ESAB/NSE/2020

29 July, 2020

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, Block
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Code: 500133

Dear Sir,

Sub: Submission of Notice of 33rd Annual General Meeting and Annual Report for the Financial Year 2019-20 under Regulation 30 and 34(1) of SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015

Pursuant to Regulation 30 and 34(1) of SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015, please find enclosed the Notice of 33rd Annual General Meeting and the Annual Report for the Financial Year 2019-20. The same is made available on the website of the Company at https://www.esabindia.com/in/en/investors/financial_results.cfm

The schedule of AGM is as set out below:

Benpos Date for Sending Notice	24 July, 2020
Date of Completion of Dispatch	28 July, 2020
Cut Off Date	21 August, 2020
Remote e-Voting Start Date	25 August, 2020
Remote e-Voting Start Time	9:00 A.M.
Remote e-Voting End Date	27 August, 2020
Remote e-Voting End Time	5:00 P.M.
Date of AGM	28 August, 2020
AGM Start Time	9:00 A.M.
Result Date	28 August, 2020

We request you to bring the above to the attention of the members.

Yours truly,
For ESAB INDIA LIMITED

S VENKATAKRISHNAN
COMPANY SECRETARY

Company :
ESAB INDIA LIMITED
Plot No.13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058

Telephone :
91-(0)44 - 42281100
Fax :
91-(0)44 - 42281150

Website :
www.esabindia.com
CIN : L29299TN1987PLC058738

Registered Office :
ESAB INDIA LIMITED
Plot No.13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058

ESAB®

WE EXIST TO **SHAPE THE FUTURE**
OF WELDING AND CUTTING.

ANNUAL REPORT

2019-2020

Board of Directors

Scott A Grisham
Chairman

Rohit Gambhir
Managing Director

K Vaidyanathan
Independent Director

Vikram Tandon
Independent Director

Sudhir Chand
Independent Director

Sabitha Rao
Independent Director

Key Managerial Personnel

B Mohan
Vice President - Finance & Chief Financial Officer

S Venkatakrishnan
Company Secretary & Compliance Officer
Email : **venkatakrishnan.s@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.

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 : srirams@integratedindia.in

Audit Committee

K Vaidyanathan	Chairman
Vikram Tandon	Member
Sudhir Chand	Member
Scott A Grisham	Member

Stakeholders Relationship Committee

Vikram Tandon	Chairman
Sudhir Chand	Member
Scott A Grisham	Member
Rohit Gambhir	Member

Nomination & Remuneration Committee

K Vaidyanathan	Chairman
Sudhir Chand	Member
Sabitha Rao	Member
Scott A Grisham	Member

Corporate Social Responsibility Committee

Sabitha Rao	Chairperson
Scott A Grisham	Member
Rohit Gambhir	Member

Risk Management Committee

Scott A Grisham	Chairman
Rohit Gambhir	Member
B Mohan	Member

Statutory Auditors

M/s. S R Batliboi & Associates, LLP,
Chartered Accountants
6th Floor, "A" Block, Tidel Park,
No.4, Rajiv Gandhi Salai, Taramani,
Chennai 600 113.
Tel. No.044-6117 9000
Firm Regn No.101049W / E300004

Internal Auditors

M/s. KPMG (Regd.),
Chartered Accountants
Ground Floor, No. 1,
Harrington Road, Chetput, 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.044-4203 3470

Secretarial Auditors

M/s. V Mahesh & Associates
Company Secretaries
39/19, Aspen Court, 3rd Floor,
6th Main Road, R A Puram,
Chennai 600 028.
Tel. No.044-4317 4474

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Five year Financial Highlights

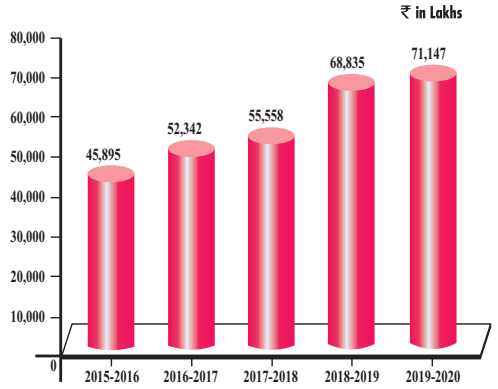
Highlights

₹ in Lakhs

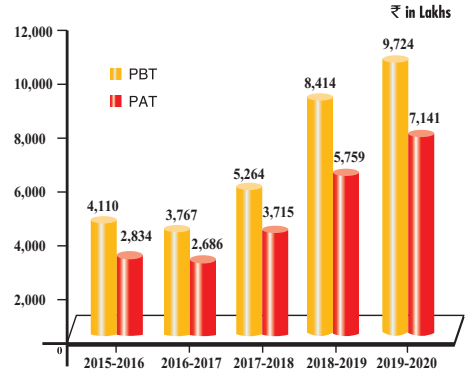
Operating Results	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Revenue from Contract with customers	**71,147**	68,835	55,558	52,342	45,895
Materials	**43,584**	43,120	34,908	29,775	28,096
Manufacturing, Selling and Administative Expenses	**16,496**	16,135	14,167	16,826	12,350
Interest and Finance Charges	**85**	28	22	36	34
Depreciation	**1,258**	1,070	1,009	1,027	952
Operating Profit	**9,724**	8,482	5,452	4,678	4,463
Exceptional / Extraordinary items	**–**	68	188	911	353
Profit before Tax	**9,724**	8,414	5,264	3,767	4,110
Taxation	**(2,583)**	(2,655)	(1,549)	(1,081)	(1,276)
Profit after Tax	**7,141**	5,759	3,715	2,686	2,834
Other comprehensive income	**(25)**	(38)	41	(60)	–
Total comprehensive income for the period, net of tax	**7,116**	5,721	3,756	2,626	2,834
Earnings per share (₹)	**46.40**	37.41	24.13	17.45	18.41
Dividends	**–**	13,854	154	154	154
Dividends Distribution Tax	**–**	2,848	31	31	31
Dividend per share (₹)	**–**	90.00	1.00	1.00	1.00
Dividend Payout Ratio	**–**	242%	4%	6%	6%
Retained Earnings	**7,116**	5,721	3,756	2,626	2,649

Financial Position	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Sources of Funds					
Capital	**1,539**	1,539	1,539	1,539	1,539
Reserves	**32,236**	25,120	36,287	32,716	30,275
Net Worth	**33,775**	26,659	37,826	34,255	31,814
Borrowings	**–**	–	–	–	–
Deferred Tax Liability	**–**	–	–	–	–
Total	**33,775**	26,659	37,826	34,255	31,814
Application of Funds					
Fixed Assets	**9,295**	8,626	8,923	8,426	8,327
Investments	**6,998**	3,026	12,457	14,685	12,231
Deferred Tax Assets	**153**	141	166	242	135
Non Current Assets	**463**	839	639	2,879	2,778
Current Assets	**29,032**	25,244	25,852	16,611	15,173
Non Current Liabilities	**(710)**	(362)	(288)	(317)	(294)
Current Liabilities and Provisions	**(11,456)**	(10,855)	(9,923)	(8,271)	(6,536)
Total	**33,775**	26,659	37,826	34,255	31,814
Number of Employees	**755**	753	734	660	622

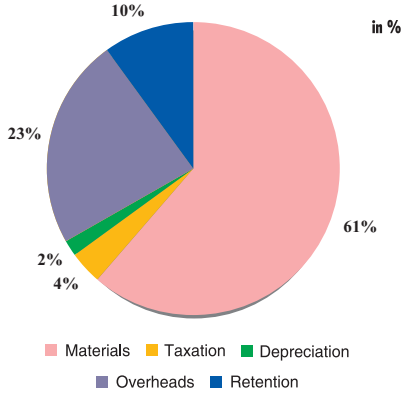
Revenue from Contract with Customers



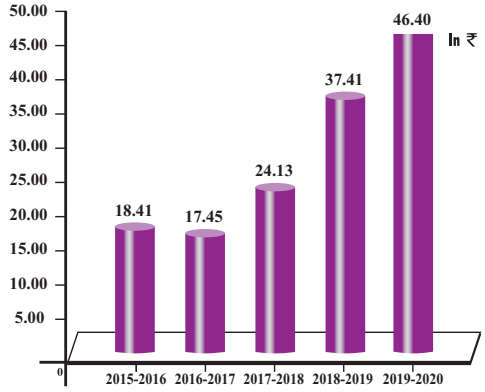
Profit Before & After Tax



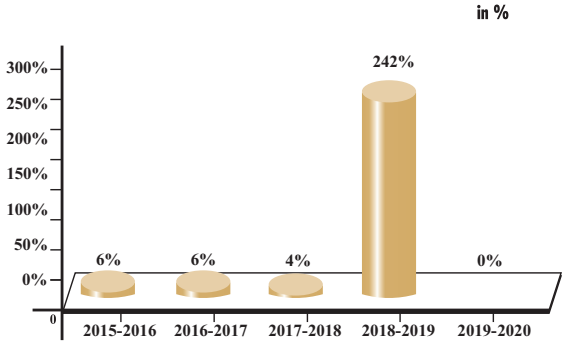
Distribution of Earnings



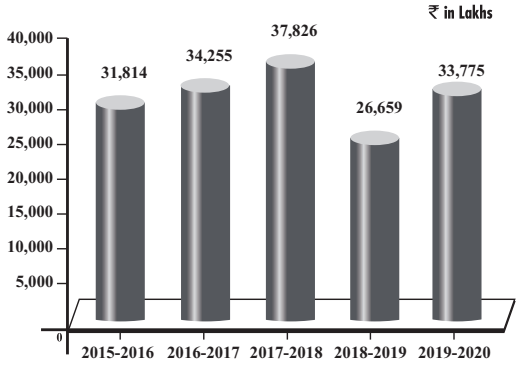
Earnings Per Share



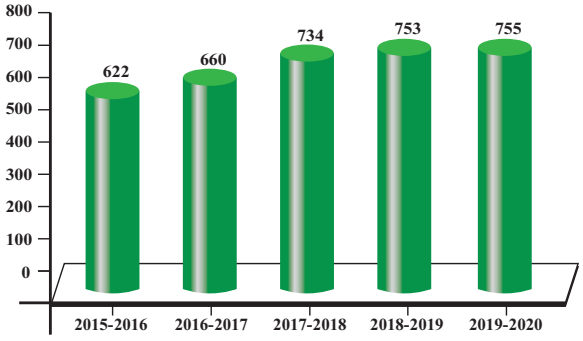
Dividend Payout Ratio



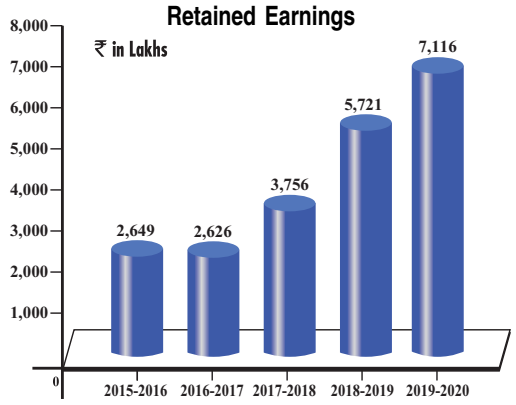
Net Worth



Number of Employees



Retained Earnings



Notice to Shareholders

NOTICE is hereby given that the Thirty Third Annual General Meeting of the Members of the Company will be held on Friday the 28 August, 2020 at 9.00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31 March 2020 and the Statement of Profit and Loss Account for the financial year ended on that date together with the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr Rohit Gambhir having Director Identification Number 06686250, who retires by rotation and is eligible for re-appointment.
3. To consider and to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s S. R. Batliboi & Associates, LLP, Chartered Accountants, (Firm Registration No. 101049W / E300004), be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this meeting to hold such office till the conclusion of Thirty Seventh Annual General Meeting to be held in 2024, at a remuneration plus taxes and levies, as applicable and reimbursement of out-of-pocket expenses incurred, payable in one or more installments, as may be duly recommended by the Audit Committee and approved by the Board of Directors from time to time to conduct the statutory audit from the financial year 2020-2021 up to and including the financial year 2023-2024.

SPECIAL BUSINESS

4. To consider and to pass the following resolution as an Ordinary Resolution:

   RESOLVED THAT the remuneration of ₹ 5,50,000/- (Rupees five lakhs fifty thousand only), in addition to reimbursement of travel and out-of-pocket expenses, payable to M/s. Geeyes & Co., Practising Cost Accountants, Chennai holding Firm Registration No.000044 allotted by the Institute of Cost Accountants of India, who was appointed as Cost Auditor of the Company for the Financial Year ending 31.3.2021 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 24 June, 2020 in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 be and is hereby ratified.

By Order of the Board of Directors

Chennai
24 June, 2020

S Venkatakrishnan
Company Secretary

NOTES:

1. The Explanatory Statement required pursuant to section 102 of the Companies Act, 2013 (Act) in relation to Item No.3 and 4 above is annexed here to.
2. Voting rights shall be reckoned on the basis of the shares registered in the name of the Members/ Beneficial Owners as on 19 August, 2020.
3. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No.14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 5, 2020 (Collectively referred to as "MCA Circulars") permitted the holding of the Annual General

Meeting ("AGM") through VC / OAVM without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and MCA Circulars the AGM of the Company is being held through VC / OAVM.

4. The relevant details, pursuant to Regulations 26(4) and 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 annexed.

5. Pursuant to 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. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Institutional / Corporate Shareholders (i.e other than individuals / HUF, NRI, etc.) are required to send to the Scrutinizer by e-mail through its registered email address maheshvenki@vmacs.co.in with a copy marked evoting@nsdl.co.in a certified copy of the relevant Board Resolution / Authorization etc., together with the specimen signatures authorizing their representative(s) to attend the AGM through VC/ OAVM and to vote through remote e-Voting.

7. As per Regulation 40 of SEBI LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. 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 Registrars and Transfer Agents, Integrated Registry Management Services Private Limited for any assistance in this regard.

8. To support the 'Green Initiative', 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.

9. The Securities and Exchange Board of India (SEBI) has mandated the 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.

10. 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.

11. As per the provisions of Section 72 of the Act, the facility for making nomination 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 for recording the nomination in respect of their shares.

12. 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.

13. 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.

14. 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 24 August, 2020 through email on investor.relations@esab.co.in or Venkatakrishnan.s@esab.co.in. The same will be replied by the Company suitably.

15. 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 upto the financial year ended December 31, 2012 to the 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 13 August, 2019 (date of the last Annual General Meeting) on the website of the Company (www.esabindia.com), as also 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 with in 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 31.03.2020
2012	Final	7.50	25.04.2013	31.05.2020	1,052,362.50
2013	Final	1.00	25.04.2014	31.05.2021	167,820.00
2014-15	Final	1.00	07.08.2015	12.09.2022	132,060.00
2015-16	Final	1.00	04.08.2016	09.09.2023	134,106.00
2016-17	Final	1.00	03.08.2017	08.09.2024	147,535.00
2017-18	Final	1.00	09.08.2018	14.09.2025	93,702.00
2018-19	Interim	90.00	23.11.2018	29.12.2025	5,166,090.00
TOTAL					6,893,675.50

16. 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 also required to be transferred to IEPF. In pursuance of this provision, the Company has already transferred the shares pertaining to such shareholders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund.

17. 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 Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.

    Members may note that the Notice and Annual Report 2019-20 will be available on the Company's website www.esabindia.com, websites 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 https://www.evoting.nsdl.com.

18. 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.

19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

20. The Members can join the Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility for participation in the Annual General Meeting 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, Directors, Key Managerial Personnel, Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Auditors.

21. In terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of the Directors, who are proposed to be re-appointed / appointed in this AGM, nature of their expertise in specific functional areas, their other directorships and committee memberships, shareholding and relationship with other directors of the Company are given below:

    Mr Rohit Gambhir
    DIN: 06686250
    Date of Birth:06/03/1973
    Nationality: Indian
    Date of appointment on the Board: 1 November 2013
    Shareholding in ESAB: Nil

List of Directorships Held in other Companies (excluding foreign, private And Section 8 Companies):	He is a Director in EWAC Alloys Limited.
Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees Across Public Companies	Member of Audit Committee of EWAC Alloys Limited

    Mr Rohit Gambhir, aged 47 years, is a B.Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 25 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 also not related to any other Director on the Board of the Company.

INSTRUCTIONS FOR e-VOTING AND JOINING THE AGM THROUGH VC/OAVM ARE AS UNDER

1. VOTING THROUGH ELECTRONIC MEANS:

a) 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, and Regulation 44 of the SEBI LODR Regulations, 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 resolution set forth in the Notice.

b) The remote e-Voting period commences on 25.08.2020 and ends on 27.08.2020. During this period, Members holding shares either in physical form or in dematerialized form, as on 19 August, 2020 i.e cut off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, such member will not be allowed to change it subsequently.

c) 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 AGM from 9.00 hrs to 11.00 hrs.

d) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

e) 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.

f) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-Voting period 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.

g) Any person, 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, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

h) The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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 "Shareholders" section.

3) A new screen will open. You will have to enter your User ID, your Password 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 e-services 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) Your password details 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 by NSDL. 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'?

- 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 in your mailbox from evoting@nsdl.com. 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'.
- In case you have not registered your email address with the Company / Depository, please follow instructions mentioned below in this notice.

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.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7) After entering your password, click 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.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

1) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3) Select "EVEN" of the Company which is **113195**.

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

5) 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.

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

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

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

General Guidelines for shareholders

1. Institutional / Corporate Shareholders (i.e other than individuals / HUF, NRI, etc.) are required to send to the Scrutinizer by e-mail through its registered email address maheshvenki@vmacs.co.in with a copy marked evoting@nsdl.co.in a certified copy of the relevant Board Resolution / Authorization etc., together with the specimen signatures authorizing their representative(s) to attend the AGM through VC / OAVM and to vote through remote e-Voting.

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 https://www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

4. In case of any grievances connected with facility for e-Voting, please contact Mr. Sagar Ghosalkar, Assistant Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in / sagar.ghosalkar@nsdl.co.in, Tel: 91 22 2499 4553 / 1800-222-990

Procedure for registration of email id for obtaining Annual Report and user id / password for e-Voting and updation of bank account mandate:

Physical Holding	Send a request to the Registrar and Transfer Agents of the Company, Integrated Registry Management Services Private Limited at srirams@integratedindia.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.
	Following additional details have to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

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

a) Members will be able to attend the AGM through VC / OAVM by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.

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. Further Members can also use the OTP based login for logging into the e-Voting system of NSDL.

b) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

c) Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553 / +91 9326781467.

d) 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, mobile number to email ID Venkatakrishnan.s@esab.co.in on or before 24 August, 2020 (5:00 p.m. IST). Alternatively a Q&A panel would also be made available for the Members on the date of AGM i.e. 28 August, 2020 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:

1. 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 make, not later than 48 hours of conclusion of the AGM, 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.

2. 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 resolution, if approved, will be taken as passed effectively on the date of Annual General Meeting.

The Board of Directors at its meeting held on 24 June, 2020 appointed the scrutinizer for e-Voting as per details given below:

Mr V Mahesh
V Mahesh and Associates
Practising Company Secretaries
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. The results will be declared by the Chairman or by any person authorized by him in this regard on or before 29 August, 2020.

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

Item No.3

The members of the Company approved the appointment of M/s S. R Batliboi & Associates, LLP (SRBA) as the Statutory Auditors of the Company at the 28th Annual General Meeting (AGM) held on 7 August, 2015, for a period of five years from the conclusion of the said AGM. SRBA will complete their present term of appointment at the conclusion of this 33rd AGM in terms of the said approval and Section 139 of the Companies Act, 2013 (Act) read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of SRBA for conducting the audit for the financial year 2020-21, as recommended by the Audit Committee and approved by the Board of Directors, is as given below :

Nature of Audit	
	Current Remuneration 2020-2021
Statutory Audit for the year	10,92,218
Corporate governance certification for the year	1,00,000
Group reporting work (including SOX 404 testing) for the year ending December, 2020	14,00,000
Limited reviews for every quarter	₹ 900,000 (₹ 300,000 per quarter)
Tax audit in form 3CD, transfer pricing study and certification and audit of financials for the year ending 31 March, 2021	4,50,000
Transfer Pricing	3,00,000
For Internal Financial Control documentation and testing	8,00,000
Total Remuneration	**50,42,218**

(Excluding the levies and taxes as applicable and out of pocket expenses at actuals)

The Board of Directors of the Company (The Board) , on the recommendation of the Audit Committee (the Committee), recommended for the approval of the Members, the re-appointment of M/s SRBA & Associates LLP, Chartered Accountants, (Firm Registration No. 101049W / E300004) as the Statutory Auditors of the Company for a period of four years from the conclusion of this AGM till the conclusion of Thirty Seventh AGM. On the recommendation of the Audit Committee, the Board also recommended for the approval of the Members, the re-appointment of SRBA from the financial year 2020-2021 to the financial year 2023-2024 as set out in the Resolution relating to their re-appointment.

The Audit Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, technical knowledge etc., and found SRBA to be suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

SRBA has given its consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

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.3.

The Board recommends the Ordinary Resolution as set out at item no.3 of the Notice for approval by the Shareholders.

Item No.4

The Board at its meeting held on 24 June, 2020 appointed M/s. Geeyes & Co., Practising Cost Accountants, holding Firm Registration No.000044 allotted by the Institute of Cost Accountants of India, 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 lakhs fifty thousand only) as remuneration payable to them, for the financial year ending 31 March, 2021.

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.4.

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

By Order of the Board of Directors

Chennai
24 June, 2020

S Venkatakrishnan
Company Secretary

Directors' Report to Shareholders

Your Directors take pleasure in presenting the Thirty Third Annual Report together with the audited accounts of the Company for the financial year ended 31 March, 2020.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2019-20	2018-19
Income	**71,147**	68,835
Profit before Interest expense and Depreciation	**11,032**	9,552
Provision for Depreciation	**(1,258)**	(1,070)
Finance cost	**(50)**	–
Profit before exceptional and prior period items and tax	**9,724**	8,482
Exceptional items	**–**	(68)
Profit before Tax from continuing operations	**9,724**	8,414
Provision for Tax	**(2,583)**	(2,655)
Net Profit After Tax	**7,141**	5,759

The financials of the Company for the year under review as also the financial statements of the previous year are 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.

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 Board of Directors had approved an interim dividend of ₹ 70/- per equity share of ₹ 10/- each (700%) at its meeting held on the 28 May , 2020 resulting in a cash outflow of about ₹ 107.75 Crores. This was disbursed on the 23 June, 2020.

The Company had adopted a policy of dividend distribution at the Board meeting held on 6 February, 2020. The dividend being considered and paid by the company is always based on a consideration of current and anticipated future resource requirements of the business.

The Directors do not recommend any final dividend for the financial year ended 31 March, 2020.

5. IND AS STANDARDS

Your Company had adopted IND AS with effect from 1 April, 2017 pursuant to the notification dated February 15, 2015 under Section 133 of the Companies Act, 2013 issued by the Ministry of Corporate Affairs, notifying the Companies (Indian Accounting Standard) Rules, 2015. Your Company had published IND AS Financials for the year ended 31 March, 2020 along with comparable financials for the year ended 31 March, 2019.

The quarterly results published by the Company from the financial year 2017-18 are also based on IND AS. These have been published in newspapers and also made available in the Company's website www.esabindia.com and the website of the stock exchanges where the shares of the Company are listed.

6. TRANSFERS 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 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 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 would

be transferring such unpaid or unclaimed dividends and corresponding shares up to Dividend 2012. The Company is in the process of transferring the Dividend pertaining to the year 2012 to the IEPF shortly.

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 http:www.iepf.gov.in) along with requisite fee as decided 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 dividend has not been claimed, are provided on our website at www.esabindia.com. 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 2019-20. The Meetings were held on 9 May, 13 August, 7 November of 2019, 6 February and 20 March of 2020.

8. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has six members.

Mr Scott Allen Grisham is the nominee of ESAB Holdings Limited and a non-retiring Director in terms of the provisions of the Articles of Association. In terms of Articles of Association, the promoter Esab Holdings Limited has nominated Mr Scott Allen Grisham as the Chairman of the Board with effect from 9 of May 2019.

Mr Rohit Gambhir is the Managing Director of the Company. He was appointed for a period of five years with effect from 1 November, 2013. He was subsequently re-appointed for a term of 5 years with effect from 1 November, 2018 vide a postal ballot resolution of the shareholders dated 25 September, 2018.

There are four Non-executive and Independent Directors on the Board of the Company.

In accordance with the provisions of Article 129 of the Company's Articles of Association, Mr Rohit Gambhir retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. The details as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Mr Rohit Gambhir are published as part of the Notice calling the Annual General Meeting.

Key Managerial Personnel

As stipulated under Section 203 of the Companies Act, Mr Rohit Gambhir, Managing Director, Mr B Mohan, Vice-President Finance & Chief Financial Officer and Mr S Venkatakrishnan, Company Secretary have been designated as the Key Managerial Personnel of the Company.

Mr B Mohan, Chief Financial Officer joined the Company on 1 February, 2005 and Mr S Venkatakrishnan, Company Secretary joined the Company on 10 March, 2006.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

As required under Section 149 (7) of the Companies Act, 2013 all the Independent Directors on the Board of the Company have individually issued the stipulated annual declaration confirming that they meet all the criteria of independence as stipulated under the Act. Further, the Independent Directors have completed their KYC confirmation on the MCA website and have also uploaded their profile in the Institute of Company Affairs before the stipulated date. Three of the Directors have been exempted from undergoing the mandatory online tests based on their quantum and areas of experience and the fourth Director is required to complete this process by the end of the year.

10. COMMITTEES OF THE COMPANY

A. AUDIT COMMITTEE

The Company's Audit Committee consists of three Independent Directors and one Non-executive Director. Mr K Vaidyanathan, is the Chairman of the said Committee. Mr Vikram Tandon, Mr Sudhir Chand and Mr Scott A Grisham are the other members of the said Committee. The said Committee met 4 times during the financial year 2019-2020, on the 9 May, 13 August, 7 November 2019 and 6 February 2020. The constitution and the terms of reference of the Committee are in line with the requirements of Section 177 of the Companies Act.

There were no occasions during the year where 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 three Independent Directors and one Non-Executive Director. Mr K Vaidyanathan, is the Chairman of the said Committee while Mr Sudhir Chand & Ms. Sabitha Rao, Independent Directors and Mr. Scott A Grisham,

Chairman of the Board are the other Members of the Committee.

This Committee met four times during the financial year 2019-2020 on the 9 May, 13 August, of 2019, 6 February, and 20 March, 2020.

This 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 for the above referred personnel. The remuneration policy of the Company can be viewed on the Company's website www.esabindia.com.

The above are in compliance with Section 178 (4) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company's Stakeholders Relationship Committee consists of two Independent Directors, one Non-executive Director and the Managing Director. Mr Vikram Tandon is the Chairman of the Committee, Mr Sudhir Chand, Independent Director, Mr Scott A Grisham, Chairman of the Board and Mr Rohit Gambhir, Managing Director are the other Members of the Committee.

The Committee met four times during the year on 9 May, 13 August, 7 November, of 2019 and on the 6 February 2020.

The Committee and the conduct of its business 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 Sabitha Rao is the Chairperson of the said Committee. Mr Scott A Grisham, Chairman of the Board and Mr Rohit Gambhir, Managing Director are the other Members of the said Committee.

The Committee met twice during the financial year 2019-2020 on 9 May, 2019 and 6 February, 2020.

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 of the Company can be viewed on the Company's website www.esabindia.com.

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.

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 Scott A Grisham, Chairman of the Board, Mr Rohit Gambhir, Managing Director and Mr B Mohan, Vice President Finance & Chief Financial Officer of the Company. With the Company now amongst the Top 500 company listed in the stock exchanges in terms of market capitalization, the need for having a Risk Management Committee has now become mandatory.

The said Committee met on 6 February, 2020 during the said financial year.

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 www.esabindia.com.

11.VIGIL MECHANISM

The Company has set up a whistleblower policy which can be viewed on the Company's website www.esabindia.com. 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 apprised of the availability of the said policy as a part of their induction schedule.

The above is in compliance 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.

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 statement 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 31 March, 2020 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 on 31 March, 2020 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 year ended 31 March, 2020 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. MANAGEMENT DISCUSSION AND ANALYSIS

A. ECONOMIC & BUSINESS ENVIRONMENT

The financial year under review witnessed the Company achieve good growth and profitability in what continued to be a volatile and challenging economic environment together with an abrupt close to the year due to COVID 19 related lockdown at a critical juncture in the last quarter.

Continuing firm trends in raw materials costs, sharp volatilities in currency along with slackness in demand posed strong challenges. There was some softening in Steel prices towards the second half of the financial year. Indirect impact arising from macro-economic issues and overall weakness in banking and financing segments also affected the overall business environment in which the Company operates. The Company's continuing focus on product development along with the execution of some relatively larger value orders during the year helped achieve growth in Sales. Plant efficiencies and product mix together with other initiatives on cost reductions helped achieve growth in profits and profitability during the year.

While the economy reportedly grew at around 5% during the financial year, relevant indicators for the company on manufacturing data and Index of Industrial Production (IIP) on segments relevant to fabrication technologies continued to indicate flat to negative growth for most part of the financial year. Difficulties in banking and NBFC sectors continued to affect demand especially in the capital goods segments.

The Company continues to maintain its established market position as one of the leading players in the domestic welding industry pan-India presence, strong financial risk profile characterized by relatively stable cash accruals, zero debt & comfortable liquidity position apart from synergy benefits derived from being part of a group which has wide presence across the globe.

B. OUTLOOK, OPPORTUNITIES AND THREATS

A sudden and strong reversal arising from the COVID 19 pandemic and consequent lockdowns has necessitated sharp and swift corrections in the short to medium term outlook. Without any exceptions, all key segments addressed have been affected and there are serious concerns on the outlook for the financial year. The current view is that the impact will be felt over quite a few quarters. There are views around fundamental changes cutting across all segments with multiple disruptions.

The Company is grappling with multiple constraints in terms of demand, supply chain, restrictions on manpower post lockdowns and strong pressures on working capital. The outlook for the ongoing financial year is extremely challenging with a strong and significant negative bias on growth.

In addition to business risks as above, adaptability to the evolving requirements including compliances and managing productivity with offsite working options are new challenges.

Government initiatives to stimulate demand, overall softening of crude prices and expectations of benign interest rates in the medium term are factors that could help. The current environment also challenges us to shore up internal efficiencies and control costs even better. The competitive advantage and financial strengths of an established player are expected to be an advantage in this environment.

We continue to see threats arising from excess capacities in the market and competition from Tier II and global players pursuing growth in an anemic environment. Additionally, volatilities in customer segments and any economy linked headwinds pose risks as well.

14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management evaluates the Company's internal controls from time to time and also works with independent internal auditors to test these and identify areas for improvement. Additionally, the Company is subjected to reviews applicable for Subsidiaries of US headquartered entities. The Company continues to list and evaluate key controls and process to an extent leveraging on the work done as part of its global reporting requirements. 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 scope of work of Internal Auditors includes review of controls on accounting, financial reporting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

Our efforts on the above lines are expected to ensure compliance with the requirements of Internal Controls on Financial Reporting.

Members may please note that the Company now figures in the Top 500 Companies in terms of market capitalization. Amongst other implications, this also necessitates a mandatory constitution of a Risk Management Committee. The said Committee reviews significant internal control risks as part of its agenda. Members may note that this Committee has been in existence in the Company even prior to this being mandated recently based on market capitalization.

15. FINANCIAL PERFORMANCE OF THE COMPANY

A. INCOME AND EXPENDITURE

The Company's revenue from contract with customers grew by about 3.9% despite the difficult backdrop. The growth was driven by higher growth in traded items including some large value orders. Service income on support services on R&D and shared services also grew over the previous year.

New product offerings and enhancements were areas of continuing focus as the Company pursued growth and market share. The Company also had steady volumes in terms of exports to related party entities.

Other income fell by 23% driven by lower income from mutual funds and also due to absence of one off gains as in the previous year.

Finance income was at comparable levels after adjusting for repayment of loans by a related party where interest rates higher than currently prevailing rates.

Materials costs as a percentage to sales was lower with better product mix and lower steel prices in the second half of 2019-20.

Overheads including employee costs were higher by 2% over the previous year primarily due to higher payroll costs. Other overheads were lower due to control over costs.

The Company has continued to provide for Depreciation at useful lives and rates aligned to the erstwhile Schedule XIV of the Companies Act, 1956 based on a technical evaluation of useful life of assets. Depreciation charge for the year was higher due to the full year's impact of capitalization in previous year.

Profit from continuing businesses before exceptional items was higher by 14.6% over the previous year with the impact of better margins and control on costs.

B. BALANCE SHEET

The turmoil in the banking and financing sector continued during the year with no significant change in fortunes from the preceding year. Lending continued to be tight with apprehensions on defaults forcing lenders to exercise extreme caution. Key industrial indicators including sectors relevant to fabrication technology continued to throw up anemic growth data. Investment cycle and infrastructure driven projects continued to be sluggish.

The Management continued to focus on a strong balance sheet and the Company remained debt free through the year. The Company ended the year with ₹ 170.12 Crores in cash, investments and deposits as against ₹ 86.41 Crores at the end of the previous financial year.

Capital Expenditure was about ₹ 1,335 lakhs as against ₹ 1,132 lakhs in the preceding year. The capital expenditure was primarily on productivity improvements, capacity enhancements and upgrading IT systems.

Inventories were higher in value terms despite growth in sales and focused actions on disposal of old inventory apart from continuing improvements in the supply chain. Debtors were significantly higher mainly on account of a sudden lockdown which stalled collections very significantly in the last 2 weeks of March 2020.

16. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

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

17.HOLDING COMPANY

Colfax Corporation is a Delaware, USA based industrial group with existing global business interests in, medical devices, fabrication technology products and services. Colfax Corporation holds 73.72% of equity shares of your Company through ESAB Holdings Limited, UK and Exelvia Group India BV, Netherlands which are its indirect wholly-owned subsidiaries.

18. EXTRACT OF THE ANNUAL RETURN

The Extract of the Annual Return in form MGT-9 of the Company made up as on the Financial Year ended 31 March, 2020 is attached by way of Annexure 1. This is also made available in the website of the Company viz. www.esabindia.com. Those interested may visit our website and see the details of MGT-9.

19. STATUTORY AUDITORS

M/s. S R Batliboi & Associates, LLP, Chennai (Firm Regn No.101049W / E300004) were appointed by the shareholders at the Annual General Meeting held on 7 August, 2015 as the Statutory Auditors of the Company for a period of five years in compliance with Section 139 (1). They hold office up to the end of this Annual General Meeting. Based on the recommendations of the Audit Committee and the Board Meetings held on 24 June, 2020 the re-appointment of S R Batliboi & Associates, LLP for a further period of four (4) years is being recommended for approval by the shareholders at the forthcoming annual general meeting. The details on current remuneration of the statutory auditors, as required by the provisions of amended SEBI (LODR) Regulations is given as part of the Notice calling the annual general meeting.

This is the fifth consecutive year out of the five years that they have been appointed. The statutory auditors are due for re-appointment subject to the approval of the shareholders at the forthcoming Annual General Meeting. The subject of their re-appointment for a further period of four years up to the Annual General Meeting to be held during the year 2024. Their remuneration is fixed in line with the recommendations of the audit committee and as duly approved by the Board of Directors. The details of their remuneration are given elsewhere in the Notice calling the annual general meeting.

M/s. S R Batliboi & Associates, LLP, Chartered Accountants, have vide their letter in 23 June, 2020 given their written consent to continue as the Statutory Auditors of the Company and have also issued a certificate that the appointment if made shall be in accordance with the conditions and that they satisfy the criteria provided under Section 139(1) and Chapter X of the Companies Act read with Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditors have issued a clean report on the financials of the Company and have not issued any qualifications for the financial year ended 31 March, 2020. Members may please take note of the changes in the requirements with respect to the report of the Auditors including specific references to key audit matters.

20. SECRETARIAL AUDIT

In terms of Section 204 (1) of the Companies Act, 2013, the Company has appointed M/s. V Mahesh & Associates, Chennai to do the secretarial audit of the Company for the financial year 1 April, 2019 to 31 March, 2020. Their appointment was informed to the Registrar of Companies, Chennai vide SRN G89457873 form MGT-14 dated 14 June, 2019

M/s. V Mahesh & Associates, have now completed their secretarial audit and have issued their certificate dated 12 June, 2020 as per the prescribed format in MR-3 to the shareholders of the Company, which is annexed to this Report as **Annexure - 2**. They have no observations in their report and have confirmed that the Company has proper board processes and a compliance mechanism in place. They have also affirmed that the Company has complied with the relevant statutes, rules and regulations and secretarial standards, as applicable.

21. 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 the **Annexure - 3** and forms part of this Report.

22. 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 recently with respect to liabilities not in the nature of deposits. The necessary form DPT 3 has been filed by the Company for the financial year 2018-19 on 13.06.2019 vide SRN No.H64503246 and an one time form DPT 3 was also filed on 13.06.2019 vide SRN No.H64498900.

23. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

24. 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 Bank and investments in debt funds, liquid funds and fixed maturity plans with mutual funds for a tenor not exceeding 100 days. The investments are made in liquid and debt funds. The Company has earned an income of around ₹ 382 Lakhs for the period 1 April, 2019 to 31 March, 2020 in the form of dividends and fair value gains of investments. The Company has not given any guarantees other than bank guarantees in the normal course of business to meet contractual obligations.

25. RISK MANAGEMENT POLICY

In compliance with the requirements of Section 134(3) (n) of the Companies Act, 2013 and as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has constituted a Risk Management Committee consisting of Mr Scott A Grisham, as the Chairman and Mr Rohit Gambhir, Managing Director and Mr B Mohan, Chief Financial Officer as the Members of the Committee. The said Committee lays down the procedures to identify risks and the mitigation procedures and adopted a policy in this regard. The Board of Directors defines the roles and responsibilities of the Committee. The policy on Risk Management has been hosted in the Company's website www.esabindia.com. 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.

26. 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. Sabitha Rao, as the Chairperson, Mr Scott A Grisham and Mr Rohit Gambhir as the Members of the said Committee.

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 www.esabindia.com.

As part of ongoing 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 welding through deployment of personnel.

The Company also took up diverse initiatives on road safety, medical camps and green initiatives around the Plant locations.

During the year under review, the Company had taken up an initiative in terms of engaging with vocational training institutions in the neighbourhood of our Plant to provide training in welding consumables with the intent of providing skill sets relevant to employment.

The Company had also initiated actions on environmental protection with expenditure on greenery and gardening outside of its plant locations and also action for reduction in pollution levels caused by four and two wheelers.

The Company had also initiated action in and around its plant at Ambattur of community and infrastructure development. It also contributed towards control of COVID 19 and for the safety of the employees and general public by providing sanitizers and necessary personal protective equipment.

The Company's spend on CSR increased from ₹ 16 Lakhs in the previous year to ₹ 70 Lakhs during the year under review. The Company had clear focus and tie up with various parties to expend the entire money on CSR Budget during the current year and shall carry forward its activities as envisaged in Schedule VII of the Companies Act, 2013, in a structured manner towards its stated objectives on CSR.

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 - 4** to this report.

27. 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 www.esabindia.com.

All the transactions with the related parties entered into during the period under review have been 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 - 5**.

28. 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 6 February, 2020 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 at its meeting held on 24 June, 2020.

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 and corporate social responsibility 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 above 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.

29. COST AUDITOR

As required under Section 148 of the Companies Act, 2013 the Board of Directors at its meeting held on 24 June, 2020 has appointed M/s. Geeyes & Co., Cost Accountants within the meaning of Cost & Works Accountants Act and holding a valid certificate of practice No.000044 as the Cost Auditor for conducting the Cost Audit for the financial year 2019-2020. 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 April 22, 2020 from the Cost Auditor stating that the appointment, if made, will be within the limit prescribed under the Act.

The relevant Form CRA2 for appointment of Cost auditor for the financial year 2019-20 was filed with the Registrar of Companies on 18 June, 2019 vide SRN G89730162.

The cost audit report issued by the Cost Auditor for the financial year ended 31 March, 2019 was filed with the Registrar of Companies vide form CRA-4 dated 13 September, 2019 vide SRN H89160204.

30. RATIO OF REMUNERATION TO EACH DIRECTOR

As required under Section 197 (12) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of ratio of remuneration to 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: 24:1 (24:1 for the year ended 31.3.2019).

B. The percentage increase in the median remuneration of employees in the financial year was 8.0%.

C. The number of eligible permanent employees in the rolls of the Company as on 31 March 2020 is 526 (482 as on 31 March 2019).

D. 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 7.7% while that of KMPs was 7.5%. However, given the difficulties in the business post COVID 19 lockdowns, the proposed increases have been deferred till Q2 of 2020-2021.

Justification thereof: Compensation revisions generally take into account performance metrics on sales, operating profits and working capital apart from specific elements attributable to various functions within the organization. Despite the difficulties in the operating environment, we exceeded the budget in all the three metrics. Taking into consideration the rate of inflation, it was decided to consider an average increase of 7.5%. This increase also includes a higher percentage of increase that has been

considered for junior / middle level employees who have been considered for promotion. However, the increase as envisaged above have been deferred by the Management till September, 2020, due to the current difficult business situation.

As at the end of March 2020 the Company had 755 employees as against 753 at the end of 31 March 2019. 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.

E. The key parameters for any variable component of remuneration availed by the Directors.

Variable Component to Mr Rohit Gambhir - This is linked to various parameters, financial and non-financial. Key elements include sales, operating profit, working capital, implementation of business systems.

Variable Component to Independent Directors - Is based on the roles and responsibilities and their contribution to the Company in their respective capacities. The Commission is individually determined based on their varying commitments of time and effort to the Board and to its committees.

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.

Details of employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as a statement and given in Annexure - 6. In terms of first proviso to Section 136(1) of the 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.

31. FINANCE

The Company's relationships with its Bankers viz. AXIS Bank Ltd. and HDFC Bank Ltd. continued to be cordial during the year. The Company would like to thank its Bankers for their support.

32. 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 materially from those either expressed or implied in this Report.

33. 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 2019-2020. 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 9 November, 2015.

The Company had **10,729 shareholders** as at the end of the year 31 March, 2020. 98.88% of the shares are held in dematerialized form.

The Company entered the list of Top 500 Companies by way of Market capitalization during the year. This brought in additional compliance requirements in terms of adoption of dividend policy, formation of risk management committee and also the introduction of Business Responsibility Reporting which forms part of this report.

As required under Regulation 39 (4) Read with Schedule VI 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 2019-2020 and the shares outstanding in the suspense account as on 31 March, 2020 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 1.4.2019	61	4,410
2.	Number of Shareholders who approached the Company during the year	6	400
3.	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	6	400
4.	No. of shares transferred to Investor Education and Protection Fund	Nil	Nil
5.	Aggregate Number of shareholders and the outstanding shares lying in the unclaimed Suspense Account at the end of the year i.e. 31.3.2020	55	4,010

55 Shareholders holding 4,010 equity shares constituting about 0.03% 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.

34. 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 Statutory 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.

35. 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 constituted an internal complaints committee with effect from 30 October, 2013 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 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 induction as 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.

36. SECRETARIAL STANDARDS

As on 31 March, 2020 all the applicable Secretarial Standards which have been notified have been complied with by the Company.

A certificate of compliances issued by the Secretarial Auditor M/s. V Mahesh & Associates dated 12 June, 2020 is enclosed as **Annexure - 2** and forms part of this Report.

37. ISSUE OF SHARES

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

38. 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.

For and on behalf of the Board of Directors

Scott A Grisham
Chairman

Chennai
24 June, 2020

ANNEXURE - 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L29299TN1987PLC058738
Registration Date	10-November-1987
Name of the Company	**ESAB INDIA LIMITED**
Category / Sub-Category of the Company	PUBLIC LIMITED COMPANY
Address of the Registered office and Contact details	Plot No. 13, 3rd Main Road, Industrial Estate, Ambattur, Chennai - 600 058. Mr Rohit Gambhir, Managing Director **rohit.gambhir@esab.co.in** Mr B Mohan, Chief Financial Officer **mohan.b@esab.co.in** Mr S Venkatakrishnan, Company Secretary **venkatakrishnan.s@esab.co.in**
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 2nd Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai - 600 017.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Welding Consumable	2592	71
2.	Welding Equipment	2710	29

III. PARTICULARS OF HOLDING COMPANIES

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	**ESAB Holdings Limited** Hertford Road, Waltham Cross, England EN87RP	Foreign Company	Holding Company	37.31	2 (46)
2.	**Exelvia Group India B V** Lansinkesweg 4, 7553, AE Hengelo, The Netherlands	Foreign Company	Holding Company	36.41	2 (46)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-Wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTERS GROUP									
1. Indian									
Individual / Hindu Undivided Family	–	–	–	–	–	–	–	–	–
Central Government	–	–	–	–	–	–	–	–	–
State Government(s)	–	–	–	–	–	–	–	–	–
Bodies Corporate	–	–	–	–	–	–	–	–	–
Financial Institutions / Banks	–	–	–	–	–	–	–	–	–
Any other (specify)	–	–	–	–	–	–	–	–	–
SUB-TOTAL A(1)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2. Foreign									
Individual (Non–resident / foreign)	–	–	–	–	–	–	–	–	–
Bodies corporate	11347960	–	11347960	73.72	11347960	–	11347960	73.72	–
Institutions	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Any other (specify)	–	–	–	–	–	–	–	–	–
SUB-TOTAL A(2)	**11347960**	**–**	**11347960**	**73.72**	**11347960**	**–**	**11347960**	**73.72**	**–**
Total Shareholding of Promoter and Promoter Group (A) = A(1)+A(2)	**11347960**	**–**	**11347960**	**73.72**	**11347960**	**–**	**11347960**	**73.72**	**–**
B. PUBLIC SHAREHOLDING									
1. Institutions									
Mutual funds / UTI	189406	7701	197107	1.28	209812	7701	217513	1.41	–
Financial Institutions / Banks	5319	400	5719	0.04	3187	300	3487	0.02	–
Central Government	48696	–	48696	0.32	48596	–	48596	0.32	–
State Government(s)	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Venture Capital Funds	–	–	–	–	–	–	–	–	–
Insurance Companies	–	–	–	–	412034	–	412034	2.68	–
Foreign Institutional Investors	–	–	–	–	–	–	–	–	–
Foreign Venture Capital Investors	–	–	–	–	–	–	–	–	–
Qualified Foreign Investor	–	–	–	–	–	–	–	–	–
Any other (specify)	–	–	–	–	–	–	–	–	–
SUB-TOTAL B(1)	**243421**	**8101**	**251522**	**1.63**	**673629**	**8001**	**681630**	**4.43**	**2.80**
2. Non-Institutions									
Bodies Corporate (Indian / Foreign / Overseas)	456107	3603	459710	2.99	82708	3603	86311	0.56	–
Individuals (Resident / NRI / Foreign National)									
Individual shareholders holding Nominal share capital upto ₹ 1 Lakh	1341928	174767	1516695	9.85	1320788	161280	1482068	9.63	–
Individual shareholders holding Nominal share capital above ₹ 1 Lakh	171209	–	171209	1.11	178840	–	178840	1.16	–
Any other (specify)	1645924	–	1645924	10.69	1616211	–	1616211	10.49	–
SUB-TOTAL B(2)	**3615168**	**178370**	**3793538**	**24.64**	**3198547**	**164883**	**3363430**	**21.84**	**-2.80**
Total Public Share Holding (B) = B(1) + B(2)	**3858589**	**186471**	**4045060**	**26.28**	**3872176**	**172884**	**4045060**	**26.28**	**–**
Shares held by Custodians against which Depository Receipts have been issued (C)	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A) + (B) + (C)	**15206549**	**186471**	**15393020**	**100.00**	**15220136**	**172884**	**15393020**	**100.00**	**–**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	ESAB Holdings Limited	5743200	37.31	–	5743200	37.31	–	–
2	Exelvia Group India B V	5604760	36.41	–	5604760	36.41	–	–
	Total	**11347960**	**73.72**	**–**	**11347960**	**73.72**	**-**	**-**

(iii) Change in Promoters' Shareholding

Sl. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Shares	%
1	ESAB HOLDINGS LIMITED PAN : AABCE6787C Opening Balance as on 01/04/2019 Closing Balance as on 31/03/2020	 5743200 –	 37.31 –	 – –	 – –	 – 5743200	 – 37.31
2	EXELVIA GROUP INDIA B V PAN : AABCE8359E Opening Balance as on 01/04/2019 Closing Balance as on 31/03/2020	 5604760 –	 36.41 –	 – –	 – –	 – 5604760	 – 36.41

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Shares	%
1	ACACIA PARTNERS, LP PAN : AALFA7272K Opening Balance as on 01/04/2019	821140	5.33	–	–	–	–
	Closing Balance as on 31/03/2020	–	–	–	–	821140	5.33
2	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD. PAN : AADCA1701E Opening Balance as on 01/04/2019	355241	2.31	–	–	–	–
	05/04/2019	–	–	3000	0.02	358241	2.33
	26/04/2019	–	–	1000	0.01	359241	2.33
	24/05/2019	–	–	-10000	-0.07	349241	2.27
	21/06/2019	–	–	-1000	-0.01	348241	2.26
	02/08/2019	–	–	1000	0.01	349241	2.27
	06/09/2019	–	–	500	0.00	349741	2.27
	27/09/2019	–	–	11500	0.08	361241	2.35
	30/09/2019	–	–	2500	0.02	363741	2.36
	04/10/2019	–	–	5000	0.03	368741	2.40
	01/11/2019	–	–	4351	0.03	373092	2.42
	08/11/2019	–	–	2000	0.01	375092	2.44
	06/12/2019	–	–	4000	0.03	379092	2.46
	13/12/2019	–	–	1500	0.01	380592	2.47
	20/12/2019	–	–	1000	0.01	381592	2.48
	27/12/2019	–	–	1000	0.01	382592	2.49
	31/12/2019	–	–	3000	0.02	385592	2.51

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Shares	%
	03/01/2020	–	–	4000	0.03	389592	2.53
	10/01/2020	–	–	1000	0.01	390592	2.54
	24/01/2020	–	–	11500	0.08	402092	2.61
	31/01/2020	–	–	8193	0.05	410285	2.67
	07/02/2020	–	–	13521	0.09	423806	2.75
	14/02/2020	–	–	2528	0.02	426334	2.77
	21/02/2020	–	–	-23800	-0.16	402534	2.62
	28/02/2020	–	–	500	0.00	403034	2.62
	06/03/2020	–	–	4000	0.03	407034	2.64
	13/03/2020	–	–	1000	0.01	408034	2.65
	20/03/2020	–	–	4000	0.03	412034	2.68
	Closing Balance as on 31/03/2020	–	–	–	–	412034	2.68
3	ACACIA INSTITUTIONAL PARTNERS, LP PAN : AALFA7287Q Opening Balance as on 01/04/2019	271098	1.76	–	–	–	–
	Closing Balance as on 31/03/2020	–	–	–	–	271098	1.76
4	ACACIA BANYAN PARTNERS PAN : AAGCA6900N Opening Balance as on 01/04/2019	259200	1.68	–	–	–	–
	Closing Balance as on 31/03/2020	–	–	–	–	259200	1.68
5	SUNDARAM MUTUAL FUND A/C SUNDARAM EMERGING SMALL CAP - SERIES VII PAN : AAATS2554B Opening Balance as on 01/04/2019	189406	1.23	–	–	–	–
	31/05/2019	–	–	-3344	-0.02	186062	1.21
	30/08/2019	–	–	-128	0.00	185934	1.21
	06/09/2019	–	–	-171	0.00	185763	1.21
	13/09/2019	–	–	-398	0.00	185365	1.20
	20/09/2019	–	–	-408	0.00	184957	1.20
	Closing Balance as on 31/03/2020	–	–	–	–	184957	1.20
6	ACACIA CONSERVATION FUND LP PAN : ABCFA8290P Opening Balance as on 01/04/2019	150000	0.97	–	–	–	–
	Closing Balance as on 31/03/2020	–	–	–	–	150000	0.97
7	S. SHYAM PAN : AAMPS6032J Opening Balance as on 01/04/2019	79447	0.52	–	–	–	–
	17/05/2019	–	–	-8000	-0.05	71447	0.46
	29/11/2019	–	–	-10000	-0.07	61447	0.40
	06/12/2019	–	–	-20000	-0.13	41447	0.27
	Closing Balance as on 31/03/2020	–	–	–	–	41447	0.27
8	ITHOUGHTWEALTH ANALYTICS LLP PAN : AAFFI8518J Opening Balance as on 01/04/2019	52209	0.34	–	–	–	–
	17/05/2019	–	–	8449	0.06	60658	0.39
	24/05/2019	–	–	652	0.00	61310	0.40
	31/05/2019	–	–	200	0.00	61510	0.40
	21/06/2019	–	–	1230	0.01	62740	0.41

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): *(Contd.)*

Sl. No.	Name	Opening Balance		Increase / Decrease		Closing Balance	
		Shares	%	Shares	%	Shares	%
	28/06/2019	–	–	202	0.00	62942	0.41
	05/07/2019	–	–	656	0.00	63598	0.41
	12/07/2019	–	–	200	0.00	63798	0.41
	Closing Balance as on 31/03/2020	–	–	–	–	63798	0.41
9	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS PAN : EXEMPTCATG Opening Balance as on 01/04/2019	48696	0.32	–	–	–	–
	23/08/2019	–	–	-100	0.00	48596	0.32
	Closing Balance as on 31/03/2020	–	–	–	–	48596	0.32
10	NIHAR NILEKANI PAN : AEVPN5413M Opening Balance as on 01/04/2019	38528	0.25	–	–	–	–
	21/02/2020	–	–	-882	-0.01	37646	0.25
	28/02/2020	–	–	-530	0.00	37116	0.24
	20/03/2020	–	–	-1754	-0.01	35362	0.23
	Closing Balance as on 31/03/2020	–	–	–	–	35362	0.23

(v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors	Shareholding		Cumulative	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	None of the Directors hold shares in the Company			
Date wise Increase / Decrease in Directors Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	None of the Directors hold shares in the Company			
At the end of the year	None of the Directors hold shares in the Company			

Name of the KMP : Mr S Venkatakrishnan	Shareholding		Cumulative	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1	–	1	–
Date wise Increase / Decrease in KMPs Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–	–	–	–
At the end of the year	1	–	1	–

(v) **Shareholding of Directors and Key Managerial Personnel:** ***(contd.)***

Name of the KMP : Mr B Mohan	Shareholding		Cumulative	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	–			
Date wise Increase / Decrease in KMPs Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	–			
At the end of the year	–			

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total indebtedness
Indebtedness at the Beginning of the financial year	Nil			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	**Nil**			
Change in Indebtedness during the financial year	Nil			
Addition				
Reduction				
Net Change	Nil			
Indebtedness at the end of the financial year	Nil			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)	Nil			

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager

Sl. No.	Particulars of Remuneration	Mr Rohit Gambhir Managing Director	Total amount (Amount in ₹)
1	Gross salary		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,30,83,439	2,30,83,439
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,88,722	4,88,722
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission - as % of profit	Nil	Nil
5	Others, (Sitting Fees)	Nil	Nil
6	Others, please specify	Nil	Nil
	Total	**2,35,72,161**	**2,35,72,161**
	Ceiling as per the Act	**5% of the net profits of the Company as calculated under the applicable provisions of the Companies Act, 2013**	

B. Remuneration to other Directors (Amount in ₹)

Particulars of Remuneration	Name of Directors				Total amount
	Mr Sudhir Chand	Mr Vikram Tandon	Mr K. Vaidyanathan	Ms Sabitha Rao	
1 Independent Directors					
- Fee for attending board / committee meetings	2,75,000	1,60,000	2,59,000	2,22,000	8,97,500
- Commission	5,50,000	5,50,000	6,00,000	5,50,000	22,50,000
- Others, please specify	–	–	–	–	–
Total (1)	**8,25,000**	**7,10,000**	**8,59,000**	**7,72,000**	**31,47,500**
2 Other Non-Executive Directors	–	–	–	–	–
- Fee for attending board / committee meetings	–	–	–	–	–
- Commission	–	–	–	–	–
- Others, please specify	–	–	–	–	–
Total (2)	**–**	**–**	**–**	**–**	**–**
Total (B) = (1 + 2)	**8,25,000**	**7,10,000**	**8,59,000**	**7,72,000**	**31,47,500**
Total Managerial Remuneration	**8,25,000**	**7,10,000**	**8,59,000**	**7,72,000**	**31,47,500**
Overall Ceiling as per the Act	**1% of the net profits of the Company as calculated under the applicable provisions of the Companies Act, 2013**				

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total amount
		CEO	Company Secretary	CFO	
1	Gross salary				
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil	55,12,178	1,09,65,020	1,64,77,198
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	3,93,474	4,42,076	8,35,550
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission as % of profit	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	**Nil**	**59,05,652**	**1,14,07,096**	**1,73,12,748**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding	None				
B. DIRECTORS Penalty Punishment Compounding	None				
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding	None				

For and on behalf of the Board of Directors

Scott A Grisham
Chairman

Chennai
24 June, 2020

ANNEXURE - 2

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies *(Appointment and Remuneration 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 **M/s. ESAB India Limited** (hereinafter called the **"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 my 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, 2019 to 31st March, 2020) covering the financial year ended on 31st March, 2020 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, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder and subject to such other modification, re-enactments and amendments thereon

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other modifications, and amendments thereon

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder and subject to such amendments thereon

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

(v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(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 Petroleum Act, 1934
b. Gas Cylinder Storage Rules
c. The Explosives Act, 1884 & The Explosives Rules, 1983
d. Batteries (Management and Handling) Rules, 2001
e. The Bio-medical Waste (Management and Handling) Rules, 1998
f. Electricity Act, 2003
g. The Plastic Manufacture, Sale and Usage Rules, 1999
h. The E-Waste (Management and Handling) Rules, 2016
i. Indian Boilers Act, 1923
j. Food Safety and Standards Act, 2006
k. The Ground Water Regulation Act
l. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011
m. The Energy Conservation Act, 2001
n. The Environment Protection Act & Rules, 1986
o. Plastic Waste Management Rules, 2016
p. Boilers Attendant's Rules, 2011 and Boiler Operation Engineer Rules, 2011
q. Solid Waste Management Rules, 2016
r. Tamil Nadu/Maharashtra/West Bengal Shops & Establishment Act
s. Public Liability Insurance Act, 1991
t. Air (Prevention and Control of Pollution) Act, 1981

u. Water (Prevention and Control of Pollution) Act, 1974

v. The Noise Pollution (Regulation and Control) Rules, 2000

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

1. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
3. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
4. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
5. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

(i) Secretarial Standards with regard to Meeting of Board of Director(SS 1), General Meeting (SS 2) and Dividend (SS 3) 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 and Bombay Stock Exchange;

(iii) The 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 proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review. All the requisite committees that are required to be constituted by the Company as per prescribed Laws and Regulations are duly constituted.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda are being sent at least seven days in advance in the manner provided under the Act and Secretarial Standards (SS- 1) 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.

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.

For V Mahesh & Associates

V Mahesh
Practising Company Secretary
M.No. F4162
C.P. No. : 2473
UDIN: F004162B000336991

Date : 12th June, 2020
Place: Chennai

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, the 12th day of June, 2020 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. Due to the prevailing COVID-19 pandemic scenario across the world, we have followed the audit practices and procedures that were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test / sampling basis to ensure that correctness of the 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
UDIN: F004162B000336991

Date : 12th June, 2020
Place: Chennai

SECRETARIAL COMPLIANCE REPORT OF ESAB INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

To

The Board of Directors,
M/s. ESAB INDIA LIMITED,
Plot No. 13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai - 600 058.

We have examined:

(a) All the documents and records made available to us and explanation provided by **ESAB India Limited** ("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 document / filing, as may be relevant, which has been relied upon to make this certification for the Financial Year ended 31st March, 2020 ("01st April, 2019 - 31st March, 2020") in respect of compliance with the provisions of:

i. the Securities and Exchange Board of India Act, 1992("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"),rules made there under and the Regulations, circulars, guidelines issued there under 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

e) Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996 & 2018 (amended Regulations)

Based on the above examination, we hereby report that, during the Review Period:

(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:-

Sr. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
NA			

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from our examination of those records.

(c) The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars / guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc	Observations/ Remarks of the Practicing Company Secretary, if any
NA				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observation of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NA				

Note: Due to the prevailing COVID-19 pandemic situation across the world, we have followed practices and procedures that were appropriate to obtain reasonable assurance about the correctness of the contents of the records, papers, submissions and filing of forms. The verification was done on test/sampling basis to ensure that correctness of the relevant records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

For V Mahesh & Associates

V Mahesh
Practising Company Secretary
M.No. F4162
C.P. No. : 2473
UDIN: F004162B000337022

Date : 12th June, 2020
Place: Chennai

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 Board of Directors,
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 - 600058 (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, 2020 have been disqualified or debarred from being appointed or continuing as Directors of the Company for the Financial Year 2020-21 by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

S. No.	Name of the Director	DIN	Designation
1.	Scott Grisham Allen	08430599	Non Executive Chairman
2.	Rohit Gambhir	06686250	Managing Director
3.	Vaidyanathan Kalyanasundaram	00063692	Non-Executive Independent Director
4.	Vikram Tandon	01727251	Non-Executive Independent Director
5.	Sudhir Chand	01385201	Non-Executive Independent Director
6.	Sabitha Rao	06908122	Non-Executive Independent Director

Ensuring the eligibility of 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
UDIN: F004162B000337033

Date : 12th June, 2020
Place: Chennai

ANNEXURE - 3

ANNEXURE TO THE DIRECTORS' REPORT

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 31 March, 2020.

A. CONSERVATION OF ENERGY

1. Compressor system optimization through idle time monitoring systems.
2. Modifications in cooling systems to reduce energy costs.
3. Process optimization and reduction of processes in filler metals.
4. Introduction of mechanisms for continuous running in identified machinery items to reduce downtimes and energy costs.
5. Initiatives taken for use of renewable energy at Plants.
6. Continued to add LED lights in locations.
7. Interconnection of water chiller units was done to reduce power and water consumption.
8. Modifications to reduce consumption and wastage of water at Plants.
9. Pursued electric options on select machinery items to replace fossil fuels usage.

B. TECHNOLOGY ABSORPTION

1. Modifications in circuit breaker mechanisms carried out.
2. Modifications in wire feeding mechanisms to enable handling of multiple types of wires.
3. Centralized fire alarm station and CCTV system provided for all plants.
4. Installation of automation in heating and cooling cycles for processes involving select product ranges.
5. Upgrades of PLC systems.
6. Check weighing mechanisms introduced.
7. Set up of in-house infrastructure for select products.
8. Integration done by developing new software with ERP system for spares.
9. Testing converted from analog to digital method for quality improvements.

C. FOREIGN EXCHANGE

The Company exports its products and services to Bangladesh, Srilanka, Nepal, Singapore, Middle East, Indonesia, China, Malaysia, Uzbekistan, Thailand, Egypt, Vietnam, Germany, Australia and USA.

During the year, the total outflows in foreign exchange amounted to ₹ 6,930 lakhs (which includes ₹ 5,655 lakhs for the import of raw materials, components and capital goods and ₹ 1,275 lakhs towards expenditure in foreign currency).

During the year, the Foreign exchange earnings were ₹ 5,670 lakhs resulting in net foreign exchange outflow of ₹ 1,260 lakhs for the year.

For and on behalf of the Board of Directors

Scott A Grisham
Chairman

Chennai
24 June, 2020

ANNEXURE - 4

REPORT ON CSR ACTIVITIES FOR THE YEAR 2019-2020

1. Policy

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 programmes for welfare and sustainability, development of community at large and is titled "ESAB's CSR Policy".
http://www.esabindia.com/investor_relations/corporate_social_responsibility_policy.htm

2. Composition of CSR Committee

Ms. Sabitha Rao - Chairperson
Mr Scott A Grisham - Member
Mr Rohit Gambhir - Member

3. Average Net Profit of the Company for last three preceding financial years = ₹ 6,086 lakhs.

2018-19 - ₹ 8,423 lakhs

2017-18 - ₹ 5,332 lakhs

2016-17 - ₹ 4,503 lakhs

4. Prescribed CSR Expenditure : 2% on ₹ 6,086 lakhs = ₹ 121.72 lakhs.

5. (a) Total amount to be spent for the financial year = ₹ 121.72 lakhs.

(b) Amount unspent = ₹ 121.72 lakhs - ₹ 69.81 lakhs = ₹ 51.91 lakhs.

(c) Manner in which the amount spent during the financial year

(₹ in lakhs)

Details of CSR Amount spent as on 31 March, 2020							
S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads 1) Direct expenditure on projects and programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementation agency
1	2	3	4	5	6	7	8
1.	Education	Employment enhancing vocational skills / promotion of education	West Bengal, Kolkata, Ambattur & Irungattukottai, Chennai	116.00	62.08	62.08	Through Agency
2.	Environment	Protection of Environment	Ambattur, Chennai, Nagpur, Maharashtra	116.00	3.45	3.45	Direct
3.	Development work	Development near the factory premises	Ambattur and Chennai	116.00	4.00	4.00	Direct
4.	Disaster Management	Disaster Management during COVID 19	Ambattur Irugattukottai Nagpur and Taratala	116.00	0.28	0.28	Direct
	TOTAL					**69.81**	

6. Justification for unspent money out of 2% of the average netprofit of the last 3 financial years

As part of ongoing 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 consultants. The Company had tied up with certain vocational institutions for educating the welders in Tier II and Tier III cities on welding through deployment of personnel.

During the year under review, the Company had taken up an initiative in terms of engaging with vocational training institutions in the neighbourhood of our Plant to provide training in welding consumables with the intent of providing skill sets relevant to employment.

The Company had also initiated actions on environmental protection with expenditure on greenery and gardening outside of its plant locations and also action for reduction in pollution levels caused by four and two wheelers.

The Company had also initiated action in and around its plant at Ambattur of community and infrastructure development. It also contributed towards control of COVID 19 and for the safety of the employees and general public by providing necessary control personal protective equipment.

The Company's spend on CSR increased from ₹ 15.65 Lakhs in the previous year to ₹ 69.81 Lakhs during the year under review. The Company had clear focus and tie up with various parties to expend the entire money on CSR Budget during the current year and shall carry forward its activities as envisaged in Schedule VII of the Companies Act, 2013, in a structured manner towards its stated objectives on CSR.

7. Responsibility Statement of the CSR Committee for the implementation and monitoring of CSR policy in compliance with CSR objectives and Policy of the Company.

The company understands that in order to continue to prosper over the long term, community, environment and society at large must also prosper. The Company's activities are aimed at driving the above values through its initiatives in the areas of education, environment and customer protection and has been committed to improving its initiatives on education and customer protection.

The Company's focus of its CSR activities was on imparting skilled education on welding and customer protection. Being an OHSAS18001 certified Company, the Company focused mainly on its activities on environment protection. These initiatives are built up on the strong base of performance in environmental sustainability, applicable laws and the Company's CSR policy.

Rohit Gambhir
Managing Director

Sabitha Rao
Chairperson
CSR Committee

Place : Chennai
Date : 24 June, 2020

ANNEXURE - 5

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 special 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	

Scott A Grisham
Chairman

Chennai
24 June, 2020

Business Responsibility Report

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction

ESAB India Limited started its operations in 1987 by acquiring the welding business of Peico Electronics & Electricals Limited (now Philips India Limited). The Company continued its expansion in the Indian market with the purchase of Indian Oxygen Limited's welding business in 1991 and Flotech Welding & Cutting Systems Limited in 1992, followed by the merger of Maharashtra Weldaids Limited in 1994.

ESAB India Limited is owned 73.72% by the ESAB Group. The remainder of its shares are held widely. The company is listed on the stock exchanges of Mumbai and the National Stock Exchange.

ESAB India has established itself as one of the leading suppliers of welding and cutting products in the country. ESAB products are now widely used in industries like Shipbuilding, Petrochemical, Construction, Transport, Offshore, Energy, General Engineering and in Repair and Maintenance of Steel, Mills, Cement, Sugar Industry, etc.

All of the four manufacturing facilities of ESAB India comply with the welding industry's global quality standards and are triple certified for ISO 9001, ISO 14001 and OHSAS 18001. A state of art development facility with a team of highly qualified product development engineers, support development of products suited for the local and global emerging requirements, in terms of new products and cost effective solutions.

To emphasize both the cutting and welding capabilities of its wide range of ESAB product lines, ESAB India, like its affiliates globally, commonly does business under the commonly known name of ESAB India Limited D/B/A ESAB Welding & Cutting products.

Section A : General Information about the Company

1.	Corporate Identity Number	L29299TN1987PLC058738
2.	Name of the Company	ESAB India Limited
3.	Registered Address	Plot No.13, 3rd Main Road, Industrial Estate, Ambattur Chennai 600 058.
4.	Website	www.esabindia.com
5.	Email id	Investor.relations@esab.co.in
6.	Financial Year Reported	2019-2020
7.	Sector(s) that Company is engaged in (industrial activity code-wise)	C7 - Manufacturing - Metal and metal products
8.	List three key products/ services that the company manufactures / provides (as in balance sheet)	Welding Consumables Welding Equipment Cutting Equipment
9.	Total Number of locations where business activity is undertaken by the Company	Four Locations at (1) Ambattur, Chennai, (2) Irungattukottai, Kancheepuram, (3) Kalmeshwar, Nagpur, (4) Taratala, Kolkata.
a.	Number of international locations	Nil
b.	National Locations	4 (four only)

The Company has four manufacturing locations, viz.

	i. Tamil Nadu	1. Plot No.13, 3rd Main Road, Industrial Estate Ambattur, Chennai 600 058.
		2. G22, Sipcot Industrial Park, Irungattukottai, Sriperumpudur, Kancheepuram Taluk, Chengalput District Tamil Nadu 602 105.
	ii. Maharashtra	3. B-28, MIDC Industrial Area, Kalmeshwar, Nagpur 441 501.
	iii. West Bengal	4. P-41, Taratala Road Kolkata 700 088.
10.	Markets served by the Company	ESAB India caters to All India market and to foreign countries, like Qatar, Bangladesh, Ecuador, Vietnam, Dubai, Indonesia, Srilanka, Malaysia, Australia, Thailand, Saudi Arabia, Philippines, Singapore, South Africa, Sweden, China, Switzerland, Peru and USA.

Section B : Financial Details of the Company

1	Paid up Capital (INR)	₹ 15,39,30,200
2.	Total Revenue	₹ 71,147 Lakhs
3.	Profit After tax	₹ 7,141 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	₹ 69.81 Lakhs (0.98% of Net Profit)
5.	List of activities in which expenditure in 4 above has been incurred.	Kindly refer to the annexure 4 of the Director's Report.

Section C : Other Details

Does the Company have any Subsidiary Company / Companies?

NO

Do the subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s). - N.A.

Do any other entity / entities (eg. Suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities> (Less than 30%, 30-60%, More than 60%) :

The Company encourages its suppliers, dealers, vendors and other stakeholders to support in its initiatives towards its business responsibility. Being a Manufacturing Company, the Suppliers are critical to the operations of the Company and its supply chain management. All contracts entered into with third parties insist on the third parties complying with the need for Employee Health & Safety requirements and the need to use personal protective equipment for their own safety and the safety and health of its employees. The Company also through various initiatives, drives the need to keep the environment safely without polluting, the air and water and reduce noise pollution.

Section D : BR Information

Details of Director / Director responsible for implementation of the BR policy / policies.

DIN Number : 06686250

Name : Rohit Gambhir

Designation : Managing Director

Telephone Number : 044-4228 1101

Email id : rohit.gambhir@esab.co.in

1. Principle-wise (as per NVGs) BR Policy / policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly are as under:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability through their life cycle

P3 Businesses should promote the well being of all employees.

P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect and makes efforts to restore the environment.

P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

2. Principle-wise (As per National Voluntary Guidelines) Business Responsibility Policy / Policies (Reply in Y/N)

Sl. No	Question	Principle (Yes / No)								
		1	2	3	4	5	6	7	8	9
1	Do you have policy / policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify	All the policies of the company conform to national / international standards wherever applicable								
4	Has the policy been approved by the Board? If yes, has it been signed by Managing Director / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specific committee of the Board / Director / official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for policy to be viewed online	www.esabindia.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders.	The reference to the policies are made in all the contracts entered into with the vendors, suppliers etc., as and when the transactions happen.								
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to policy / policies to address stakeholders' grievances related to the policy / policies?	The whistle blower mechanism provides a platform to report any concerns / grievances pertaining to any potential or actual violation of the Company's code of conduct. Further individual policies by and large prescribe grievance redressal mechanisms for the concerned stakeholders.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The internal audit team reviews various aspects of the policies from time to time. The Quality, Safety, Health and Environmental policies are subject to internal and external audits as part of the certification process and continuous assessments.								

2b. If answer to Sr. No.1 against any of the Principle is 'No', please explain why (Tick up to 2 options): Not Applicable

Sl. No	Question	Principle (Yes / No)								
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the principle.	N.A.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, more than 1 year.

The assessment of BR performance is an ongoing exercise and an inherent part of corporate function. The Managing Directors and his leadership team review the Business Responsibility performance through their monthly review meetings.

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published annually in the Annual Report to the shareholders. The same can also be viewed at the Company's website www.esabindia.com.

Section E : Principle-wise Performance

Principle 1 : Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the Policy relating to ethics, bribery and corruption cover only the Company?

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

   The Company's policies and value systems aligned with that of its parent Company Colfax Corporation, gives its highest priority, focus and commitment to ethical and lawful business conduct, which is considered fundamental to its operations. The Company has a reputation for excellence of its products and services which is built on a strong foundation of integrity and fair dealing in every aspect of business. This style of working by the Company helps it tide over complex, competitive and dynamic world, protecting this reputation in a very competitive market and helps in building blocks of confidence and trust of the Company's diverse stakeholders which are the basics of its edifice.

   The Company has adopted a Code of Ethics and a policy on Anti-Bribery and Corruption, which applies to its employees and also to the other group Companies in India and also to its vendors who deal with the Company. All the contracts and agreement entered into with the third parties draw reference and request for adherence to these policies.

   The Code of Conduct enables the Directors and Senior Management Personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. An annual declaration from the Managing Director towards affirmation to the code of conduct by all the Directors and Senior Management Personnel is part of the annual report. The Company's Code of Conduct, policy of prevention of sexual harassment at workplace, whistle blower policy, code of conduct for prevention of insider trading, policy for fair disclosure of material events, policy on related party transactions, policy on corporate social responsibility and policy on document retention drives the Company to live up to the highest ethical standards, to meet its avowed obligations to all the statutes, commitments to customer service and responsibilities to each other, society and the shareholders.

   The Company in alignment with its Parent Company's Mission, is committed towards excellent ethical practices in dealing with all its stakeholders with strong internal control systems especially while dealing with suppliers who are awarded business purely on their technical skills and based on merits. Robust system for financial controls and process operating in the Company ensure transparency, accuracy and timeliness in financial reporting.

   The Company being a subsidiary of Colfax Corporation is subject to compliance under the Foreign Corrupt Practices Act, since Colfax Corporation is listed in the NYSE which is also monitored through SoX audit and internal audit mechanism.

How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details thereof.

During the year the Company did not receive any complaint under the whistle blower mechanism.

Principle 2

The Company's Vision and Mission Statement are aligned to that of its group and Parent Company and ensure that through its strict adherence of quality policy and being a ISO 14001 certified Company all its products and services meets the quality standards set by these organization with a clear focus to ensure safety and efficiency at the usage points.

List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

a. Stick Electrodes

b. Industrial Gas Regulators & Cutting pipes

c. Automated Gas Cutting Machines

d. Engine Driven Welding Machine

For each such product provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Products	Power / Unit	Water (Liters) / Unit
Gas Regulators	0.20 Units	NA
Blow pipes	0.20 Units	0.25 Liters
Plasma Cutting systems	400 Units / Machine	50 Liters (In cutting tables for sample testing)
Engine driven welding	60 units / Machine	NA

These products have resulted in significant reduction in environmental pollution and energy savings including reduction in noise pollution.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If Yes, what percentage of your inputs was sourced sustainably? Also provide details thereof, in about 50 words or so.

The Company continuously emphasizes the need for qualifying suppliers who are bound with ESAB socially and ethically. Processes are established to evaluate suppliers on the basis of their Safety aspects, Quality performance, Environmental factors, ability to make out sustainable and continuous improvements in their operations and deliver the best goods for ESAB. Processes are put in place to execute confidentiality and Non-disclosure between ESAB and the supplier. The company prescribes Technical purchase specifications and insists the Suppliers to comply and qualify their products to meet our requirements on every delivery. The organization, as a policy also strives in developing alternate suppliers for all critical Raw materials for better mitigation of supply risks and to have a constructive price competitiveness. Ordering Terms and Contract conditions are put in place and are transparently being shared in each of the Purchase orders released on the suppliers. In case of international purchasing, the Company always believe in qualifying its strategic suppliers for its Global needs and Purchase Agreements are signed off with the support of the Global sourcing and procurement teams. Contracts are being executed for transportation vendors who handle the Key inbound raw materials especially Steel and international freight management are being handled with world class carriers approved by our Holding company, Colfax on an annual bidding business process.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company puts continuous efforts towards localization of all its raw materials and inputs. Localized vendors are preferred if they meet required quality specifications who are competitive as well located in vicinity to the plant locations. Specific initiatives are in place to impart training to suppliers on quality. The Company demands high standards of safety, health and environmental practices from its suppliers. All agreements and contracts specify adherence to safety and quality standards as basic condition for continuation of the contract / arrangement. They must ensure excellence in the design, manufacturing, distribution, recycling and disposal of the products they create in full compliance with applicable legislations. Company's product and quality experts continually train and develop skill sets of vendors on process knowledge and industry bench marking practices.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and was (separately as <5%, 5-10%, >10%). Also provide details thereof in about 50 words or so.

   Yes, the process rejections are recycled either for re-use in the plant or to be sent back to the upstream recyclers. Typically, Stick electrodes and Welding wires are consumables for welding at our customer locations. During the production process in our facilities, the rejections are re-used / re-processed and the scrap is disposed off to the recyclers in the upstream process industry. This recycling is typically less than 5%.

Principle 3 - Business should promote the wellbeing of all Employees

The Company focuses on helping employees achieving their full potential which is considered absolutely necessity to the company's continued success. The Company provides merit-based opportunities both at the time of recruitment and during the course of employment, irrespective of caste, creed, gender, race, religion, disability etc. At workplace, the Company is committed to providing safe environment and hygienic conditions. Training during induction and periodic training on usage of protective equipment, identifying and eliminating unsafe working conditions are its top and continuing priority.

Prevention of accidents, loss time incidents are its basic principles in attaining its OHSAS 18001 certification, which goes a long way in employees working safely inside the premises. The employees are encouraged to report Near miss incidents to ensure timely actions and to prevent accidents. The company nurtures a culture of mutual responsibility towards health and safety among colleagues, customers and business partners through its continual training process. The company has a policy for health and safety and expects its suppliers and others who contract to do business with the Company to adhere to the policy with same rigor.

The Company continues to focus on skill development of employees through its training and competency development programs. The Company provides subsidized food to its employees, medical insurance coverage including dependents. The company conducts various programs concerning well-being of employees and strives to employ and empower women employees and fosters a professional work environment with an objective of having inclusive growth.

The company has put in place a robust system for safety management and Safety policy that incorporates standard operating procedures, instructions, safe methods of work and work permit system.

The Company conducts audits at sites to identify strengths and weaknesses of the current system, identify risks of personal injury, and promote employee participation and morale. The scope of the audit also includes proper and safe use of equipment by employees.

Various activities like Health Check-up camps, Supply of tree sapling were carried out during the year under review.

1.	Total number of employees on rolls	755
2.	Total number of employees hired on temporary / contractual / casual basis	1
3.	No. of permanent women employees	39
4.	No. of permanent employees with disabilities	Nil
5.	Employee association that is recognized by management	There are recognized trade unions affiliated to various trade union bodies with which the Company's relationships are cordial.
6.	Percentage of permanent employees who are members of this recognized employee association	19.2%

7. No. of Complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No. of complaints filed during the financial year	No. of Complaints pending during the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual Harassment at workplace	Nil	Nil
3.	Discriminatory employment	Nil	Nil

Your Company has a robust system of prevention of sexual harassment of women at workplace in the Company. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. Percentage of under mentioned employees were given safety & skill up-gradation training in the last year.

Permanent Employees	:	100%
Permanent Women Employees	:	100%
Casual / Temporary / Contractual Employee	:	100%
Employees with Disabilities	:	N.A.

Principle 4 : Business should respect the interests of, and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

a. Has the Company mapped its internal and external stakeholders?

Yes. The Company has mapped its internal and external stakeholders, in a structured way and carried out engagements with investors, employees, customers, suppliers, the government regulatory authorities, trade unions and local community and follows a system of timely feedback and response from them.

b. Out of the above has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. The Company has identified marginalized and disadvantaged groups in and around the plant locations by engaging with the local communities. The Company's CSR policy drives initiatives towards the benefit of such marginalized, vulnerable and disadvantaged stakeholders.

c. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so provide details thereof in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders especially those situated in and around the plant locations through its CSR policy driven initiatives. These initiatives are directed towards skill development, infrastructure, promoting safety and education. The Company continuously strives to achieve total inclusiveness by engaging with all stakeholders and encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from its CSR initiatives.

Principle 5 : Business should respect and promote human rights

a. Does the policy of the company on human rights cover only the Company or extend to Group / Joint Ventures / Suppliers / Contractors / NGOs / Others :

The Company does not have a separate Human Rights Policy. However, these principles are imbibed in the Company's Code of Conduct and Ethics Policy which is applicable to all employees and is extended to all the vendors and persons who enter into contract / arrangement with the Company.

b. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company did not receive any complaints from the stakeholders during the financial year 2019-2020 under this principle.

Principle 6 : Business should respect, promote and make efforts to restore the environment.

a. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company has an EHS policy under which the top management is committed to environment protection. Commitment to Safety, Health & Environment is an integral part of all business processes.

b. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc?

Yes. The Company's environmental policy focuses using only permitted materials in material selection process, conservation of energy and reduction of waste. To support this commitment all of ESAB India's manufacturing plants are certified under ISO 14001 for the environment management systems and OHSAS 18001.

The Company demands high standards for safety, health and environmental practices from the suppliers. Excellence in design, manufacturing, distribution, recycling and disposal are ensured in full compliance with applicable legislations and internal policies.

The Company recognizes the need for greenery and plants trees in all its manufacturing locations on a yearly basis and ensures its growth and survival on a continuous basis.

c. Does the Company identify and assess potential environmental risks?

Yes, the Company has a continuous mechanism to identify and assess potential environmental risks and mitigation plans are formulated and implemented for the identified risks.

d. Does the Company have any project related to Clean Development Mechanism?

The Company periodically files returns to Pollution Control Board as per legal requirements. All the manufacturing locations of the Company are ISO 14001 and OHSAS 18001 certified.

Principle 9 - Business should engage with and provide value to their customers and consumers in a responsible manner

a. What percentage of customer complaints / consumer cases are pending as on the end of the financial year.

During the year 2019-2020, 79 complaints were received from the customers for filler metals and all of them were satisfactorily closed and 52 out of 333 concerns are being worked with for resolution on the equipments.

b. Does the Company display product information on the product labels, over and above what is mandated as per local laws?

Yes the Company displays the warning message giving technical details of the products, its composition, usage etc. by way of a separate label over and above the mandatory information given under the Legal Metrology Act.

c. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising an / or anti-competitive behavior during the last five years and pending as on end of the financial year. If so, provide details thereof, in about 50 words or so.

There were no cases filed by any stakeholders against the company which is pending as on the end of the financial year 2019-2020.

d. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes. Customer Satisfaction Survey conducted across various customer segments during 2019-20. A process is put in place to conduct the survey in a periodic manner.

For and on behalf of the Board of Directors

Scott A Grisham
Chairman

Chennai
24 June, 2020

Report on Corporate Governance

1. Your Company is committed to good Corporate Governance in all its activities and processes. The Director's 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 said Corporate Governance philosophy in the right earnest all statutory and other significant material information is 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. Mr Rohit Gambhir is the Managing Director of the Company who was re-appointed for a period of five years effective 1 November, 2018. There are 4 Independent Directors and 2 Non-Independent Directors in the Board of the Company. Other than the Managing Director, all the other members of the Board are Non-Executive Directors, including the four Independent Directors.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. These Independent Directors have the necessary experience and expertise and were qualified to be re-appointed as Independent Directors pursuant to the recent MCA notifications on Independent Director's database and the online training requirement. None of the Directors on the Board of your Company are members 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 24 June, 2020.

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

During the period 1 April, 2019 to 31 March, 2020 5 Board Meetings were held on 9 May, 13 August, 7 November, 2019, 6 February and 20 March, 2020 and not more than four months 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 13 August, 2019 and particulars of their Directorships and Committee Memberships / Chairmanships in other Companies are given below:

Director	Category	Board Meetings held during the period 2019-2020	Attendance	
			at Board Meetings in 2019-2020	at previous AGM
Daniel A Pryor* (1)	NE-NI	5	Nil	No
Scott A Grisham* (2)	NE-NI	5	4	Yes
K Vaidyanathan	NEI	5	5	Yes
Vikram Tandon	NEI	5	4	No
Sudhir Chand	NEI	5	5	Yes
Sabitha Rao	NEI	5	5	Yes
Rohit Gambhir	Executive	5	5	Yes

NE-NI - Non-Executive and Non-Independent Directors NEI - Non-Executive Independent Directors

*** Nominee of ESAB Holdings Limited**

(1) ESAB Holdings Limited withdrew the nomination of Mr Daniel A Pryor as their nominee from the Board of the Company with effect from 9 May, 2019.

(2) ESAB Holdings Limited nominated Mr Scott A Grisham as their nominee in the Board of the Company and as Chairman with effect from 9 May, 2019.

C. The details of their other Company Directorships / Committee Memberships is 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	Catogory of Directorship
			Chairman	Member	Chairman	Member		
Scott A Grisham	Non-Executive Chairman	08430599	Nil	1	Nil	Nil	Nil	Nil
Rohit Gambhir	Executive - Managing Director	06686250	1	Nil	Nil	1	Nil	N.A.
Vikram Tandon	Non -Executive & Independent	01727251	Nil	1	Nil	Nil	Greaves Cotton Limited	Independent Director
Sudhir Chand	Non -Executive & Independent	01385201	Nil	3	1	1	Exide Industries Limited	Independent Director
K Vaidyanathan	Non -Executive & Independent	00063692	Nil	Nil	Nil	Nil	Nil	N.A.
Sabitha Rao	Non - Executive & Independent	06908122	Nil	1	Nil	Nil	Nil	N.A.

Membership of Audit Committee & Stakeholder's Relationship Committee alone have 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 Limited Companies 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 held and the dates on which it was held is as given below:

Name of the Director	Meeting Dates				
	09.05.2019	13.08.2019	07.11.2019	06.02.2020	20.03.2020
Daniel A Pryor *	No	-	-	-	-
Scott A Grisham	Yes	Yes	No	Yes	Yes
K Vaidyanathan	Yes	Yes	Yes	Yes	Yes
Vikram Tandon	Yes	No	Yes	Yes	Yes
Sudhir Chand	Yes	Yes	Yes	Yes	Yes
Sabitha Rao	Yes	Yes	Yes	Yes	Yes
Rohit Gambhir	Yes	Yes	Yes	Yes	Yes

* ESAB Holdings Limited withdrew the nomination of Mr Daniel A Pryor from the Board of the Company with effect from 09.05.2019.

E. None of the Directors are 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. The Independent Directors were appointed for a period of five years with effect from 29 January, 2015. Further, pursuant to the special resolution passed by the shareholders at the Annual General Meeting held on 13 August, 2019 the four Independent Directors were appointed for a further period of five years from 29 January, 2020. They were issued a letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. Their letter of appointment is available for viewing at the website of the Company www.esabindia.com. It's a general practice for the Company to introduce to the newly appointed independent director the Company's practices by way of a booklet and other communications giving details about the Company. The Directors are also taken around all the plants of the Company for them to understand the Company's operations and other processes.

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 in the website of the Company www.esabindia.com.

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 professionals 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	Scott Grisham	Rohit Gambhir	Vikram Tandon	Sudhir Chand	K Vaidyanathan	Sabitha Rao
Experience	Yes	Yes	Yes	Yes	Yes	Yes
Ability to act as Directors 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 govern-ance 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 carry others	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at the Meetings	Yes	Yes	Yes	Yes	Yes	Yes
Ability to dis-agree and stand his / her ground	Yes	Yes	Yes	Yes	Yes	Yes

The profile of the Directors on the Board of the Company is as given below :

i. Mr Scott A Grisham

Scott A Grisham, aged 44 years, works as Vice President, Strategy and Business Development for Colfax Corporation. Prior to Colfax, he was a Vice President with the ABB Group, a leading global player in Power and Automation. Prior to that, he was with The Boston Consulting Group ("BCG") in roles of increasing responsibility and Halliburton, the global engineering and oil field services firm. Mr. Grisham earned his MBA from Columbia Business School and his BS in Civil Engineering from The University of Texas at Austin.

ii. Mr Rohit Gambhir

Mr Rohit Gambhir, aged 47 years, is a B.Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 25 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 B 2 B 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 also not related to any other Director on the Board of the Company.

iii. Mr Vikram Tandon

Mr Vikram Tandon, 71, graduated from I.I.T. Delhi in 1970, and joined Hindustan Lever as a Management Trainee. His early career was in manufacturing. He started as production manager in a factory and was then factory manager successively in three factories across India, two with regional profit responsibility including sales. He then worked in Corporate Development to identify and set up new core sector businesses for the company, after which he ran the company's Fertiliser Business, and then moved on to run the entire Chemicals business. He later moved to Unilever's Head Offices in London and Rotterdam, where he worked on Corporate Strategy for Unilever's global chemicals businesses, in close conjunction with Dr Arnoldo Hax, Sloan professor of Management at Sloan School, MIT. He was also a member of Unilever's Technology Management Committee. He returned to India in 1994 as Head of Corporate

Strategy for the Unilever Group of companies in India. In 1995, Mr.Tandon joined the board of Pepsico India as the Executive Director for Operations, with responsibility across South Asia. He was responsible for setting up the infrastructure and building the operating capability for Pepsico's beverages business over six years. The business grew meteorically in volume and share during that period, requiring a fourfold capacity enhancement. He then moved to New York to Pepsico's head office for 6 years, where he ran Pepsico's Worldwide Concentrate business. Mr Tandon retired from Pepsico and returned to India in 2007.

He is a Director in Greaves Cotton Limited. He is the Chairman of the Stakeholders Relationship Committee and is a member of the Audit Committee of ESAB India Limited. He does not hold any equity shares in the company as on date. Mr Vikram Tandon is not related to any other Director in the Board of the Company.

iv. Mr Sudhir Chand

Mr Sudhir Chand, aged 72 has over 47 years of work experience in various functions of General Management, Marketing, Sales, Manufacturing, HR and Consultancy. Worked with Crompton Greaves Ltd (7 yrs), Exide Industries Ltd (28 yrs) - where he held various leadership positions before being appointed to the main Board (10 yrs) first as Director Automotive (Marketing and Manufacturing) then as Director Corporate Affairs for the Company-including HR, Training and Corporate Social Responsibility. He retired from Exide in 2006. An Electrical Engineer from BITS Pilani with Dip in Marketing Management, University of Bombay, and Executive Development programmes at IIM Ahmedabad and Cranefield School of Management, UK - Sudhir has been visiting faculty at some Management Development Programs at IIM Calcutta and Calcutta Management Association. He is on the academic council of Globsyn Business School (Kolkata).

His areas of experience include Strategic and Corporate planning, Manufacturing, Marketing, Organization Structuring, HR Development, Collaborations and Technology absorption. He has served on various committees of Chambers of Commerce and CII. He is a Past President of Calcutta Management Association. He is an Associate of Grow Talent Company Ltd, the parent company of SOIL (School of Inspired Leadership) since 2006 and Right Management India (P) Ltd a Manpower group company of US (one of the World's largest talent and career management consulting firms) and has handled assignments in areas of Talent Appreciation, Leadership Development and Executive Coaching. He was an Associate of MART (the country's pioneering organization in rural marketing) and has worked on some rural, social and marketing projects. He is a Non Executive Independent Director of Exide Industries Ltd the leaders in storage Batteries.and ESAB India Ltd, the leaders in the Welding Industry. He is on the Audit Committee and Stakeholders Relationship committees of both Companies. He does not hold any equity shares in ESAB India Limited. Mr Sudhir Chand is not related to any other director on the Board of the Company.

v. Mr Kalyanasundaram Vaidyanathan

Mr Kalyanasundaram Vaidyanathan, aged 72, is a Chartered Accountant with a good academic background-Calcutta University-Rank holder both in M.Com & B.Com (Hons.) First Class, Recipient of medals, awards & merit scholarships. He was a Corporate Member of the National Institute of Personnel Management of India from 1978 till 2016-17.

Mr Vaidyanathan has close to five decades of experience (out of which, around three decades has been at the Board level) in the areas of Corporate Finance, Corporate Restructuring and Advisory Services, Joint Venture Collaborations, Strategic Management, Internal Audit, Project Management, Human Resource and Industrial Relations etc.

He possesses proven track record of performance holding Board Position for close to three decades. Board Level positions held includes TTK Group of Companies, Modi Rubber (makers of Continental Tyres) & Modistone (Firestone formerly) as independent Finance Director appointed by FI, Birla Vxl Ltd, ESSAR SWISS TELECOM & Samsons Group. He also served on the Board of L&T Howden Private Limited as an Independent Director and he retired during 2018-19.

His varied industry working exposure includes Automobiles (Vehicles, Tyres, Auto Components), Textiles (Spinning, hosiery, woolen worsted fabrics), FMCG, Paper, Printing, Engineering, Pharmaceuticals, Medical Devices, Plastics and Chemicals (basic chemicals, formulations), and Telecom.

Mr K Vaidyanathan, does not hold any equity shares in the Company. Mr K Vaidyanathan is not related to any other Director on the Board of the Company.

vi. Ms Sabitha Rao

Ms Sabitha Rao, aged 63 years is a post graduate in Management from the Indian Institute of Management (Calcutta), She started her career with Citibank, Mumbai as an Assistant Manager. After a two year stint at their corporate office, she moved to AF Ferguson and Co. where she handled a diverse client base ranging from family managed organisations to multinationals and international aid organisations such as the World Bank and UNICEF. At AF Ferguson and Co. her assignments covered all aspects of HR including organisation restructuring, compensation surveys, training, performance management and job evaluations. Eight years later she moved to American President Lines, as HR where she was looking after the West Asia region accounting for about 450 employees.

With 18 years of experience behind her, Ms.Sabitha Rao joined Cerebrus in 1998 to head the South India Operations as well as Sri Lanka. Her experience includes a blend of Finance and Human resources. About 20+ years expertise in the area HR management covering on all areas of HR from strategy to implementation. She has executed HR assignments in India, Sri Lanka, South Africa, Middle East and South East Asia. She has traveled widely in Asia and has worked in consulting assignments across a cross section of sectors.

She is an active member of the Madras Management Association (MMA). Cerebrus has been the knowledge partner for 4 years for a flagship event held by MMA every year on women's day and Ms.Sabitha Rao is an invitee member of the management committee. She has authored articles for NHRD and the MMA newsletter. She has spoken at many industry fora in India and Sri Lanka including the CII, NHRD, MMA.

Ms.Sabitha Rao is a Director in Cerebrus Consultants. She does not hold any equity shares in ESAB India Limited and is also 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 24 June, 2020 the performance of the Independent Directors were evaluated under various criteria laid down and all of them in the opinion of the Board, fulfil the conditions specified in the SEBI (LODR) Regulations and are independent of the 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:

K Vaidyanathan	Chairman	Independent Director
VikramTandon	Member	Independent Director
Sudhir Chand	Member	Independent Director
Scott A Grisham	Member	Non-Executive & Non-Independent Director

More than two-thirds of the members are Independent Directors and all the members of the Audit Committee are financially literate. The Company's Managing Director, Chief Financial Officer, its Statutory Auditors and its Internal Auditors are permanent invitees to the Committee's meetings held on a quarterly basis and as and when the need arises. The Company Secretary is Secretary to the Committee. The Cost Auditors are invited for 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 Committee meetings is 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 K Vaidyanathan the Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 13 August, 2019 to answer the shareholder queries. The text of the Charter which describes the terms of reference of the Audit Committee is available on the Company's website www.esabindia.com.

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 covers all matters specified in Part C of Schedule II of Regulation 18 (3) of the SEBI (Listing Obligations & Disclosure Requirements)

Regulations, 2015 and also 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;
- Reviewing with the management the quarterly financial statements before submission to the Board for approval;
- 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;
- 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;
- 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 a 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 shareholders and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer;
- Carrying out any other function as is mentioned in the charter of the audit committee;
- Management Discussion and Analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by the Management;
- Management Letters / Letters of Internal Control weaknesses issued by the statutory auditors; and
- Internal Audit reports relating to Internal Control weaknesses.

The Committee Members have also reviewed the performance of the Committee and the performance of its members at its meeting held on 24 June, 2020.

Details of constitution of the Audit Committee and the Meetings held during the year 2019-20 are as given below:

Audit Committee	Members	Meeting Dates			
		09.05.2019	13.08.2019	07.11.2019	06.02.2020
K Vaidyanathan	Chairman & Independent Director	Yes	Yes	Yes	Yes
Vikram Tandon	Member & Independent Director	Yes	No	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Scott A Grisham	Member & Non-executive Director	Yes	Yes	No	Yes

Not more than four months elapsed between any two meetings.

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 & Remuneration Committee.

Mr K Vaidyanathan the Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 13 August, 2019 to answer the shareholder queries.

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.
- 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 report of performance evaluation of Independent Director.
- Determination of the remuneration / incentives of Managing Directors / Executive Directors / Whole time Directors / 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. There were 4 meetings held during the year 2019-2020. The details of the Composition of the Committee and the attendance of the members of the meeting are as given below:

Nomination & Remuneration Committee	Members	Meeting Dates			
		9.5.2019	13.8.2019	6.2.2020	20.3.2020
K Vaidyanathan	Chairman & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Sabitha Rao	Member & Independent Director	Yes	Yes	Yes	Yes
Scott A Grisham	Member & Non-Executive Director	Yes	Yes	Yes	Yes

The Company Secretary is the Secretary to the Committee. The quorum for a meeting 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:

(i) attract, recruit and retain good and exceptional talent;

(ii) list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;

(iii) 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.

(iv) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;

(v) ensure transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in Board; and

(vi) 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 periodical basis and suggests changes to the Board as and when the need arises. They recommend the 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.

d. Policy on Board Diversity

The Nomination & Remuneration Committee at its meeting held on 19 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 in the website of the company viz. www.esabindia.com.

e. Performance Evaluation of Independent Directors

As required under Section 134(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 24 June, 2020.

The Board of Directors assessed the performance of the Independent Directors on the Board based on parameters as given in the matrix above. 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 and Stakeholders' relationship 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 2019-2020 are as follows: (in ₹)

Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid	Commission
Scott A Grisham	–	–	–	–	–
K Vaidyanathan	–	–	–	2,59,000	6,00,000
Vikram Tandon	–	–	–	1,60,000	5,50,000
Sudhir Chand	–	–	–	2,75,000	5,50,000
Sabitha Rao	–	–	–	2,22,000	5,50,000
Rohit Gambhir	1,80,16,118	1,27,426	3,61,296	–	50,67,321

A sitting fee of ₹ 18,500/- per meeting is paid to the Non-executive Independent Directors for attending one meeting of the Board / Audit Committee / Nomination and Remuneration Committee / Corporate Social Responsibility Committee, Independent Director's Meeting and ₹ 4,000/- per meeting is paid to them for the meetings of Stakeholders Relationship Committee. TDS @ 10% is deducted from the sitting fee payable to the Independent Directors and GST @ 18% is also paid on reverse charge basis by the Company.

The payment of Commission to Non-Executive Directors upto 1% of the profit as calculated under the applicable provisions of the Companies Act, 2013 was approved by the Members at the Annual General Meeting held on 4 August, 2016 for a period of five years. 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. Commission to Managing Director is based on performances and contributions to Company's performance. The Commission given in the above table pertains to the year 2018-19 paid during May, 2019.

During the year, the Company did not have any transaction material or otherwise with any of the Non-Executive Independent Directors and with the Key Managerial Personnel. None of the Directors hold any

equity shares of the Company. None of the Directors is related to each other and there are no other pecuniary relationships or transactions of 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.

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 disseminated on the website of the Company www.esabindia.com.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee functions under the Chairmanship of Mr Vikram Tandon, a Non-Executive Independent Director. The other members of the Committee were Mr Sudhir Chand, Mr Scott A Grisham and Mr Rohit Gambhir.

Mr S Venkatakrishnan, Company Secretary is the Compliance Officer of the Committee.

The Members of the Committee along with the Chairman.

(1) Resolved 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 and rematerialization of shares etc.

(2) Reviewed the measures taken for effective exercise of voting rights by shareholders.

(3) Reviewed 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.

(4) Reviewed 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.

(5) Reviews transfer of unpaid dividend amount to Investor Education & Protection Fund and also 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 2019-2020. The details of the Composition of the Committee and the attendance of the members at such meetings are as given below:

Stakeholders Relationship Committee	Members	Meeting Dates			
		09.05.2019	13.08.2019	7.11.2019	6.2.2020
Vikram Tandon	Chairman & Independent Director	Yes	No	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Scott A Grisham	Member & Non-executive Director	Yes	Yes	No	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes	Yes	Yes

During the year, the Company received 177 complaints from shareholders. The details of the complaints received from the shareholders are as given below:

Sl.No.	Nature of Complaint	June 2019	Sep 2019	Dec 2019	Mar 2020
1.	Non-receipt of dividend warrants	11	17	5	67
2.	Non-receipt of annual report	0	0	0	0
3.	Non-receipt of share certificate	29	13	24	11
4.	Others	0	0	0	0
	Total	40	30	29	78

All the complaints were responded to as per applicable guidelines and regulations as at 31 March, 2020. There were no pending share transfers (other than transfers sent under objections). All requests for dematerialization of shares were carried out within the stipulated time period and no share certificate was pending for dematerialization as on 31 March, 2020. V Mahesh & Associates, practicing company secretaries vide their certificate dated 14.10.2019 and 26.05.2020 for the relevant half year have 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 Sabitha Rao is the Chairperson of the said Committee, Mr Scott A Grisham, Chairman of the Board and Mr Rohit Gambhir, Managing Director were the members of the said Committee.

The Committee had 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 web link www.esabindia.com.

The Committee met twice on 9 May, 2019 and 6 February, 2020 during the financial year 2019-20. The details of the attendance of the Committee members in the meeting are given below:

CSR Committee	Members	Meeting Dates	
		09.05.2019	06.02.2020
Sabitha Rao	Chairperson & Independent Director	Yes	Yes
Scott A Grisham	Member & Non-Executive Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes

During the year under review the Company has spent money on projects identified under CSR. The details of CSR budget and spend for the year 2019-20 is given as an annexure to the Director's Report.

8. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee consisting of Mr Scott A Grisham, Chairman of the Board, Mr Rohit Gambhir, Managing Director and Mr B Mohan, Vice President - Finance and Chief Financial Officer.

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 www.esabindia.com.

The Committee met once on 6.2.2020 during the financial year 2019-20. The details of the attendance of the Committee members in the meeting are given below:

Risk Management Committee	Members	Meeting Date
		06.02.2020
Scott A Grisham	Chairman & Non-Executive Director	Yes
Rohit Gambhir	Member & Managing Director	Yes
B Mohan	Member & Vice President Finance and Chief Financial Officer	Yes

9. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 6.2.2020 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 had after the conclusion of the meeting 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 24.6.2020 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. 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 Code of Conduct, applicable to Directors and to Senior Management Personnel of the Company. The said Code of Conduct have been posted on the Company's website www.esabindia.com. The Company has obtained declarations from all its Directors and Senior Management Personnel affirming their compliances with the applicable Codes of Conduct. The declaration by the Managing Director under Schedule V sub-clause (C) 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 year ended 31 March, 2020 is attached to this Corporate Governance Report.

Being a subsidiary of Colfax 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 www.esabindia.com.

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

In accordance with the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention of sexual harassment of women employees at work place 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 complaint was received during the year under review viz. 2019-2020.

12. SUBSIDIARY COMPANIES

There were no Subsidiary Companies of the Company as on 31 March, 2020.

13. 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.

As required under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has submitted a compliance certificate to the exchange duly signed by the Compliance Officer and the Authorized representative of the Share Transfer Agent viz. M/s Integrated Registry Management Services Private Limited to both the stock exchanges on 11 May, 2020 for the half year / financial year ended 31 March, 2020 certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with SEBI.

14. GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2016-17	3 August, 2017	10.00 AM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2017-18	9 August, 2018	10.00 AM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2018-19	13 August, 2019	10.00 AM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in their respective Notices. At the AGM held on 13 August, 2019 Special resolutions were passed with requisite majority for approval of appointment of the four Independent Directors viz. Mr Vikram Tandon, Mr Sudhir Chand, Mr K Vaidyanathan and Ms. Sabitha Rao, for a further period of five years from 29 January, 2020.

M/s. V Mahesh and Associates, the Practicing Company Secretaries were appointed as the Scrutinizers for conducting the ballot process at the Annual General Meeting held on 13 August, 2019. The Company had 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 also 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 provision 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 has been elaborately given under the Notice calling the Annual General Meeting on 28 August, 2020. The members are requested to read this document to cast their votes accordingly.

15. DISCLOSURES

1. 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.

2. There were no public, rights or preferential issues during the year.

3. The 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.

4. The Board of Directors at its meeting held on 7 February, 2019 to comply with the revised requirements of SEBI (Prevention of Insider Trading) Amendment Regulations, 2018, adopted the Code of Conduct for prevention 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 under these regulations have been revised. The revised policy which is applicable on and from 1 April, 2019 has been uploaded and made available on the website of the Company www.esabindia.com. 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 Company's shares, during the closure of the Trading Window Period. The Company also obtains declaration from the Directors and the Senior Management Personnel with regard to their compliance with the Code of Conduct under SEBI's (Prevention of Insider Trading) Regulations. The Company also informs the stock exchanges promptly on the details of the trading window 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 done.

   All contracts entered into by the Company now specifies the need for the contracting third party to adhere to the Company's policy on SEBI (Prevention 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 is 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 identified the designated employees who are above certain grades in the Company as required under the SEBI (Prohibition of Insider Trading) Regulations and monitors their share purchases and sales, if any, on a weekly basis to ensure that none of the Directors or the designated person indulge in any insider trading in the shares of the Company.

5. 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.

6. 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.

7. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation done on 24.6.2020 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.

8. To enhance standards of corporate governance and strengthen controls, the Company has set up a whistle blower policy which can be seen on Company's website www.esabindia.com. In terms of such whistle blower policy, it is affirmed that the employees have been given free access to the Audit Committee. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed else where in this report.

9. 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 venkatakrishnan.s@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 S Venkatakrishnan is the Company Secretary and the Compliance Officer of the Company.

10. 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 to 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.

11. 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 the investor complaints through this system and updates status periodically.

12. In pursuance of the 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.

13. In line with the circular no.NSE/CML/2015/23 dated December 28, 2015 from the National Stock Exchange Limited, the Company now intimates the Board Meeting dates, uploads its quarterly shareholding pattern, Corporate Governance Report and the quarterly / Annual results, reconciliation of share capital audit report, certification under SEBI Regulation 40 (9) & (10) intimation of postal ballot results through a web based application designed for corporates by NSE called as NEAPS.

14. In line with the circular no. DCS/COMP/33/2015-16 dated March 11, 2016 from the Bombay Stock Exchange, the Company now intimates the stock exchanges on Compliance Certificate by Share Transfer Agent, Statement of Investor Complaints, Corporate Governance Report, Notice for Board Meeting, Outcome of Board Meeting, Shareholding Pattern, Financial Results, Annual Report, Compliance Certificate, Notice for Record Date, Voting Results, Disclosure under SAST and PIT Regulations and Reconciliation of Share Capital Audit Report through an online portal called as BSE Corporate Compliance & Listing Centre.

15. 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 i.e 13 August, 2019 has uploaded on Company's website www.esabindia.com. Statement of unclaimed and unpaid 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 H99479610 dated 3 October, 2019.

16. 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.

17. 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 and the Company now allows the option to the Directors of the Company to attend / participate in a meeting of Board / Committee of Director through electronic mode using video conference facility.

18. Maharashtra Weldaids Limited (MWL) merged with the Company with effect from 12 January, 1994. The Company had 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 share holders of the Company. As required under Regulation 39 (4) 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) Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of these shares are given below:

Aggregated number of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	61 shareholders holding 4,410 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	6 shareholder claimed 400 equity shares of ₹ 10/- each
Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	6 shareholder claimed 400 equity shares of ₹ 10/- each
Number of Shares transferred to Investor Education Protection Fund	Nil
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	55 shareholders holding 4,010 equity shares of ₹ 10/- each

    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 such shareholders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund.

    55 Shareholders holding 4010 equity shares constituting about 0.03% 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.

19. The Board of Directors at its meeting held on 19 May, 2016 approved and adopted a policy on Board Diversity and the details of the said policy can be viewed at its web link www.esabindia.com.

20. The Company has vide Form No.MGT 15 dated 16 August, 2019 vide SRN H83014712- have filed the report on the last year's Annual General Meeting held on 13 August, 2019.

21. 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 and three out of the four directors are exempted from undergoing the mandatory self-assessment tests required under the Companies Act, 2013.

22. The Company in pursuance of Rules 25A of Companies Incorporation Amendment Rules, 2019 have filed form Activ-22A on 7 March, 2019 under SRN No.H46490637 giving details about the Company's existence, its registered office and the key managerial personnel etc.

23. The Company in pursuance of Rule 16 of Companies (Acceptance of Deposits) Rules, 2014 have filed form DPT-3 on 13 June, 2019 vide SRN No.H64503246 with the Registrar of Companies giving details of transactions not considered as deposits.

24. The Company in pursuance of order 2 and 3 dated 22 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 28.05.2019 vide SRN No. H61036117 with respect to half yearly return i.e. as of 31 March, 2019 and another MSME Form for the half year return i.e. as of 30 September, 2019 vide Form 1 on 29.10.2019 SRN No. R09447723 in respect of outstanding payments to Micro and Small Enterprises.

25. Reserve Bank of India had mandated all Companies using the banking channel to obtain a Legal Entity Identification (LEI) Number during the financial year 2019-2020. The Company has applied to Reserve Bank of India and have obtained the LEI No.3358001SJHTOXOICND66 dated 20 November, 2019.

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)(b) 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, corporate governance report, the details on 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 release.

The Company as a part of its code of conduct adopted under the SEBI's (Prevention 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.

A Management Discussion and Analysis Report, forming part of the Directors' Report, is included in the Annual Report.

17. GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date & Time	28 August, 2020 at 9.00 a.m.
Venue	By Video Conference Mode / Other Audio Visual Mode
Financial Year of the Company	1 April, 2019 to 31 March, 2020

Approval of financial results proposed	
Quarter ending 30 June, 2020	Within 45 days from the end of the quarter
Quarter ending 30 September, 2020	- do -
Quarter ending 31 December, 2020	- do -
Year ending 31 March, 2021	Within 60 days from the end of the Financial Year

Particulars of Dividend Payment for the year ended 31.03.2020

Date of declaration	28 May, 2020
Rate of Dividend	₹ 70/- per equity shares of ₹ 10/- each (i.e. 700%)
Record Date	12 June, 2020
Date of payment of Dividend	23 June, 2020
Amount of Dividend Payable	₹ 1,07,75,11,400
Share capital	₹ 15,39,30,200

Listing of shares

Name and address of the stock exchange	Stock Code
BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	**500133**
The 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 2020-21 were duly paid to the above stock exchanges during April, 2020.

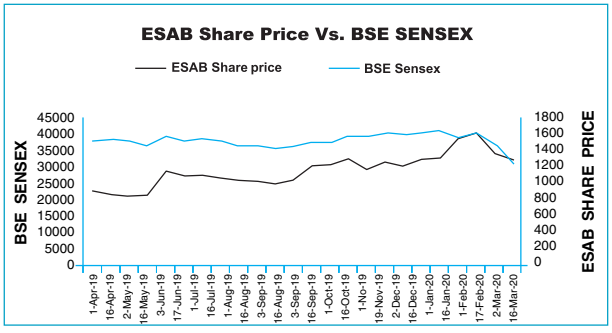
Dividend History

Year	Type of Dividend	Dividend Rate	Dividend Amount in ₹ in lakhs *
2012	Final Dividend	75%	1,341.76
2013	Final Dividend	10%	180.00
2014-15	Final Dividend	10%	186.14
2015-16	Final Dividend	10%	185.26
2016-17	Final Dividend	10%	185.26
2017-18	Final Dividend	10%	185.57
2018-19	Interim Dividend	900%	16,701.40
2019-20	Interim Dividend	700%	10,775.11

* inclusive of dividend distribution tax and tax deducted at source.

Stock Market Price Data & Stock Performance

2019-20	BSE Limited		National Stock Exchange		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹	High Points	Low Points
Apr, 2019	940	860	936	866	39487	38460
May, 2019	1,340	820	1,341	826	40125	36956
June, 2019	1,250	988	1,202	1,041	40312	38871
July, 2019	1,180	1,040	1,186	1,034	40032	37128
Aug, 2019	1,114	911	1,237	940	37808	36102
Sep, 2019	1,295	985	1,299	981	39441	35988
Oct, 2019	1,400	1,195	1,405	1,193	40392	37416
Nov, 2019	1,387	1,181	1,368	1,189	41164	40014
Dec, 2019	1,345	1,212	1,350	1,213	41810	40135
Jan, 2020	1,550	1,280	1,550	1,261	42274	40477
Feb, 2020	1,727	1,405	1,728	1,421	41709	38220
Mar, 2020	1,565	870	1,580	868	39083	25639



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 : srirams@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. The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Regulation 40 (9) & (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifications on half-yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.

d. 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.

e. 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. venkatakrishnan.s@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.

f. With a view to expediting the approval process, the Board of Directors has severally authorized the Chairman of the Board of Directors, the Chairman of the Stakeholders Relationship Committee and the Company Secretary to approve the transfer of shares.

Distribution of shareholding as on 31 March, 2020

Shareholding	Number of Shareholders	%	Number of Shares	%
Up to 500	10,761	95.39	916022	5.95
501-1000	311	2.76	233623	1.52
1001-2000	100	0.89	143141	0.93
2001-3000	36	0.32	88095	0.57
3001-4000	14	0.12	49286	0.32
4001-5000	12	0.11	52580	0.34
5001-10000	17	0.15	113238	0.74
10001 and above	29	0.26	13797035	89.63
Grand Total	**11,280***	**100.00**	**15393020**	**100.00**

* Based on number of folios.

Share holding pattern as on 31 March, 2020

Category	Number of Shareholders	Number of Shares	% of total
Promoter Companies			
Esab Holdings Limited	1	5743200	37.31
Exelvia Group India BV	1	5604760	36.41
		11347960	**73.72**
Mutual Funds & UTI	8	217513	1.41
Foreign Portfolio Investors	17	1539333	10.00
Financial Institutions / Banks	6	3487	0.02
Insurance Companies	1	412034	2.68
Indian Public	10,489	1660917	10.79
NBFC registered with RBI	1	25000	0.16
Central Govt / State Govt / President of India	1	48596	0.32
Others	204	138180	0.90
Total	**10,729***	**15393020**	**100.00**

* Based on PAN

Dematerialisation of shares and liquidity

As on 31 March, 2020, **98.88%** 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 / Warrants or any convertible instruments which is likely to have impact on Company's equity.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any activity towards Commodity Price Risk. The Company imports raw materials and traded goods and exports finished goods and traded goods to companies resident outside India. This acts as a natural hedge for the Company and hence the Company neither has any hedging activity nor has any cover for foreign exchange risks.

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 P-41, Taratala Road, Kolkata 700 088.

Plant No.4 B-28, MIDC Industrial Area, Kalmeshwar, Nagpur - 441 501.

Address for correspondence
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 venkatakrishnan.s@esab.co.in
investor.relations@esab.co.in

Credit Ratings

The Company has no debt instruments, fixed deposit programme 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. OTHER DISCLOSURES

1. **Materially Significant Related Party Transactions**
   The Company did not have any materially significant related party transactions to disclose during the year under review.

2. **Details of Non-compliance**
   The Company had no occasions to disclose regarding non-compliance during the last three years. There were no penalties, strictures imposed by stock exchange or

the board of any statutory authority or any matter related to capital markets during the last three years.

3. **Vigil Mechanism**

The Company has established a Whistle Blower Policy and the same has been uploaded in the Company's website www.esabindia.com. 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 where reported under the said policy.

4. **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.

5. The Company does not have any subsidiary for the financial year ended 31 March, 2020.

6. 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 9 May, 2019 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.www.esabindia.com. 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.

7. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

8. Mr.V Mahesh, Practising Company Secretary from M/s. V Mahesh and Associates, have issued the certificate 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.

9. M/s. V Mahesh & Associates, have completed the secretarial audit and have issued their certificate dated 12 June, 2020 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. They have no observations in their report and have confirmed that the Company has proper board processes and a compliance mechanism in place. They have also 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 31 March, 2020 was obtained from Mr.V Mahesh, Practising Company Secretary. The Company has filed the Annual Secretarial Compliance report dated 12 June, 2020 with the Stock Exchanges on 22 June, 2020.

10. The Board has accepted all the recommendations made by the Committees.

11. Total Fees paid to the Statutory Auditor:

The total fees paid to the statutory auditors, viz. S.R. Batliboi & Associates, LLP, Chennai (SRBA) and other firms in the network entity for the financial year 2019-2020 is ₹ 59,42,218/- (Rupees fifty nine lakhs forty two thousand two hundred and eighteen only)

Fees for Audit and related services to SRBA	₹ 47,42,218.00
Other fees paid to SRBA and other Network firms	₹ 12,00,000.00
Total	₹ 59,42,218.00

12. 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 2019-2020	No. of complaints disposed of during the financial year 2019-2020	No. of complaints pending as on end of the financial year 2019-2020
Nil	Nil	Nil

13. All the four Independent Directors have entered their profile in the Independent Director's database of Indian Institute of Corporate Affairs under Ministry of Corporate Affairs. Three of the four Directors have been exempted from taking up the online test under the Independent Directors' requirement. Ms. Sabitha Rao, Independent Director would be taking up the online test before end of 2020.

19. DISCRETIONARY REQUIREMENTS

As required under Part E of Schedule II the details of discretionary requirements are given below:

1. **The Board**

The Company has not set up any office for the Non-executive Chairman and no expenses and reimbursement of expenses are incurred in the performance of his duties.

2. **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 www.esabindia.com. These results are not sent to shareholders individually.

3. Modified Opinion(s) in Audit Report

The Auditors have issued an unqualified opinion on the statutory financial statements of the Company.

4. Reporting of Internal Auditor

M/s KPMG, Registered, 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.

Request to Investors

- Investors are requested to communicate change of address, if any, directly to the registrar and share transfer agent of the Company.
- 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.
- Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number, etc.
- 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 in 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 announced the launch of 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 in the Company's website www.esabindia.com under investor relations page.

Shares held in Dematerialised form

For Shareholders holding shares in Dematerialised 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 should 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

Scott A Grisham
Chairman

Place : Chennai
Date : 24 June, 2020

To

The Members of ESAB India Limited

Declaration regarding Code of Conduct pursuant 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 year ended 31 March, 2020.

Place : Chennai
Date : 24 June, 2020

Rohit Gambhir
Managing Director

Auditor's Report on Corporate Governance

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Members of ESAB India Limited

1. The Corporate Governance Report prepared by ESAB India Limited (here in after the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation(2) of regulation 46 and para C,D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2019 to March 31, 2020:

      (a) Board of Directors;
      (b) Audit Committee;
      (c) Annual General Meeting (AGM);
      (d) Stakeholders Relationship Committee;
      (e) Nomination and Remuneration Committee;
      (f) Corporate Social Responsibility Committee;
      (g) Risk Management Committee;
      (h) Independent Directors' Meeting.

v. Obtained necessary declarations from the directors of the Company;

vi. Obtained and read the policy adopted by the Company for related party transactions;

vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved prior by the audit committee;

viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. 101049 W / E 300004

Per S Balasubrahmanyam
Partner
Membership No. 053315
UDIN: 20053315AAAABJ1522

Place: Chennai
Date : June 24, 2020

Independent Auditor's Report

to the Members of ESAB INDIA LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of ESAB India Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including 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 Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of matter

We draw attention to Note 43 of the Financial Statements which describes the impact of COVID-19 pandemic, and its possible consequential implications, if any, on the Company's operations including related uncertainties. Our opinion is not modified in respect of the matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from Contract with Customers (as described in note 2.2(d) on revenue recognition of the Ind AS financial statements)	
Revenue from Contracts with Customers involves key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time. Due to the judgement relating to determination of point of time in satisfaction of performance obligations with respect to sale of products, this matter is considered as Key Audit Matter.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We evaluated the design of internal controls relating to the revenue accounting standard. • We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving inquiry and observation,

Key audit matters	How our audit addressed the key audit matter
	reperformance and inspection of evidence in respect of operating evaluation of these controls. • We selected a sample of continuing and new contracts and performed the following procedures: - Read, analysed and identified the distinct performance obligations in these contracts; - Compared these performance obligations with that identified and recorded by the Company; - Considered the terms of the contracts to determine if the transfer of control of goods is satisfied at a point of time and the transaction price attributable to each performance obligation is recognised upon completion of each performance obligation. • We tested on sample basis whether specific revenue transactions around the year end including considerations due to closure of operations on account of COVID-19 have been recognised in appropriate period on the basis of the sale contract.
Existence and Valuation of Inventories (as described in note 2.2(j) of the Ind AS financial statements)	
Inventories of ₹ 7,841 lakhs which represent 17% of total assets of the Company as at the Balance sheet date. Inventory is held across four factories as at the reporting date. Considering the number of locations and the level of inventory held across its factories, as well as the physical verification of inventory at these locations on different dates, the potential risk of existence of such inventory and the identification of non-moving, obsolete / damaged inventory is a significant area of audit importance. Inventories are valued at the lower of cost and net realisable value. The inventory valuation also requires management estimates towards write-down of inventory items to its net realizable value (wherever applicable) and allowance for slow moving or non-moving inventory.	Our audit response consisted of several procedures including those summarised below (as applicable in each case): • Our audit procedures to verify the existence of inventories consisted of testing the relevant internal controls, including in specific the testing of the inventory physical verification process that are performed by the management at various point in time at their factories; • We have observed the physical verification of Inventory, conducted by management, in certain factories selected by us based on our professional judgment. Our procedures in this regard included: - observing compliance of stock count instructions by management personnel; - performing independent inventory counts on sample basis and reconciling the same to the management count, and; - performing roll forward and roll backward procedures on sample basis from date of count to the reporting date as the physical verification of inventory was undertaken by management on different dates across various factories during the year. • We tested sample of inventory purchases throughout the audit period with purchase invoice and other supporting documents to ensure if the inventory is valued as per the Company's accounting policy. • We evaluated whether the adjustments to bring down the cost of inventory items to their net realisable value and allowance for slow moving or non-moving inventory at the reporting date is appropriate by testing a sample of inventory items as at the reporting date.

Key audit matters	How our audit addressed the key audit matter
Provisions and contingencies pertaining to disputes (as described in note 35(b) on contingent liabilities of the Ind AS financial statements)	
The Company, in the normal course of business, is contesting various disputes, lawsuits, claims, proceedings including matters relating to taxes and commercial issues that arise from time to time. The Company assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each such litigation or dispute. This assessment is significant to our audit, to assess adequacy of disclosure or provision in the books of account. The accounting and disclosure for contingent liabilities is complex & involves judgment in assessing the outcome of the matter and estimating the potential impact if the outcome is unfavorable, and the amounts involved are, or can be, material to the financial statements.	Our audit procedures included the following: • We assessed the Company's process for identification and evaluation of claims, monitoring significant developments arising from contingencies and the measurement of provisions for disputes, potential claims and litigation, contingent liabilities and disclosures. • We obtained a list of ongoing litigations from the Company. We selected a sample of litigations based on materiality and performed inquiries with the Company on the legal evaluation of these litigations. We have compared the said evaluation with the appropriateness of provision or disclosure in the financial statements. We have tested the underlying computation of the management in relation to the measurement of provision or the contingency. • We solicited legal letters from company's external legal advisors with respect to the matters included in the summary. Where appropriate, we examined correspondences connected with the cases. • We obtained the details of uncertain tax positions as at the year ended March 31, 2020. We inspected relevant communication with tax authorities. • We involved internal tax experts in assessing the nature and amount of material tax positions and assessed the technical merits of the Company's tax positions based on the correspondence, assessments and settlements from the relevant tax authorities. • Our internal experts also considered legal precedence and other rulings in evaluating management's position on these contingencies. • We also evaluated the adequacy of disclosures in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Those Charged with Governance 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 Ind AS 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 the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has 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 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 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 the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a

statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (d) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (f) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements - Refer Note 35 (b) to the Ind AS 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.

For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per S Balasubrahmanyam
Partner
Membership No. 053315
UDIN : 20053315AAAABI4553

Place : Chennai
Date : June 24, 2020

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company had granted loan to a Fellow Subsidiary covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan is not prejudicial to the Company's interest.

(b) The Company had granted loan to a Company covered in the register maintained under Section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment / receipts are regular.

(c) There are no amounts of loans granted to Companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, duty of custom, goods and service tax, income tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in relation to goods and service tax and employees' state insurance.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, duty of customs, goods and service tax, income-tax and other material statutory dues applicable to it were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of Sales tax, Excise duty, Service tax and Income tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount * (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax	Non Submission of Sales tax Forms	1,027	1996-2018	Assistant Commissioner, Commercial Taxes
		37	1991-93	Assistant Commissioner, Commercial Taxes
		101	2011-15	Madras High Court
Central Excise Act, 1944	Excise duty	935	1997-00	Central Excise & Service Tax Appellate Tribunal
		410	2007-11	Central Excise & Service Tax Appellate Tribunal
		109	2011-15	Commissioner of Central Excise (Appeals)
		10	Various Periods	Various forums
Finance Act, 1994	Service Tax	34	2006-10 and 2016-17	Commissioner of Central Excise (Appeals) Appellate Tribunal
		74	2006-11	Central Excise & Service Tax Appellate Tribunal
		6	2003-05	Joint Commissioner, Service Tax

Name of the Statute	Nature of Dues	Amount * (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	190	AY 2003-04	Deputy Commissioner of Income Tax
		78	AY 2004-05	Deputy Commissioner of Income Tax
		6	AY 2013-14	Commissioner of Income Tax (Appeals)
		48	AY 2016-17	Commissioner of Income Tax (Appeals)
		238	AY 2017-18	Commissioner of Income Tax (Appeals)

** Out of the total disputed dues, an amount of ₹ 88 lakhs for excise and service tax related matters, ₹169 lakhs for income tax matters and ₹ 132 lakhs for sales tax matters was pre-deposited by the Company.*

(viii) The Company did not have any outstanding loans or borrowings dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans. Hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per S Balasubrahmanyam
Partner
Membership No. 053315
UDIN : 20053315AAAABI4553

Place : Chennai
Date : June 24, 2020

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS financial statements of ESAB India Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ESAB India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 over financial reporting with reference to these financial statements 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") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting 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.

For **S R BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration No. 101049W / E300004

per S Balasubrahmanyam
Partner
Membership No. 053315
UDIN : 20053315AAAABI4553

Place : Chennai
Date : June 24, 2020

Balance Sheet
as at March 31, 2020

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	**7,935**	8,118
Capital work in progress	3	**653**	314
Intangible assets	3	**147**	194
Right-of-use assets	36	**560**	–
Financial assets			
(i) Other financial assets	4	**297**	513
Deferred tax assets (net)	33	**153**	141
Other assets	5	**166**	326
TOTAL		**9,911**	9,606
Current assets			
Inventories	6	**7,841**	6,815
Financial assets			
(i) Investments	7	**6,998**	3,026
(ii) Loans	8	**–**	3,850
(iii) Trade receivables	9	**8,460**	6,362
(iv) Cash and cash equivalents	10	**1,868**	4,307
(v) Bank balances other than (iv) above	10	**8,146**	1,308
(vi) Other financial assets	11	**488**	228
Other assets	12	**1,598**	1,674
Current tax assets (net)	13a	**422**	491
		35,821	28,061
Asset held for sale	14	**209**	209
Total assets		**45,941**	37,876
Equity and liabilities			
Equity			
Equity Share Capital	15	**1,539**	1,539
Other Equity	16	**32,236**	25,120
Total equity		**33,775**	26,659
Non-current liabilities			
Lease liability	36	**340**	–
Long term provisions	17	**370**	362
		710	362
Current liabilities			
Financial Liabilities			
Lease liability	36	**128**	–
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	18	**915**	1,314
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	**7,897**	7,129
Other financial liabilities	19	**677**	213
Short term provisions	17	**786**	929
Liabilities for Current tax (net)	13b	**170**	131
Other current liabilities	20	**883**	1,139
		11,456	10,855
Total liabilities		**12,166**	11,217
Total equity and liabilities		**45,941**	37,876
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For **S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W / E300004

S Balasubrahmanyam
Partner
Membership No. 053315

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

B Mohan
Vice President - Finance and Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : June 24, 2020

Statement of Profit and Loss

for the year ended March 31, 2020

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contract with customers	21	**69,796**	67,163
Other income	22	**849**	1,104
Finance income	23	**502**	568
Total income		**71,147**	68,835
Expenses			
Cost of raw materials and components consumed	24	**35,000**	35,958
Purchase of traded goods	24	**8,984**	7,084
(Increase) / decrease in inventories	24	**(400)**	78
Employee benefits expense	25	**7,556**	7,004
Depreciation and amortization expense	26	**1,258**	1,070
Finance cost	27	**50**	–
Other expenses	28	**8,975**	9,159
Total expense		**61,423**	60,353
Profit before Exceptional items and taxes		**9,724**	8,482
Exceptional Items	29	**–**	68
Profit before tax		**9,724**	8,414
Current tax	33	**2,439**	2,586
Adjustment of tax relating to earlier years	33	**147**	24
Deferred tax expense / (credit)	33	**(3)**	45
Income tax expense		**2,583**	2,655
Profit for the year		**7,141**	5,759
Other comprehensive income	30		
Items that will not be reclassified to Profit or Loss in subsequent years			
- Re-measurement gains / (losses) on defined benefit plans		**(34)**	(58)
- Income tax effect		**9**	20
Other comprehensive income for the year, net of tax		**(25)**	(38)
Total comprehensive income for the year, net of tax		**7,116**	5,721
Earnings per share			
Basic and Diluted Earnings per share	31	**46.40**	37.41
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W / E300004

S Balasubrahmanyam
Partner
Membership No. 053315

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

B Mohan
Vice President - Finance and Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : June 24, 2020

Statement of Cash Flow

for the year ended March 31, 2020

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

Particulars	Notes	March 31, 2020	March 31, 2010
A. Cash flow from Operating Activities:			
Profit before tax after exceptional items		**9,724**	8,414
Adjustments to reconcile profit before tax to net cash flows:			
Dividend from investments	22	**(173)**	(435)
Fair value of investments	22	**(147)**	(20)
Profit on sale of investments	22	**(62)**	(87)
(Profit) / loss on sale of property, plant and equipment	22,28	**1**	(54)
Unrealised foreign exchange gain		**(120)**	(25)
(Provision) / Write back of provision for doubtful receivables	22,28	**34**	(142)
Interest on bank deposits and others	23	**(429)**	(163)
Interest from loan to related party	23	**(69)**	(401)
Others	23	**(4)**	(4)
Finance Cost	27	**50**	–
Depreciation and amortization expense	26	**1,258**	1,070
Provision for warranty	28	**103**	236
Property, plant and equipment written off	28	**42**	27
Impairment loss on property, plant and equipment	29	**–**	68
Working capital adjustments:			
(Increase) / decrease in inventories		**(1,026)**	458
(Increase) / decrease in trade receivables		**(2,162)**	(309)
(Increase) / decrease in other financial assets		**(89)**	67
(Increase) / decrease in other assets		**239**	(133)
Increase / (decrease) in trade payables		**521**	1,008
Increase / (decrease) in other financial liabilities		**1,033**	9
Increase / (decrease) in provisions		**(272)**	(114)
Increase / (decrease) in other current liabilities		**(256)**	(348)
Operating cash flow after working capital changes		**8,196**	9,122
Taxes paid, net of refund		**(2,478)**	(2,383)
Net cash flows from operating activities		**5,718**	6,739
B. Cash flow from Investing activities:			
Capital expenditure (including capital work in progress and capital advances)		**(1,978)**	(1,238)
Proceeds from sale of property, plant and equipment		**5**	122
Purchase of current investments		**(27,765)**	(20,572)
Proceeds from sale of current investments		**24,003**	30,110
Dividend received from investments		**173**	435
Investment in bank deposits		**(8,300)**	(2,463)
Redemption / maturity of bank deposits		**1,741**	3,595
Interest income		**113**	210
Net cash flows from / (used in) investing activities		**(12,008)**	10,199
C. Cash flow from Financing activities:			
Dividend to shareholders		**–**	(14,008)
Dividend distribution tax		**–**	(2,880)
Finance cost		**(50)**	–
Payment of principal portion of lease liabilities		**(106)**	–
Loan to related party		**–**	(750)
Repayment from loan to related party		**3,850**	900
Interest received from loan to related party		**157**	394
Net cash flows used in financing activities		**3,851**	(16,344)
Net increase / (decrease) in cash and cash equivalents		**(2,439)**	594
Cash and cash equivalents at the beginning of the year	10.1	**4,307**	3,713
Cash and cash equivalents at year end	10.1	**1,868**	4,307
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W / E300004

S Balasubrahmanyam
Partner
Membership No. 053315

Place : Chennai
Date : June 24, 2020

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

B Mohan
Vice President - Finance and Chief Financial Officer

S Venkatakrishnan
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2020

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers	₹
At 31 March 2019	15,393,020	1,539
At 31 March 2020	15,393,020	1,539

B. Other Equity

For the year ended 31 March 2020

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation reserve	General reserve	Total Other Equity
As at 1 April 2019	932	19,098	100	4,990	25,120
Profit for the year	–	7,141	–	–	7,141
Other comprehensive income (Refer Note– 30)	–	(25)	–	–	(25)
Total comprehensive income	–	7,116	–	–	7,116
Dividend to shareholders, including dividend distribution tax	–	–	–	–	–
At 31 March 2020	932	26,214	100	4,990	32,236

For the year ended 31 March 2019

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation reserve	General reserve	Total Other Equity
As at 1 April 2018	932	30,265	100	4,990	36,287
Profit for the year	–	5,759	–	–	5,759
Other comprehensive income (Refer Note 30)	–	(38)	–	–	(38)
Total comprehensive income	–	5,721	–	–	5,721
Dividend to shareholders including dividend distribution tax	–	(16,888)	–	–	(16,888)
At 31 March 2019	932	19,098	100	4,990	25,120

As per our report of even date

For **S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W / E300004

S Balasubrahmanyam
Partner
Membership No. 053315

Place : Chennai
Date : June 24, 2020

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

Notes to financial statements for the year ended March 31, 2020

(All amounts are in lakhs of Indian rupees, unless otherwise stated)

1. Company Overview

ESAB India Limited ("the Company") 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 Bombay Stock Exchange 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.

The financial statements were authorized for issue in accordance with the resolution passed by the Board of Directors on June 24, 2020

2. Significant Accounting Policies

2.1 Basis of Preparation

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, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The financial statements are presented in lakhs of Indian rupees and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Summary of Significant 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 realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency transactions and balances

Financial Statements are presented in Indian rupees (Rs.) which is also the functional currency of the Company. Transactions in foreign currencies are initially recorded by the functional currency spot rates at the date the transaction first qualifies for recognition.

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:

In the principal market for the asset or liability, or

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:

(i)	Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
(ii)	Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
(iii)	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 contract with customers

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 products:

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on despatch of products from the factory gate. The normal credit term is 0 to 120 days of sale.

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.

Warranty obligations:

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty provisions in section (l) Provisions.

The Company provides normal warranty provisions for one year on equipment products sold.

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 recognises revenue from installation services at a point in time when the service is completed, using an expected cost plus margin method to estimate the standalone selling price.

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.

Dividend income:

Dividend / profit on sale of investments is recognised when the Company's right to receive payment has been established.

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:

Income from export incentives such as Service Exports from India Scheme (SEIS) are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Export Benefits are recognised on export of products and services on availment of any such benefits, as applicable.

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.

e. Income Taxes

(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 establishes provisions where appropriate.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognized unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

(ii) Deferred tax

Deferred tax is provided using the liability 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 (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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 assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales 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:

- 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.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

g. Property, plant and equipment

Property, plant and equipments held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. Such cost includes the cost of replacing part of the plant and equipment and professional fees. Any trade discounts and rebates are deducted in arriving at the purchase price. Parts of an item of Property, plant and equipment having different useful lives and significant value and subsequent expenditure on Property, plant and equipment arising on account of capital improvement or other factors are accounted for as separate components. All other repair and maintenance costs are recognised in profit or loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

Capital work in progress is stated at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of Property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

Depreciation is provided on the cost of Property plant and equipment (other than leasehold land) less their residual values, using the straight line method over the useful life of Property plant and equipment as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. The Company has used the following rates to provide depreciation on its property, plant and equipment.

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.

Depreciation on additions / deletions to Property, plant and equipment during the year is provided for on a pro-rata basis with reference to the date of additions/deletions. Depreciation on subsequent expenditure on Property, plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life. Depreciation on refurbished / revamped Property, plant and equipment which are capitalized separately is provided for over the reassessed useful life.

An item of Property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised as in the Statement of Profit and Loss.

h. Intangible Assets

"Intangible assets with finite useful lives that are acquired separately 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.

Computer software are amortized on a straight line basis over a period of 4 years.

Intangible assets is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss as and when the asset is derecognised.

i. Impairment of tangible and intangible 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".#

As assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exists or have decreased. If that 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 assumption 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 being recognised for the asset in prior years. Such reversal is recognised in the statement of profits or loss unless is 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:

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.

Traded goods:

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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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 salaries, wages, provident fund, gratuity, pension, compensated absences and other termination benefits.

i. Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment.

ii. Defined benefit plans

The Company operates two defined benefit plans for its employees, viz., gratuity and pension. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in other comprehensive income(OCI). The Company has funded this with Life Insurance Corporation of India ('LIC').

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in statement of profit and loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income.

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 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. Actuarial gains / losses are immediately taken to other comprehensive income and are not deferred. 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.

iv. Voluntary Separation Scheme

Expenditure on Voluntary Separation Scheme (VSS) is charged to the Statement of Profit and Loss when incurred.

l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

The Company provides normal warranty provisions for one year on equipment products sold, in line with the industry practice. Provisions for warranty-related costs are recognized as and when the products are sold to customers. Estimates are established using historical information as to the nature, frequency, and average costs of warranty claims. The estimate of such warranty-related costs is revised annually.

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. It includes a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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.

i. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

(i) Debt instruments at amortised cost; and

(ii) Debt instruments at fair value through profits or loss (FVTPL)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair value through Other Comprehensive Income(FVTOCI), is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if by doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss account.

Derecognition

The Company derecognises a financial asset 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 party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

Equity instruments at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Equity instruments at FVTPL

Equity instruments at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss.

Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL 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 entity expects to receive (i.e., all cash shortfalls), discounted at the original Effective interest rate.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. Financial assets measured as at amortised cost - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

ii. Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or payables, as appropriate. All financial liabilities are recognised initially at fair value. The Company's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

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 the Statement of Profit and Loss.

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.

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 and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

p. Cash dividend

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company, i.e. liability is accrued on the date of authorisation. As per the corporate laws in India, a distribution of final dividend is authorised when it is approved by the shareholders, while interim dividend is approved by the Board of Directors and paid directly to the shareholders. A corresponding amount is recognised directly in equity.

q. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

r. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment. Right-of-use assets mainly consists of land and building.

b. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payment that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rates implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (eg. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have 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.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ended 31 March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. The comparative information is not restated and have been presented based on the requirements of previous standard (i.e., Ind AS 17 Leases, Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease).The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Accordingly, as at 31 March 2020:

- Right-of-use assets' were recognised and presented separately in the balance sheet. Lease assets recognised previously under finance leases, which were included under 'Property, plant and equipment', were derecognised.

- Prepayments' and 'Trade and other payables' related to previous operating leases were derecognised.

For the year ended 31 March 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets, net of the decrease in 'Property, plant and equipment').

  This resulted in increases in Depreciation and Amortization Expenses of ₹153.
- Finance costs' increased by ₹ 50 relating to the interest expense on additional lease liabilities recognised.
- Rent expense included in 'Other expenses', relating to previous operating leases, decreased by ₹ 156.

The lease liabilities as at April 1, 2019 can be reconciled to the operating lease commitments as of March 31, 2019, as follows :

Particulars	Amount
Operating lease commitments as at 31 March 2019	62
Discounting effect	(6)
Commitments relating to short-term lease	(1)
Lease payments relating to renewal periods not included in operating lease commitments as at 31 March 2019	405
Lease liabilities as at 1 April 2019	460

Appendix C to Ind AS 12, "Uncertainty over Income Tax Treatments"

On 30 March 2019, the Ministry of Corporate Affairs (MCA) made certain amendments to Ind AS 12, Income taxes by including Appendix C, Uncertainty over Income Tax Treatments. This appendix clarifies how the recognition and measurement requirements of Ind AS 12 are applied where there is uncertainty over income tax treatments.

Appendix C explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The amendment provides specific guidance in several areas where previously Ind AS 12 was silent. Appendix C applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The Company has applied the amendment from 1 April 2019 and the adoption of amendments to Ind AS 12 in the form of Appendix C did not have any material impact on its financial statements.

3. Property, Plant & Equipment, Capital Work–in Progress & Intangible Assets

Particulars	Property, Plant and Equipment							Capital work in progress	Intangible Assets*
	Freehold land	Leasehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Total		
			(Owned)	(Owned)	(Owned)	(Owned)			
Cost or valuation									
At 1 April 2018	**227**	**77**	**2,698**	**6,512**	**395**	**76**	**9,985**	**759**	**450**
Add : Additions	–	–	171	1,252	143	–	1,566	1,132	11
Less : Disposals / Write off	–	–	(65)	(323)	(52)	(13)	(453)	–	(1)
Less : Capitalised during the year	–	–	–	–	–	–	–	(1,577)	–
At 31 March 2019	**227**	**77**	**2,804**	**7,441**	**486**	**63**	**11,098**	**314**	**460**
Add : Additions	–	–	104	758	66	26	954	1,335	43
Less : Disposals / Write off	–	–	(1)	(50)	(1)	(7)	(59)	–	–
Less : Transferred to Right-of-use Asset	–	(77)	–	–	–	–	(77)	–	–
Less : Adjustments	–	–	(12)	(58)	(3)	–	(73)	–	–
Less : Capitalised during the year	–	–	–	–	–	–	–	(996)	–
At 31 March 2020	**227**	**–**	**2,895**	**8,091**	**548**	**82**	**11,843**	**653**	**503**
Accumulated Depreciation / Amortization / Impairment									
At 1 April 2018	**–**	**2**	**282**	**1,880**	**94**	**30**	**2,288**	**–**	**179**
Add : Depreciation charge for the year	–	1	110	824	35	12	982	–	88
Less : Disposals	–	–	(58)	(261)	(35)	(4)	(358)	–	(1)
Add : Impairment charge for the year**	–	–	17	51	–	–	68	–	–
At 31 March 2019	**–**	**3**	**351**	**2,494**	**94**	**38**	**2,980**	**–**	**266**
Add : Depreciation charge for the year	–	–	112	851	41	11	1,015	–	90
Less : Disposals	–	–	–	(4)	–	(7)	(11)	–	–
Less : Adjustments	–	–	(12)	(58)	(3)	–	(73)	–	–
Less : Transferred to Right-of-use Asset	–	(3)	–	–	–	–	(3)	–	–
At 31 March 2020	**–**	**–**	**451**	**3,283**	**132**	**42**	**3,908**	**–**	**356**
Net book value									
At 31 March 2020	227	–	2,444	4,808	416	40	7,935	653	147
At 31 March 2019	227	74	2,453	4,947	392	25	8,118	314	194

* Intangible Assets include Acquired Customer Lists, amounting to ₹ 60.

** During the previous year, the Company has recognised impairment loss identified as assets not in use. The losses have been recognised in the statement of profit and loss under "Exceptional items" (refer note 29).

	31-Mar-20	31-Mar-19
4. Other non-current financial assets		
Security Deposits	**297**	236
Bank deposits with maturity greater than 12 months *	**–**	277
	297	513
* Includes margin money deposits with the Company's bankers having a carrying amount of ₹ NIL (March 31, 2019 - ₹ 277) which are subject to first charge to secure the Company's bank guarantees.		
5. Other assets		
Capital advance	**127**	124
Advances other than capital advances		
Prepaid Rent	**–**	14
Prepayments	**39**	117
Claims receivable	**–**	71
	166	326
Considered doubtful		
Advance to employees	**33**	33
Other receivables	**44**	44
Less : Provision for doubtful advances	**(77)**	(77)
	–	–
	166	326
6. Inventories (lower of cost and net realisable value)		
Raw materials [(includes in transit ₹ 914 March 31, 2019 - ₹ 844)]	**3,263**	2,669
Work in progress	**475**	434
Finished goods		
- Manufactured goods	**1,591**	1,519
- Traded goods [(includes in transit ₹ 772 March 31, 2019 - ₹ 774)]	**2,350**	2,063
Stores and Spares	**162**	130
Total inventories at the lower of cost and net realisable	**7,841**	6,815
7. Investments		
a) Investments at fair value through profit or loss		
Quoted mutual funds		
2,58,096 (March 31, 2019: Nil) units in Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	**820**	–
13,337 (March 31, 2019: Nil) units in Axis Treasury Advantage Fund - Regular - Growth	**301**	–
16,07,248 (March 31, 2019: Nil) units in Franklin India Savings Fund Retail Option - Direct - Growth	**609**	–
54,35,669 (March 31, 2019: Nil) units in HDFC Ultra Short Term Fund - Regular - Growth	**609**	–
2,44,106 (March 31, 2019: Nil) units in ICICI Prudential Liquid Fund - Growth	**714**	–
53,57,621 (March 31, 2019: Nil) units in IDFC Ultra Short Term Fund - Regular Plan - Growth	**610**	–

	31-Mar-20	31-Mar-19
17,668 (March 31, 2019: Nil) units in Invesco India Treasury Advantage Fund - Direct Plan - Growth	**506**	–
24,591 (March 31, 2019: Nil) units in L&T Liquid Fund - Regular - Growth	**667**	–
16,164 (March 31, 2019: Nil) units in SBI Liquid Fund - Direct - Growth	**503**	–
19,766 (March 31, 2019: Nil) units in Tata Liquid Fund - Regular Plan - Growth	**615**	–
23,737 (March 31, 2019: Nil) units in UTI Liquid Cash Plan - Regular Plan - Growth	**768**	–
15,43,698 (March 31, 2019: 15,43,698) units in Franklin India Banking and PSU Debt Fund - Direct - Growth	**261**	235
Nil (March 31, 2019: 8,07,652) units in Aditya Birla Sun Life Liquid Fund - Daily dividend - Regular Plan	**–**	809
Nil (March 31, 2019: 91,347) units in Franklin India Liquid Fund - Super Institutional Plan-Direct-Daily Dividend Reinvestment	**–**	916
Nil (March 31, 2019: 46,596) units in Reliance Liquid Fund - Daily Dividend Option	**–**	713
Nil (March 31, 2019: 35,140) units in SBI Liquid Fund - Direct Daily Dividend	**–**	353
Total investments at fair value through profit or loss	**6,983**	3,026
Total cost of investments	**6,800**	2,968
b) Unquoted equity shares		
30,000 equity shares of M/s. Clean Wind Power (Pratapgarh) Private Limited (31 March 2019: 3,600 shares)	**15**	–
Total investments at fair value (a + b)	**6,998**	3,026

8. Loans (Considered good - Secured)

Loan to Related party (refer note 37)*	**–**	3,850
	–	3,850

* Secured by corporate guarantee from Colfax Corporation, the Ultimate Holding Company.

9. Trade receivables and Contract assets

Trade receivables	**7,614**	5,760
Receivables from related parties (refer note 37)	**846**	602
Total Trade receivables	**8,460**	6,362
Considered good - secured *	**59**	44
Considered good - unsecured	**8,401**	6,318
Trade Receivables - credit impaired	**475**	441
Impairment Allowance (allowance for bad and doubtful debts)		
Trade Receivables - credit impaired	**(475)**	(441)
	8,460	6,362

* Secured against deposits from dealers

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. For terms and conditions relating to receivables from related parties, refer Note 37. Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days based on the type of the customer. Set out below is the movement in the allowance for expected credit losses of trade receivables.

Opening balance	**441**	583
Provision for expected credit losses (refer note 22, 28)	**34**	(142)
	475	441

	31-Mar-20	31-Mar-19
10.1 Cash and cash equivalents		
Balances with banks on current accounts	**1,866**	3,095
Bank deposits with original maturity of less than 3 months	**–**	450
Cheques / drafts on hand	**–**	759
Cash on hand	**2**	3
	1,868	4,307
For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above balances.		
10.2 Other bank balances		
In unpaid dividend accounts	**69**	67
Bank deposits with maturity greater than 3 months, less than 12 months*	**8,077**	1,241
	8,146	1,308
* Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 1,597 (March 31, 2019 - ₹ 1,241) which are subject to first charge to secure the Company's bank guarantees.		
11. Other financial assets (current)		
Management service fee receivable from related parties (refer note 37)	**122**	90
Interest accrued on loan to related party (refer note 37)	**–**	88
Interest accrued on fixed deposits	**366**	50
	488	228
12. Other assets (current)		
Prepayments	**247**	139
Balance with Government authorities	**772**	576
Advance to suppliers	**545**	935
Advance to employees	**34**	24
	1,598	1,674
13. Income tax		
a. Income tax assets (Net)		
Advance income-tax	**422**	491
	422	491
b. Liability for current income tax (Net)		
Liability for current income tax (net)	**170**	131
	170	131
14. Assets held for sale		
Assets held for sale*	**209**	209
	209	209
* The Company has discontinued its operations at Khardah Factory, Kolkata during the year ended March 31, 2015 and is in the process of finalising the sale of land to a prospective buyer.		

	31-Mar-20	31-Mar-19

15. Share Capital

Authorised:		
1,90,00,000 (Previous years: 1,90,00,000) equity shares of ₹ 10/- each	**1,900**	1,900
30,00,000 (Previous years: 30,00,000) unclassified shares of ₹ 10/- each	**300**	300
	2,200	2,200
Issued, subscribed and paid-up:		
1,53,93,020 (Previous years: 1,53,93,020) equity shares of ₹ 10/- each fully paid-up	**1,539**	1,539

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

Particulars	No. of Shares	Amount
As at March 31, 2019	1,53,93,020	1,539
Changes during the year	–	–
As at March 31, 2020	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 ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by subsidiaries of ultimate holding company / holding and / or their subsidiaries / associates

Name of equity share holders	No. of shares	31-Mar-20	31-Mar-19
Subsidiary companies of Colfax Corporation, the ultimate holding company:			
ESAB Holdings Limited, UK	5,743,200	574	574
Exelvia Group India B.V, Netherlands	5,604,760	560	560
	11,347,960	1,134	1,134

d) Details of shareholders holding more than 5% shares in the Company are as under:

Name of equity share holders	No. of shares	31-Mar-20	31-Mar-19
Equity shares of ₹ 10 each fully paid held by			
ESAB Holdings Limited, UK	5,743,200	**37.31%**	37.31%
Exelvia Group India B.V, Netherlands	5,604,760	**36.41%**	36.41%
Acacia Partners, LP, Mauritius	821,140	**5.33%**	5.33%

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.

	31-Mar-20	31-Mar-19
e) Proposed dividends on Equity shares		
The board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2020: ₹ 70 per share (March 31, 2019: ₹ NIL per share)	**10,775**	–
	10,775	–

16. Other equity

Securities Premium		
Balance as at the beginning of the year	**932**	932
Balance as at the end of the year	**932**	932
Other reserves		
Amalgamation reserve	**100**	100
General reserve	**4,990**	4,990
Retained Earnings	**26,214**	19,098
Total Other equity	**32,236**	25,120

Amalgamation 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 Amalgamation reserve.

17. Provisions

Current		
Sales tax	**390**	400
Litigations and disputes	**73**	73
Warranties	**247**	335
Compensated absences	**22**	23
Pension	**54**	98
	786	929
Non-current		
Provision for employee benefits:		
Gratuity *(refer note 34)*	**133**	206
Pension (refer note 34)	**87**	–
Compensated absences	**150**	156
	370	362

	Sales Tax	Litigations	Warranties
Balances as at April 1, 2018	**423**	73	294
Add: Provision made during the year	**8**	–	236
Less: Provision utilised during the year	**(31)**	–	(195)
Balances as at March 31, 2019	**400**	73	335
Add: Provision made during the year	**1**	–	193
Less: Provision utilised during the year	**(11)**	–	(281)
Balances as at March 31, 2020	**390**	73	247

	31-Mar-20	31-Mar-19
18. Trade Payable		
Dues to Micro, Small & Medium Enterprises*	**915**	1,314
Dues to other than Micro, Small & Medium Enterprises	**5,024**	5,074
Dues to Related Party (refer note 37)	**2,873**	2,055
	8,812	8,443
*** Disclosures relating to micro, small and medium enterprises**		
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;**	**915**	1,314
(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;	**–**	–
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**2**	2
(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.	**–**	–
** Includes overdue payables amounting of ₹ 102 (March 31, 2019 ₹ 48)		
Trade payables are non interest bearing and normally settled on 60 days term.		
19. Other financial liabilities at amortised cost		
Security deposit from dealers	**158**	146
Security deposit received for sale of land	**450**	–
Unclaimed dividend	**69**	67
	677	213
20. Other current liabilities		
Advances from customers	**143**	142
Advance received for sale of land	**–**	250
Accrued salaries and benefits	**530**	464
Voluntary separation scheme	**–**	4
Statutory dues payable	**210**	279
	883	1,139

	31-Mar-20	31-Mar-19
21. Revenue from contract with customers		
Sale of products		
Manufactured goods	**51,040**	51,455
Traded goods	**14,220**	11,505
Recovery of freight	**1,393**	1,234
	66,653	64,194
Other operating revenues		
Scrap sales	**216**	308
Export benefits	**213**	208
	429	516
Income from services		
Engineering, support and consulting services	**2,714**	2,453
Total revenue from contract with customers	**69,796**	67,163
India	**64,039**	61,556
Outside india	**5,757**	5,607
Total revenue from contract with customers	**69,796**	67,163
Timing of revenue recognition		
Transferred at a point in time	**69,796**	66,642
Transferred over time	**–**	521
Total revenue from contract with customers	**69,796**	67,163
Contract balances		
Trade receivables	**8,460**	6,362
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contracted price	**70,905**	68,416
Adjustments		
Sales return	**262**	204
Sales incentive	**847**	1,049
Revenue from contract with customers	**69,796**	67,163
22. Other income		
Dividend from investments	**173**	435
Fair value of investments	**147**	20
Profit on sale of investments	**62**	87
Profit on sale of property, plant and equipment (net)	**–**	54
Net gain on account of foreign exchange fluctuation	**–**	15
Write back of provision for doubtful receivables	**–**	142
Management service to related party (refer note 37)	**318**	276
Miscellaneous income	**149**	75
	849	1,104

	31-Mar-20	31-Mar-19
23. Finance income		
Interest on bank deposits and others	**429**	163
Interest from loan to related party (refer note 37)	**69**	401
Others	**4**	4
	502	568
24. Cost of raw materials and components consumed		
a. Raw materials and components consumed		
Inventory at the beginning of the year	**2,669**	3,023
Add: Purchases during the year	**35,594**	35,604
Less: Inventory at the end of the year	**(3,263)**	(2,669)
	35,000	35,958
b. Traded goods		
Purchase of traded goods	**8,984**	7,084
	8,984	7,084
c. Finished goods and work in progress		
(Increase) / Decrease in Inventories		
Opening Stock		
Manufactured goods	**1,519**	908
Work in progress	**434**	369
Traded goods	**2,063**	2,817
	4,016	4,094
Closing Stock		
Manufactured goods	**1,591**	1,519
Work in progress	**475**	434
Traded goods	**2,350**	2,063
	4,416	4,016
	(400)	78
25. Employee benefits expense		
Salaries, wages and bonus	**6,619**	6,054
Contribution to provident and other funds	**201**	183
Gratuity expense (refer note 34)	**66**	52
Pension expenses *	**138**	157
Staff welfare expenses	**532**	558
	7,556	7,004
* Includes expense towards defined benefit scheme ₹ 34 lakhs. (refer note 34)		
26. Depreciation and Amortisation Expense		
Depreciation of property, plant and equipment	**1,015**	982
Amortisation of intangible assets	**90**	88
Depreciation on Right-of-use assets (Refer note 36)	**153**	–
	1,258	1,070

	31-Mar-20	31-Mar-19
27. Finance cost		
Interest expenses	**50**	–
	50	–
28. Other expenses		
Consumption of stores and spares	**387**	496
Power and fuel	**1,202**	1,201
External service charges	**813**	847
Rent	**1**	159
Repairs and maintenance		
- Building	**32**	37
- Plant and machinery	**191**	177
- Others	**350**	353
Insurance	**63**	40
Travelling expenses	**1,028**	975
Communication expenses	**80**	114
Rates and taxes	**95**	91
Transport and freight	**2,075**	2,134
Sales promotion and selling expenses	**152**	212
Trademark license fees to related party (refer note 37)	**1,131**	1,137
Legal and professional charges	**520**	385
Payment to auditors (Refer note 28.1)	**50**	52
Printing and stationery	**40**	38
Loss on sale of property, plant and equipment	**1**	–
Exchange differences (net)	**41**	–
CSR expenditure (Refer note 28.2)	**70**	16
Warranty expenses	**103**	236
Provision for doubtful receivables	**34**	–
Property, plant and equipment written off	**42**	27
Bank charges	**35**	28
Miscellaneous expenses	**439**	404
	8,975	9,159
28.1 Payment to auditors		
As auditor		
Audit	**20**	24
Tax audit	**5**	7
Limited reviews	**9**	9
Others	**14**	10
Reimbursement of expenses	**2**	2
	50	52
28.2 CSR Expenditure		
Gross amount required to be spent by the company during the year	**122**	97
Amount spent during the year for other than construction / acquisition of any asset	**70**	16

	31-Mar-20	31-Mar-19

29. Exceptional items

Impairment loss on Property, plant and equipment (refer note below)	–	68
	–	68

During the earlier years, the Company undertook a restructuring exercise at Taratala, Kolkata involving optimizing its capacities. Impairment loss on Property, plant and equipment at Taratala Plant, Kolkata was Nil (March 31, 2019 - ₹ 68).

30. Components of 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	**(25)**	(38)
	(25)	(38)

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:

	31-Mar-20	31-Mar-19
Profit for the year (₹)	**7,141**	5,759
Weighted average number of Equity shares for EPS	**1,53,93,020**	1,53,93,020
Basic and Diluted earnings per share	**46.40**	37.41

32. 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.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most 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.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF (Discounted Cash Flow) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU (Cash Generating Unit) being tested. The recoverable amount is sensitive to the discount rate used for the DCF (Discounted Cash Flow) model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Deferred income taxes

The Company's tax expense for the year is the sum of the total current and deferred tax charges. The calculation of the total tax expense necessarily involves a degree of estimation and judgement in respect of certain items. A deferred tax asset is recognised when it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Recognition, therefore involves judgement regarding the prudent forecasting of future taxable gains and profits of the business.

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 34.

33. Income taxes

The major components of income tax expense for the year ended March 31, 2020 are:

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax:		
Current income tax charge	**2,586**	2,610
Deferred Tax:		
Relating to the origination and reversal of temporary differences	**(3)**	45
Income tax expense reported in the statement of profit and loss	**2,583**	2,655
Other comprehensive income		
Deferred tax related to items recognised in OCI		
Tax income / (expense) during the year recognised in OCI	**9**	20
Income tax charged to other comprehensive income	**9**	20
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate are:		
Profit before tax	**9,724**	8,414
Enacted tax rate in India	**25.168%**	34.944%
Income tax expense	**2,447**	2,940
Relating to the origination of Permanent differences:		
Exempt income (Income from Mutual fund)	**(42)**	(187)
CSR expense	**18**	6
Tax impact of earlier years	**147**	–
Impact of tax rate change	**55**	(6)
Others	**(42)**	(98)
Income tax expense recognised in profit or loss	**2,583**	2,655

The tax rate used for the reconciliations above is the corporate tax rate of 25.168% (for the year 2019-20) and 34.944% (for the year 2018-19) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

	Year ended March 31, 2020	Year ended March 31, 2019
33. Income taxes (contd)		
Deferred tax balances		
The following is the analysis of deferred tax assets / (liabilities) presented in the statement of financial position:		
Deferred tax liabilities (net)		
Property, plant and equipment	**409**	622
Fair Value of Investments	**46**	12
Deferred tax assets (net)		
Provision for employee benefits	**132**	152
Provision for doubtful trade receivables	**120**	154
Provision for inventories	**249**	309
Provision for sales tax	**98**	140
Provision for others	**9**	20
Deferred tax assets (net)	**153**	141

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

	Year ended March 31, 2020	Year ended March 31, 2019
Movement of deferred tax expense during the year ended March 2019-20:		
Deferred tax (liabilities) / assets in relation to:		
Opening balance	**141**	166
Tax income/(expense) during the year "recognised in profit or loss"	**3**	(45)
Tax income/(expense) during the year "recognised in OCI"	**9**	20
Closing balance	**153**	141

	Note	31-Mar-20	31-Mar-19
34. Gratuity and other post-employment benefit plans			
Provisions for gratuity (refer note 17)	A	**133**	206
Pension fund (asset) / liability (refer note 17)	B	**87**	55

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 ₹ 20 lakhs. The Company has funded the defined benefit obligation with Life Insurance Corporation of India.

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 2020:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2019	529	323	206
Gratuity cost charged to profit or loss			
Current service cost	54	–	54
Past service cost	–	–	–
Interest income / (expense)	37	25	12
Sub-total included in profit or loss (refer note 25)	91	25	66
Benefits paid	(18)	(18)	–
Remeasurement (gains) / losses in other comprehensive income			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	45	–	45
Experience adjustments	(7)	–	(7)
Return on plan assets (excluding amounts included in net interest expense)	–	2	(2)
Sub-total included in other comprehensive income	38	2	36
Contributions by Employer	–	175	(175)
As at 31 March 2020	640	507	133

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

As at 1 April 2018	460	305	155
Gratuity cost charged to profit or loss			
Current service cost	45	–	45
Past service cost	–	–	–
Interest income / (expense)	33	26	7
Sub-total included in profit or loss (refer note 25)	78	26	52
Asset acquired / Liabilities settled	–	–	–
Benefits paid	(32)	(32)	–
Remeasurement (gains) / losses in other comprehensive income			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	22	–	22
Experience adjustments	1	–	1
Return on plan assets (excluding amounts included in net interest expense)	–	(6)	6
Sub-total included in other comprehensive income	23	(6)	29
Contributions by Employer	–	30	(30)
As at 31 March 2019	529	323	206

The major categories of plan assets of the fair value of the total plan assets are as follows:

	31-Mar-20	31-Mar-19
Quoted investments:		
Bonds issued by Government of India	–	76
Unquoted investments:		
Insurer managed funds	**406**	227
Others	**101**	20
Total	**507**	323

The principal assumptions used in determining defined benefit obligations for the companies' gratuity plan are shown below:

	31-Mar-20	31-Mar-19
Discount rate (%)	**6.50%**	7.35%
Future salary increases		
For management staff	**5%**	5%
For graded staff	**8%**	8%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

		Impact on defined benefit obligation	
Particulars	Change	**31-Mar-20**	31-Mar-19
Discount Rate	-0.25%	**2.22%**	2.20%
Discount Rate	+0.25%	**-2.14%**	-2.12%
Salary Escalation rate	-0.25%	**-2.13%**	-2.13%
Salary Escalation rate	+0.25%	**2.20%**	2.20%

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	**31-Mar-20**	31-Mar-19
Within the next 12 months (next annual reporting year)	**52**	52
Year 2 to 5	**236**	189
Year 6 to 9	**242**	218
Year 10 and above	**758**	720
Total expected payments	**1,288**	1,179

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 8.71 years (31 March 2019: 8.64 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 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 2020:

	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2019	(654)	599	(55)
Pension cost charged to profit or loss			
Current service cost	(32)	–	(32)
Interest income / (expense)	(43)	–	(43)
Actual return on plan assets	–	41	41
Sub-total included in profit or loss	(75)	41	(34)
Benefits paid	3	(3)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	(32)	–	(32)
Experience adjustments	20	–	20
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	(12)	14	2
Contributions by Employer	–	–	–
As at 31 March 2020 *(refer note 17)*	(738)	651	(87)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2019:

	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2018	(547)	588	41
Pension cost charged to profit or loss			
Current service cost	(28)	–	(28)
Interest income / (expense)	(39)	–	(39)
Actual return on plan assets	–	42	42
Sub-total included in profit or loss	(67)	42	(25)
Benefits paid	9	(9)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	(17)	–	(17)
Experience adjustments	(32)	–	(32)
Adjustment to recognise the effect of asset ceiling	–	–	–
Return on plan assets (excluding amounts included in net interest expense)	–	20	20
Sub-total included in other comprehensive income	(49)	20	(29)
Contributions by Employer	–	(42)	(42)
As at 31 March 2019 *(refer note 17)*	(654)	599	(55)

The major categories of plan assets of the fair value of the total plan assets are as follows:

	31-Mar-20	31-Mar-19
Quoted investments:		
Bonds issued by Government of India	–	–
Unquoted investments:		
Insurer managed funds	**643**	591
Others	**9**	8
Total	**652**	599

The principal assumptions used in determining defined benefit obligations for the companies' pension fund are shown below:

	31-Mar-20	31-Mar-19
Discount rate	**6.50%**	7.35%
Future salary increases	**5%**	5%
Pension increase rate	**0%**	0%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

		Impact on defined benefit obligation	
Particulars	Change	31-Mar-20	31-Mar-19
Discount Rate	-0.25%	**1.33%**	1.31%
Discount Rate	+0.25%	**-1.30%**	-1.28%
Salary Escalation rate	-0.25%	**-1.14%**	-1.13%
Salary Escalation rate	+0.25%	**0.83%**	1.15%
Pension increase rate by 1 year	-0.25%	**0%**	0%
Pension increase rate by 1 year	+0.25%	**0%**	0%

The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-20	31-Mar-19
Within the next 12 months (next annual reporting period)	**118**	131
Year 2 to 5	**298**	267
Year 6 to 9	**204**	145
Year 10 and above	**62**	54
Total expected payments	**682**	597

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 5.30 years (31 March 2019: 5.20 years).

	31-Mar-20	31-Mar-19
35. Commitment and contingencies		
a. Commitments		
Estimated amount of contracts to be executed and not provided for (net of advances) on capital account and not provided for	**277**	176
	277	176
b. Contingent Liabilities		
(i) Bank Guarantees outstanding in favour of Government and other parties	**810**	315
(ii) Claims against the company not acknowledged as debt *	**824**	896
(iii) Demand raised by authorities against which Company has filed appeals **	**2,184**	1,893
	3,818	3,104

* The Company is contesting the demands and the Management, including its legal counsel, believe that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognised in the financial statements.

** The Company is contesting the demands and the Management, including its tax advisors, believe that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognised in the financial statements.

36. Leases

The Company has lease contracts for lease hold land, lease hold premises and vehicle used in its operations. "Lease hold land generally have lease terms between 15 and 99 years, lease hold premises and motor vehicles have lease terms between 3 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 and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' 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 assets	
Balance as at 1 April 2019	**599**
Additions	**114**
Gross block	**713**
Depreciation expense	**(153)**
Balance as at 31 March 2020	**560**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease liability	
Balance as at 1 April 2019	**460**
Additions to Lease liability	**114**
Finance cost	**50**
Sub Total	**624**
Payments made during the year	**(156)**
Balance as at 31 March 2020	**468**
Current	**128**
Non-current	**340**

The effective interest rate for lease liabilities is 10%, with maturity between 2021-2024

The following are the amounts recognised in profit or loss:	
Depreciation expense of right-of-use assets	**153**
Interest expense on lease liabilities	**50**
Expense relating to short-term leases (included in other expenses)	**1**
Total amount recognised in profit or loss	**204**

The Company had total cash outflows for leases of Rs. 156 during the year. All the payments are fixed lease payments. There are no variable lease payments in the Company.

37. Related party transactions

(a) Name of related Parties and related party relationship

Related Party where control exists

i) ESAB Holdings Limited, UK - Principal Shareholder - Holds 37.31% of the paid up equity share capital of the Company as at March 31, 2020. Colfax UK Holdings Limited, Company incorporated under the laws of England and Wales, is an indirect wholly owned subsidiary of Colfax Corporation. Further, Colfax UK, Holdings Limited indirectly holds 100% equity shares of ESAB Holdings Ltd (refer note 15).

ii) Exelvia Group India B.V., Netherlands - Holds 36.41% of the paid up equity share capital of the Company as at March 31, 2020. Colfax UK, Holdings Limited, Company incorporated under the laws of England and Wales, is an indirect wholly owned subsidiary of Colfax Corporation. Further, Colfax UK Holdings Limited indirectly holds 100% equity shares of Exelvia Group India B.V., Netherlands (refer note 15).

iii) 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
Colfax Corporation, USA	Ultimate holding company
Alcotec Wire Corporation, USA	Entities under common control
ESAB Europe AG, Switzerland	Entities under common control
Cigweld Pty Ltd., Australia	Entities under common control
ESAB AB, Sweden	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 Cutting Systems GmbH, Germany	Entities under common control
ESAB Europe GmbH, Switzerland	Entities under common control
ESAB Middle East FZE, UAE	Entities under common control
ESAB North America, Global Cost Nam Florence, USA	Entities under common control
ESAB SeAH CORP, Korea	Entities under common control
ESAB Seah Welding Products (Yantai) Co Ltd, China	Entities under common control
ESAB Sp.Z.O.O., Poland	Entities under common control
ESAB Vamberk Sro, CZ	Entities under common control
ESAB Welding & Cutting Product, USA	Entities under common control
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	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
Howden Solyvent (India) Private Limited, India	Entities under common control

Name of the Related Party	Nature of Relationship
Howden Group Ltd, UK	Entities under common control
OZAS-ESAB Sp.Z.O.O., Poland	Entities under common control
P.T Karya Yasantra Cakti, Indonesia	Entities under common control
PT. Victor Teknologi, Indonesia	Entities under common control
Soldex S.A, Peru	Entities under common control
Thermal Dynamics OY, Finland	Entities under common control
Victor (Ningbo) Cutting & Welding Equipment Trade & Commerce Co., Ltd., China	Entities under common control
Victor Technologies Asia SDN BHD, Malaysia	Entities under common control
Victor Technologies International Inc., USA	Entities under common control
GCE India Private Limited, India	Entities under common control
TBi Industries GmbH, Germany	Entities under common control
TLT babcock India Pvt. Ltd	Entities under common control
ARC Machines Inc., USA	Entities under common control
ESAB Kazakhstan LLC	Entities under common control
The ESAB Group, Inc.Denton, TX	Entities under common control
Charter Central Service Ltd, London	Entities under common control
ESAB-Mor Welding Kft, Hungary	Entities under common control
GCE AUTOGEN S.R.O., Czech Republic	Entities under common control
GCE Technology (Shanghai) Co., and Ltd., China	Entities under common control
Jinan Red Hawk International Trading, China	Entities under common control
Tbi (Shandong) Industries Ltd, China	Entities under common control
ESAB AB, Perstorp	Entities under common control
HKS Prozesstecnik, GmbH, Germany	Entities under common control
Esab AB, Laxa, Sweden	Entities under common control
Mr. Rohit Gambir - Managing Director	Key Managerial Personnel
Mr. B. Mohan - Vice President Finance And Chief Financial Officer	Key Managerial Personnel
Mr. S. Venkatakrishnan - Company Secretary	Key Managerial Personnel
Mr. Daniel A Pryor - Non-Executive Non-Independent Director* (Till May 9, 2019)	Director
Mr Scott A Grisham - Non-Executive Non-Independent Director* (From May 9, 2019)	Director
Mr. K Vaidyanathan - Non-Executive Independent Director	Director
Mr. Vikram Tandon - Non-Executive Independent Director	Director
Mr. Sudhir Chand - Non-Executive Independent Director	Director
Mrs. Sabitha Rao - Non-Executive Independent Director	Director

* No remuneration has been paid by the Company.

(b) Transactions with Related Parties:

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Transactions during the year ended	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Sale of products	**–**	**–**	**1,447**	**916**	**–**	**–**
ESAB Middle East FZE, UAE	–	–	430	145	–	–
ESAB Asia/Pacific Pte Ltd, Singapore	–	–	9	11	–	–
ESAB Europe GmbH, Switzerland	–	–	–	14	–	–
ESAB Welding & Cutting Product, USA	–	–	5	13	–	–
Cigweld Pty Ltd., Australia	–	–	115	119	–	–
PT. Victor Teknologi, Indonesia	–	–	63	135	–	–
Victor Technologies Asia SDN BHD, Malaysia	–	–	207	274	–	–
EWAC Alloys Ltd, India	–	–	603	196	–	–
Soldex S.A , Peru	–	–	–	9	–	–
ESAB Kazakhstan LLC	–	–	15	–	–	–
Income from services	**–**	**15**	**2,714**	**2,438**	**–**	**–**
ESAB AB, Sweden	–	–	1,508	1,335	–	–
Cigweld Pty Ltd., Australia	–	–	37	39	–	–
ESAB Asia / Pacific Pte Ltd, Singapore	–	–	133	130	–	–
ESAB Europe GmbH, Switzerland	–	–	377	380	–	–
ESAB Holdings Limited, UK	–	15	–	–	–	–
ESAB North America, Global Cost Nam Florence, USA	–	–	538	485	–	–
Howden Group Ltd, UK	–	–	2	8	–	–
Victor Technologies International Inc., USA	–	–	112	61	–	–
The ESAB Group, Inc.Denton, TX	–	–	6	–	–	–
Charter Central Service Ltd, London	–	–	1	–	–	–
Management service income	**–**	**–**	**318**	**276**	**–**	**–**
EWAC Alloys Ltd, India	–	–	318	276	–	–
Rent paid	**–**	**–**	**15**	**–**	**–**	**–**
EWAC Alloys Ltd, India	–	–	15	–	–	–
Purchase of raw material / traded goods	**–**	**–**	**7,244**	**3,003**	**–**	**–**
Alcotec Wire Corporation, USA	–	–	36	9	–	–
ARC Machines, Inc	–	–	57	25	–	–
Cigweld Pty Ltd., Australia	–	–	4	4	–	–
ESAB AB, Sweden	–	–	156	20	–	–
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	–	–	–	99	–	–
ESAB Cutting Systems GmbH, Germany	–	–	286	157	–	–
ESAB Europe AG, Switzerland	–	–	–	156	–	–
ESAB Europe GmbH, Switzerland	–	–	4,487	1,145	–	–
ESAB SeAH CORP, Korea	–	–	15	–	–	–
ESAB Seah Welding Products (Yantai) Co Ltd, China	–	–	81	28	–	–
ESAB Vamberk Sro, CZ	–	–	37	2	–	–
ESAB Welding & Cutting Product, USA	–	–	1,199	682	–	–

(b) Transactions with Related Parties: *(contd.)*

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	–	–	4	10	–	–
ESAB Welding Products (Jiangsu) Co Ltd, China	–	–	152	167	–	–
EWAC Alloys Ltd, India	–	–	496	24	–	–
Gas Arc Group Limited, United Kingdom	–	–	18	9	–	–
GCE India Private Limited, India	–	–	9	39	–	–
P.T Karya Yasantra Cakti, Indonesia	–	–	60	23	–	–
TBi Industries GmbH, Germany	–	–	68	89	–	–
Victor Technologies International Inc., USA	–	–	–	315	–	–
GCE AUTOGEN S.R.O., Czech Republic	–	–	1	–	–	–
Howden Solyvent (India) Private Ltd. India	–	–	25	–	–	–
Jinan Red Hawk International Trading, China	–	–	17	–	–	–
Tbi (Shandong) Industries Ltd, China	–	–	21	–	–	–
ESAB AB, Perstorp	–	–	15	–	–	–
Purchase of property, plant and equipment	**–**	**–**	**112**	**52**	**–**	**–**
Esab AB, Laxa, Sweden	–	–	–	10	–	–
ESAB Cutting Systems GmbH, Germany	–	–	3	28	–	–
ESAB Welding & Cutting Product, USA	–	–	105	11	–	–
Victor Technologies International Inc., USA	–	–	–	2	–	–
TBi Industries GmbH, Germany	–	–	2	1	–	–
HKS Prozesstechnik GmbH, Germany	–	–	2	–	–	–
Trademark license fee expense	**1,131**	**1,137**	**–**	**–**	**–**	**–**
ESAB Holdings Limited, UK	1,131	1,137	–	–	–	–
Reimbursement of expenses received / receivable (net)	**–**	**–**	**18**	**62**	**–**	**–**
EWAC Alloys Limited, India	–	–	18	60	–	–
ESAB AB, Sweden	–	–	–	2	–	–
Reimbursement of expenses Paid / Payable (net)	**–**	**–**	**29**	**16**	**–**	**–**
ESAB Europe GmbH, Switzerland	–	–	2	–	–	–
OZAS–ESAB Sp.Z.O.O., Poland	–	–	15	16	–	–
ESAB Welding & Cutting Product, USA	–	–	12	–	–	–
Dividend paid	**–**	**10,289**	**–**	**–**	**–**	**–**
ESAB Holdings Limited, UK	–	5,226	–	–	–	–
Exelvia Group India B.V., Netherlands	–	5,063	–	–	–	–
Loan granted	**–**	**–**	**–**	**750**	**–**	**–**
Howden Solyvent (India) Private Limited, India	–	–	–	750	–	–
Loan repaid	**–**	**–**	**3,850**	**900**	**–**	
Howden Solyvent (India) Private Limited, India	–	–	3,850	900	–	–

(b) Transactions with Related Parties: *(contd.)*

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Interest Income	**–**	**–**	**69**	**401**	**–**	**–**
Howden Solyvent (India) Private Limited, India	–	–	69	401	–	–
Total compensation paid to key managerial personnel #	**–**	**–**	**–**	**–**	**409**	**392**
Short–term employee benefits						
Mr. Rohit Gambhir	–	–	–	–	236	227
Mr. B Mohan	–	–	–	–	114	112
Mr. S Venkatakrishnan	–	–	–	–	59	53
Sitting Fee	**–**	**–**	**–**	**–**	**10**	**8**
Mr. K Vaidyanathan	–	–	–	–	3	2
Mr. Vikram Tandon	–	–	–	–	2	2
Mr. Sudhir Chand	–	–	–	–	3	2
Mrs. Sabitha Rao	–	–	–	–	2	2
Director Commission	**–**	**–**	**–**	**–**	**22.50**	**22.50**
Mr. K Vaidyanathan	–	–	–	–	6.00	6.00
Mr. Vikram Tandon	–	–	–	–	5.50	5.50
Mr. Sudhir Chand	–	–	–	–	5.50	5.50
Mrs. Sabitha Rao	–	–	–	–	5.50	5.50
# The compensation paid to the key managerial personnel does not include the provisions made for post–employment benefit plans, as they are not separately allocable since the same is determined on an actuarial basis for the Company as a whole.						
Loan receivable (refer note below)	**–**	**–**	**–**	**3,850**	**–**	**–**
Howden Solyvent (India) Private Limited, India	–	–	–	3,850	–	–
Interest accrued on loan receivable	**–**	**–**	**–**	**88**	**–**	**–**
Howden Solyvent (India) Private Limited, India	–	–	–	88	–	–
Management service fee receivable	**–**	**–**	**122**	**81**	**–**	**–**
EWAC Alloys Limited, India	–	–	122	81	–	–
Trade receivables	**–**	**–**	**846**	**602**	**–**	**–**
Cigweld Pty Ltd., Australia	–	–	18	10	–	–
ESAB AB, Sweden	–	–	155	94	–	–
ESAB Asia / Pacific Pte Ltd,Singapore	–	–	12	11	–	–
ESAB Europe GmbH, Switzerland	–	–	95	38	–	–
ESAB Middle East FZE, UAE	–	–	2	8	–	–
ESAB North America, Global Cost Nam Florence, USA	–	–	109	90	–	–
ESAB Welding & Cutting Product, USA	–	–	14	13	–	–
EWAC Alloys Limited, India	–	–	360	168	–	–
Howden Group Ltd, UK	–	–	–	1	–	–
PT. Victor Teknologi, Indonesia	–	–	33	21	–	–
TLT Babcock India Pvt. Ltd	–	–	–	12	–	–

(b) Transactions with Related Parties: *(contd.)*

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Victor Technologies Asia SDN BHD, Malaysia	–	–	30	129	–	–
Victor Technologies International Inc., USA	–	–	16	7	–	–
Charter Central Service Ltd., London	–	–	2	–	–	–
Trade payables	**253**	**270**	**2,620**	**1,785**	**–**	**–**
Alcotec Wire Corporation, USA	–	–	5	6	–	–
ARC Machines, Inc	–	–	38	10	–	–
Cigweld Pty Ltd., Australia	–	–	7	5	–	–
Esab AB, Laxa	–	–	33	12	–	–
ESAB AB, Sweden	–	–	4	2	–	–
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	–	–	3	34	–	–
ESAB Cutting Systems GmbH, Germany	–	–	99	104	–	–
ESAB Europe AG, Switzerland	–	–	3	173	–	–
ESAB Europe GmbH, Switzerland	–	–	1,743	665	–	–
ESAB Holdings Limited, UK	253	270	–	–	–	–
ESAB SeAH CORP, Korea	–	–	2	12	–	–
ESAB Seah Welding Products(Yantai) Co Ltd, China	–	–	13	4	–	–
ESAB Vamberk Sro, CZ	–	–	2	–	–	–
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	–	–	8	11	–	–
ESAB Welding & Cutting Product, USA	–	–	396	485	–	–
ESAB Welding Products (Jiangsu) Co Ltd, China	–	–	17	122	–	–
Gas Arc Group Limited, United Kingdom	–	–	7	3	–	–
OZAS–ESAB Sp.Z.O.O., Poland	–	–	6	2	–	–
P.T Karya Yasantra Cakti, Indonesia	–	–	39	21	–	–
TBi Industries GmbH, Germany	–	–	15	4	–	–
Victor (Ningbo) Cutting & Welding Equipment Trade & Commerce Co., Ltd., China	–	–	–	6	–	–
EWAC Alloys Limited, India	–	–	155	32	–	–
GCE India Private Limited, India	–	–	–	5	–	–
Victor Technologies International Inc., USA	–	–	2	67	–	–
ESAB MIDDLE EAST, FZE	–	–	2	–	–	–
ESAB AB, Perstorp	–	–	10	–	–	–
Jinan Red Hawk International Trading, China	–	–	11	–	–	–

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year–end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, except for corporate guarantee from Colfax Corporation, the Ultimate Holding Company for the loan granted to Howden Solyvent (India) Private Limited. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31,2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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.

39. Fair value hierarchy related disclosures

Quantitative disclosures fair value measurement hierarchy for assets	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Units in Mutual Fund	March 31, 2020	6,983	–	–
Unquoted equity shares	March 31, 2020	–	–	15
Units in Mutual Fund	March 31, 2019	3,026	–	–
Unquoted equity shares	March 31, 2020	–	–	–

The fair values of the financial assets included in the level 1 categories above have been determined in accordance with generally accepted pricing models.

40. 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 or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are commodity price risk, foreign currency exchange risk and interest rate risk.

Commodity Price Risk

The primary commodity price risks that the Company is exposed to includes steel price movement that could adversely affect the value of the Company’s financial assets or expected future cash flows. The Company primarily enters into monthly contracts and revisits the prices periodically.

Foreign Currency Risk

The Company imports raw materials, components and capital goods from outside India, incurs few expenditure as well as make export sales to countries outside India. The Company is, therefore, exposed to foreign currency risk principally arising out of foreign currency movement against the Indian Currency.

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, 2020:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(1,856)	–	(1,856)
Impact of EURO exposure	(993)	–	(993)
Impact of other exposures	(29)	–	(29)
Net overall exposure - net assets / (net liabilities)	**(2,878)**	**–**	**(2,878)**

As on March 31, 2019:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(605)	–	(605)
Impact of EURO exposure	(170)	–	(170)
Impact of other exposures	52	–	52
Net overall exposure - net assets / (net liabilities)	**(723)**	**–**	**(723)**

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 PBT for change in EURO rates
Receivables	31-Mar-20	35	–
Payables		(128)	(50)
Receivables	31-Mar-19	42	–
Payables		(72)	(9)

Interest rate risk

The Company is not exposed to interest rate risk because there are no borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. 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.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, trade receivables and other financial assets.

The Company has provided for trade receivables amounting to ₹ 475 (March 31, 2019: ₹ 441) as there was no reasonable expectations of recovery.

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.

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 1st year	Due in 2nd to 5th year	Due after 5th year
March 31, 2020			
Trade payables (Refer note 18)	8,812	–	–
Other financial liabilities (Refer note 19)	677	–	–
	9,489	–	–
March 31, 2019			
Trade payables (Refer note 18)	8,443	–	–
Other financial liabilities (Refer note 19)	213	–	–
	8,656	–	–

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to maximise the shareholder value.

	As at March 31, 2020	As at March 31, 2019
42. Categories of Financial Instruments		
Financial assets carried at amortised cost		
Cash and bank balances	**10,014**	5,615
Trade Receivables	**8,460**	6,362
Loans	**–**	3,850
Others	**785**	741
Financial assets carried at fair value through profit or loss		
Investments	**6,998**	3,026
Financial liabilities carried at amortised cost		
Trade Payables	**8,812**	8,443
Others	**677**	213

43. Impact of COVID

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from March 25, 2020 has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

44. Previous year figures

Previous year figures have been regrouped and reclassified where necessary to conform to this year's classification.

As per our report of even date

For **S R Batliboi & Associates LLP**
Chartered Accountants
Firm Registration No. 101049W / E300004

S Balasubrahmanyam
Partner
Membership No. 053315

Place : Chennai
Date : June 24, 2020

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

ESAB INDIA Limited – CSR Projects – 2019-2020