



**ESAB/BSE/2020**

**24 June 2020**

Bombay Stock Exchange Limited  
P J Towers  
Dalal Street  
Mumbai 400 023.

**Scrip Code : 500133**

Dear Sir,

**Sub : Submission of Audited Financial Results and other decisions of the Board**

**Audited Results**

This is to inform you that in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Results for the year ended 31 March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 24 June, 2020. The meeting of the Board of Directors commenced at 11:30 hours and concluded at 15:00 hours.

We are sending herewith the textual matter of Audited Financial Results for the year ended 31 March 2020. The Audit Report issued by M/s. S R Batliboi & Associates, LLP, Chennai, the Statutory Auditors with respect to the audited financial results and declaration for audit report with unmodified opinion are enclosed. The results would also be uploaded in the Company's website [www.esabindia.com](http://www.esabindia.com).

**Dividend**

The Board of Directors of the Company after careful consideration of the financial results for the year ended 31 March, 2020 and taking into account the interim dividend already declared for this financial year, has not recommended any further final dividend for the Financial year ended 31 March, 2020.

**Annual General Meeting**

The Thirty Third Annual General Meeting of the Members of the Company is scheduled to be held on Friday the 28 August, 2020 at 9.00 a.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")

A handwritten signature in blue ink, appearing to read "S. Venkatesh", with a horizontal line underneath.



**Book Closure dates**

The Board of Directors approved the book closure dates from 20 August, 2020 to 28 August, 2020 (both days inclusive)

Security Code	Type of Security	Book Closure dates		Purpose
		From	To	
500133	Equity	20 August, 2020	28 August, 2020	Annual General Meeting of the Company
		Both days inclusive		

Kindly bring this to the attention of the members and investors.

Thanking you,

Yours truly,  
**For ESAB India Limited**

**S. Venkatakrisnan**  
**Company Secretary**



ESAB/BSE/2020

24 June 2020

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Mumbai 400 023.

**Scrip Code : 500133**

Dear Sir,

**Sub : Declaration with respect to the Audit Report with unmodified opinion to the Audited Financial Results for the financial year ended 31 March, 2020**

Pursuant to the regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016 vide notification number SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, we declare that the Statutory Auditors M/s. S R Batliboi and Associates, LLP, Chennai (Firm registration No. 101049W/ E300004) have issued an audit report with unmodified opinion with respect to the Audited Financial Results for the financial year ending 31 March, 2020.

Kindly bring this to the attention of the members and investors.

Thanking you,

Yours truly,  
**For ESAB India Limited**

**S. Venkatakrishnan**  
Company Secretary

**B Mohan**  
Vice President – Finance and Chief Financial Officer

**Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of ESAB India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

To  
The Board of Directors of  
ESAB India Limited

**Report on the audit of the Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of ESAB India Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter paragraph**

We draw attention to Note 9 of the Statement 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 this matter.



### **Management's Responsibilities for the Financial Results**

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 the Board of Directors.



## **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.

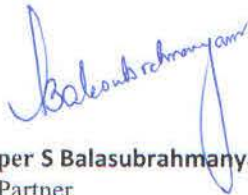
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

### **For S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

**ICAI Firm Registration Number: 101049W/E300004**



**per S Balasubrahmanyam**

Partner

Membership No.: 053315



UDIN: 20053315AAAABH6391

Place: Chennai

Date: June 24, 2020

**ESAB INDIA LIMITED**

CIN No. L29299TN1987PLC058738

Regd Office: Plot No. 13, 3rd Main Road,

Industrial Estate, Ambattur, Chennai - 600 058

Telephone No. 044-42281100 email id : investor.relations@esab.co.in

**Extract of Statement of Audited Financial Results for the quarter and year ended March 31, 2020**

Sl No	Particulars	Quarter ended March 31, 2020	Quarter ended December 31, 2019	Quarter ended March 31, 2019	Rs. in Lakhs (Except EPS)	
					Year ended March 31	
					March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited
1	Total income from operations	17,878	17,274	18,278	71,147	68,835
2	Net Profit for the period (before Tax, Exceptional and / or Extraordinary items)	2,560	2,365	2,350	9,724	8,482
3	Net Profit for the period before Tax (after Exceptional and / or Extraordinary items)	2,560	2,365	2,350	9,724	8,414
4	Net Profit for the period after Tax (after Exceptional and / or Extraordinary items)	1,807	1,776	1,636	7,141	5,759
5	Total Comprehensive income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	1,813	1,766	1,567	7,116	5,721
6	Equity Share Capital	1,539	1,539	1,539	1,539	1,539
7	Earning Per Share (of Rs 10/each) (for continuing and discontinued operations)					
	- Basic	11.74	11.54	10.63	46.40	37.41
	- Diluted	11.74	11.54	10.63	46.40	37.41

**Note:**

The above is an extract of the detailed Statement of audited Financial Results for the quarter and year ended March 31, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same would be available on the Company's website [www.esabindia.com](http://www.esabindia.com) and on the website of the Stock Exchanges - BSE Limited and National Stock Exchange of India Limited.

The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Asset (net) as at 31st March 2019 and the estimate of tax expenses for the year ended 31st March 2020 have been re-measured.

For ESAB India Limited

Chennai  
June 24, 2020

*Rohit Gambhir*  
Rohit Gambhir  
Managing Director

"We Shape the Future"  
Visit our website : <http://www.esabindia.com>



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**Statement of Audited Financial Results for the quarter and year ended March 31, 2020**

Rs. in Lakhs (Except EPS)

Particulars	Quarter ended	Quarter ended	Quarter ended	Year ended March 31	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Revenue from contract with customers	17,498	16,919	18,090	69,796	67,163
Other income	380	355	188	1,351	1,672
<b>Total income from operations</b>	<b>17,878</b>	<b>17,274</b>	<b>18,278</b>	<b>71,147</b>	<b>68,835</b>
<b>Expenses</b>					
Cost of raw materials and components consumed	9,213	8,503	9,897	35,000	35,958
Cost of traded goods sold	2,251	2,049	1,558	8,984	7,084
(Increase)/decrease in inventories of work-in-progress and finished goods	(827)	(115)	86	(400)	78
Employee benefits expense	1,912	1,884	1,944	7,556	7,004
Finance cost	16	14	-	50	-
Depreciation and amortisation expense	298	313	268	1,258	1,070
Other expenses	2,455	2,261	2,175	8,975	9,159
<b>Total expenses</b>	<b>15,318</b>	<b>14,909</b>	<b>15,928</b>	<b>61,423</b>	<b>60,353</b>
<b>Profit before exceptional items</b>	<b>2,560</b>	<b>2,365</b>	<b>2,350</b>	<b>9,724</b>	<b>8,482</b>
Less: Exceptional items (refer note 6)	-	-	-	-	68
<b>Profit after exceptional items before tax</b>	<b>2,560</b>	<b>2,365</b>	<b>2,350</b>	<b>9,724</b>	<b>8,414</b>
<b>Tax expense</b>					
-Current tax	617	554	767	2,439	2,586
-Adjustment of tax relating to earlier years	147	-	24	147	24
-Deferred tax expense/(credit)	(11)	35	(77)	(3)	45
	<b>753</b>	<b>589</b>	<b>714</b>	<b>2,583</b>	<b>2,655</b>
<b>Profit for the period</b>	<b>1,807</b>	<b>1,776</b>	<b>1,636</b>	<b>7,141</b>	<b>5,759</b>
Other comprehensive income/(expense) - net of tax	6	(10)	(69)	(25)	(38)
<b>Total comprehensive income</b>	<b>1,813</b>	<b>1,766</b>	<b>1,567</b>	<b>7,116</b>	<b>5,721</b>
<b>Paid up equity share capital (Face value of Rs. 10 each)</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>
<b>Reserves and surplus (i.e other equity)</b>				<b>32,236</b>	<b>25,120</b>
<b>Networth</b>				<b>33,775</b>	<b>26,659</b>
<b>Earnings per equity share (EPS)</b>					
Basic and diluted (in Rs.)	11.74	11.54	10.63	46.40	37.41
Weighted average number of shares (Nos.)	15,393,020	15,393,020	15,393,020	15,393,020	15,393,020
Par value of equity share (in Rs.)	10	10	10	10	10





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**Statement of Audited Financial Results for the quarter and year ended March 31, 2020****Statement of Assets and Liabilities**

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



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**Statement of Audited Financial Results for the quarter and year ended March 31, 2020**

**Audited Statement of Cashflows for the year ended 31st March, 2020**

**Rs. in Lakhs**

Particulars	31 March, 2020	31 March, 2019
	Audited	Audited
<b>A. Cash flow from Operating activities:</b>		
Profit before tax after exceptional items	9,724	8,414
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Dividend from investments	(173)	(435)
Fair value of investments	(147)	(20)
Profit on sale of investments	(62)	(87)
(Profit)/loss on sale of property, plant and equipment	1	(54)
Unrealised foreign exchange gain	(120)	(25)
Provision/(Write back) of provision for doubtful receivables	34	(142)
Interest on bank deposits and others	(429)	(163)
Interest from loan to related party	(69)	(401)
Others	(4)	(4)
Finance Cost	50	-
Depreciation and amortisation expense	1,258	1,070
Provision for warranty	103	236
Property, plant and equipment written off	42	27
Impairment loss on property, plant and equipment	-	68
<b>Working capital adjustments:</b>		
(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)
<b>Operating cash flow after working capital changes</b>	<b>8,196</b>	<b>9,122</b>
Taxes paid, net of refund	(2,478)	(2,383)
<b>Net cash flows from operating activities</b>	<b>5,718</b>	<b>6,739</b>
<b>B. Cash flow from Investing activities:</b>		
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
<b>Net cash flows from/(used in) investing activities</b>	<b>(12,008)</b>	<b>10,199</b>
<b>C. Cash flow from Financing activities:</b>		
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
<b>Net cash flows used in financing activities</b>	<b>3,851</b>	<b>(16,344)</b>
Net increase/(decrease) in cash and cash equivalents	(2,439)	594
Cash and cash equivalents at the beginning of the year	4,307	3,713
<b>Cash and cash equivalents at year end</b>	<b>1,868</b>	<b>4,307</b>



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**Statement of Audited Financial Results for the quarter and year ended March 31, 2020**

**Notes:**

1. The results have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules 2015 as amended.
2. The figures of last quarter are the balancing figures between the audited figures in respect of the full financial year and published unaudited year-to-date figures up to the third quarter of the respective financial year which were subjected to limited review.
3. The above audited financial results for the quarter and year ended March 31, 2020 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on June 24, 2020.
4. The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Asset (net) as at 31st March 2019 and the estimate of tax expenses for the year ended 31st March 2020 have been re-measured.
5. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach wherein the right to use assets and lease liability was created. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is immaterial on the profit for the period and earnings per share.
6. The Company undertook a restructuring exercise during the previous years at Taratala plant for optimizing its capacities, which had resulted in impairment of property, plant and equipment. Such amounts have been disclosed as exceptional items.
7. Based on a detailed evaluation of key financial parameters reviewed, the Company believes that it operates in only one segment i.e. Fabrication Technology.
8. An interim dividend of Rs. 70 per equity share of Rs. 10/- each was declared by the Company at the meeting of Board of directors held on 28 May 2020 for the financial year 2019-20.
9. 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 results 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 results may differ from that estimated as at the date of approval of these financial results.
10. Previous period's figures have been regrouped or reclassified wherever necessary.
11. The results would be uploaded and available for viewing on the Company's website [www.esabindia.com](http://www.esabindia.com) and on the website of the Stock Exchanges - BSE Limited and National Stock Exchange of India Limited.

For ESAB India Limited

*Rohit*  
Rohit Gambhir  
Managing Director

Chennai  
June 24, 2020

"We Shape the Future"

Visit our website : <http://www.esabindia.com>

