moving and obsolescence inventory:

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value.

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The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with excess obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Property, plant and equipment

Estimated useful life of certain items of property, plant and equipment (PPE) are based on economic life of these assets as estimated by the management basis a technical assessment and usage and replacement policy of such assets. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 32 and 33.

x. New Accounting standards, amendments and interpretations adopted by the Company effective from April 1, 2025:

Amendments to IndAS1–Presentation of Financial statements

On August 13, 2025, the MCA has issued “Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to Ind AS 1)” The amendments aim to promote consistency in applying the requirements by helping companies to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarified the classification requirements for debt a company might settle by converting it into equity. These amendments are effective for annual reporting periods

beginning on or after April 1, 2025, and are to be applied retrospectively. The Company based on its evaluation has determined that it doesn't have any borrowings in financial year 2025-26 and 2024-25, accordingly the adoption of these amendments to Ind AS 1 did not have any impact on the financial statements.

Amendments to IndAS 7 - Statement of cashflows and IndAS 107 - Financial instruments

On August 13, 2025, MCA issued 'Supplier Finance Arrangements (Amendments to Ind AS 7 and Ind AS 107)', that require companies to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the companies liabilities and cash flows and on the companies exposure to liquidity risk. These amendments are effective for annual reporting periods beginning on or after April 1, 2025 and are to be applied retrospectively. The Company based on its evaluation has determined that it doesn't enter into any Supplier finance arrangements in financial year 2025-26 and 2024-25, accordingly the adoption of these amendments to Ind AS 7 and Ind AS 107 did not have any impact on the financial statements.

Amendments to Ind AS 12 – Income taxes

On August 13, 2025, the MCA issued International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12 “Income Taxes” to clarify the application of Ind AS 12 to income taxes arising from tax law enacted or substantively enacted to implement the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. The management has reviewed the amendment and based on its evaluation has determined that the Pillar Two rules are not applicable to the Company.

y. New accounting standards, amendments and interpretations not yet adopted by the Company:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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3. Property, Plant and Equipment, Capital Work-in Progress & Other Intangible Assets

Particulars	Property, Plant and Equipment					Capital work in progress	Intangible Assets		
	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles		Total	Software	Others
Cost									
At 1 April 2024	227	5,006	13,412	775	99	19,519	708	60	768
Add: Additions	-	298	2,123	33	-	2,454	142	-	142
Less: Disposals/ retirement	-	-	(316)	-	-	(316)	-	-	-
Less: Capitalised during the year	-	-	-	-	-	-	(2,596)	-	-
At 31 March 2025	227	5,304	15,219	808	99	21,657	850	60	910
Add: Additions	-	228	2,632	28	90	2,978	-	-	-
Less: Disposals/ retirement	(1)	(1)	(245)	(50)	(56)	(353)	-	-	-
Less: Capitalised during the year	-	-	-	-	-	-	(2,978)	-	-
At 31 March 2026	226	5,531	17,606	786	133	24,282	850	60	910

Accumulated Depreciation/ Amortisation / Impairment

At 1 April 2024	-	982	6,359	280	55	7,676	-	525	60	585
Add: Depreciation charge for the year	-	197	1,046	51	16	1,310	-	92	-	92
Add: Write off	-	-	18	6	-	24	-	-	-	-
Less: Disposals/ retirement	-	-	(302)	-	-	(302)	-	-	-	-
At 31 March 2025	-	1,179	7,121	337	71	8,708	-	617	60	677
Add: Depreciation charge for the year	-	207	1,270	49	15	1,541	-	96	-	96
Add: Write off	-	1	5	4	-	10	-	-	-	-
Less: Disposals/ retirement	-	(1)	(210)	(31)	(48)	(290)	-	-	-	-
At 31 March 2026	-	1,386	8,186	359	38	9,969	-	713	60	773

Net carrying amount

At 31 March 2026	226	4,145	9,420	427	95	14,313	565	137	-	137
At 31 March 2025	227	4,125	8,098	471	28	12,949	943	233	-	233

3.1 The Company has not revalued its property, plant and equipment (including right-of-use asset) during the current and previous year, since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

3.2 The Company does not hold any benami property. No proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder as of the date of approval of these financial statements.

3.3 The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment, capital work-in-progress) are held in the name of the Company as at the balance sheet date.

3.4 There are no restriction over the title of the Company's Property, Plant and Equipment and other Intangible Assets nor pledged as security for liabilities.

3.5 There is no projects whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2026 and March 31, 2025.

Notes to the Financial Statements
for the year ended March 31, 2026
(All amounts are in lakhs of Indian rupees, unless otherwise stated)



3.6 Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2026

CWIP Ageing schedule	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	565	-	-	-	565
Projects temporarily suspended	-	-	-	-	-
Total	565	-	-	-	565

As at 31 March 2025

CWIP Ageing schedule	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	932	11	-	-	943
Projects temporarily suspended	-	-	-	-	-
Total	932	11	-	-	943

Particulars	As at March 31, 2026	As at March 31, 2025
4. Investments		
a) Non-current		
Investments in equity instruments (at cost)		
Unquoted Investments (Fully paid)		
54,000 Equity shares (31 March 2025: 30,000) of M/s Clean Wind Power(Pratapgarh) Private Limited, ₹10 each fully paid	17	15
2,91,200 Equity shares (31 March 2025: 2,91,200) of M/s Vивиd Clean Energy (One) Private Limited, ₹ 10 each fully paid	29	29
15,361 Equity shares (31 March 2025: 1,246) of M/s Sunsure Solarpark Twenty Four Private Limited, ₹ 10 each fully paid	212	17
Total investments	258	61
Aggregate carrying amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate carrying amount of unquoted investments	258	61

Notes:

- The Company's investment represents 26% ownership of the M/s Vивиd Clean Energy (One) Private Limited and the investment is in accordance with Electricity Act 2003 which stipulates consumer partner (ESAB India Limited) to have atleast 26% ownership in the electricity generating entity. The Company's 26% ownership is purely to meet the regulatory requirement and hence the Company has not consolidated the share of profit or loss in the financial statements.
- The Company's investment represents 5.4% ownership of the M/s Clean Wind Power(Pratapgarh) Private Limited, 17.37% ownership of the M/s Sunsure Solarpark Twenty Four Private Limited and the investment is in accordance with Electricity Act 2003 which stipulates consumer partner (ESAB India Limited) to have ownership in the electricity generating entity.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

	As at March 31, 2026	As at March 31, 2025
b) Current		
Investments in mutual funds carried at fair value through profit or loss		
Quoted Investments (Fully paid)		
16,407 units in SBI Liquid Fund Direct Growth (March 31, 2025: NIL)	706	-
21,240 units in Bandhan Liquid Fund-Direct Plan-Growth (March 31, 2025: NIL)	707	-
1,60,183 units in Aditya Birla Sun Life Liquid Fund-Regular Growth (March 31, 2025: NIL)	704	-
18,515 units in HDFC Liquid Fund - Direct Plan - Growth Option (March 31, 2025: NIL)	1,002	-
16,326 units in Axis Liquid Fund-Direct Growth (March 31, 2025: NIL)	500	-
1,22,713 units in ICICI Prudential Liquid Fund - Direct-Growth (March 31, 2025: NIL)	500	-
NIL units in ICICI Prudential Liquid Fund - Direct Plan Growth (March 31, 2025: 1,83,610)	-	705
NIL units in SBI Liquid Fund - Direct Plan - Growth (March 31, 2025: 12,346)	-	501
NIL units in HDFC Liquid Fund-Direct Plan-Growth Option (March 31, 2025: 11,864)	-	604
NIL units in Axis Liquid Fund-Direct Plan-Growth Option (March 31, 2025: 17,368)	-	501
Total investments at fair value through profit or loss	4,119	2,311
Aggregate carrying amount of quoted investments	4,100	2,300
Aggregate market value of quoted investments	4,119	2,311
Aggregate carrying amount of unquoted investments	-	-
5. Other non-current financial assets		
Unsecured, considered good - Carried at amortised cost		
Security deposits	373	349
Bank deposits with maturity greater than 12 months*	22	344
	395	693
* Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 22 (March 31, 2025: ₹ 344) which are subject to first charge to secure the Company's bank guarantees.		
6. Income tax		
a) Non-current tax assets (net)		
Advance income-tax, net of provision for current taxation	241	394
	241	394
b) Current tax liabilities (net)		
Provision for tax, net of advance income-tax	91	1,123
	91	1,123

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

	As at March 31, 2026	As at March 31, 2025
7. Other non-currents assets		
Unsecured, considered good, unless otherwise stated		
Capital advance	164	83
Advances other than capital advances:		
Prepayments	6	23
	<u>170</u>	<u>106</u>
Considered doubtful		
Advance to employees	33	33
Other receivables	172	274
Less : Provision for doubtful advances	(205)	(212)
	<u>170</u>	<u>201</u>
8. Inventories (lower of cost and net realisable value)		
Raw materials [includes goods in transit ₹ 2,264 (March 31, 2025 - ₹ 1,952)]	7,011	6,104
Work in progress	910	1,137
Finished goods	1,220	1,456
Stock in Trade (Goods acquired for trading) [includes Goods in transit ₹ 1,047 (March 31, 2025 - ₹ 1,175)]	4,500	4,037
Stores and Spares	426	332
Total inventories at the lower of cost and net realisable value	<u>14,067</u>	<u>13,066</u>
Notes		
8.1 Inventories amount to ₹ 497 as at March 31, 2026 (March 31, 2025 ₹ 241) are lying with third parties / bonded warehouse at year end.		
8.2 The Company has physically verified the inventories at reasonable intervals and no discrepancies of 10% or more in the aggregate for each class of inventories we noticed during such verification.		
8.3 The method of Valuation of inventories has been stated in note 2.2 (j).		
8.4 Inventories have been pledged as collateral securities with banks for availing working capital limits for the company (Refer note 45(ii)).		
8.5 The cost of inventories is net of provision for inventory to the extent of ₹ 1,553 as at 31 March, 2026 (₹ 888 as at 31 March, 2025).		
9. Trade receivables		
Trade receivables	15,841	13,079
Trade receivables from related parties (Refer note 36)	9,566	9,547
Total trade receivables	<u>25,407</u>	<u>22,626</u>
Considered good - secured (Refer note 9.1)	880	93
Considered good - unsecured	24,527	22,534
Trade receivables which have significant increase in credit risk	511	447
Trade receivables - credit impaired	673	495
	<u>26,591</u>	<u>23,569</u>
Less: Allowance for Expected credit loss	(1,184)	(943)
Total	<u>25,407</u>	<u>22,626</u>
Note:		
9.1 Secured against deposits from dealers		

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Trade receivables ageing schedule

As at March 31, 2026

Particulars	Outstanding for following periods from transaction date						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	107	25,129	122	48	1	-	25,407
Undisputed Trade Receivables - which have significant increase in credit risk	-	302	209	-	-	-	511
Undisputed Trade receivable - credit impaired	-	-	-	269	126	117	512
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	161	161
Total	107	25,431	331	317	127	278	26,591

As at March 31, 2025

Particulars	Outstanding for following periods from transaction date						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	290	21,924	410	2	0	-	22,626
Undisputed Trade Receivables - which have significant increase in credit risk	-	207	241	-	-	-	448
Undisputed Trade receivable - credit impaired	-	-	-	194	132	52	378
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	117	117
Total	290	22,131	651	196	132	169	23,569

Notes

- 9.2 Secured Trade Receivables are secured by way of irrecoverable Letter of credits and Bank Gurantees.
- 9.3 Trade Receivables includes outstanding from customers constituting individually 5% or more of the total trade receivables as at March 31, 2026 of ₹ 4,885.24 Lakhs (March 31, 2025 ₹ 6,189.56 Lakhs).
- 9.4 Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days based on the type of the customer.
- 9.5 No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- 9.6 Debtors haven been pledged as collateral securities with banks for availing working capital limits for the company (Refer note 45(ii)).
- 9.7 The above includes unbilled revenue in relating to amounts accounted as per the terms of the contract.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Movement in allowance for expected credit losses

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	943	628
Movement in Expected credit loss during the year	241	315
Balance at the end of the year	1,184	943

10.1 Cash and cash equivalents

Balances with banks on current accounts	5,515	6,150
Cheques on hand	231	361
	5,746	6,511

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above balances.

10.2 Bank balances other than cash and cash equivalents

In unpaid dividend accounts*	597	580
Bank deposits with maturity greater than 3 months, less than 12 months**	1,134	791
	1,731	1,371

Notes

*There are restrictions in the balances in Unpaid Dividend accounts.

**Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 569 (March 31, 2025 - ₹ 404) which are subject to first charge to secure the Company's bank guarantees.

10.3 The Company has been sanctioned working capital limits from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements (including revised returns) filed by the Company with such banks are in agreement with the books of accounts of the Company (Refer note 45(ii)).

10.4 Change in liabilities arising from financing activities and for non-cash financing and investing activities

These are no liabilities relating to financing activities other than lease liabilities. Refer note 35 for changes in lease liabilities arising from financing activities.

Particulars	As at March 31, 2026	As at March 31, 2025
Non-cash financing and investing activities		
Acquisition of Right-of-use assets	-	-
11. Other financial assets - current		
(Unsecured, considered good)		
Carried at amortised cost		
Interest accrued on deposits with banks	27	31
Security deposits	-	36
Other Receivables	26	37
	53	104
12. Other current assets		
(Unsecured, considered good)		
Prepayments	391	392
Balance with Statutory Authorities	399	300
Advance to suppliers	531	902
Advance to employees	92	58
Other Assets*	-	16
	1,412	1,668

*This amounts represents the excess spent of Corporate Social Responsibility expenses (Refer Note 27.2)

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	As at March 31, 2026	As at March 31, 2025
13. Assets classified as held for sale		
Asset classified as held for sale (Refer note 28a)	-	209
	-	209

14. Share Capital

Authorised:

1,90,00,000 (March 31, 2025: 1,90,00,000) equity shares of ₹ 10/- each

30,00,000 (March 31, 2025: 30,00,000) unclassified shares of ₹ 10/- each

Issued, subscribed and paid-up:

1,53,93,020 (March 31, 2025: 1,53,93,020) equity shares of ₹ 10/- each fully paid-up

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

Particulars	No. of Shares	Amount
As at April 1, 2024	1,53,93,020	1,539
Changes during the year	-	-
As at March 31, 2025	1,53,93,020	1,539
Changes during the year	-	-
As at March 31, 2026	1,53,93,020	1,539

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shares are entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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.

There were no bonus shares or buy-back of shares or shares issued for consideration other than cash during period of five years immediately preceding financial years ended March 31, 2026 and March 31, 2025.

c) Details of shares held by subsidiaries of ultimate holding company / holding and / or their subsidiaries / associates

Name of equity share holders	No. of shares	As at March 31, 2026	No. of shares	As at March 31, 2025
Subsidiary companies of ESAB Corporation, the ultimate holding company(Refer Note: 36)				
ESAB Holdings Limited, UK	57,43,200	574	57,43,200	574
Exelvia Group India B.V, Netherlands	56,04,760	560	56,04,760	560
	1,13,47,960	1,134	1,13,47,960	1,134

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

d) Details of shareholders holding more than 5% shares in the Company are as under:-

Name of equity share holders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of share holding	No. of shares	% of share holding
Equity shares of ₹10 each fully paid held by				
ESAB Holdings Limited, UK	57,43,200	37.31%	57,43,200	37.31%
Exelvia Group India B.V, Netherlands	56,04,760	36.41%	56,04,760	36.41%
SBI Small Cap Fund and allied plans	10,08,990	6.55%	14,91,640	9.69%
Nippon India Small Cap Fund	8,22,838	5.35%	-	-

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.

e) Details of shares held by promoters at the end of the year:-

Name of equity share holders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% of share holding	No. of shares	% of share holding
Equity shares of ₹10 each fully paid held by				
ESAB Holdings Limited, UK	57,43,200	37.31%	57,43,200	37.31%
Exelvia Group India B.V, Netherlands	56,04,760	36.41%	56,04,760	36.41%
Total	1,13,47,960	73.72%	1,13,47,960	73.72%

Particulars	As at March 31, 2026	As at March 31, 2025
15. Distribution made and proposed		
Cash dividends on equity shares declared in Previous year but paid in current year (Also refer note -17)	6,465	4,618
Cash dividends on equity shares declared and paid: (Also refer note -17)		
Interim dividend - II for the year ended on March 31, 2024: INR 24 per share	-	3,694
Final dividend for the year ended on March 31, 2025: INR 42 per share / March 31, 2024: INR 30 per share	6,465	4,618
Interim dividend - I for the year ended on March 31, 2026: INR 25 per share / March 31, 2025: INR 25 per share	3,848	3,848
Interim dividend - II for the year ended on March 31, 2026: INR 25 per share / March 31, 2025: INR 23 per share	3,848	3,540
	14,161	15,700
The Board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2026: ₹ 25 (March 31, 2025: ₹ 42 per share)	3,848	6,465
	3,848	6,465

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	As at March 31, 2026	As at March 31, 2025
16. Other equity		
Securities premium	932	932
Capital Reserve	100	100
General reserve	4,990	4,990
Retained earnings	35,048	28,564
Capital Contribution from ultimate holding company	329	-
Total Other equity	<u>41,399</u>	<u>34,586</u>
Securities premium		Amount
As at April 1, 2024		<u>932</u>
Changes during the year		-
As at March 31, 2025		<u>932</u>
Changes during the year		-
As at March 31, 2026		<u>932</u>
Capital reserve		Amount
As at April 1, 2024		<u>100</u>
Changes during the year		-
As at March 31, 2025		<u>100</u>
Changes during the year		-
As at March 31, 2026		<u>100</u>
General reserve		Amount
As at April 1, 2024		<u>4,990</u>
Changes during the year		-
As at March 31, 2025		<u>4,990</u>
Changes during the year		-
As at March 31, 2026		<u>4,990</u>
Retained earnings		Amount
As at April 1, 2024		<u>23,045</u>
Add: Profit for the year		17,542
Add: Other comprehensive loss, net of tax (Refer note 30)		(18)
Less: Payment of dividend to shareholders (Refer note 15)		(12,005)
As at March 31, 2025		<u>28,564</u>
Add: Profit for the year		20,669
Add: Other comprehensive loss, net of tax (Refer note 30)		(23)
Less: Payment of dividend to shareholders (Refer note 15)		(14,162)
As at March 31, 2026		<u>35,048</u>
Capital Contribution from ultimate holding company (Refer note 44)		Amount
As at April 1, 2024		-
Changes during the year		-
As at March 31, 2025		-
Changes during the year		329
As at March 31, 2026		<u>329</u>

Notes to the Financial Statements

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(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Nature and purpose of reserves

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Capital reserve

A scheme of amalgamation of Maharashtra Weldaids Limited (MWL) with the Company, with effect from April 1, 1992, became effective on February 18, 1994. Accordingly, the results of MWL have been incorporated in the results of the Company in the financial year ended March 31, 1994. On amalgamation the assets, liabilities and reserves of MWL have been incorporated at that Company's book values and the net difference between such values and the net consideration is accounted for as Capital reserve.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Particulars	As at March 31, 2026	As at March 31, 2025
17. Other financial liabilities (at amortised cost)		
Current		
Capital creditors	176	594
Refundable security deposit from dealers	222	209
Refundable security deposit received for sale of land	-	3,112
Accrued salaries and benefits	689	1,051
Unclaimed dividends*	258	259
Refund liabilities	492	120
Total	1,837	5,345
Non-current		
Capital creditors	-	55
Total	-	55
Total other financial liabilities	1,837	5,400

* During the year 2025-26, the amount transferred to the Investors Education and Protection Fund of the Central Government as per the provisions of Section 124 (5) and 124 (6) of the Companies Act, 2013 is ₹ 42.96 (March 31, 2025 ₹ 1.35)

Notes to the Financial Statements
for the year ended March 31, 2026
(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	As at March 31, 2026	As at March 31, 2025
18. Provisions		
Current		
Sales tax	95	95
Litigations and disputes	73	73
Warranties	382	373
Provision for employee benefits		
Compensated absences	96	80
	<u>646</u>	<u>621</u>
Non-current		
Provision for employee benefits		
Gratuity (Refer note 32 & 28b)	1,460	141
Compensated absences	453	392
Pension (Refer note 32)	266	227
	<u>2,179</u>	<u>760</u>
Movement in the provisions are as below:		
	Litigations	Warranties
Balances as at April 1, 2024	<u>73</u>	<u>346</u>
Add: Arising during the year	-	352
Less: Provision utilised/ adjusted during the year	-	(325)
Balances as at March 31, 2025	<u>73</u>	<u>373</u>
Add: Arising during the year	-	293
Less: Provision utilised/ adjusted during the year	-	(284)
Balances as at March 31, 2026	<u>73</u>	<u>382</u>

Particulars	As at March 31, 2026	As at March 31, 2025
19. Trade Payable		
Total outstanding dues of micro enterprises and small enterprises (Refer note 19.1)	4,360	5,156
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,339	14,302
	<u>20,699</u>	<u>19,458</u>
Dues to Third Parties	15,760	16,149
Dues to Related Parties (Refer note 36)	4,939	3,309
	<u>20,699</u>	<u>19,458</u>

Notes to the Financial Statements

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(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

As at March 31, 2026

Particulars	Outstanding for following periods from transaction date					
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	133	4,019	69	139	-	4,360
Undisputed dues of creditors other than micro enterprises and small enterprises	1,807	14,261	138	16	117	16,339
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,940	18,280	207	155	117	20,699

As at March 31, 2025

Particulars	Outstanding for following periods from transaction date					
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	79	4,934	143	-	-	5,156
Undisputed dues of creditors other than micro enterprises and small enterprises	1,066	13,104	16	10	106	14,302
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	1,145	18,038	159	10	106	19,458

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for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	As at March 31, 2026	As at March 31, 2025
19.1 Disclosures relating to micro and small enterprises		
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal amount due to micro and small enterprises	4,009	4,938
- Interest due on above	351	218
	4,360	5,156
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), 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 has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	133	79
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	133	79
(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 Micro, Small and Medium Enterprises Development Act, 2006.	351	218
19.2. Trade payables are non interest bearing and normally settled on 4 days term.		
19.3. The MSME information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.		
19.4. Trade payables includes import payables aggregating to ₹ 382 which is outstanding more than 180 days which is not in line with the timelines prescribed by Foreign Exchange Management Act, 1999 ('FEMA'). The Company has filed the extension letters with the Authorised Dealer Banker and is in the process of obtaining the required approvals as at March 31, 2026.		

Particulars	As at March 31, 2026	As at March 31, 2025
20. Other current liabilities		
Statutory liabilities	925	855
Liability towards Corporate Social Responsibility	29	35
Advance from Customers	208	148
	1,162	1,038

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ESAB INDIA LIMITED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
21. Revenue from Operations		
Sale of products		
Manufactured goods	1,05,270	95,123
Traded goods	32,121	32,045
	<u>1,37,391</u>	<u>1,27,168</u>
Income from services		
Engineering, support and consulting services	12,459	9,128
Management service to related party	350	350
	<u>12,809</u>	<u>9,478</u>
Other operating revenues		
Scrap sales	386	496
Export benefits	229	205
	<u>615</u>	<u>701</u>
Total revenue operations	<u>1,50,815</u>	<u>1,37,347</u>

21.1 Disaggregation of the revenue information

The table below presents disaggregated revenues from contracts with customers by geography and timing of revenue recognition each of our business segments.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue by Geography		
India	1,24,951	1,17,391
Outside India	25,249	19,255
Total revenue from contract with customers	<u>1,50,200</u>	<u>1,36,646</u>
Timing of revenue recognition		
Transferred at a point in time	1,37,391	1,27,168
Transferred over time	12,809	9,478
Total revenue from contract with customers	<u>1,50,200</u>	<u>1,36,646</u>

Notes to the Financial Statements

for the year ended March 31, 2026

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ESAB INDIA LIMITED

21.2 Contract Balances

The Company classifies the right to consideration in exchange for deliverables as trade receivable. A trade receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Trade receivables (Refer note 9)	25,407	22,626
Advance received from customers (Refer note 20)	208	148
Refund Liabilities (Refer note 17)	492	120

21.3 Reconciling the amount of revenue recognised in the statement of profit and loss

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contracted price	1,53,788	1,39,943
Adjustments		
Sales return	(1,883)	(1,668)
Sales incentive and discounts to customers	(1,705)	(1,629)
Revenue from contract with customers	1,50,200	1,36,646

21.4 Transaction price allocated to the remaining performance obligations

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

21.5 Information about major customers

During the year, no single customer contributing more than 10% of the sales.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
22. Other income		
Interest income on bank deposits and other financial assets	114	127
Gain on fair value of investments measured at FVTPL	19	11
Gain on sale of investments	120	117
Gain on sale of property, plant and equipment (net)	8	-
Net foreign exchange gain	316	233
Provision no longer required, writtenback	7	108
Miscellaneous income	19	182
	603	778

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for the year ended March 31, 2026

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ESAB INDIA LIMITED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
23. Cost of raw materials and components consumed		
a. Raw materials and components consumed		
Inventory at the beginning of the year	6,104	4,413
Add: Purchases during the year	65,314	62,638
Less: Inventory at the end of the year	(7,011)	(6,104)
	<u>64,407</u>	<u>60,947</u>
b. Stock in Trade (Goods Acquired for trading)		
Purchase of stock in trade	23,443	20,744
	<u>23,443</u>	<u>20,744</u>
c. Change of inventories of Finished goods, Stock in Trade and work in progress		
Opening Stock		
Finished goods	1,456	993
Work in progress	1,137	849
Stock in Trade (Goods Acquired for trading)	4,037	4,595
Total opening balance	<u>6,630</u>	<u>6,437</u>
Closing Stock		
Finished goods	1,220	1,456
Work in progress	910	1,137
Stock in Trade (Goods Acquired for trading)	4,500	4,037
Total closing balance	<u>6,630</u>	<u>6,630</u>
Net (Increase) / Decrease in inventories		
Finished goods	236	(464)
Work in progress	227	(288)
Stock in Trade (Goods Acquired for trading)	(463)	559
	<u>-</u>	<u>(193)</u>
24. Employee benefits expense		
Salaries, wages and bonus	12,293	10,444
Contribution to provident and other funds	345	275
Gratuity expense (Refer note 32)	156	80
Pension expenses (Refer note 24.1)	122	125
Equity settled share based payment expenses (Refer note 44)	329	-
Staff welfare expenses	1,267	1,137
	<u>14,512</u>	<u>12,061</u>

24.1 Includes expense towards defined benefit scheme ₹ 42 (March 31, 2024 ₹ 44) (Refer note 32)

24.2 On November 21, 2025, the Government of India notified provisions of 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, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by ₹ 1,365 lakhs. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Exceptional Item" in the financial statement for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central /State Rules and Government clarifications on other aspects of the Labour Codes and would provide appropriate accounting treatment on the basis of such developments as needed.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
25. Finance costs		
Interest on lease liabilities	36	43
Interest on micro and small enterprises payables	133	79
Interest on delayed payment of Income tax	38	46
	<u>207</u>	<u>168</u>
26. Depreciation and Amortisation Expense		
Depreciation of property, plant and equipment	1,541	1,311
Depreciation on right-of-use assets (Refer Note 35)	69	89
Amortisation of intangible assets	96	92
	<u>1,706</u>	<u>1,492</u>
27. Other expenses		
Consumption of stores and spares	782	686
Power and fuel	2,193	2,100
External service charges	2,896	2,537
Repairs and maintenance		
- Building	66	99
- Plant and machinery	473	419
- Others	119	235
Insurance	124	141
Information technology expenses	862	724
Travelling expenses	1,500	1,336
Communication expenses	102	74
Rates and taxes	282	75
Transport and freight	3,185	2,949
Sales promotion and selling expenses	190	233
Trademark license fees to related party (Refer Note 36)	5,193	4,720
Legal and professional fees	257	213
Testing and development charges	1,435	1,076
Directors Sitting fee	15	14
Directors Commission	30	29
Payment to auditors (Refer Note 27.1)	59	58
Printing and stationery	41	41
Loss on sale of property, plant and equipment (net)	-	6
CSR expenditure (Refer Note 27.2)	425	344
Warranty expenses	354	352
Allowance for expected credit loss	241	315
Written off of Property, plant and equipment	11	24
Bank charges	52	35
Miscellaneous expenses	582	499
	<u>21,469</u>	<u>19,334</u>
27.1 Payment to auditors		
As auditor		
Audit	40	40
Tax audit	5	5
Limited reviews	9	9
Reimbursement of expenses	5	4
	<u>59</u>	<u>58</u>

Notes to the Financial Statements

for the year ended March 31, 2026

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ESAB INDIA LIMITED

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
27.2 CSR expenditure		
(a) Gross amount required to be spent by the company during the year	425	344
(b) Amount approved by the Board to be spent during the year	425	344
(c) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	416	329
(d) Shortfall at the end of the year out of the amount required to be spent during the year*	29	35
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	Due to administrative reasons	
(g) Excess spent during the year	-	16
(h) Nature of CSR Activities	Employment enhancing vocational skills and safe welding practices and Contribution to research and development projects in the field of technology and engineering	
(i) Details of related party transactions related to CSR expenditure as per relevant Accounting Standard	NA	NA
(j) Details related to spent / unspent / excess spent:		
i) Spent amount in relation to:		
- Promoting education and vocational skills	362	287
- Environmental sustainability	-	-
- Slum area development	-	-
- Contribution to research and development projects in the field of technology and engineering	54	25
- Administrative overheads	-	17
ii) Unspent amount in relation to:		
- Ongoing project	29	35
- Other than ongoing project	-	-
iii) Excess spent amount in relation to:		
- Ongoing project	-	16
- Other than ongoing project	-	-

*Subsequent to the year ended March 31, 2026, the Company has opened an Unspent CSR account and transferred the unspent CSR amounts to this account within 30 days as per the Companies Act, 2013.

Details of ongoing project

In case of Section 135(6) (Ongoing Project)							
Opening Balance			Amount required to be spent during the year	Amount spent during the year		Closing balance	
Excess Amount spent	Unspent Amount with Company	In separate CSR unspent A/c		From Company's bank A/c	From separate CSR Unspent A/c	Excess amount spent	Unspent Amount with Company
16	-	35	425	380	35	-	29

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ESAB INDIA LIMITED

	For the year ended March 31, 2026	For the year ended March 31, 2025
28 Exceptional items		
Gain on sale of Land (Refer note 28a below)	3,091	-
Impact on account of new Labour Code (Refer note 28b below)	(1,365)	-
Total	1,726	-

28a. During the current year, the Company has received the entire proceeds towards the land held for sale at Khardah, West Bengal and the Company has contractually fulfilled its obligations in relation to the said land and consequently has formally ceded control and possession in favour of the developer. The Audit Committee and Board at their meetings held on November 10, 2025 have reviewed the above developments and approved the change in classification of the said asset from held for sale to asset disposed and accordingly, disclosed the gain on derecognition of the asset under exceptional items in the financial statements for the year ended March 31, 2026.

28b. On November 21, 2025, the Government of India notified provisions of 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, ('Labour Codes') which consolidate twenty-nine existing labour laws into a unified framework governing employee benefits during employment and post-employment. The Labour Codes, amongst other things introduces changes, including a uniform definition of wages and enhanced benefits relating to leave. The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by ₹ 1,365 lakhs. Considering the impact arising out of an enactment of the new legislation is an event of non-recurring nature, the Company has presented this incremental amount as "Exceptional Item" in the financial statements for the year ended March 31, 2026. The Company continues to monitor the finalisation of Central /State Rules and Government clarifications on other aspects of the Labour Codes and would provide appropriate accounting treatment on the basis of such developments as needed.

	For the year ended March 31, 2026	For the year ended March 31, 2025
29. Income taxes		
The major components of income tax expense for the year ended March 31, 2026 are:		
Current tax:		
Current income tax charge	6,550	6,961
Tax relating to earlier periods	(63)	31
Deferred Tax:		
Relating to the origination and reversal of temporary differences	244	(962)
Income tax expense reported in the statement of profit and loss	6,731	6,030
Other comprehensive income		
Deferred tax related to items recognised in OCI		
Tax (income) / expense during the year recognised in OCI	(8)	(6)
Income tax charged to other comprehensive income	(8)	(6)
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate are:		
Profit after exceptional items and before tax	27,400	23,572
At India's statutory income tax rate of 25.168% (March 31, 2025 : 25.168%)	6,896	5,932
Relating to the origination of Permanent differences:		
CSR expenditure	107	87
MSME Interest & delayed payment of tax	34	32
Adjustment of tax relating to earlier years	(63)	31
DTA reversal, others	(243)	(52)
	6,731	6,030

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ESAB INDIA LIMITED

Movement in Deferred tax balances

The following is the analysis of deferred tax assets / (liabilities) presented in the statement of financial position:

Particulars	Balance sheet		Statement of profit and loss	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Deferred tax liabilities				
Property, plant and equipment	(740)	(670)	70	75
Deferred tax assets				
Provision for employee benefits	588	227	(361)	(19)
Provision for doubtful trade receivables	298	237	(61)	(79)
Provision for inventories	333	223	(110)	24
Provision for sales tax	24	-	(24)	67
Provision for others	427	1,149	722	(1,036)
Deferred tax expense / (income)			236	(968)
Net deferred tax assets/(liabilities)	930	1,166		

Movement of deferred tax expense during the year ended:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Deferred Tax (Liabilities) / Assets in relation to:		
Opening balance	1,166	198
Tax income / (expense) during the year recognised in profit or loss	(244)	962
Tax income / (expense) during the year recognised in OCI	8	6
Closing balance	930	1,166

	For the year ended March 31, 2026	For the year ended March 31, 2025
30. Other Comprehensive Income (OCI)		
The disaggregation of changes by retained earnings to OCI in equity is shown below:		
Re-measurement gains / (losses).on defined benefit plans, (net of tax)	(23)	(18)
	(23)	(18)

31. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	As at March 31, 2026	As at March 31, 2025
Profit for the year	20,669	17,542
Weighted average number of Equity shares for EPS	1,53,93,020	1,53,93,020
Basic and Diluted earnings per share (₹)	134.30	113.98

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

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	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
32. Gratuity and other post-employment benefit plans			
Provisions for gratuity (Refer note 18)	A	1,460	141
Pension fund liability (Refer note 18)	B	266	226

A. Gratuity plan

The Company has a defined benefit gratuity plan for employees which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ("Act"). Under the Act, every employee who has completed five years or more of service is entitled to this Gratuity payment, on departure, of 15 days' salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20 lakhs. The Company has established a trust to setup an employee group gratuity scheme for providing gratuity benefits to eligible employees as per the rules of the scheme. The gratuity scheme is funded with Life Insurance Corporation of India ("LIC") for the purpose of providing gratuity benefits to its employees. The Trust is administered by the Board of Trustees, which is responsible for the administration of the plan assets. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method carried out by an independent actuary. The benefit payable is calculated as per the Code on Social Security, 2020 (CSS) effective 21 November, 2025.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2026:

Particulars	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2025	(955)	814	(141)
Gratuity cost charged to profit or loss			
Current service cost	(128)	-	(128)
Past service cost	(1,213)	-	(1,213)
Interest income / (expense)	(87)	51	(36)
Sub-total included in profit or loss (Refer Note 24)	(1,428)	51	(1,378)
Benefits paid	77	(77)	-
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	(24)	-	(24)
Experience adjustments	(14)	-	(14)
Return on plan assets (excluding amounts included in net interest expense)	-	3	3
Sub-total included in other comprehensive income	(38)	3	(35)
Contributions by Employer	-	93	93
As at 31 March 2026 (Refer Note 18)	(2,344)	884	(1,460)

Notes to the Financial Statements

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ESAB INDIA LIMITED

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2025:

Particulars	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2024	(874)	750	(124)
Gratuity cost charged to profit or loss			
Current service cost	(74)	—	(74)
Past service cost	—	—	—
Interest income / (expense)	(59)	53	(6)
Sub-total included in profit or loss (Refer note 24)	(133)	53	(80)
Benefits paid	70	(70)	—
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	(34)	—	(34)
Experience adjustments	16	—	16
Return on plan assets (excluding amounts included in net interest expense)	—	(3)	(3)
Sub-total included in other comprehensive income	(18)	(3)	(21)
Contributions by Employer	—	84	84
As at 31 March 2025 (Refer Note 18)	(955)	814	(141)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted investments:		
Insurer managed funds	879	809
Others	5	5
Total	884	814

The principal assumptions used in determining defined benefit obligations for the companies' gratuity plan are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (%)	7.00%	6.75%
Future salary increases		
For management staff	5%	5%
For graded staff	8%	8%
Attrition rate		
For management staff		
21-30	25%	25%
31-40	13%	13%
41-50	5%	5%
51-57	6%	6%
For Non-Management staff	Nil	Nil
Mortality tables	Indian Assured Life (2012-14)	Indian Assured Life (2012-14)

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Change	Impact on defined benefit obligation	
		31-Mar-26	31-Mar-25
Discount rate	-0.25%	1.64%	1.91%
Discount rate	+0.25%	-1.59%	-1.85%
Salary escalation rate	-0.25%	-1.45%	-1.82%
Salary escalation rate	+0.25%	1.48%	1.87%

Experience adjustments

Particulars	31-Mar-26	31-Mar-25
Present value of DBO	(2,344)	(955)
Fair Value of Plan Assets	884	814

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-26	31-Mar-25
Within the next 12 months (next annual reporting year)	475	162
Year 2 to 5	1,114	389
Year 6 to 9	632	262
Year 10 and above	1,923	997
Total expected payments	4,144	1,810

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 6.46 years as at 31 March 2026 (31 March 2025: 7.51 years).

B. Pension fund

The Company has a defined benefit pension plan for employees which requires contributions to be made to a separately administered fund. The pension benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The Company has funded the defined benefit obligation with Life Insurance Corporation of India. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet

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Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2026:

Particulars	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2025	(859)	633	(226)
Pension cost charged to profit or loss			
Current service cost	(30)	-	(30)
Interest income / (expense)	(45)	32	(13)
Sub-total included in profit or loss (Refer Note 24)	(75)	32	(43)
Benefits paid	24	(24)	-
Remeasurement gains/(losses) in other comprehensive income			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	5	-	5
Experience adjustments	(17)	-	(17)
Adjustment to recognise the effect of asset ceiling	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	15	15
Sub-total included in other comprehensive income	(12)	15	3
Contributions by Employer	-	-	-
As at 31 March 2026 (Refer Note 18)	(922)	656	(266)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2025:

Particulars	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2024	(803)	592	(211)
Pension cost charged to profit or loss			
Current service cost	(30)	-	(30)
Interest income / (expense)	(46)	32	(14)
Actual return on plan assets	-	-	-
Sub-total included in profit or loss (Refer Note 24)	(76)	32	(44)
Benefits paid	37	(37)	-
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	(13)	-	(13)
Experience adjustments	(4)	-	(4)
Adjustment to recognise the effect of asset ceiling	-	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	14	14
Sub-total included in other comprehensive income	(17)	14	(3)
Contributions by Employer	-	32	32
As at 31 March 2025 (Refer Note 18)	(859)	633	(226)

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ESAB INDIA LIMITED

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Unquoted investments:		
Insurer managed funds	649	626
Others	7	7
Total	656	633

The principal assumptions used in determining defined benefit obligations for the companies' pension fund are shown below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.00%	6.75%
Future salary increases	5%	5%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Impact on defined benefit obligation			
Particulars	Change	As at March 31, 2026	As at March 31, 2025
Discount rate	-0.25%	0.83%	0.82%
Discount rate	+0.25%	-0.81%	-0.80%
Salary escalation rate	-0.25%	-0.73%	-0.72%
Salary escalation rate	+0.25%	0.74%	0.73%

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at March 31, 2026	As at March 31, 2025
Within the next 12 months (next annual reporting period)	487	371
Year 2 to 5	317	361
Year 6 to 9	100	96
Year 10 and above	15	19
Total expected payments	919	847

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 3.29 years 31 March 2026 (31 March 2025: 3.26 years).

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33. Compensated Absences

The key assumptions used in the computation of provision for long term compensated absences as per Actuarial Valuation are as given below:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate (%)	7.00%	6.75%
Future salary increases		
For management staff	5%	5%
For graded staff	8%	8%
Attrition rate		
For management staff		
21-30	25%	25%
31-40	13%	13%
41-50	5%	5%
51-57	6%	6%
For Non -Management staff	Nil	Nil

Particulars	As at March 31, 2026	As at March 31, 2025
34. Commitment and contingencies		
a. Commitments		
Estimated amount of contracts to be executed and not provided for (net of advances) in respect of Purchase of Property, Plant and Equipment.	921	1,324
	921	1,324
b. Contingent Liabilities		
(i) Demand raised by authorities against which Company has filed appeals		
- Excise duty matters	1,067	1,140
- Income Tax matters	274	277
- Service Tax matters	113	113
(ii) Claims against the company not acknowledged as debt	824	824
(iii) Sales Tax matter	215	215
	2,493	2,569

Notes

- Excise duty / Service tax cases includes disputes pertains to determination of assessable value, short payment of service tax on expenditure incurred in foreign currency, inadmissibility of CENVAT credit and applicability of service tax under reverse charge mechanism, etc.
- Income tax cases pertains to disallowance of expenses, etc.
- Sales tax case pertains to reversal of Input Tax Credit on inter-state sales.
- The timing of the outflow in respect of the above are determinable only on receipt of judgements/decisions pending before various forums/authorities. The aforesaid amounts do not include any interest to the extent it has not been determined.
- The above excludes show cause notices and draft assessment orders which are pending for issuing the final assessment orders from the respective authorities.
- The Company is subject to various legal proceedings and claims, which have arisen in the ordinary course of business including litigation pending before various tax authorities, including those mentioned in above points. The uncertainties and possible refunds are dependent on the outcome of different legal processes, which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be accurately predicted. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. Management believes that it has a reasonable case in its defence of the proceedings and accordingly no impact has been considered in the financial statements.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

35. Leases

The Company has lease contracts for lease hold lands, lease hold premises and vehicles used in its operations. Leasehold lands generally have lease terms between 15 and 99 years, lease hold premises and motor vehicles have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has leases of premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of- use asset	Total	Land	Building	Motor Vehicles
Balance as at April 1, 2024	501	68	404	29
Additions	-	-	-	-
Depreciation expense	(89)	(1)	(65)	(23)
Balance as at March 31, 2025	412	67	339	6
Additions	-	-	-	-
Depreciation expense	(69)	(1)	(62)	(6)
Balance as at March 31, 2026	343	66	277	0

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease liability	Total	Land	Building	Motor Vehicles
Balance as at April 1, 2024	457	-	424	33
Additions to Lease liabilities	-	-	-	-
Finance cost	43	-	41	2
Payments made during the year	(107)	-	(81)	(27)
Balance as at March 31, 2025	393	-	384	9
Additions to Lease liabilities	-	-	-	-
Finance cost	36	-	36	-
Payments made during the year	(94)	-	(85)	(9)
Balance as at March 31, 2026	335	-	335	0
Current	58	-	58	-
Non-current	277	-	277	-

The maturity analysis of lease liabilities is disclosed in Note 39.

The effective interest rate for lease liabilities is 10%, with maturity between 2026-2031.

The following are the amounts recognised in profit or loss:	31-Mar-26	31-Mar-25
Depreciation on right-of-use assets	69	89
Interest on lease liabilities	36	43
Expense relating to short-term leases (included in Miscellaneous expenses)	4	7
Total amount recognised in profit or loss	109	139

The Company had total cash outflows for leases of ₹ 94 during the year (₹ 107 in March 31, 2025). All the payments are fixed lease payments. There are no variable lease payments in the Company.

36. Related party transactions

(a) Name of Related Parties and related party relationship

Related Party where control exists

- i) ESAB Corporation, Delaware, USA became the Ultimate holding company of ESAB India Limited effective April 4, 2022.

I. Ultimate Holding Company

ESAB Corporation, Delaware, USA

II. Holding Companies

ESAB Holdings Limited, UK

Exelvia Group India B.V., Netherlands

III. Post Employment Benefit Funds

ESAB India Limited Executive Staff Pension Fund

ESAB India Limited Non-executive Staff Pension Fund

ESAB India Limited Executive Staff Gratuity Fund

ESAB India Limited Non-executive Staff Gratuity Fund

ii) List of other related parties with whom transactions have taken place during the year and their relationship

Name of the Related Party	Nature of Relationship
Aktiv Technologies Private limited	Entities under common control
Cigweld Pty Ltd., Australia	Entities under common control
ESAB AB, Sweden	Entities under common control
ESAB Arabia Company Limited, Saudi Arabia	Entities under common control
ESAB Asia/Pacific Pte Ltd, Singapore	Entities under common control
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	Entities under common control
ESAB Bangladesh Private Limited, Bangladesh	Entities under common control
ESAB Europe GmbH, Switzerland	Entities under common control
"ESAB Group Canada Inc" "	Entities under common control
ESAB Industria e Comercio Ltda, Brazil	Entities under common control
ESAB Limited Liability Company, Russia	Entities under common control
ESAB Middle East FZE,UAE	Entities under common control
ESAB MOR KFT, Hungary	Entities under common control
ESAB Saudi Trading Company	Entities under common control
ESAB CK Corporation, Korea	Entities under common control
ESAB Sp.Z.O.O., Poland	Entities under common control
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	Entities under common control
ESAB Welding and Cutting GmbH, Germany	Entities under common control
ESAB Welding Products (Jiangsu) Co Ltd, China	Entities under common control
EWAC Alloys Limited, India	Entities under common control
Gas Arc Group Limited, UK	Entities under common control

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Name of the Related Party	Nature of Relationship
Gas Control Equipment Limited, UK	Entities under common control
GCE SRO, Czech Republic	Entities under common control
GCE India Private Limited, India	Entities under common control
HKS Prozesstechnik GmbH, Germany	Entities under common control
Jinan Red Hawk International Trading Co., Ltd. China	Entities under common control
OZAS-ESAB Sp.Z.O.O., Poland	Entities under common control
Ohio Medical, LLC United States	Entities under common control
P.T Karya Yasantra Cakti, Indonesia	Entities under common control
PT. Victor Teknologi, Indonesia	Entities under common control
SIAM ESAB Welding & Cutting Limited, Thailand	Entities under common control
Swift-Cut Automation Limited, UK	Entities under common control
TBI Industries GmbH, Germany	Entities under common control
The ESAB Group, Inc. USA	Entities under common control
Thermal Dynamics Europe Srl, Italy	Entities under common control
Victor Technologies Asia SDN BHD, Malaysia	Entities under common control
Victor Technologies International Inc., USA	Entities under common control
Thermal Dynamics OY, Finland	Entities under common control
EWM GmbH, Germany	Entities under common control
Mr. Rohit Gambir - Managing Director	Key Managerial Personnel
Mr. B. Mohan - Director & Chief Financial Officer (Director from June 20, 2023)	Key Managerial Personnel
Mr. G Balaji - Company Secretary	Key Managerial Personnel
Mr. Ramesh Rajan - Non-Executive Independent Director (Director from January 27, 2025)	Director
Mr. Raja Venkataraman - Non-Executive Independent Director (Director from January 27, 2025)	Director
Mr. K Vaidyanathan - Non-Executive Independent Director (Till January 29, 2025)	Director
Mr. Vikram Tondan - Non-Executive Independent Director (Till January 29, 2025)	Director
Ms. Cauvery Dharmaraj - Non-Executive Independent Director	Director
Mr. Kevin J Johnson - Non-Executive And Non-Independent Director*	Director

*No remuneration has been paid by the Company.

The list of related parties is as identified by the management

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

(b) Transactions with Related Parties:

Particulars	Ultimate Holding Company / Holding Company		Entities under Common Control		Others	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Transactions during the year ended						
Sale of products	-	-	20,981	17,859	-	-
Cigweld Pty Ltd., Australia	-	-	302	291	-	-
ESAB Asia/Pacific Pte Ltd, Singapore	-	-	173	173	-	-
ESAB Europe GmbH, Switzerland**	-	-	0.31	27	-	-
ESAB Middle East FZE,UAE	-	-	7,103	4,584	-	-
The ESAB Group, Inc. USA	-	-	161	135	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	26	53	-	-
ESAB Group Canada Inc	-	-	45	31	-	-
EWAC Alloys Limited, India	-	-	8,346	8,033	-	-
GCE India Private Limited, India	-	-	28	30	-	-
ESAB Limited Liability Company, Russia	-	-	919	1,454	-	-
PT.Victor Teknologi, Indonesia	-	-	510	707	-	-
ESAB Bangladesh Private Limited, Bangladesh	-	-	137	361	-	-
ESAB Arabia Company Limited, Saudi Arabia	-	-	2,743	1,674	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	14	-	-	-
GCE SRO, Czech Republic	-	-	2	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	472	306	-	-
Income from services	-	-	12,463	9,127	-	-
ESAB AB, Sweden	-	-	5,466	4,653	-	-
Cigweld Pty Ltd., Australia	-	-	226	123	-	-
ESAB Asia/Pacific Pte Ltd, Singapore	-	-	54	48	-	-
ESAB Europe GmbH, Switzerland	-	-	1,115	512	-	-
ESAB Middle East FZE,UAE	-	-	36	12	-	-
The ESAB Group, Inc. USA	-	-	3,929	2,788	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	-	90	-	-
Gas Arc Group Limited, UK	-	-	82	287	-	-
PT. Victor Teknologi, Indonesia	-	-	58	55	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	30	29	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	39	36	-	-
Victor Technologies International Inc., USA	-	-	1,170	480	-	-
EWAC Alloys Limited, India	-	-	14	14	-	-
GCE India Private Limited, India	-	-	1	-	-	-
ESAB Arabia Company Limited, Saudi Arabia	-	-	5	-	-	-
Ohio Medical, LLC United States	-	-	54	-	-	-
GCE SRO, Czech Republic	-	-	65	-	-	-
ESAB Bangladesh Private Limited, Bangladesh	-	-	112	-	-	-
Aktiv Technologies Private limited	-	-	7	-	-	-
Management service income	-	-	350	350	-	-
EWAC Alloys Limited, India	-	-	350	350	-	-
Purchase of raw material / traded goods	-	-	8,936	9,132	-	-
Cigweld Pty Ltd., Australia**	-	-	0.50	-	-	-
ESAB AB, Sweden	-	-	234	31	-	-
ESAB Middle East FZE,UAE	-	-	42	-	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	234	293	-	-
ESAB Europe GmbH, Switzerland	-	-	5,457	6,200	-	-

Notes to the Financial Statements

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ESAB INDIA LIMITED

(b) Transactions with Related Parties: (contd.)

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
ESAB CK Corporation, Korea**	-	-	0.23	1	-	-
ESAB Sp.Z.O.O., Poland	-	-	18	1	-	-
The ESAB Group, Inc. USA	-	-	1,495	1,728	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	760	151	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	296	221	-	-
EWAC Alloys Limited, India	-	-	7	100	-	-
Gas Arc Group Limited, UK	-	-	52	40	-	-
GCE SRO, Czech Republic	-	-	-	10	-	-
GCE India Private Limited, India	-	-	5	3	-	-
HKS Prozesstechnik GmbH, Germany	-	-	45	17	-	-
Jinan Red Hawk International Trading Co., Ltd. China	-	-	38	65	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	157	121	-	-
Swift-Cut Automation Limited, UK	-	-	34	-	-	-
EWM GmbH, Germany	-	-	41	-	-	-
TBI Industries GmbH, Germany	-	-	20	150	-	-
Testing charges	-	-	-	1	-	-
ESAB Middle East FZE,UAE	-	-	-	1	-	-
Rent paid	-	-	8	8	-	-
EWAC Alloys Limited, India	-	-	8	8	-	-
Purchase of property, plant and equipment	-	-	2	185	-	-
Swift-cut Automation Limited	-	-	2	-	-	-
EWAC Alloys Limited, India	-	-	-	174	-	-
GCE India Private Limited, India	-	-	-	11	-	-
Sale of property, plant and equipment	-	-	3	-	-	-
GCE India Private Limited, India	-	-	2	-	-	-
Aktiv Technologies Private limited	-	-	1	-	-	-
Trademark license fee expense	-	-	5,193	4,720	-	-
ESAB Europe GmbH, Switzerland	-	-	5,193	4,720	-	-
Reimbursement received / receivable	-	-	11	10	-	-
EWAC Alloys Limited, India	-	-	11	10	-	-
Reimbursement of expenses paid / payable	-	-	287	252	-	-
ESAB Europe GmbH, Switzerland	-	-	-	25	-	-
The ESAB Group, Inc. USA	-	-	265	219	-	-
HKS Prozesstechnik GmbH, Germany	-	-	22	-	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	-	8	-	-
Dividend paid (net of tax)	9,396	10,417	-	-	-	-
ESAB Holdings Limited, UK	4,755	5,272	-	-	-	-
Exelvia Group India B.V., Netherlands	4,641	5,145	-	-	-	-
Contribution to Post Employment Benefit Funds	-	-	-	-	90	110
ESAB India Limited Executive Staff Gratuity Fund	-	-	-	-	70	78
ESAB India Limited Non- Executive Staff Gratuity Fund	-	-	-	-	20	-
ESAB India Limited Executive Staff Pension Fund	-	-	-	-	-	32
Total compensation paid to key management personnel #	-	-	-	-	604	559

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(b) Transactions with Related Parties: (contd.)

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Short-term employee benefits						
Mr. Rohit Gambhir	-	-	-	-	358	323
Mr. B Mohan	-	-	-	-	185	181
Mr. G Balaji	-	-	-	-	61	55
Share based payment expenses	-	-	-	-	292	-
Mr. Rohit Gambhir ##	-	-	-	-	292	-
Sale of Car	-	-	-	-	8	-
Mr. Rohit Gambhir	-	-	-	-	8	-
Sitting Fee	-	-	-	-	11	14
Mr. K Vaidyanathan	-	-	-	-	-	4
Mr. Ramesh Rajan	-	-	-	-	4	1
Mr. Raja Venkataraman	-	-	-	-	4	1
Mr. Vikram Tandon	-	-	-	-	-	4
Ms. Cauvery Dharmaraj	-	-	-	-	3	4
Director Commission Paid	-	-	-	-	17.20	28.99
Mr. K Vaidyanathan	-	-	-	-	-	10.25
Mr. Vikram Tandon	-	-	-	-	-	9.37
Ms. Cauvery Dharmaraj	-	-	-	-	10.10	9.37
Mr. Ramesh Rajan	-	-	-	-	3.70	-
Mr. Raja Venkataraman	-	-	-	-	3.40	-

#The compensation paid to the key managerial personnel does not include the provisions made for post-employment benefit plans (gratuity), as they are not separately allocable since the same is determined on an actuarial basis for the Company as a whole.

##The amount of share based payment expense paid during the year to the KMP is ₹ 193 Lakhs.

Notes to the Financial Statements

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ESAB INDIA LIMITED

(c) Balances as at year end with related parties

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Balances as at						
Trade receivables	-	-	9,566	9,548	-	-
Cigweld Pty Ltd., Australia	-	-	133	35	-	-
ESAB AB, Sweden	-	-	1,146	1,230	-	-
ESAB Asia/Pacific Pte Ltd, Singapore	-	-	49	27	-	-
ESAB Arabia Company Limited, Saudi Arabia	-	-	484	533	-	-
ESAB Bangladesh Private Limited, Bangladesh	-	-	42	1	-	-
ESAB Group Canada Inc	-	-	17	31	-	-
ESAB Europe GmbH, Switzerland	-	-	213	225	-	-
ESAB Middle East FZE,UAE	-	-	1,071	1,255	-	-
The ESAB Group, Inc. USA	-	-	980	695	-	-
EWAC Alloys Limited, India (including management fee receivables)	-	-	4,885	4,937	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	-	-	5	11	-	-
GCE India Private Limited, India	-	-	-	9	-	-
Gas Arc Group Limited, UK	-	-	24	-	-	-
ESAB Limited Liability Company, Russia	-	-	4	123	-	-
Ohio Medical LLC,USA	-	-	18	-	-	-
PT. Victor Teknologi, Indonesia	-	-	121	233	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	3	3	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	109	44	-	-
Victor Technologies International Inc., USA	-	-	246	122	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	9	34	-	-
Aktiv Technologies Private limited	-	-	7	-	-	-
Trade payables	-	-	4,939	3,309	-	-
Cigweld Pty Ltd., Australia**	-	-	0.02	1	-	-
ESAB AB, Sweden	-	-	20	3	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	198	177	-	-
ESAB Europe GmbH, Switzerland	-	-	3,856	2,497	-	-
ESAB Holdings Limited, UK	-	-	30	-	-	-
ESAB CK Corporation, Korea	-	-	-	1	-	-
ESAB Sp.Z.O.O., Poland	-	-	17	20	-	-
The ESAB Group, Inc. USA	-	-	601	457	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	10	3	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	83	59	-	-
EWAC Alloys Limited, India	-	-	2	1	-	-
Gas Arc Group Limited, UK	-	-	9	10	-	-
GCE India Private Limited, India	-	-	3	1	-	-
Jinan Red Hawk International Trading Co., Ltd. China	-	-	14	-	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	21	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	1	6	-	-
TBI Industries GmbH, Germany	-	-	10	46	-	-

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(c) Balances as at year end with related parties (contd.)

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Victor Technologies International Inc., USA	-	-	2	2	-	-
HKS Prozesstechnik GmbH, Germany	-	-	42	25	-	-
Swift-Cut Automation Limited, United Kingdom	-	-	4	-	-	-
Thermal Dynamics OY**	-	-	0.07	0.07	-	-
EWM GmbH, Germany	-	-	16	-	-	-
Guarantee / Surety received	1,300	1,300	-	-	-	-
ESAB Corporation USA***	1,300	1,300	-	-	-	-

**Amount is less than the rounding off norm adopted by the Company

***ESAB Corporation, USA being an ultimate holding company of ESAB India Limited, has given a corporate guarantee for securing the working capital facility from JP Morgan, Chase Bank, N.A.

37. Fair value hierarchy related disclosures

This note provides information about how the company determines fair values of various financial assets and liabilities

(i) Fair value of the Company's Financial assets and liabilities that are measured at fair value on a recurring basis

Particulars	Fair Value as at		
	31-Mar-26	31-Mar-25	Fair Value Hierarchy
Financial Assets			
Investment in Quoted Mutual Funds	4,119	2,311	Level 1
Investment in Unquoted Equity Shares	258	61	Level 3

The investment in unquoted equity shares (Level 3 in the fair value hierarchy) of the company consists of third party power companies invested at face value as per statutory requirements.

There have been no transfers between the level 1, level 2 and level 3 during the period.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. At present, the impact of climate-related matters is not material to the Company's financial statements.

38. Fair values

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. Refer note 41 for the value of all financial instruments

Notes to the Financial Statements

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ESAB INDIA LIMITED

39. Major Financial risk management objectives

The Company is exposed to certain financial risks that could have significant influence on the Company's business and operational/ financial performance. These include market risk (including commodity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Management reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, currency risk and interest rate risk.

Commodity Price Risk

The Company is exposed to commodity price risks primarily on Steel and Minerals. Price and supply disruptions arising from geopolitical and other developments could affect the Company's financial assets, profitability and future cash flows. The Company reviews its commercial arrangements with suppliers and customers at periodic intervals to adapt to changes arising from commodity price and availability risks.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities like import of raw materials, components and capital goods from outside India, incurs few expenditure as well as make export sales to countries outside India.

Unhedged foreign currency

The carrying amounts in Indian Rupees of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2026:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(148)	-	(148)
Impact of EURO exposure	(2,096)	-	(2,096)
Impact of other exposures	(96)	-	(96)
Net overall exposure - net assets / (net liabilities)	(2,340)	-	(2,340)

As on March 31, 2025:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	732	-	732
Impact of EURO exposure	(1,770)	-	(1,770)
Impact of other exposures	49	-	49
Net overall exposure - net assets / (net liabilities)	(989)	-	(989)

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(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Nature	As at	Increase / (Decrease) in PBT for change in USD rates	Increase / (Decrease) in Equity for change in USD rates	Increase / (Decrease) in PBT for change in EURO rates	Increase / (Decrease) in Equity for change in EURO rates
Receivables	31-Mar-26	228	228	1	1
Payables		(236)	(236)	(105)	(105)
Receivables	31-Mar-25	210	210	1	1
Payables		(173)	(173)	(88)	(88)

Forward Exchange Contracts

There are no forward foreign exchange contracts outstanding as at March 31, 2026.

Interest rate risk

The Company is not exposed to interest rate risk because there are no borrowings.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across India. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

a. Trade receivables

Customer credit risk is managed by the company subject to the Company's established policy, procedures and control relating to customer credit risk management.

An impairment analysis is performed at each reporting date using a provision matrix based on transaction date to measure expected credit losses. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 41. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company invests only on quoted liquid mutual funds with very low credit risk, which are classified under fair value through profit and loss. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2026 and March 31, 2025 is the carrying amounts as illustrated in Note 4.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year
March 31, 2026			
Trade payables (refer note 19)	20,699	-	-
Other financial liabilities (refer note 17)	1,837	-	-
Lease Liabilities (refer note 35)	58	277	-
	22,594	277	-
March 31, 2025			
Trade payables (refer note 19)	19,458	-	-
Other financial liabilities (refer note 17)	5,345	55	-
Lease Liabilities (refer note 35)	56	337	-
	24,859	392	-

40. Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Current Maturities of Long term Debt net of Cash and bank balances and short term investments. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

41. Gearing Ratio

Categories of Financial Instruments

Particulars	As at March 31, 2026	As at March 31, 2025
a) Financial assets measured at amortised cost		
Cash and Bank balances other than CCE	7,477	7,882
Investments	258	61
Trade Receivables	25,407	22,626
Other financial assets	448	797
Measured at fair value through profit or loss (FVTPL)		
Investments	4,119	2,311
Total	37,709	33,677
b) Financial liabilities measured at amortised cost		
Trade Payables	20,699	19,458
Lease liabilities	335	393
Other Financial liabilities	1,837	5,400
Total	22,871	25,251

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

42. Ratios

Ratio	Numerator	Denominator	31-Mar-26	31-Mar-25	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	2.1	1.7	23%	NA
Debt- Equity Ratio (in times)	Total Debt consists of borrowings and lease liabilities.	Shareholder's Equity	0.01	0.01	0%	NA
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Depreciation + Finance Cost + PPE written off	Debt service = Interest & Lease Payments + Principal Repayments	173.0	179.2	-3%	NA
Return on Equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	52.3%	56.5%	-7%	NA
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	6.5	6.7	-3%	NA
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.3	6.6	-5%	NA
Trade Payable Turnover Ratio (in times)	Net credit purchases	Average Trade Payables	4.4	5.1	-13%	NA
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Average working capital	6.3	7.4	-15%	NA
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	13.7%	12.8%	7%	NA
Return on Capital Employed (in %)	Earnings before interest and taxes*	Capital Employed = Tangible Net Worth + Total Debt	60.0%	65.4%	-8%	NA
Return on Investment-Bank deposits (in %)	Interest on Bank deposits	Average Bank deposits	10.0%	10.6%	-6%	NA

*Profit before tax and exceptional items.

43 Segment information

ESAB India Limited ('the Company') operates in the segment of fabrication technology. This includes manufacturing and selling of welding, cutting and allied products and also provides engineering, support and consulting services.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Geographical information

The “Geographical Segments” comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations - External			
For the year ended March 31,2026	124,951	25,249	150,200
For the year ended March 31,2025	117,391	19,255	136,646

Non-current operating assets:

Particulars	As at March 31, 2026	As at March 31, 2025
India	14,450	13,182
Outside India	-	-

44. Employee Share-based payments

ESAB Corporation through the "ESAB Corporation 2022 Omnibus Incentive Plan" ('the plan') provided grant of its common stock for restricted stock units ("RSUs"), stock options and other stock awards (together referred as "Stock awards") to the employees of the Group. The Company has been covered under the plan and certain employees of the Company has been provided these stock awards under this incentive plan. The cost of such stock awards have been accounted by the Company in accordance with the accounting policy described in note 2.2(v) of the financial statements.

Restricted Stock Units (RSU's)

Under the Stock Plan, the Ultimate holding Company may award RSUs to select executives, employees and outside directors, which typically vest over three years after the date of grant. The grant date fair value of RSUs is measured as the market closing price of the Company's common stock on the date of grant. With limited exceptions, the employee must remain in service until the vesting date.

Stock Options

Under the Stock Plan, the Ultimate holding Company may grant options to purchase common stock. Stock-based compensation expense for stock option awards is based upon the grant-date fair value using the BlackScholes option pricing model. The Company recognizes compensation expense for stock option awards on a straight-line basis over the requisite service period of the entire award. With limited exceptions, the employee must remain in service until the vesting date.

During the year ended March 31, 2026, the Ultimate holding Company granted certain employees of the Company Restricted Stock Units ("RSUs") and stock options, the vesting of which is fully based on Service condition tenure based over the vesting period. These RSUs are valued at the fair value of a share of common stock on the date of grant.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Equity settled share based payment expenses	329	-

Notes to the Financial Statements

for the year ended March 31, 2026

(All amounts are in lakhs of Indian rupees, unless otherwise stated)



ESAB INDIA LIMITED

Activity in the units outstanding:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Outstanding at the beginning of the year	-	-
Options granted during the year	10,102	-
Options forfeited / vested during the year	(1,982)	-
Outstanding at the end of the year	8,120	-

The average remaining contractual life for the share options outstanding as at March 31, 2026 is in the range of 0.25 to 3.92 years.

The weighted average fair value on the date of grant for the options granted during the year was ₹ 6,941.

45. Other Statutory Information

- No proceedings has been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company has working capital facilities with Axis Bank, HDFC Bank and JP Morgan Chase Bank . However, the Company has not availed any amount from the banks during the year/in previous years. The quarterly returns (including revised returns) or statements of current assets filed by the company with banks are in agreement with the books of accounts. The Company do not have sanctioned working capital from financial institutions during the year on the basis of security of current assets of the Company. Following is the summary of the details submitted by the company:

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the revised quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-25	HDFC & Axis Bank	Inventories	14,065	14,065	-	Not Applicable
Jun-25	HDFC & Axis Bank	Third Party Debtors	15,118	15,118	-	
Jun-25	HDFC & Axis Bank	Creditors Other than accruals	16,671	16,671	-	
Sep-25	HDFC & Axis Bank	Inventories	12,629	12,629	-	
Sep-25	HDFC & Axis Bank	Third Party Debtors	15,756	15,756	-	
Sep-25	HDFC & Axis Bank	Creditors Other than accruals	15,360	15,360	-	
Dec-25	HDFC & Axis Bank	Inventories	11,794	11,794	-	
Dec-25	HDFC & Axis Bank	Third Party Debtors	14,666	14,666	-	
Dec-25	HDFC & Axis Bank	Creditors Other than accruals	15,445	15,445	-	
Mar-26	HDFC & Axis Bank	Inventories	14,067	14,067	-	
Mar-26	HDFC & Axis Bank	Third Party Debtors	15,844	15,844	-	
Mar-26	HDFC & Axis Bank	Creditors Other than accruals	18,975	18,975	-	

Notes to the Financial Statements

for the year ended March 31, 2026

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ESAB INDIA LIMITED

- (iii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year. (March 31, 2025: Nil)
- (iv) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year. (March 31, 2025: Nil)
- (vii) The Company has not advanced or loaned or invested funds 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.
- (viii) The Company has not received any fund 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.
- (ix) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the 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).
- (x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) The Company has complied with the provisions of Section 197 of the Companies Act, 2013 relating to the payment of managerial remuneration. The remuneration paid to the directors and key managerial personnel during the year was within the limits prescribed under the Act.
- (xii) The Companies (Accounts) Fourth Amendments Rules 2022 dated August 05, 2022, mandates that the back-up of the books of account and other papers of the Company maintained in electronic mode including at a place outside India, shall be kept in servers physically located in India, requiring backup on a daily basis. The Company is maintaining the backup of the books of accounts maintained in electronic mode on daily basis in server located in India for financial reporting, however in terms of payroll records the backup is maintained in a server located outside India.

Notes to the Financial Statements

for the year ended March 31, 2026

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ESAB INDIA LIMITED

46. Audit Trail

As per the requirement of the rule 3(1) of the Companies (Accounts) Rules, 2014, the Company uses only such accounting softwares for maintaining its books of account that have a feature of recording audit trail of each and every transaction creating an edit log of each change made in its books of accounts. The Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2026 were effective. Furthermore, the audit trail has been preserved by the Company from the date the audit trail was enabled as per the statutory requirements for record retention since commencement of audit trail requirement from April 1, 2023.

47. Approval of financial statements:

The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 27, 2026.

48. Events after the reporting period

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting.

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

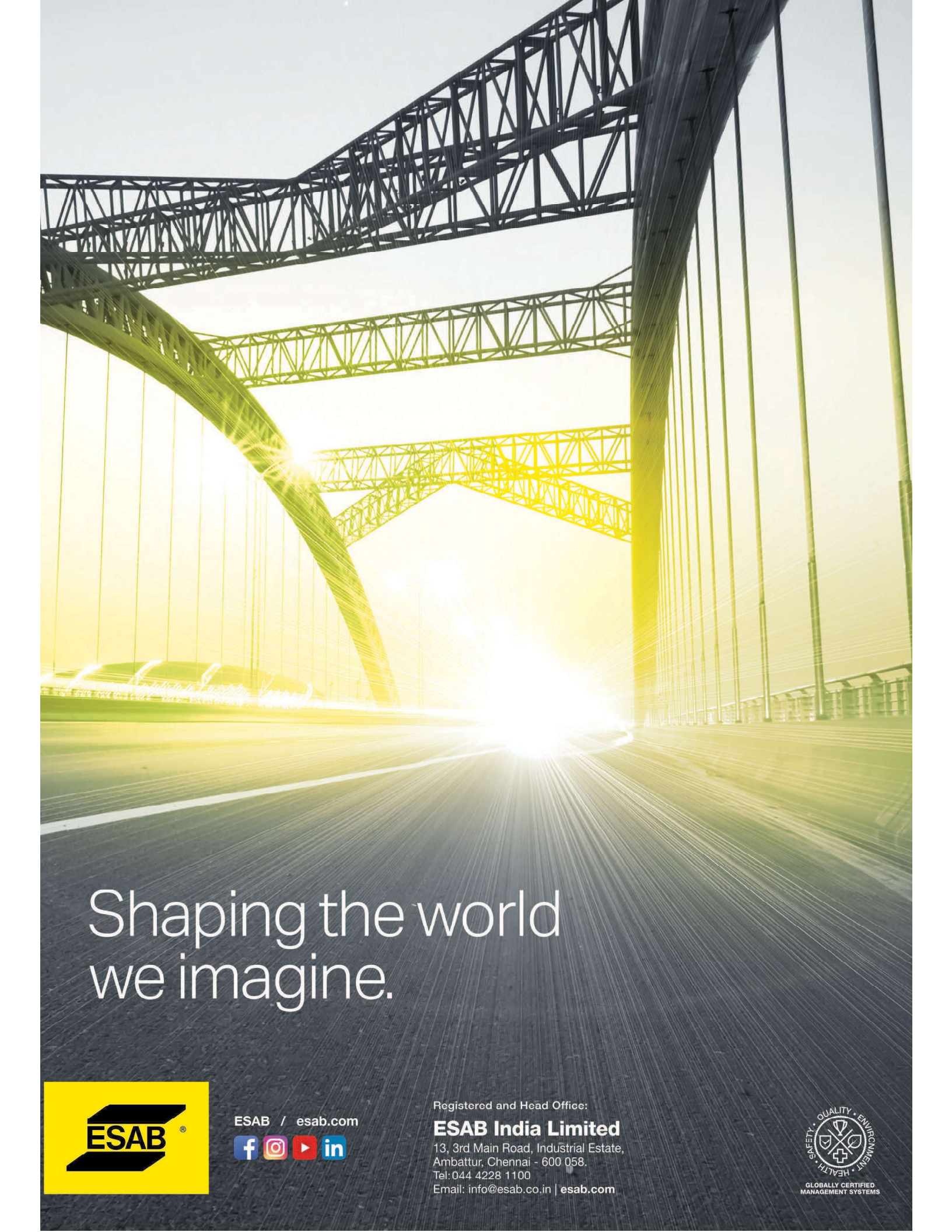
Rohit Gambhir
Managing Director
DIN: 06686250

N Ramesh Rajan
Director
DIN: 01628318

B Mohan
Director & Chief Financial Officer
DIN: 00261434

G Balaji
Company Secretary

Place : Chennai
Date : May 27, 2026



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GLOBALLY CERTIFIED
MANAGEMENT SYSTEMS