



ESAB/BSE/2019

7 November, 2019

BSE Limited
P J Towers
Dalal Street
Mumbai 400 023

Scrip Code : 500133

Dear Sir,

Sub: Outcome of the Meeting of Board of Directors held on 7 November, 2019
Unaudited Financial Results for the quarter ended 30 September, 2019

In pursuance of Regulation 33 read with Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are sending herewith the textual matter of Unaudited Financial Results for the quarter and six months ended 30 September, 2019 which is scheduled for publication in (i) Business Standard – In English (ii) Makkal Kural – In Tamil. Please note that the results have been reviewed by the Audit Committee and approved by our Board of Directors at their meetings held on 7 November, 2019. The meeting of the Board of Directors commenced at 14:15 hours and concluded at 17:15 hours.

We also enclose a copy of the Limited Review Report of the Auditors of the Company, as required under Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Kindly bring this to the attention of members and investors.

Thanking you,

Yours truly,
For ESAB India Limited

A handwritten signature in blue ink, appearing to read "S. Venkatakrisnan".

S. Venkatakrisnan
Company Secretary

Encl: As above

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Financial Results of ESAB India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended**Review Report to
The Board of Directors
ESAB India Limited**

1. We have reviewed the accompanying statement of unaudited financial results of ESAB India Limited (the 'Company') for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'). Attention is drawn to the fact that Statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004
per S Balasubrahmanyam

Partner

Membership No.: 053315

UDIN: 19053315AAAACM6646

Place: Chennai

Date: November 7, 2019



Extract of Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019

Rs. in Lakhs (Except EPS)

SI No	Particulars	Quarter ended September 30, 2019	Quarter ended June 30, 2019	Quarter ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018	Year ended March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total income from operations	17,523	18,472	17,159	35,995	34,728	68,835
2	Net Profit for the period (before Tax, Exceptional and / or Extraordinary items)	2,238	2,561	2,104	4,799	4,477	8,482
3	Net Profit for the period before Tax (after Exceptional and / or Extraordinary items)	2,238	2,561	2,104	4,799	4,409	8,414
4	Net Profit for the period after Tax (after Exceptional and / or Extraordinary items)	1,885	1,673	1,429	3,558	2,968	5,759
5	Total Comprehensive income for the period [Comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)]	1,873	1,664	1,440	3,537	2,989	5,721
6	Equity Share Capital	1,539	1,539	1,539	1,539	1,539	1,539
7	Earning Per Share (of Rs 10/each) (for continuing and discontinued operations)						
	- Basic	12.25	10.87	9.28	23.12	19.28	37.41
	- Diluted	12.25	10.87	9.28	23.12	19.28	37.41

Note:

1. The above is an extract of the detailed Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019 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 and on the website of the Stock Exchanges - BSE Limited and National Stock Exchange of India Limited.

2. 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 Liability (net) as at 31st March 2019 and the estimate of tax expenses for the year ending 31st March 2020 have been re-measured. The resultant impact of Rs. 248 lakhs has been recognised in the current quarter ended 30th September 2019.

For ESAB India Limited


 Rohit Gambhir
 Managing Director

Chennai
 November 7, 2019

Your Partner in Welding & Cutting
 Visit our website : <http://www.esabindia.com>



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

Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019

Rs. in Lakhs (Except EPS)

Particulars	Quarter ended September 30, 2019	Quarter ended June 30, 2019	Quarter ended September 30, 2018	Six months ended September 30, 2019	Six months ended September 30, 2018	Year ended March 31, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from contract with customers	17,253	18,126	16,642	35,379	33,809	67,163
Other income	270	346	517	616	919	1,672
Total income from operations	17,523	18,472	17,159	35,995	34,728	68,835
Expenses						
Cost of raw materials and components consumed	8,118	9,166	8,557	17,284	17,056	35,958
Cost of traded goods sold	2,227	2,457	1,744	4,684	4,137	7,084
(Increase)/decrease in inventories of work-in-progress and finished goods	599	(57)	330	542	415	78
Employee benefits expense	1,829	1,931	1,704	3,760	3,394	7,004
Finance cost	11	9	-	20	-	-
Depreciation and amortisation expense	321	326	277	647	530	1,070
Other expenses	2,180	2,079	2,443	4,259	4,719	9,159
Total expenses	15,285	15,911	15,055	31,196	30,251	60,353
Profit before exceptional items	2,238	2,561	2,104	4,799	4,477	8,482
Less: exceptional items (refer note 5)	-	-	-	-	68	68
Profit after exceptional items before tax	2,238	2,561	2,104	4,799	4,409	8,414
Tax expense						
-Current tax	304	964	612	1,268	1,382	2,586
-Adjustment of tax relating to earlier years	-	-	-	-	-	24
-Deferred tax expense/(credit)	49	(76)	63	(27)	59	45
	353	888	675	1,241	1,441	2,655
Profit for the period	1,885	1,673	1,429	3,558	2,968	5,759
Other comprehensive income/(expense) - net of tax	(12)	(9)	11	(21)	21	(38)
Total comprehensive income	1,873	1,664	1,440	3,537	2,989	5,721
Paid up equity share capital (Face value of Rs. 10 each)	1,539	1,539	1,539	1,539	1,539	1,539
Reserves and surplus (i.e other equity)						25,120
Networth						26,659
Earnings per equity share (EPS)						
Basic and diluted (in Rs.)	12.25	10.87	9.28	23.12	19.28	37.41
Weighted average number of shares (Nos.)	15,393,020	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	10



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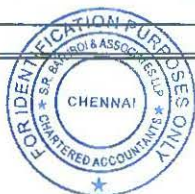
Telephone No. 044-42281100 email id : investor.relations@esab.co.in

Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019

Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	As at	As at
	September 30, 2019	March 31, 2019
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	8,574	8,118
Capital work in progress	254	314
Intangible assets	181	194
Financial assets		
(i) Other financial assets	1,263	513
Deferred tax assets (net)	175	141
Other assets	149	326
	10,596	9,606
Current assets		
Inventories	6,372	6,815
Financial assets		
(i) Investments	6,844	3,026
(ii) Loans	-	3,850
(iii) Trade receivables	7,303	6,362
(iv) Cash and cash equivalents	3,078	4,307
(v) Bank balances other than (iv) above	7,099	1,308
(vi) Other financial assets	220	228
Other assets	1,357	1,674
Current tax assets (net)	452	491
	32,725	28,061
Asset held for sale	209	209
Total assets	43,530	37,876
Equity and liabilities		
Equity		
Equity share capital	1,539	1,539
Other equity	28,657	25,120
Total equity	30,196	26,659
Non-current liabilities		
Long term provisions	414	362
	414	362
Current liabilities		
Financial Liabilities		
Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	1,052	1,314
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9,102	7,129
Other financial liabilities	224	213
Short term provisions	873	929
Liabilities for Current tax (net)	107	131
Other current liabilities	1,562	1,139
	12,920	10,855
Total liabilities	13,334	11,217
Total equity and liabilities	43,530	37,876



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Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019

Unaudited statement of Cashflows statements as at 30th September, 2019

Rs. in Lakhs

Particulars	For the period ended 30 September, 2019 Unaudited	For the period ended 30 September, 2018 Unaudited
A. Cash flow from Operating activities:		
Profit before tax after exceptional items	4,799	4,409
Adjustments to reconcile profit before tax to net cash flows:		
Dividend from investments	(162)	(241)
Fair value of investments	(12)	(38)
Profit on sale of investments	-	(2)
(Profit)/loss on sale of property, plant and equipment	-	35
Unrealised foreign exchange gain	(52)	(24)
Provision/(Write back) of provision for doubtful receivables	(78)	-
Interest on bank deposits and others	(130)	(98)
Interest from loan to related party	(69)	(201)
Unwinding of finance cost	-	(4)
Finance cost	20	-
Depreciation of property, plant and equipment	601	486
Amortisation of intangible assets	46	44
Provision for warranty	43	153
Impairment loss on property, plant and equipment	-	68
Working capital adjustments:		
(Increase)/decrease in inventories	443	1,030
(Increase)/decrease in trade receivables	(837)	(394)
(Increase)/decrease in other financial assets	(34)	18
(Increase)/decrease in other assets	480	(296)
Increase/(decrease) in trade payables	1,736	1,036
Increase/(decrease) in other financial liabilities	434	5
Increase/(decrease) in provisions	(74)	(58)
Increase/(decrease) in other current liabilities	(24)	156
Operating cash flow after working capital changes	7,130	6,084
Taxes paid, net of refund	(1,253)	(828)
Net cash flows from operating activities	5,877	5,256
B. Cash flow from Investing activities:		
Capital expenditure (including capital work in progress and capital advances)	(1,017)	(531)
Proceeds from sale of property, plant and equipment	1	36
Purchase of current investments	(13,450)	(10,100)
Proceeds from sale of current investments	9,644	4,890
Dividend received from investments	162	241
Investment in bank deposits	(7,407)	(1,201)
Redemption/maturity of bank deposits	907	1,372
Interest income	47	102
Net cash flows from/(used in) investing activities	(11,113)	(5,191)
C. Cash flow from Financing activities:		
Dividend to shareholders	-	(154)
Dividend distribution tax	-	(32)
Loan to related party	-	(750)
Repayment from loan to related party	3,850	-
Interest received from loan to related party	157	175
Net cash flows used in financing activities	4,007	(761)
Net increase/(decrease) in cash and cash equivalents	(1,229)	(696)
Cash and cash equivalents at the beginning of the year	4,307	3,713
Cash and cash equivalents at year end	3,078	3,017



Red



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Statement of Unaudited Financial Results for the quarter and six months ended September 30, 2019

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 above unaudited financial results for the quarter and six months ended September 30, 2019 were reviewed by the Audit Committee and approved by the Board of Directors at their respective meeting held on November 7, 2019.
3. 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 Liability (net) as at 31st March 2019 and the estimate of tax expenses for the year ending 31st March 2020 have been re-measured. The resultant impact of Rs. 248 lakhs has been recognised in the current quarter ended 30th September 2019.
4. 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.
5. The Company undertook a restructuring exercise during the previous years at Taratala involving optimizing its capacities, which had resulted in impairment of property, plant and equipment. Such amounts have been disclosed as exceptional items.
6. Based on a detailed evaluation of key financial parameters reviewed, the Company believes that it operates in only one segment i.e. Fabrication Technology.
7. Previous period's figures have been regrouped or reclassified wherever necessary.
8. The results would be uploaded and available for viewing on the Company's website 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 Gambhir
Managing Director

Chennai
November 7, 2019

Your Partner in Welding & Cutting
Visit our website : <http://www.esabindia.com>

