



ESAB/BSE/2018

12 July, 2018

BSE Limited
P J Towers
Dalal Towers,
Mumbai 400 023.

Scrip Code : 500133

Dear Sir,

Sub: Submission of information pursuant to Regulation 19(3)(j) of Securities Contracts (Regulations) Rules, 1957

In pursuance of Regulation 19(3)(j) of Securities Contracts (Regulations) Rules, 1957 enclosed is the copy of the Annual Report for the financial year 2017-18. The Annual Reports were dispatched to the Members of the Company on 12 July, 2018.

Thanking you,

Yours truly,
For ESAB India Limited

S. Venkatakrishnan
Company Secretary



ESAB INDIA LIMITED

Your Partner in Welding & Cutting



ANNUAL REPORT 2017 - 2018

Board of Directors

Daniel A Pryor

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

Daniel A Pryor Member

Stakeholders Relationship Committee

Vikram Tandon Chairman

Sudhir Chand Member

Daniel A Pryor Member

Rohit Gambhir Member

Nomination & Remuneration Committee

K Vaidyanathan Chairman

Sudhir Chand Member

Sabitha Rao Member

Daniel A Pryor Member

Corporate Social Responsibility Committee

Sabitha Rao Chairperson

Daniel A Pryor Member

Rohit Gambhir Member

Risk Management Committee

Daniel A Pryor Chairman

Rohit Gambhir Member

B Mohan Member

Statutory Auditors

M/s. S R Batliboi & Associates, LLP,

Chartered Accountants

6th & 7th Floor, "A" Block, Tidel Park,

(Module 601, 701 and 702) No.4,

Rajiv Gandhi Salai, Taramani, Chennai 600 113.

Tel. No.044-6654 8100

Firm Regn No.101049W / E300004

Internal Auditors

M/s. P K F Sridhar & Santhanam, LLP,

Chartered Accountants

KRD Gee Gee Crystal, No.91-92, 7th Floor,

Dr Radhakrishnan Salai, Mylapore, Chennai 600 004.

Tel. No.044-2811 2989

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

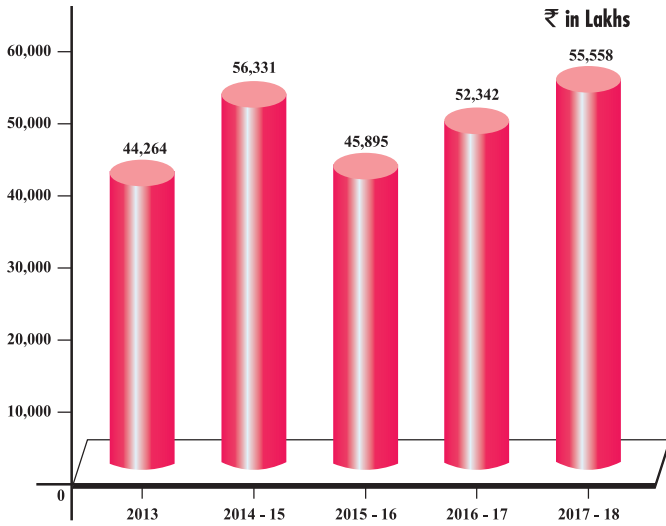
Operating Results	2017-2018 IND AS	2016-2017 IND AS	2015-2016	2014-2015 *	2013
Sales and Other Income	55,558	52,342	45,895	56,331	44,264
Materials	34,908	29,775	28,096	35,685	27,655
Manufacturing, Selling and Administrative Expenses	14,167	16,826	12,350	14,399	10,680
Interest and Finance Charges	22	36	34	50	58
Depreciation	1,009	1,027	952	1,375	1,123
Operating Profit	5,452	4,678	4,463	4,822	4,748
Exceptional / Extraordinary items	188	911	353	1,761	–
Profit before Tax	5,264	3,767	4,110	3,061	4,748
Taxation	(1,549)	(1,081)	(1,276)	(697)	(1,436)
Profit after Tax	3,715	2,686	2,834	2,364	3,312
Other comprehensive income	41	(60)	–	–	–
Total comprehensive income for the period, net of tax	3,756	2,626	2,834	2,364	3,312
Earnings per share (Rs)	24.14	17.45	18.41	15.36	21.52
Dividends **	154	154	154	154	154
Dividend Distribution Tax**	32	31	31	32	26
Dividend per share (Rs)	1.00	1.00	1.00	1.00	1.00
Dividend Payout Ratio	4%	6%	6%	7%	5%
Retained Earnings	3,756	2,626	2,649	2,178	3,132

Financial Position	2017-2018 IND AS	2016-2017 IND AS	2015-2016	2014-2015	2013
Sources of Funds					
Capital	1,539	1,539	1,539	1,539	1,539
Reserves	36,287	32,716	30,275	27,366	25,188
Net Worth	37,826	34,255	31,814	28,905	26,727
Borrowings	–	–	–	–	–
Deferred Tax Liability	–	–	–	–	320
Total	37,826	34,255	31,814	28,905	27,047
Application of Funds					
Fixed Assets (including asset held for sale)	8,923	8,426	8,327	8,428	9,899
Investments	12,457	14,685	12,231	12,189	10,476
Deferred Tax Assets	166	242	135	62	–
Non Current Assets / Long Term Loans and Advances	639	2,879	2,778	1,804	1,631
Current Assets	25,852	16,611	15,173	14,386	13,022
Non Current Liabilities	(288)	(317)	(294)	(375)	(350)
Current Liabilities and Provisions	(9,923)	(8,271)	(6,536)	(7,589)	(7,631)
Total	37,826	34,255	31,814	28,905	27,047
Number of Employees	734	660	622	587	644

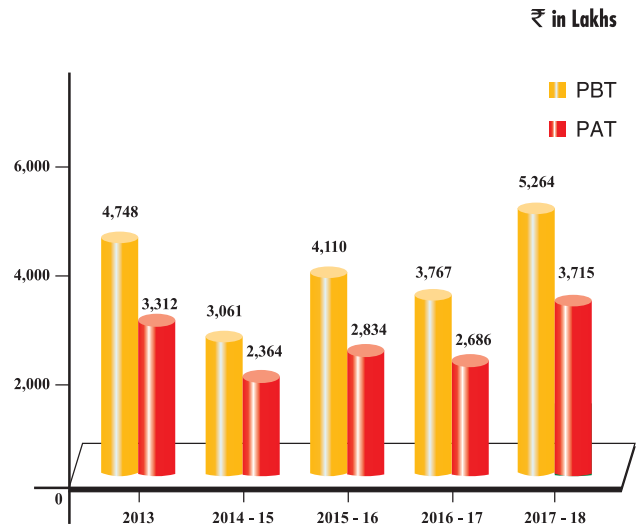
* In order to comply with the requirements of Section 2(41) of the Companies Act, 2013, the financial year of the Company was changed from calendar year basis to April to March basis. Hence, the results for the year 2014-15 were drawn up for a 15 months period and not strictly comparable.

** Dividend for the year 2016-17 has been adjusted against the Reserves during the year 2017-18.

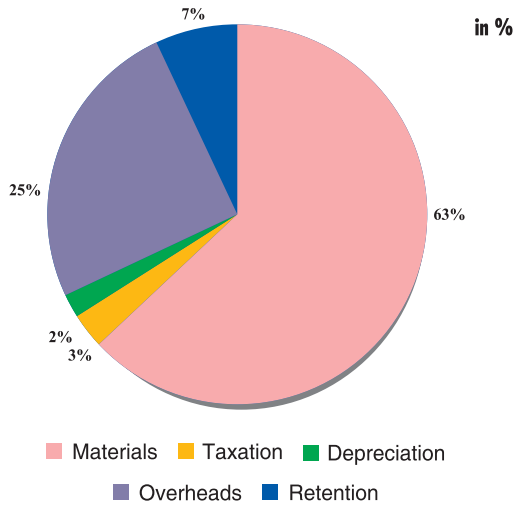
Sales and Other Income



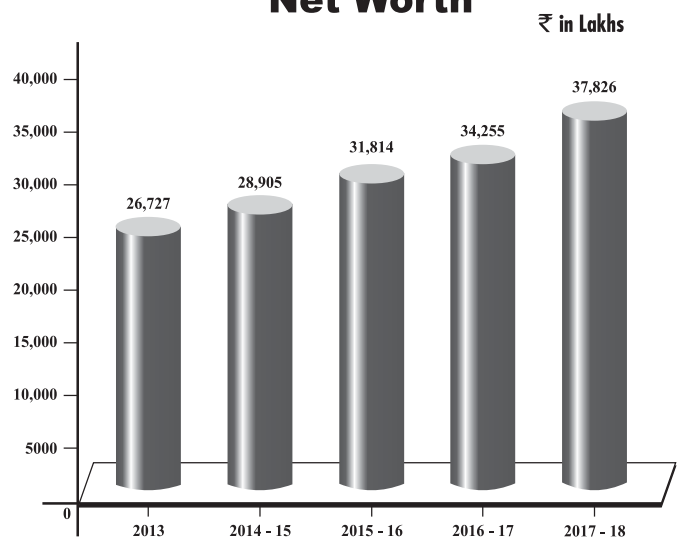
Profit Before & After Tax



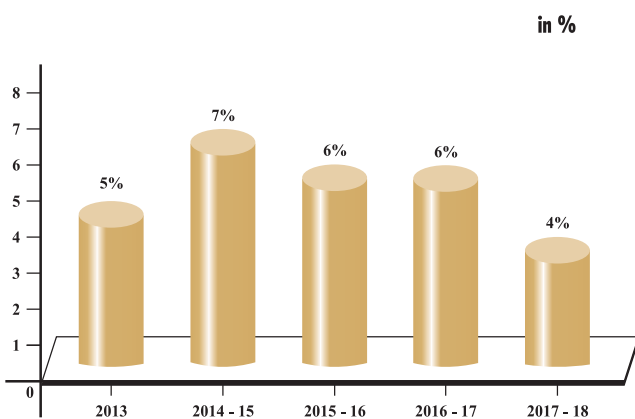
Distribution of Earnings



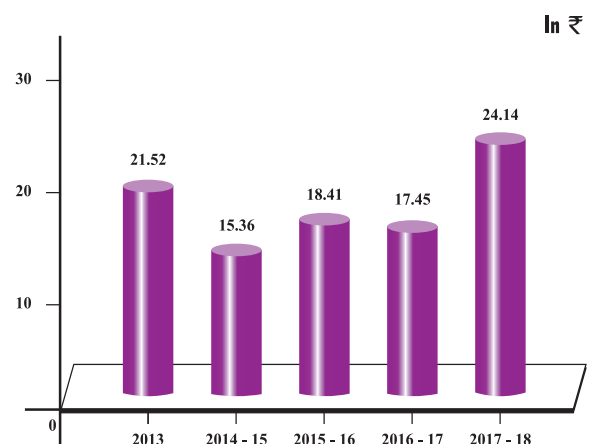
Net Worth



Dividend Payout Ratio



Earnings Per Share



The financials for the year 2014-15 are drawn up for a period of 15 months

Notice to Shareholders

NOTICE is hereby given that the Thirty First Annual General Meeting of the Members of the Company will be held at P Obul Reddy Hall, Vani Mahal, 103, G N Road, T. Nagar, Chennai 600 017, on Thursday the 9 August, 2018 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1 To consider and adopt the Balance Sheet as at 31 March 2018 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 declare a dividend.
3. 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.

SPECIAL BUSINESS

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

RESOLVED THAT the remuneration of Rs.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 31.3.2019 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 30 May, 2018 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
30 May, 2018

S Venkatakrisnan
Company Secretary

NOTES:

1. The Explanatory Statement required pursuant to Section 102 of the Companies Act, 2013 (Act) in relation to Item No.4 above is annexed hereto.
2. Voting rights shall be reckoned on the basis of the shares registered in the name of the Members / Beneficial Owners as on 02 August, 2018 (EOD).
3. A statement giving the relevant details of the Director seeking re-appointment under Item No. 3 of the accompanying Notice, as required by Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith.
4. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should be addressed to the Company Secretary and received at the Registered Office of the Company at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058, not less than forty-eight hours before the scheduled start of the meeting.**
5. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with the specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. **Queries on the Accounts and Operations of the Company, if any, may be sent to the Company at its Registered Office (and marked for the attention of the Chief Financial Officer / Company Secretary) atleast seven days in advance of the Meeting.**
8. Members holding shares in physical form are requested to advise any change of communication address immediately to the Registrar and Share Transfer Agent, M/s. Integrated Registry Management Services Private Limited, 2ndFloor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 - Attention Mr Suresh Babu, Director.
9. Members are requested to bring their copies of the Company's Annual Report and Accounts for the financial year ended 31 March, 2018. Members are also requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.
10. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
11. 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.
12. 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. Members holding shares in dematerialized form may contact their Depository Participant for recording the nomination in respect of their shares.
13. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, from 10.00 a.m. to 12.00 noon upto the date of the Meeting.
14. The Register of Members and Share Transfer Books of the Company will remain closed from 03.08.2018 to 09.08.2018 both days inclusive.
15. After the declaration of the dividend at the Annual General Meeting, the same will be paid to those Members of the Company whose names stand on the Register of Members of the Company as at the end of business hours on 02 August, 2018. The dividend in respect of shares held in dematerialized form in the Depository System will be paid to the beneficial owners of shares as on 02 August, 2018, as per the list provided by the Depositories for this purpose. The dividend will be payable on and from 20 August, 2018.
16. 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.

17. 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, 2010 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 August 3, 2017 (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 within a period of seven years will be transferred to IEPF.

Year	Type of dividend	Dividend per share (₹)	Date of declaration	Due date for transfer	Unpaid / Unclaimed amount as on 31.03.2018
2011	Interim	15.00	21.07.2011	26.08.2018	13,22,940.00
2012	Final	7.50	25.04.2013	31.05.2020	10,74,472.50
2013	Final	1.00	25.04.2014	31.05.2021	1,68,335.00
2014-15	Final	1.00	07.08.2015	12.09.2022	1,33,115.00
2015-16	Final	1.00	04.08.2016	09.09.2023	1,35,356.00
2016-17	Final	1.00	03.08.2017	08.09.2024	1,49,714.00
TOTAL					29,83,932.50

18. Members are requested to note that pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing 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 share holders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund on 30 November, 2017.
19. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 read with Rules made thereunder would be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 12.00 noon up to the date of the Annual General Meeting.
20. A route map showing directions to reach the venue of the 31st Annual General Meeting is given as a part of this Annual Report as per the requirements of the Secretarial Standard-2 on "General Meetings".
21. In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief profile of the Director, who is proposed to be re-appointed / appointed in this AGM, nature of his expertise in specific functional areas, his 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):
Appointed as an Additional Director in EWAC Alloys Limited with effect from 16 November, 2017.
- Memberships / Chairmanships of Audit and Stakeholders Relationship Committees across Public Companies: Member of Audit Committee of EWAC Alloys Limited with effect from 16 November, 2017.
- Mr Rohit Gambhir, aged 46 years, is a B.Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 23 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.
- In his stint as Business Head in Stanley Black & Decker, the Company achieved the highest growth in power tool market to become the No.2 in the market segment from its earlier position of No.7 in 3 years. Mr Rohit received the Eagle Award for this exceptional performance.
- 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 with effect from 16 November, 2017. 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.

22. Process for Members opting for e-Voting

Voting through electronic means: The Company is pleased to provide members a facility to exercise their right to vote on all the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL), in compliance with the provisions of Section 108 of the Companies Act, 2013 Read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Regulation 44 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (A) The instructions for e-Voting are as under:
In case of members' receiving e-mail from NSDL [for members whose email IDs are registered with the Company / Depository Participant(s)]:
- (i) Open e-mail and then open PDF file viz., "ESAB India Limited e-Voting.pdf" with their Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-Voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL in the address bar: www.eVoting.nsdl.com.
 - (iii) Click on shareholder - Login.
 - (iv) Enter User ID and password as initial password noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
 - (vi) Home page of e-Voting opens. Go to "e-Voting" icon and select "Active Evoting Cycles".
 - (vii) Select "EVEN" of ESAB INDIA LIMITED.
 - (viii) Now members are ready for e-Voting as Cast Vote page opens.
 - (ix) Cast the vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.
- (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to mareshvhenki@vmacs.co.in with a copy marked to evoting@nsdl.co.in.

NSDL has now integrated its e-services website (<http://eservices.nsdl.com/>) with the aforesaid remote e-Voting system of NSDL, which enables you as registered user of IDeAS facility to also access remote e-Voting system of NSDL for casting your votes by using your existing login credentials viz. User ID and password for IDeAS facility. Thus, you would not be required to log in to remote e-Voting system separately for casting votes in respect of the resolutions of Companies.

- (B) In case of members receiving physical copy of the Notice

- (i) Initial password is provided at the bottom of the attendance slip

EVEN (e-Voting number)	USER ID	PASSWORD/ PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of above to cast vote.

In case of any queries, members may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at downloads section of www.evoting.nsdl.com or contact NSDL at the following Telephone No: 022- 24994600.

If members are already registered with NSDL for e-Voting, then they can use their existing user ID and password for casting the vote. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The e-Voting period commences on 06 August, 2018 9.00 a.m. and ends on 08 August, 2018 5.00 p.m. During this period, members holding shares either in

physical form or in dematerialized form, at the end of business as on 02 August, 2018, may cast their votes electronically. The e-Voting module will 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. 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.

The Results declared along with the Scrutinizer's Report will be placed on the Company's website www.esabindia.com and on the website of NSDL within two days of passing of the resolutions communicated to the Stock Exchanges.

All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company from 10.00 am to 12.00 noon on all working days up to the date of the AGM.

The Board of Directors at its meeting held on 30 May, 2018 appointed the scrutinizer for e-Voting as per details given below :

Mr V Mahesh
M/s. V Mahesh and Associates
Practising Company Secretaries

C/o. Integrated Registry Management Services Private Limited

Unit: ESAB India Limited

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

The facility for voting through polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through polling paper at the Annual General Meeting.

Members who have cast their vote already by remote e-Voting shall not be entitled to cast their vote again.

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 10 August, 2018.

The results shall also be announced to the Stock Exchanges where the shares of the Company are listed. The results will also be put up on the Company's website www.esabindia.com. The resolution, if approved, will be taken as passed effectively on the date of Annual General Meeting.

In case of any queries, members may contact the Company Secretary at the registered office of the Company.

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

Item No.4

The Board at its meeting held on 30 May, 2018 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 as remuneration payable to them, for the financial year ending 31 March, 2019.

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
30 May, 2018

S Venkatakrishnan
Company Secretary

Directors' Report to Shareholders

Your Directors take pleasure in presenting the Thirty First Annual Report together with the audited accounts of the Company for the financial year ended 31 March, 2018.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2017-18	2016-17
Income	55,558	52,342
Profit before Interest and Depreciation	6,483	5,741
Finance Charges	22	36
Gross Profit	6,461	5,705
Provision for Depreciation	(1,009)	(1,027)
Profit before exceptional and prior period items and tax	5,452	4,678
Exceptional items	188	911
Profit before Tax from continuing operations	5,264	3,767
Provision for Tax	(1,549)	(1,081)
Net Profit After Tax	3,715	2,686

The financials of the Company are required to be prepared under IND AS, a new set of Accounting Standards. The financials for the previous financial year have also been restated in line with the requirements of IND AS. Accordingly, the figures may not be comparable with the financials prepared under the then prevailing accounting standards.

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There were no events to report that has happened 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 has recommended a dividend of ₹ 1/- per equity share of ₹ 10/- each (10%) at its meeting held on 30 May, 2018 resulting in an estimated outflow of about ₹ 185.57 lakhs (Inclusive of dividend distribution tax) for approval of the shareholders at the Annual General Meeting. The proposed dividend takes into consideration current and anticipated future resource requirements of the business.

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 has published IND AS Financials for the year ended 31 March, 2018 along with comparable financials for the year ended 31 March, 2017 together with opening statement of Assets and Liabilities as on 1 April, 2016.

The quarterly results published by the Company during the financial year 2017-18 were 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 has transferred such unpaid or unclaimed dividends and corresponding shares up to and including the Second Interim Dividend 2010.

Members/claimants whose shares, unclaimed dividends, 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.

The Company will be transferring the unclaimed amounts from Interim Dividend 2011 and also the corresponding shares on or before 26 August, 2018. Members are requested to ensure that they claim the dividends before they are transferred to the said fund. 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 www.esabindia.com. Shareholders are encouraged to verify their records and claim their dividends of the preceding seven years, if not claimed.

7. BOARD MEETINGS

The Board of Directors met 5 times during the financial year 2017-18. The Meetings were held on 25 May, 3 August and 9 November of 2017 and on the 7 of February and 20 of March, 2018.

8. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has six members.

Mr Daniel A Pryor is the nominee of ESAB Holdings Limited and a non-retiring Director in terms of the provisions of the Articles of Association.

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.

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.

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 Daniel A Pryor are the other members of the said Committee. The said Committee met four times on 25 of May, 3 of August, 9 of November, 2017 and 7 of February, 2018. 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 Daniel A Pryor, Chairman of the Board are the other Members of the Committee.

The said Committee met twice during the financial year 2017-18 on the 25 of May, 2017 and the 20 of March, 2018.

The said 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 Daniel A Pryor, 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 25 May, 3 August, 9 November, 2017 and on 7 of February, 2018.

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 Daniel A Pryor, 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 on the 25 of May and on the 9 of November, 2017.

The Committee lays down the Policy on Corporate Social Responsibility stating there in 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 Daniel A Pryor, Chairman of the Board, Mr Rohit Gambhir, Managing Director and Mr B Mohan, Vice President Finance & Chief Financial Officer of the Company.

The said Committee met twice on the 3 of August, 2017 and on the 7 February, 2018.

The said Committee lays down the Policy on Risk Management stating therein the objectives and purpose of the said policy. 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 resolving 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, in order to guide decisions on material risk related issues.

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, 2018 the applicable accounting standards have been followed;
2. The Directors have selected such accounting policies listed in Note 2.1 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, 2018 and of the Profit of the Company for that year;

3. The Directors have taken proper and sufficient care 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, 2018 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

ECONOMIC & BUSINESS ENVIRONMENT

The financial year under review continued to be challenging and eventful in terms of the business environment. The Government introduced a significant change in terms of introduction of Goods and Services Tax. Despite teething troubles in the GST infrastructure, low level of preparedness in some segments and multiple changes in the procedural aspects of the law, this change is expected to help the organized sector with better compliance levels overall.

While the economy reportedly grew between 6.5-7% during the financial year, key indicators relevant to manufacturing segment including Index of Industrial Production (IIP) continued to indicate volatilities with anemic growth for most of the financial year with some revival during the last quarter of the year.

Steel prices continued to increase during the year reportedly driven by increases in input costs. There were limited options in terms of alternate sourcing through imports in view of tariff barriers. Offsets through price increases on finished goods continued to be limited due to market conditions.

The Investment cycle in the economy was weak for most part of the year with no significant capacity additions in key customer segments the Company deals with.

OUTLOOK, OPPORTUNITIES AND THREATS

The last quarter of the financial year witnessed a few positives with growth in volumes in some segments. There are some references to mild recovery in the capital goods segment. A significantly weakening rupee with surge in fuel

costs are likely to pose challenges in the current fiscal year. Steel price trends could have a strong impact on the prospects as it has been on a rising curve for a prolonged period of time.

We continue to see threats arising from excess capacities in the market and competition from Tier II players in the Industry.

14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal controls are evaluated by Management and tested by our Auditors. 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. The Audit Committee reviews key findings and follow up actions 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.

15. FINANCIAL PERFORMANCE OF THE COMPANY

A. INCOME AND EXPENDITURE

The Company's revenue from Operations (Net) grew by about 13% despite the difficult backdrop with growth from traded items at about 28% during the year.

The Company enhanced its range of product offerings with the introduction of new products. The Company also had steady volumes in terms of exports to related party entities primarily in South East Asian markets.

Service income grew by 70% though on a small base, with increases in activity on R&D support, shared services and related activities undertaken for related party entities based outside of India. We continue to see some potential on this with the resultant foreign exchange earnings helping in offset exchange risks on imports.

Other income fell by 15% with the impact of lower interest rates on income from debt and liquid funds. Materials costs as a percentage to sales were comparable with the previous year after adjustment for Excise duty on Sales.

Overheads including employee costs were lower at 27% of Net Sales and Service Income as against 34% in the previous accounting period. The key variances were primarily on account of;

- Employee benefit expenses were higher by 15% on a comparable basis driven by recruitments primarily on global support functions, wage inflation and higher retirement benefits costs on funding due to reduction in interest rates.
- Higher costs on transportation outwards in line with changes in terms of trade and customer mix.
- Reduction in Excise duty on Sales with the introduction of GST effective July 1, 2017.

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.

Profit from continuing businesses before exceptional items was higher by 17% over the previous year with the impact of sales growth and control on costs.

B. BALANCE SHEET

A crisis ridden banking sector together with short term GST transition driven disruptions to trade posed significant liquidity challenges for Industry during the year. Your Company continued to have a strong Balance Sheet despite the challenges and ended the year debt free and well positioned for headwinds and growth requirements.

Working capital was reviewed through the year and measures taken to monitor progress and corrective actions for any adverse variances.

The Company had lent a sum of INR 400 Million to a related party entity in India on terms which were benchmarked with market rates and arms' length terms. Cash and Cash equivalents that were invested in debt and liquid funds grew about 12% after adjusting for the loan amount.

Capital Expenditure was about ₹ 1,690 lakhs as against ₹ 1,394 lakhs in the preceding year. The capital expenditure was primarily on productivity improvements, capacity enhancements and upgrading IT systems. As part of a global deal, your Company acquired the welding wires business from Sandvik Asia Private limited in the last quarter of FY 2017-18. No tangible assets are involved in this transaction for the Company.

Inventories were higher by about 16% in value terms in line with volumes growth. Inventory in terms of days to sales was comparable with the previous financial year.

Trade receivables were marginally higher due to change in customer mix.

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 diversified industrial technology Company that provides air & gas handling and 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, 2018 is attached by way of Annexure 1. This is also made available in the website of the Company 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). Their appointment as statutory auditor was informed to the Registrar of Companies through Form ADT-1 dated 14 August, 2015 vide SRN S39001086.

This is the fourth consecutive year out of the five years that they have been appointed. Their remuneration would be fixed in line with the recommendation of the audit committee and as duly approved by the Board of Directors.

M/s. S R Batliboi & Associates, LLP, Chartered Accountants, have vide their letter dated April 17, 2018 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 the relevant section 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, 2018.

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, 2017 to 31 March, 2018. Their appointment was informed to the Registrar of Companies, Chennai vide SRN G46103248 form MGT-14 dated 15 June, 2017.

M/s. V Mahesh & Associates, have now completed their secretarial audit and have issued their certificate 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.

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 lent a sum of INR 400 Million to a related party entity viz. Howden Solyvent India Private Limited on terms which were benchmarked with market rates and on an arms' length basis 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 Rs.688 lakhs for the period 1 April 2017 to 31 March, 2018 in the form of dividends and profit on redemption 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 (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 Daniel A Pryor, 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 (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 Daniel A Pryor 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.

The Company promotes education on safe welding practices especially in smaller towns through deployment of consultants to work with welders. The Company is also in talks with certain vocational training institutions where it could contribute by way of education on welding through deployment of personnel and also through contributions in the form of Equipment and/or welding consumables.

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.

The Company, has expended about ₹ 4.30 lakhs during the financial year towards its CSR initiatives.

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. However, the Company obtained an approval from the Shareholders through a postal ballot - ordinary resolution dated 23 March 2018 for the related party transaction with EWAC Alloys Limited, a fellow subsidiary. 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 (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 7 February, 2018 evaluated the performance of the non-independent Directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

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

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 Committee of audit, nomination & remuneration, stakeholders relationship and corporate social responsibility committee 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.

29. COST AUDITOR

As required under Section 148 of the Companies Act, 2013 the Board of Directors at its meeting held on 30 May, 2018 have appointed M/s. Geeyes & Co., Cost Accountants within the meaning of Cost & Works Accountants Act, 1959 and holding a valid certificate of practice No.000044 as the Cost Auditor for conducting the Cost Audit for the financial year 2018-2019. 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 18, 2018 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 2017-18 was filed with the Registrar of Companies on 12 June, 2017 vide SRN G45824513.

The cost audit report issued by the Cost Auditor for the financial year ended 31 March, 2017 was filed with the Registrar of Companies vide form CRA-4 dated 5 September, 2017 vide SRN G52072808.

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 (23:1 for the year ended 31.3.2017).

Non-executive Independent Director

Ratio of remuneration paid to Mr Vikram Tandon, Non-executive Independent Director vs the median employee is: 0.88:1 (0.77:1 for the year ended 31.3.2017)

Ratio of remuneration paid to Mr Sudhir Chand, Non-executive Independent Director vs the median employee is: 0.93:1 (0.83:1 for the year ended 31.3.2017)

Ratio of remuneration paid to Mr K Vaidyanathan, Non-executive Independent Director vs the median employee is: 0.99:1 (0.88:1 for the year ended 31.3.2017)

Ratio of remuneration paid to Ms Sabitha Rao, Non-executive Independent Director vs the median employee is: 0.85:1 (0.78:1 for the year ended 31.3.2017)

- B. The percentage increase in the median remuneration of employees in the financial year was 7.2%.
- C. The number of non-unionised employees in the rolls of the Company as at 31 March, 2018 is 426 (371 as on 31 March, 2017).
- 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 increase in salaries of employees other than KMP is 7.9% while that of KMPs is 7.7%.

Justification thereof: Compensation revisions take into account performance metrics on sales, operating profits and working capital apart from specific elements attributable to various functions within the organization. Despite difficulties in the operating environment, we exceeded the budget in all the three metrics. Taking into account the 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.

- 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.

As required under the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, the name and other particulars of the employee is set out in the **Annexure - 6** to this Report. Further, as required under Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 rule 5 sub-rule (2), the names of Top 10 employees in terms of the remuneration drawn is given in **Annexure - 6**.

As at the end of March, 2018 the Company had 734 employees as against 660 at the end of 31 March, 2017. 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.

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 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.

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 fee for both the exchanges have been paid promptly for the year 2017-2018. 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 11,556 shareholders as at the end of the year 31 March, 2018. 98.60% of the shares are held in dematerialized form.

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 2017-2018 and the shares outstanding in the suspense account as on 31.3.2018 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 1.4.2017	126	9,465
2.	Number of Shareholders who approached the Company during the year	1	50
3.	Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	1	50
4.	No. of shares transferred to Investor Education and Protection Fund	60	4,705
5.	Aggregate Number of shareholders and the outstanding shares lying in the unclaimed Suspense Account at the end of the year i.e. 31.3.2018	66	4,710

66 Shareholders holding 4,710 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 WORK PLACE 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 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. There were no complaints received during the year to report under the said statute. 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, 2018 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 20 April, 2018 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

Daniel A Pryor
Chairman

30 May, 2018

Form No. MGT-9

EXTRACT OF ANNUAL RETURNas on the Financial Year ended on 31st March, 2018

[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, 3 rd 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 2 nd 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	68
2.	Welding Equipment	2710	32

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	
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	-
Public Shareholding									
Institutions	-	-	-	-	-	-	-	-	-
Mutual funds / UTI	158577	8301	166878	1.08	232114	8001	240115	1.56	0.48
Financial Institutions / Banks	1582	470	2052	0.01	2992	400	3392	0.02	0.01
Central Government	-	-	-	-	43904	-	43904	0.28	0.28
State Government(s)	-	-	-	-	-	-	-	-	-

Directors' Report

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	-	-	-	-	-	-	-	-	-
Foreign Institutional Investors	225	300	525	-	-	300	300	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any other(specify)	-	-	-	-	-	-	-	-	-
SUB-TOTAL B(1)	160384	9071	169455	1.10	279010	8701	287711	1.87	0.77
Non - Institutions	-	-	-	-	-	-	-	-	-
Bodies Corporate (Indian / Overseas)	360637	5263	365900	2.38	374757	3903	378660	2.46	0.08
Individuals (Resident / NRI / Foreign National)	-	-	-	-	-	-	-	-	-
Individual shareholders holding Nominal share capital upto ₹ 1 Lakh	1272844	251080	1523924	9.90	1413136	202107	1615243	10.49	0.59
Individual shareholders holding Nominal share capital above ₹ 1 Lakh	146327	-	146327	0.95	81063	-	81063	0.53	(0.42)
Any other (specify)	1839454	-	1839454	11.95	1682383	-	1682383	10.93	(1.02)
SUB-TOTAL B(2)	3619262	256343	3875605	25.18	3551339	206010	3757349	24.41	(0.77)
Total Public Share Holding (B) = B(1) + B(2)	3779646	265414	4045060	26.28	3830349	214711	4045060	26.28	-
Shares held by Custodians against which Depository Receipts have been issued (C)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A) + (B) + (C)	15127606	265414	15393020	100.00	15178309	214711	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	36.42	–	5604760	36.42	–	–
	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 01/04/2017 Closing Balance as on 31/03/2018	5743200	37.31	–	–	5743200	37.31
2	EXELVIA GROUP INDIA B V PAN : AABCE8359E Opening Balance as on 01/04/2017 Closing Balance as on 31/03/2018	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 01/04/2017 Closing Balance as on 31/03/2018	821140	5.33	–	–	821140	5.33
2	ACACIA INSTITUTIONAL PARTNERS, LP PAN : AALFA7287Q Opening Balance as on 01/04/2017 Closing Balance as on 31/03/2018	271098	1.76	–	–	271098	1.76
3	ACACIA BANYAN PARTNERS PAN : AAGCA6900N Opening Balance as on 01/04/2017 Closing Balance as on 31/03/2018	259200	1.68	–	–	259200	1.68
4	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD. PAN : AADCA1701E Opening Balance as on 01/04/2017	250861	1.63	–	–	–	–
	07/04/2017	–	–	5000	0.03	255861	1.66
	21/04/2017	–	–	-4000	-0.03	251861	1.63
	28/04/2017	–	–	3000	0.02	254861	1.65
	07/07/2017	–	–	3000	0.02	257861	1.67
	01/09/2017	–	–	2000	0.01	259861	1.68
	06/10/2017	–	–	5000	0.03	264861	1.71
	12/01/2018	–	–	5000	0.03	269861	1.74
	23/03/2018	–	–	851	0.01	270712	1.75
	30/03/2018	–	–	149	–	270861	1.75
	Closing Balance as on 31/03/2018	–	–	–	–	270861	1.75

(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	%
5	ACACIA CONSERVATION FUND LP PAN : ABCFA8290P						
	Opening Balance as on 01/04/2017	150000	0.97	-	-	-	-
	Closing Balance as on 31/03/2018					150000	0.97
6	ALCHEMY INDIA LONG TERM FUND LIMITED PAN : AAGCA9209G						
	Opening Balance as on 01/04/2017	139772	0.91				
	28/04/2017			-22784	-0.15	116988	0.76
	05/05/2017			-10	0.00	116978	0.76
	21/07/2017			-116978	-0.76	0	0.00
	Closing Balance as on 31/03/2018	-	-	-	-	-	-
7	ITPL - INVESCO INDIA MID N SMALL CAP FUND PAN : AAATL5351M						
	Opening Balance as on 01/04/2017	130277	0.85	-	-	-	-
	21/04/2017	-	-	4173	0.03	134450	0.87
	28/04/2017	-	-	22798	0.15	157248	1.02
	12/05/2017	-	-	-4232	-0.03	153016	0.99
	19/05/2017	-	-	8264	0.05	161280	1.05
	26/05/2017	-	-	140	0.00	161420	1.05
	27/07/2017	-	-	21664	0.14	183084	1.19
	15/09/2017	-	-	-6005	-0.04	177079	1.15
	29/09/2017	-	-	-11675	-0.08	165404	1.08
	06/10/2017	-	-	-13440	-0.09	151964	0.99
	20/10/2017	-	-	4240	0.03	156204	1.02
	27/10/2017	-	-	-2064	-0.01	154140	1.00
	01/12/2017	-	-	-1844	-0.01	152296	0.99
	22/12/2017	-	-	-4181	-0.03	148115	0.96
	29/12/2017	-	-	-4701	-0.03	143414	0.93
		05/01/2018	-	-	-41889	-0.27	101525
	30/03/2018	-	-	-12056	-0.08	89469	0.58
	Closing Balance as on 31/03/2018	-	-	-	-	89469	0.58
8	GYMKHANA PARTNERS L.P. PAN : AAQFG3264J						
	Opening Balance as on 01/04/2017	54895	0.36	-	-	-	-
	Closing Balance as on 31/03/2018	-	-	-	-	54895	0.36
9	RISING INDIA FOCUS FUND LIMITED PAN : AAFCR0881E						
	Opening Balance as on 01/04/2017	53020	0.34	-	-	-	-
	Closing Balance as on 31/03/2018	-	-	-	-	53020	0.34
10	KAMLESH NAVINCHANDRA SHAH PAN : ADUPS8024R						
	Opening Balance as on 01/04/2017	47444	0.31	-	-	-	-
	22/09/2017	-	-	-17147	-0.11	30297	0.20
	13/10/2017	-	-	-3699	-0.02	26598	0.17
	20/10/2017	-	-	-332	0.00	26266	0.17
	10/11/2017	-	-	-11000	-0.07	15266	0.10
	30/03/2018	-	-	9859	0.06	25125	0.16
	Closing Balance as on 31/03/2018	-	-	-	-	25125	0.16

(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 Venkatakrisnan	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	–

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	–			

Directors' Report

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				
i) Principal Amount			Nil	
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i + ii + iii)			Nil	
Change in Indebtedness during the financial year				
Addition			Nil	
Reduction				
Net Change			Nil	
Indebtedness at the end of the financial year				
i) Principal Amount			Nil	
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	21,499,774	21,499,774
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	119,113	119,113
	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	21,618,887	21,618,887
	Ceiling as per the Act	5% of the 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	1,60,000	1,22,500	1,50,000	1,00,000	5,32,500
- Commission	4,75,000	4,75,000	5,25,000	4,75,000	19,50,000
- Others, please specify	–	–	–	–	–
Total (1)	6,35,000	5,97,500	6,75,000	5,75,000	24,82,500
2 Other Non-Executive Directors	–	–	–	–	–
- Fee for attending board committee meetings	–	–	–	–	–
- Commission	–	–	–	–	–
- Others, please specify	–	–	–	–	–
Total (2)	–	–	–	–	–
Total (B) = (1 + 2)	6,35,000	5,97,500	6,75,000	5,75,000	24,82,500
Total Managerial Remuneration	6,35,000	5,97,500	6,75,000	5,75,000	24,82,500
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	4,643,377	10,543,520	15,186,897
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	200,136	387,203	587,339
	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	4,843,513	10,930,723	15,774,236

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

Daniel A Pryor
Chairman

30 May, 2018

ANNEXURE - 2

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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 "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period (01st April, 2017 to 31st March, 2018) covering the financial year ended on 31st March, 2018 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, 2018 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) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder and subject to such amendments thereon,
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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, 1992;
- 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;
- (v) Other laws specifically applicable to the Company (apart from General Laws such as Environment Laws and Labour laws):
 - a. The Petroleum Act, 1934
 - b. Gas Cylinder Storage rules
 - c. The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989
 - d. Batteries (Management and Handling) Rules, 2001
 - e. The Explosives Act, 1884 & The Explosives Rules, 1983

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 there under 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;

Directors' Report

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

- (i) Secretarial Standards 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 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.

We also state that the Company has entered into a Listing Agreement with BSE Limited and National Stock Exchange of India Limited pursuant to clause 109 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 and have made the necessary compliance.

For V Mahesh & Associates

V Mahesh
Practising Company Secretary

Place: Chennai
Date : 20 April, 2018

M.No. F4162
C.P. No. : 2473

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 20th day of April, 2018 is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Where ever 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

Place: Chennai
Date : 20 April, 2018

M.No. F4162
C.P. No. : 2473

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, 2018.

A. CONSERVATION OF ENERGY

- Replacement of MH lights to LED lights yielding saving of 60,000 units PA.
- Upgradation of asbestos roofing to Metal roof with transparent polycarbonate for natural lighting.
- Installation of 30 KW VFD for scrubber blower motor, power saving of 75% achieved.
- Eliminated air leaks across factories & optimized compressor utilization to save energy in all sites yielding 3% saving in power.
- Increase of productivity in batching plant from 6 to 14 batches per shift achieving 20% power saving.
- Increasing of performance rate of FCW machine from 13mts/sec to 18mts/sec thereby achieving 23% power saving.

B. TECHNOLOGY ABSORPTION

- Introduction of solar latent energy at wire rod storage area and substations.
- Replacement of Magnetic wire feeder to Non-magnetic wire feeder for both P33 Extruders to feed both MS and SS wires.
- Installation of New Electrode manufacturing setup.

- Introduced Diffusible hydrogen machine from BRUKER, which yields the results with high accuracy with a faster lead time and will eliminate the usage of mercury causing environmental hazards.
- Eliminated manual screen printing with Pad printing technology on the Gas Bonnets.
- Introduction of Poke Yoke automation in Gas assembly
- Introduction of Bevel cutting as a new product category in Cutting system
- Introduction of new low cost EDW 402-II and new product line Aster Arc 400 for Arc welding

C. FOREIGN EXCHANGE

The Company exports its products and services to Bangladesh, Srilanka, South Africa, Singapore, Middle East, Indonesia, Sweden, China, Malaysia, Switzerland, Peru, Australia and USA.

During the year, the total outflows in foreign exchange amounted to ₹ 8,255 lakhs (which includes ₹ 7,260 lakhs for the import of raw materials, components and capital goods and ₹ 995 lakhs towards expenditure in foreign currency).

During the year, the Foreign exchange earnings were ₹ 4,470 lakhs resulting in net foreign exchange outflow of ₹ 3,785 lakhs for the year.

For and on behalf of the Board of Directors

Daniel A Pryor
Chairman

30 May, 2018

REPORT ON CSR ACTIVITIES FOR THE YEAR 2017-2018

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 Daniel A Pryor - Member
 Mr Rohit Gambhir - Member

- 3. Average Net Profit of the Company for last three preceding financial years = ₹ 4,654 lakhs.
 2016-17 - ₹ 4,678 lakhs.
 2015-16 - ₹ 4,463 lakhs.
 2014-15 - ₹ 4,822 lakhs.
- 4. Prescribed CSR Expenditure : 2% on ₹ 4,654 lakhs = ₹ 93 lakhs.
- 5. (a) Total amount to be spent for the financial year = ₹ 93 lakhs.
 (b) Amount unspent = ₹ 93 lakhs - ₹ 4.30 lakhs = ₹ 88.70 lakhs.
 (c) Manner in which the amount spent during the financial year

(₹ in lakhs)

Details of CSR Amount spent as on 31 March, 2018							
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	93.00	4.30	4.30	Through Agency
	TOTAL					4.30	

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

The Company has been actively involved in promoting education on safe welding practices including usage of all personal protective equipment during welding to ensure safety of the welders, especially in smaller towns through deployment of consultants. The Company has identified and initiated talks with certain vocational institutions for a possible tie-up where it could contribute by way of education on welding through deployment of personnel and also through contributions in the form of Equipment and/or welding consumables.

The Company's policy on CSR envisages expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013. The spends are in addition to ongoing initiatives for promoting safe welding

practices, the Company is concentrating on providing employment enhancing vocation / skill development training and promoting livelihood enhancement projects as an identified area. Towards this end, the Company is currently in talks with certain vocational centers / beneficiaries of these projects, understanding their needs, shortlisting the partnering agencies and the implementing NGOs having the necessary expertise in this field. The Company is evaluating plans to scale up the identified CSR activities in a structured and controlled manner to ensure maximum advantage to the relevant communities.

The Company had also embarked on some restructuring exercise at its plants involving significant management time and had incurred expenditures in taking care of the welfare of the employees of these

plants. As a result of all these the Company was not able to expend the full year budgeted figure on CSR projects.

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 OHSAS 18001 certified Company, the Company focused mainly on its activities on environment protection. These initiatives are built upon the strong base of performance in environmental sustainability, applicable laws and the Company's CSR policy.

Sd/-
Rohit Gambhir
Managing Director

Sd/-
Sabitha Rao
Chairperson
CSR Committee

30 May, 2018

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 (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	Nil
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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 (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	Nil
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30 May, 2018

Sd/-
Daniel A Pryor
Chairman

ANNEXURE - 6

Statement pursuant to Section 197(12) read with Chapter XIII Rule 5 (2) and (3) of the Companies Act, 2013

Particulars of employees employed throughout the financial year and was in receipt of remuneration for the year in the aggregate in excess of the limits specified under rule 5 (2)

Sl. No.	Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of Shares held by the Employee	Relative of a Director / Manager or not
1	Jagannathan Palle Venkata	Vice President - Operations	11,531,881	Full time	B.E. Mech & MS in Management Systems 30 years	25.08.2014	53	Weirs Minerals (India) Limited	Nil	No
2	B Mohan	Vice President - Finance	10,930,723	Full time	B.Com, ACA, ACS 31 years	01.02.2005	52	GM Finance and Company Secretary, Amagamation Valeo Clutch (P) Ltd	Nil	No

Particulars of employees employed for part of the financial year and was in receipt of remuneration for part of the year at a rate which, in the aggregate in excess of the limits specified under rule 5(2)

Sl. No.	Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of Shares held by the Employee	Relative of a Director / Manager or not
1	Debobroto Banerjee	Vice President - M & A, Special Projects	10,845,080	Full time	B.E. Mech, PG Certification in Business Management 24 years	03.05.2017	47	Country General Manager in GE India India Industrial Private Limited	Nil	No

Statement pursuant to Section 197(12) read with Chapter XIII Rule 5(2) and (3) of the Companies Act, 2013

Particulars of top ten employees employed in terms of remuneration drawn

Sl. No.	Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of Shares held by the Employee	Relative of a Director / Manager or not
1	Jagannathan Palle Venkata	Vice President - Operations	11,531,881	Full time	B.E. Mech & MS in Management Systems 30 Years	25.08.2014	53	Chief Operating Officer Manufacturing & Supply Chain Management, Weirs Minerals (India) Ltd	Nil	No
2	B Mohan	Vice President - Finance	10,930,723	Full time	B.Com, ACA, ACS 31 Years	01.02.2005	52	GM Finance and Company Secretary, Amagamation Valeo Clutch (P) Ltd	Nil	No

Sl. No.	Name	Designation	Remuneration Received (₹)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Previous Employment	Percentage of Shares held by the Employee	Relative of a Director / Manager or not
3	Debobroto Banerjee	Vice President - M & A, Special Projects	10,845,080	Full time	B.E. Mech, PG Certification in Business Management 24 years	03.05.2017	47	Country General Manager in GE India Industrial Private Limited	Nil	No
4	Vilas Tank	Deputy General Manager - ESD	7,263,132	Full time	B.E. Mech, MS in Industrial Engineering, MBA 14 Years	02.05.2014	39	Director - Sales & Marketing, Tank Auto Tools (P) Ltd	Nil	No
5	M Myilvaganan	Vice President - Human Resource	5,688,255	Full time	LLB, Masters in Social Work 35 Years	10.07.2005	59	General Manager - HR & Admin, Futura Polyesters Ltd	Nil	No
6	Amit Kumar De	Vice President - R&M Business	5,605,836	Full time	B.Sc. (Hons.) 40 Years	15.10.1979	61	Sales Representative, Indian Oxygen Ltd	Nil	No
7	Narula Anil Kumar	Deputy General Manager - Sales (Welding Consumables)	4,887,558	Full time	A.M.I.E, PGDBM, DEEE 32 Years	01.12.1986	54	-	Nil	No
8	S Venkata krishnan	Company Secretary	4,843,513	Full time	ACS, MA (Public Admin.), BGL, 32 Years	10.03.2006	54	Company Secretary TVS Group of Companies	Nil	No
9	Biswadeep Banerjee	Deputy General Manager - Equipment Sales & After Market)	4,535,297	Full time	B.E. Mech, I.C.W.A 32 Years	07.08.2000	53	Deputy General Manager - Planning and Product Development, ICLC Ltd	Nil	No
10	V Parthasarathy	Head - Sourcing	4,001,877	Full time	B.E. Mech 24 Years	27.06.2014	45	Senior Manager - Global Sourcing, Vestas Wind Technology	Nil	No

30 May, 2018

Sd/-
Daniel A Pryor
 Chairman

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 terms of the Corporate Governance philosophy 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 currently consists of six members. Mr Rohit Gambhir is the Managing Director of the Company appointed for a period of five years effective 1 November, 2013. The Board of Directors at present consists of 4 Independent Directors and 2 Non-Independent Directors. 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. None of the Directors 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 30 May, 2018.

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

During the period 1 April, 2017 to 31 March, 2018 five Board Meetings were held on 25 May, 3 August, 9 November, 2017, 7 February and 20 March, 2018 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 3 August, 2017 and particulars of their other Company Directorships and Committee Memberships / Chairmanships are given below:

Director	Category	Board Meetings held during the period 2017-2018	Attendance	
			at Board Meetings in 2017-2018	at previous AGM
Daniel A Pryor*	NE-NI	5	2	No
K Vaidyanathan	NEI	5	5	Yes
Vikram Tandon	NEI	5	5	No
Sudhir Chand	NEI	5	5	Yes
Sabitha Rao	NEI	5	4	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**

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	
			Chairman	Member	Chairman	Member
Daniel A Pryor	Non-Executive Chairman	05305621	Nil	Nil	Nil	Nil
Rohit Gambhir	Executive - Managing Director	06686250	1	Nil	Nil	1
Vikram Tandon	Non-Executive & Independent	01727251	Nil	1	Nil	Nil
Sudhir Chand	Non-Executive & Independent	01385201	Nil	4	1	2
K Vaidyanathan	Non-Executive & Independent	00063692	Nil	1	Nil	Nil
Sabitha Rao	Non-Executive & Independent	06908122	Nil	1	Nil	Nil

Membership of Audit & Stakeholder's Relationship Committees alone have been considered for the above purpose as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as 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				
	25.05.2017	03.08.2017	09.11.2017	07.02.2018	20.03.2018
Daniel A Pryor	No	No	No	Yes	Yes
K Vaidyanathan	Yes	Yes	Yes	Yes	Yes
Vikram Tandon	Yes	Yes	Yes	Yes	Yes
Sudhir Chand	Yes	Yes	Yes	Yes	Yes
Sabitha Rao	Yes	Yes	Yes	Yes	No
Rohit Gambhir	Yes	Yes	Yes	Yes	Yes

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 who were appointed for a period of five years with effect from 29 January, 2015, were issued a letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. This letter is available for viewing at the website of the Company www.esabindia.com. Each newly appointed Independent Director is introduced to the Company's practices by way of a booklet and other communication giving details about the Company. The Directors are also taken around the plants of the Company to understand the Company's consumables and equipment production and other processes. The Company Secretary / Statutory Auditors brief the Directors about legal, statutory and regulatory updates on a quarterly basis. The details of the familiarization program imparted to the Independent Directors are given in the website of the Company www.esabindia.com.

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 are:

K Vaidyanathan	Chairman	Independent Director
VikramTandon	Member	Independent Director
Sudhir Chand	Member	Independent Director
Daniel A Pryor	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 Report is 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 3 August, 2017 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 30 May, 2018.

Details of constitution of the Audit Committee and the Meetings held during the year 2017-2018 are as given below:

Audit Committee	Members	Meeting Dates			
		25.05.2017	03.08.2017	09.11.2017	07.02.2018
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
Daniel A Pryor	Member & Non-executive Director	No	No	No	No

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 3 August, 2017 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 /

Wholetime 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.

- b. There were 2 meetings held during the year 2017-2018. The details of the Composition of the Committee and the attendance of the members of such meetings are as given below:

Nomination & Remuneration Committee	Members	Meeting Date	
		25.5.2017	20.3.2018
K Vaidyanathan	Chairman & Independent Director	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes
Sabitha Rao	Member & Independent Director	Yes	No
Daniel A Pryor	Member & Non-Executive Director	Yes	Yes

The Company Secretary is the Secretary to the Committee. The Quorum of Meetings of the Committee shall be a minimum of two Independent Directors.

c. Remuneration Policy

The salient features of the policy inter alia are to:

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;

- (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.

d. 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 30 May, 2018 and have recommended their continuation on the Board of the Company.

The Board of Directors assessed the performance of the Independent 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 Committee of Audit, Nomination & Remuneration 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 2017-2018 are as follows:

(in ₹)

Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid	Commission
Daniel A Pryor	–	–	–	–	–
K Vaidyanathan	–	–	–	1,35,000	5,25,000
Vikram Tandon	–	–	–	1,10,250	4,75,000
Sudhir Chand	–	–	–	1,44,000	4,75,000
Sabitha Rao	–	–	–	90,000	4,75,000
Rohit Gambhir	1,67,14,086	1,19,113	3,35,628	–	44,50,060

A sitting fee of ₹. 12,500/- 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 ₹. 2,500/- per meeting is paid them for the meetings of Stakeholders Relationship Committee.

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 2016-17 paid during May, 2017.

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 has not 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 are Mr Sudhir Chand, Mr Daniel A Pryor and Mr Rohit Gambhir.

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

The Directors review the position on all major investors' grievances at meetings of the Board of Directors and the Stakeholders Relationship Committee.

There were four meetings held during the year 2017-2018. 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			
		25.5.2017	3.8.2017	9.11.2017	7.2.2018
Vikram Tandon	Chairman & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Daniel A Pryor	Member & Non-executive Director	No	No	No	No
Rohit Gambhir	Member & Managing Director	Yes	Yes	Yes	Yes

During the year, the Company received 60 complaints from shareholders. The details of the complaints received from the shareholders are as given below:

Sl.No.	Nature of Complaint	No. of Complaints
1.	Non-receipt of dividend warrants	36
2.	Non-receipt of annual report	-
3.	Non-receipt of share certificate	24
4.	Others	-
	Total	60

All the complaints were responded to as per applicable guidelines and regulations. As at 31 March, 2018 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, 2018.

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 alongwith 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 Daniel A Pryor, Chairman of the Board and Mr Rohit Gambhir, Managing Director are 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

Report on Corporate Governance

Social Responsibility of the Company can be viewed under the weblink www.esabindia.com.

The Committee met twice during the period 25 May, and 9 November, 2017 and the details of the attendance of the Committee members in these meetings are given below:

CSR Committee	Members	Meeting Dates	
		25.5.2017	9.11.2017
Sabitha Rao	Chairperson & Independent Director	Yes	Yes
Daniel A Pryor	Member & Non-Executive Director	No	No
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 2017-18 is given as an annexure to the Director's Report.

8. RISK MANAGEMENT COMMITTEE

In compliance with Regulation 21 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has constituted a Risk Management Committee consisting of Mr Daniel A Pryor, 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 twice during the period 3 August, 2017 and 7 February, 2018 and the details of the attendance of the Committee members in these meetings are given below:

Risk Management Committee	Members	Meeting Dates	
		3.8.2017	7.2.2018
Daniel A Pryor	Chairman & Non-Executive Director	No	No
Rohit Gambhir	Member & Managing Director	Yes	Yes
B Mohan	Member & Vice President Finance and Chief Financial Officer	Yes	Yes

9. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 7 February, 2018 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 Board of Directors had during their meeting held on 30 May, 2018 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 ANTI-BRIBERY AND CORRUPTION

The Board of Directors has adopted Codes of Conduct, applicable to Directors and to Senior Management Personnel of the Company. The said Codes 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, 2018 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.

The Committee did not receive any complaint under the said legislation during the year under review. 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.

12. SUBSIDIARY COMPANIES

There were no Subsidiary Companies of the Company as on 31 March, 2018.

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 9 April, 2018 for the half year / financial year ended 31 March, 2018 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
2014-15	7 August, 2015	10.00 AM	Sri Thyaga Brahma Gana Sabha Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2015-16	4 August, 2016	10.00 AM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2016-17	3 August, 2017	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 4 August, 2016 a Special resolution was passed with requisite majority for approval of payment of remuneration by way of commission not exceeding 1% of the net profits of the Company for a period of five financial years commencing from 1 April, 2016 to 31 March, 2021 to Directors (other than Directors not resident in India but including Alternate Directors who are resident in India) who are not in the whole-time employment of the Company.

Postal Ballot Resolutions

Two resolutions viz.

1. Special Resolution dated 12 July, 2017 to approve the increase in overall ceiling limit of the Managing Director remuneration payable to Mr Rohit Gambhir, pursuant to the provisions of Sections of 196,197,198, 203 and other applicable provisions of the Companies Act, 2013.
2. Ordinary Resolution dated 23 March, 2018 for approval of Material Transactions with EWAC Alloys Limited, Related Party. ESAB Holdings Limited and Exelvia Group India B V being promoters and parties deemed to be interested in the said Related Party Transaction did not participate or vote on the resolution.

A summary of the postal ballot results is enclosed hereunder:

Brief Particulars of the Resolution	Total No. of votes	No. of shares and % of total votes cast in favour		No. of shares and % of total votes cast against		Invalid votes	
	No. of shares	No. of shares	% of votes	No. of shares	% of votes	No. of shares	% of votes
To approve the increase in overall ceiling limit of the remuneration payable to Mr Rohit Gambhir, Managing Director	13,359,641	13,352,501	99.95	5,958	0.04	1,182	0.01
Approval of Material Transactions with EWAC Alloys Limited, Related Party	1,807,173	1,703,709	94.28	101,976	5.64	1488	0.08

The resolutions as set out above were passed with requisite majority.

M/s V Mahesh and Associates, the Practicing Company Secretaries were appointed as the Scrutinizers for conducting the above postal ballot. 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 9 August, 2018. 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 and the Companies (Indian Accounting Standards) Rules, 2016 as amended. These Financial Statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with IND AS.
2. There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.
3. There has been no public, rights or preferential issues during the year.
4. 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.
5. In compliance with the SEBI (Prevention of Insider Trading) Regulations, 2015, the Board of Directors had approved and adopted a Code of Conduct for prevention of Insider Trading and 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 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.

The Code of Practices, Procedure for Fair Disclosure of Unpublished Price Sensitive Information and the Code of Internal Procedure and Conduct for Regulation, Monitoring and Reporting of Trading in the securities for the designated employees and the connected persons have been adopted and have been posted on the Website of the Company viz. www.esabindia.com. All the other 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 advises the third party to desist from dealing with the shares of the Company without prior intimation.
6. 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.
7. 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.

8. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. 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.
10. 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 venkatakrisnan.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 Venkatakrisnan is the Company Secretary and the Compliance Officer of the Company.
11. The 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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 ninety days after the Annual General Meeting i.e 3 August, 2017 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 G54711593 dated 4 October, 2017.
17. 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 demat 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 upto

the Interim Dividend 2010 for the Financial Year ended 31 December, 2010 and filed e-Form No. IEPF - 4 - Statement of shares transferred to the Investor Education and Protection Fund as referred in Rule 6(5) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 vide SRN G69545770 dated 11 December, 2017

18. 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.
19. 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	126 shareholders holding 9,465 equity shares of ₹.10/- each
Number of the shareholders who approached the issuer for transfer of shares from the unclaimed suspense account during the year	1 shareholder claimed 50 equity shares of ₹.10/- each
Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	1 shareholder 50 equity shares of ₹.10/- each
Number of Shares transferred to Investor Education Protection Fund	60 shareholders holding 4,705 equity shares of ₹.10/- each
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	66 shareholders holding 4,710 equity shares of ₹.10/- each

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing 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 on 30 November, 2017.

66 Shareholders holding 4,710 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.

20. 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.

21. The Company has vide Form No.MGT 15 dated 5 August, 2017 vide SRN G49856875 have filed the report on the last year's Annual General Meeting held on 3 August, 2017.

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 and 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 9 August, 2018 at 10.00 a.m.
 Venue P Obul Reddy Hall,
 Vani Mahal, 103, G.N. Road,
 T. Nagar, Chennai 600 017.

Financial Year of the Company 1 April, 2017 to
 31 March, 2018

Approval of financial results proposed	
Quarter ending 30 June, 2018	Within 45 days from the end of the quarter
Quarter ending 30 September, 2018	- do -
Quarter ending 31 December, 2018	- do -
Year ending 31 March, 2019	Within 60 days from the end of the Financial Year

Particulars of Dividend Payment for the year ended 31.03.2018

Date of declaration	9 August, 2018
Rate of Dividend	₹ 1/- per share (10%)
Book Closure Date	3 August, 2018 to 9 August, 2018 (Both days inclusive)
Date of payment of Dividend	20 August, 2018
Amount of Dividend Payable	₹ 1,85,57,101/- (Inclusive of dividend distribution tax)
Share capital	1,53,93,020 equity shares of ₹ 10/- each

Listing of shares

Name and address of the stock exchange	Stock Code
BSE Limited 25 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	500133
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 2018-19 were duly paid to the above stock exchanges during April, 2018.

Dividend History

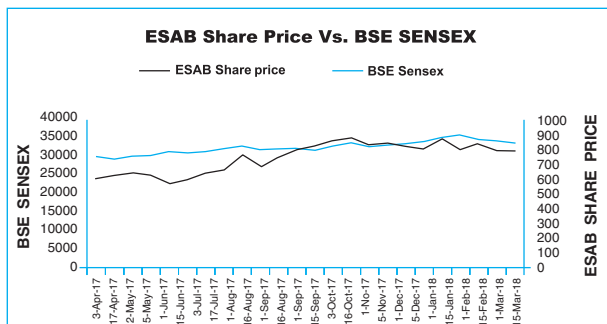
Year	Type of Dividend	Dividend Rate	Dividend Amount in ₹ in lakhs *
2011	Interim Dividend	150%	2,683.52
2012	Final Dividend	75%	1,341.76
2013	Final Dividend	10%	180.00
2014-15	Final Dividend	10%	186.14
2015-16	Final Dividend	10%	185.26
2016-17	Final Dividend	10%	185.26

* Inclusive of dividend distribution tax.

Stock Market Price* Data & Stock Performance

2017-18	BSE Limited		National Stock Exchange		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹	High Points	Low Points
Apr, 2017	665	590	665	589	30,184	29,241
May, 2017	659	551	663	551	31,255	29,804
June, 2017	660	552	660	550	31,523	30,681
July, 2017	818	634	819	626	32,673	31,017
Aug, 2017	771	652	780	631	32,686	31,128
Sep, 2017	840	672	840	686	32,524	31,082
Oct, 2017	1,075	745	1,075	743	33,340	31,440
Nov, 2017	1,052	814	1,055	807	33,866	32,684
Dec, 2017	844	790	842	785	34,138	32,565
Jan, 2018	980	766	980	754	36,444	33,703
Feb, 2018	845	719	850	705	36,257	33,483
Mar, 2018	820	695	821	703	34,279	32,484

* Share prices are rounded off to the nearest Rupee.



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

- Integrated Registry Management Services Private Limited, Chennai is the Registrar & Share Transfer Agent for the Company. Consequent to the change in the name of the Registrar and Transfer Agent from M/s. Integrated Enterprises (India) Limited to Integrated Registry Management Services Private Limited, the Company entered into a fresh agreement with the Registrar and Transfer Agent dated 31 March, 2017.
- Share transfers are processed and approved, subject to receipt of all requisite documents.
- 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.
- 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.

- 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.
- 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, 2018

Shareholding	Number of Shareholders	%	Number of Shares	%
Upto 500	10,995	95.14	10,17,721	6.61
501 - 1000	347	3.00	2,63,367	1.71
1001 - 2000	116	1.00	1,67,674	1.09
2001 - 3000	30	0.26	74,690	0.49
3001 - 4000	17	0.15	59,760	0.39
4001 - 5000	11	0.10	49,874	0.32
5001 - 10000	16	0.14	1,16,530	0.76
Above 10001	24	0.21	1,36,43,404	88.63
TOTAL	11,556	100	1,53,93,020	100

Share holding pattern as on 31 March, 2018

Category	Number of Shareholders	Number of Shares	% of total
Esab Holdings Limited	1	57,43,200	37.31
Exelvia Group India BV	1	56,04,760	36.41
ESAB Group	2	1,13,47,960	73.72
Mutual Funds & UTI	15	240,115	1.56
Foreign Portfolio Investors	9	1,631,920	10.61
Financial Institutions / Banks	9	3,392	0.02
NBFC registered with RBI	-	-	-
Indian Public	10918	1,582,508	10.28
Domestic Body Corporate	298	414,204	2.69
Foreign Institutional Investor	1	300	0.00
Others	304	172,621	1.12
Total	11,556	15,393,020	100.00

Dematerialisation of shares and liquidity

As on 31 March, 2018, **98.6%** of the total paid-up equity capital was held in dematerialised form. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer shareholders the option to dematerialise their shares with these depositories. The ISIN number of the Company's shares in demat form is **INE284A01012**.

Outstanding GDRs / ADRs

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instruments which is likely to have an impact on Company's equity.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does 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 **venkatakrisnan.s@esab.co.in**
 investor.relations@esab.co.in

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 were 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, 2018.
- 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 25 May, 2017 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.

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. Separate posts of Chairman and CEO

The Company's Chairman is a Non-Executive Chairman duly appointed as its nominee by ESAB Holdings Limited in terms of Articles 111 of the Articles of Association of the Company. Mr Daniel A Pryor, is the Nominee Director appointed as Chairman of the Board for the year ended 31 March, 2018. Mr Rohit Gambhir is a Director liable to retire by rotation and has been appointed as the Managing Director of the Company with effect from 1 November, 2013 for a period of five years.

5. Reporting of Internal Auditor

The Company has appointed M/s PKF Sridhar & Santhanam, LLP, Chennai, as the Internal Auditors to do the internal audit of the Company and they 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.

In terms of SEBI circular no.MRD/DoP/Cir-05/1009 dated 20 May 2009 the shareholders are requested to note that it has now become mandatory to furnish a copy of

Permanent Account Number (PAN) for registration of transfer of shares in physical mode.

- 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.nsd.co.in and www.cdslindia.com respectively.
- The Ministry of Corporate Affairs has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that service of notice, annual report, etc., can be sent by email to their members. Accordingly, the Company has sent a communication dated 16 February, 2017 to all the shareholders who would be interested in getting the annual reports by email. Many shareholders have responded to such requests and accordingly the annual reports for the year 1 April, 2017 to 31 March, 2018, notice of AGM etc., are being sent in electronic form to such shareholders to their respective email ids. This has resulted in reduction of administrative expenditure pertaining to printing and posting of the annual reports to the shareholders. The Company continues to send physical copies of the annual report to those shareholders who have not opted to receive the same through e-mail.
- Members interested in receiving the documents from the Company by email are requested to register their email address, with the Depository Participants (DPs) in case shares are held in dematerialized form and with the share transfer department, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Company / DPs from time to time.

For and on behalf of the Board of Directors

Daniel A Pryor
Chairman

30 May, 2018

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

To

The Members of ESAB India Limited

1. The Corporate Governance Report prepared by ESAB India Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

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 express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

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 key procedures performed include:
- i. Reading and understanding of 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 w.r.t executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;
 - iv. Obtained and read the minutes of the following committee meetings held April 1, 2017 to March 31, 2018:
 - (a) Board of Directors meeting;
 - (b) Audit committee;
 - (c) Annual general meeting;
 - (d) Nomination and remuneration committee;
 - (e) Stakeholders Relationship committee;
 - (f) Risk management committee; and
 - (g) Corporate social responsibility committee.

- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

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

- 8. 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 stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 2 above.

Other matters and Restriction on Use

- 9. 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.

- 10. 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

Place: Chennai

Date : May 30, 2018

Membership No. 053315

To

The Members of ESAB India Limited

Declaration regarding Code of Conduct pursuant Clause 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, 2018.

Chennai
30 May, 2018.

Rohit Gambhir
Managing Director

Independent Auditors' Report

to the Members of ESAB INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of ESAB India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and significant accounting policies.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 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, 2016, 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 purpose 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) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2016, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal 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;
- (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, 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 37 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

Place : Chennai

Date : May 30, 2018

Membership No. 053315

Annexure 1 to the Independent Auditors' Report

of even date on the Ind AS financial statements of ESAB India Limited

- (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 management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has 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 has granted loans 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, sales tax, duty of custom, duty of excise, value added tax, goods and service tax, income tax, service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases relating to tax deducted at source.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess 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 income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess 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	1,096	1991 - 15	Revision Board, Tribunal
		9	2012 - 13	Joint Commissioner, Sales tax (Appeals)
		105	2011 - 15	Madras High Court
VAT	Disputed VAT Credit	4	2012-13	Joint Commissioner, Sales tax (Appeals)
Central Excise Act, 1944	Excise duty	1,010	1997-00	Commissioner of Central Excise
		457	1996-00	Central Excise & Service Tax Appellate Tribunal
		410	2007-11	Commissioner of Central Excise (Appeals)
		149	2009-15	Central Excise & Service Tax Appellate Tribunal
		1	2011-13	Commissioner of central Excise
		46	Variour periods	Various forums
Finance Act, 1994	Service Tax	1	2012-13 and 2016-17	Central Excise & Service Tax Appellate Tribunal
		121	2006-11	Commissioner of Central Excise (Appeals)
		2	2008-11	Central Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1	AY 1997-98	Income Tax Appellate Tribunal
		50	AY 2004-05	Commissioner of Income Tax (Appeals)
		6	AY 2013-14	Commissioner of Income Tax (Appeals)

* Out of the total disputed dues, an amount of ₹ 59 lakhs for excise and service tax related matters, ₹. 6 lakhs for income tax matters and ₹.81 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

Place : Chennai

Date : May 30, 2018

Membership No. 053315

Annexure 2 to the Independent Auditors' 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, 2018 in conjunction with our audit of the Ind AS 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 statement 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 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

system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting 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 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

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018,

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

Place : Chennai

Date : May 30, 2018

Membership No. 053315

Balance Sheet

as at March 31, 2018



ESAB INDIA LIMITED

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

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets				
Non-current assets				
Property, plant and equipment	3	7,697	7,418	7,734
Capital work in progress	3	759	723	525
Intangible assets	3	271	183	68
Financial assets				
(i) Other financial assets	4	283	2,204	2,152
Deferred tax asset (net)	35	166	242	135
Other assets	5	356	675	626
		<u>9,532</u>	<u>11,445</u>	<u>11,240</u>
Current assets				
Inventories	6	7,273	6,283	5,846
Financial assets				
(i) Investments	7	12,457	14,685	12,231
(ii) Loans	8	4,000	–	–
(iii) Trade Receivables	9	5,898	4,683	4,429
(iv) Cash and Cash equivalents	10	3,713	3,921	2,711
(v) Bank balances other than (iv) above	10	2,679	222	780
(vi) Other financial assets	11	284	90	78
Other assets	12	1,418	981	923
Income tax assets	13	587	431	406
		<u>38,309</u>	<u>31,296</u>	<u>27,404</u>
Asset held for sale	14	196	102	–
Total assets		<u>48,037</u>	<u>42,843</u>	<u>38,644</u>
Equity and liabilities				
Equity				
Equity Share Capital	15	1,539	1,539	1,539
Other Equity	16	36,287	32,716	30,275
Total equity		<u>37,826</u>	<u>34,255</u>	<u>31,814</u>
Non-current liabilities				
Provisions	17	288	317	294
		<u>288</u>	<u>317</u>	<u>294</u>
Current liabilities				
Financial Liabilities				
Trade payables	18	7,447	5,792	4,326
Other financial liabilities	19	166	182	197
Provisions	17	823	773	757
Other liabilities	20	1,487	1,524	1,256
		<u>9,923</u>	<u>8,271</u>	<u>6,536</u>
TOTAL LIABILITIES		<u>10,211</u>	<u>8,588</u>	<u>6,830</u>
Total equity and liabilities		<u>48,037</u>	<u>42,843</u>	<u>38,644</u>
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

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

S Balasubrahmanyam
Partner
Membership No. 053315

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : May 30, 2018

Statement of Profit and Loss

for the year ended March 31, 2018

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

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	21	54,356	51,009
Other income	22	1,202	1,333
Total income		55,558	52,342
Expenses			
Cost of Raw materials and components consumed	23	29,028	24,287
Purchase of Traded goods	23	6,451	5,669
(Increase)/ decrease in inventories	23	(571)	(181)
Employee benefits expense	24	5,915	5,140
Depreciation and amortization expense	25	1,009	1,027
Other expenses	26	8,274	11,722
Total expense		50,106	47,664
Profit before Exceptional items and taxes			
		5,452	4,678
Exceptional Items	27	188	911
Profit before tax		5,264	3,767
Current Tax	35	1,494	1,155
Deferred tax expense / (credit)	35	55	(74)
Income tax expense		1,549	1,081
Profit after tax		3,715	2,686
Profit for the year			
		3,715	2,686
Other comprehensive income			
Items that will not be reclassified to Profit or Loss in subsequent years			
- Re-measurement gains / (losses) on defined benefit plans		62	(93)
- Deferred tax (expense) / credit relating to above items		(21)	33
Other comprehensive income for the year, net of tax		41	(60)
Total comprehensive income for the year, net of tax			
		3,756	2,626
Earnings per share			
Basic and Diluted Earnings per share	28	24.13	17.45
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

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

S Balasubrahmanyam
Partner
Membership No. 053315

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : May 30, 2018

Cash Flow Statement



ESAB INDIA LIMITED

for the year ended March 31, 2018

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

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Operating Activities			
Profit before tax		5,264	3,767
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	25	916	941
Impairment of property, plant and equipment	26, 27	188	256
(Profit)/loss on sale of property, plant and equipment	22, 26	10	(62)
Property, plant and equipment written off	26	56	10
Amortisation of intangible assets	25	93	86
Provision for warranty	26	221	206
Provision for doubtful receivables	26	209	38
Interest on bank deposits	22	(143)	(188)
Interest from Others	22	(7)	(15)
Interest from loan to related parties	22	(213)	-
Dividend from mutual funds	22	(545)	(653)
Profit on sale of current investments	22	-	(282)
Fair value of mutual fund investments	22	(143)	(45)
Unrealised foreign exchange gain		(24)	(4)
Unwinding of finance cost	22	(4)	(3)
Working capital adjustments:			
Increase in trade receivables		(1,400)	(288)
Increase in inventories		(990)	(437)
Increase in other assets		(251)	(10)
(Increase) / decrease in other financial assets		(100)	52
Increase in trade payables		1,655	1,466
Decrease in provisions		(138)	(258)
Increase / (decrease) in other financial liabilities		4	(15)
Increase / (decrease) in other current liabilities		(37)	268
Operating cash flow after working capital changes		4,621	4,830
Taxes paid, net of refund		(1,648)	(1,180)
Net cash flows from operating activities		2,973	3,650
Investing activities			
Purchase of property, plant and equipment, intangible assets, including capital work-in-progress and capital advances		(1,651)	(1,491)
Proceeds from sale of property, plant and equipment		24	62
Purchase of investments		(11,045)	(20,653)
Proceeds from sale of investments		13,414	18,526
Investment in bank deposits		(2,183)	(450)
Redemption/maturity of bank deposits		1,625	907
Interest income		143	191
Dividend from mutual funds	22	545	653
Net cash flows from / (used in) investing activities		872	(2,255)
Financing activities			
Dividends paid		(154)	(154)
Dividend distribution tax		(31)	(31)
Loan to related party		(4,000)	-
Interest received from loan to related party		132	-
Net cash flows used in financing activities		(4,053)	(185)
Net increase/(decrease) in cash and cash equivalents		(208)	1,210
Cash and cash equivalents at the beginning of the year	10.1	3,921	2,711
Cash and cash equivalents at year end	10.1	3,713	3,921
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

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

S Balasubrahmanyam
Partner
Membership No. 053315

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrisnan
Company Secretary

Place : Chennai
Date : May 30, 2018

Statement of Changes in Equity

for the year ended March 31, 2018

(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 1 April 2016	15,393,020	1,539
At 31 March 2017	15,393,020	1,539
At 31 March 2018	15,393,020	1,539

B. Other Equity

For the year ended 31 March 2017

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation reserve	General reserve	Total Other Equity
As at 1 April 2016	932	24,253	100	4,990	30,275
Profit for the year	-	2,686	-	-	2,686
Other Comprehensive income					
Remeasurement loss on defined benefit plans (net of tax)	-	(60)	-	-	(60)
Total comprehensive income	-	2,626	-	-	2,626
Dividend to shareholders	-	(185)	-	-	(185)
At 31 March 2017	932	26,694	100	4,990	32,716

For the year ended 31 March 2018

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation reserve	General reserve	Total Other Equity
As at 1 April 2017	932	26,694	100	4,990	32,716
Profit for the year	-	3,715	-	-	3,715
Other Comprehensive income					
Remeasurement gain on defined benefit plans (net of tax)	-	41	-	-	41
Total comprehensive income	-	3,756	-	-	3,756
Dividend to shareholders	-	(185)	-	-	(185)
At 31 March 2018	932	30,265	100	4,990	36,287

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

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

S Balasubrahmanyam
Partner
Membership No. 053315

B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : May 30, 2018

Notes to financial statements for the year ended March 31, 2018

(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 No.13, 3rd Main Road, Ambattur Industrial Estate, Chennai - 600 058, India. The Company is engaged in the business of welding consumables i.e. welding electrodes, copper coated wires, flux cored wires and welding fluxes and of welding equipment i.e. welding machines and cutting equipments. The Company caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 30, 2018.

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, 2016. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2016, as amended. These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS.

Refer note 40 for information on adoption of Ind AS by the Company. 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 ₹ 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 (₹) 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.

Notes to the Financial Statements

for the year ended March 31, 2018

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

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 recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from the sale of goods is recognised when the goods are despatched or appropriated in accordance with the terms of sale at which time the title and significant risks and rewards of ownership pass to the customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is inclusive of excise duty and is reduced for estimated customer returns, commissions, rebates and discounts, and other similar allowances.

The revenue for the year ended is reported gross of excise duty. Excise duty is charged to statement of profit and loss under other expenses.

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 served from 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.

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.

Notes to the Financial Statements

for the year ended March 31, 2018

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



(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. Property, plant and equipment

Property, Plant and Equipment 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.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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
Leasehold Land	95- 99 years
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.

Notes to the Financial Statements

for the year ended March 31, 2018

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

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.

g. Intangible Assets

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (the transition date) measured as per the previous GAAP and use such carrying value as its deemed cost as of the transition date.

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 when the asset is derecognised.

h. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Any write-down is recognized in the statement of profit and loss.

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 CGU's to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industry or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. In respect of agreements entered into by the Company before the date of transition to Ind AS, the Company has evaluated the transaction based on facts and conditions as at the transition date.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments

are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

l. 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

- (i) The date of plan amendment or curtailment, and
- (ii) The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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.

m. 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 all its 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.

n. 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.

o. 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 purpose 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) Contract 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 discounts or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables for more information on receivables, refer to Note 9.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instruments, which does not meet the criteria for categorization as at amortized cost or as 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 FVTPL. However, such election is allowed only if doing so reduces or eliminates 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 P&L.

Derecognition

The Company derecognizes 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 recognized in the Statement of Profit and 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 it 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/ loss 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 amortised cost and fair value is recognized 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 recognized 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.

p. 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.

q. 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 is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

r. 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.

2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March, 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company.

Ind AS 115 is effective for the Company in the first quarter of the financial year ending March 31, 2019 using either one of two methods:

- retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the

option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or

- (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements.

The Company shall establish an implementation team to implement Ind AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial

statements will only be possible once the implementation project has been completed.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Leases

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Further more, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, an appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April, 2018. These amendments are not expected to have any impact on the Company.

Notes to the Financial Statements

for the year ended March 31, 2018

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

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 (Owned)	Plant and Equipment (Owned)	Furniture and Fixtures (Owned)	Vehicles (Owned)	Total	Goodwill	Software	Total		
Cost or valuation												
At 1 April 2016 *	329	77	2,091	4,919	277	41	7,734	525	68	68		
Add : Additions	-	-	339	597	39	18	993	1,394	203	203		
Less : Disposals / Write off	-	-	-	(9)	-	(1)	(10)	-	(2)	(2)		
Less : Capitalised during the year	-	-	-	-	-	-	-	(1,196)	-	-		
Less : Classified as held for sale	(102)	-	-	-	-	-	(102)	-	-	-		
At 31 March 2017	227	77	2,430	5,507	316	58	8,615	723	269	269		
Add : Additions	-	-	270	1,098	83	22	1,473	1,690	121	121		
Less : Disposals / Write off	-	-	(2)	(93)	(4)	(4)	(103)	-	-	-		
Less : Capitalised during the year	-	-	-	-	-	-	-	(1,654)	-	-		
At 31 March 2018	227	77	2,698	6,512	395	76	9,985	759	390	390		450
Accumulated Depreciation / Amortization / Impairment												
At 1 April 2016 *												
Charge for the year	-	1	105	787	29	19	941	-	86	86		
Impairment charge for the year***	-	-	1	241	14	-	256	-	-	-		
At 31 March 2017	-	1	106	1,028	43	19	1,197	-	86	86		
Depreciation charge for the year	-	1	120	748	32	15	916	-	93	93		
Disposals	-	-	-	(9)	-	(4)	(13)	-	-	-		
Impairment charge for the year***	-	-	56	113	19	-	188	-	-	-		
At 31 March 2018	-	2	282	1,880	94	30	2,288	-	179	179		
Net book value												
At 31 March 2018	227	75	2,416	4,632	301	46	7,697	759	60	211		271
At 31 March 2017	227	76	2,324	4,479	273	39	7,418	723	-	183		183
At 1 April 2016 *	329	77	2,091	4,919	277	41	7,734	525	-	68		68

* The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 1, 2016 (the transition date) measured as per the previous GAAP as its deemed cost as of the transition date. Accordingly, the gross block as at April 1, 2016 is net of accumulated depreciation/ amortisation and impairment of ₹ 12,129.

** Freehold land includes land held for sale. The Company has discontinued its operations of the Consumable plant at Khardah factory at Kolkata during the year ended March 31, 2015. The Company has entered into a Memorandum of Understanding (MOU) with the prospective buyer on March 14, 2017 to sell the land at this premises. The carrying value of the land as at March 31, 2018 amounts to ₹ 196 (March 31, 2017 ₹ 102) and the same has been reclassified as asset held for sale (refer note 14). The Company has obtained advance for sale of the aforesaid land amounting to ₹ 250 (refer note 20).

*** During the 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 27).

Notes to the Financial Statements

for the year ended March 31, 2018

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



	31-Mar-18	31-Mar-17	01-Apr-16
4. Other non-current financial assets			
Security Deposits	242	231	204
Bank deposits with maturity greater than 12 months *	–	1,919	1,818
Pension Fund (refer note 34)	41	54	130
	<u>283</u>	<u>2,204</u>	<u>2,152</u>
* Includes Margin Money deposits with the Company's bankers having a carrying amount of ₹ Nil (March 31, 2017 - ₹ 1,642; April 1, 2016 - ₹ 1,577) which are subject to first charge to secure the Company's bank guaranties.			
5. Other assets			
Capital advance	31	164	67
Advances other than capital advances			
Prepaid Rent	14	17	20
Prepayments	21	11	16
Claims receivable	225	225	312
Deposit paid under protest	–	130	110
Advance recoverable in cash or kind	65	84	101
Other receivables	–	44	–
	<u>356</u>	<u>675</u>	<u>626</u>
Considered doubtful			
Advance to employees	33	33	33
Other receivables	44	–	–
Less : Provision for doubtful advances	(77)	(33)	(33)
	<u>–</u>	<u>–</u>	<u>–</u>
	<u>356</u>	<u>675</u>	<u>626</u>
6. Inventories (lower of cost and net realisable value)			
Raw materials [(includes in transit ₹ 461 March 31, 2017 - ₹ 296 and April 01, 2016 - ₹ 393)]	3,023	2,578	2,325
Work in progress	369	415	555
Finished goods			
Manufactured goods	908	1,111	1,421
Traded goods [(includes in transit ₹ 941 March 31, 2017 - ₹ 308 and April 01, 2016 - ₹ 186)]	2,817	1,997	1,366
Stores and Spares	156	182	179
Total inventories at the lower of cost and net realisable	<u>7,273</u>	<u>6,283</u>	<u>5,846</u>
7. Investments			
Investments at fair value through profit or loss			
Unquoted mutual funds			
Nil (March 31, 2017: 86,223; April 1, 2016: 32,204) units in UTI treasury advantage fund-institutional plan- Daily dividend reinvestment plan	–	865	322
Nil (March 31, 2017: 84,981; April 1, 2016: 32,374) units in UTI treasury advantage fund-institutional plan-Direct plan- Daily dividend reinvestment plan	–	852	325
9,87,257 (March 31, 2017: 9,42,723; April 1, 2016: 8,90,369) units in ICICI prudential flexible income - Direct plan -Daily dividend	1,045	998	941

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for the year ended March 31, 2018

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

	31-Mar-18	31-Mar-17	01-Apr-16
1,04,39,595 (March 31, 2017: Nil; April 1, 2016: Nil) units in Franklin India ultra short bond fund-super institutional plan-Daily dividend reinvestment	1,052	–	–
1,28,93,288 (March 31, 2017: 1,23,43,466; April 1, 2016: 1,17,35,156) units in Kotak treasury advantage fund - Daily dividend (Regular plan)	1,300	1,244	1,183
Nil (March 31, 2017: 1,18,80,090; April 1, 2016: 1,12,45,644) units in HDFC floating rate income fund-short term plan-Wholesale option-dividend reinvestment	–	1,198	1,134
10,44,764 (March 31, 2017: 10,09,943; April 1, 2016: 9,58,149) units in IDFC money manager fund-Investment plan-Daily dividend-(Regular plan)	106	103	97
20,88,624 (March 31, 2017: 19,98,108; April 1, 2016: Nil) units in ICICI prudential ultra short term fund - Direct -Daily dividend	211	202	–
Nil (March 31, 2017: 23,75,098; April 1, 2016: 22,14,867) units in ICICI prudential banking and PSU debt fund - Daily dividend	–	239	223
58,23,508 (March 31, 2017: 55,59,124; April 1, 2016: 52,61,529) units in ICICI prudential ultra short term fund - Regular plan -Daily dividend	589	566	532
8,78,497 (March 31, 2017: 8,40,299; April 1, 2016: 7,96,421) units in Aditya Birla sun life treasury optimizer plan - Monthly dividend-Regular plan reinvestment	934	897	835
97,26,080 (March 31, 2017: 93,26,032; April 1, 2016: 20,17,695) units in HDFC short term opportunities fund regular plan-Fortnightly dividend	996	954	204
21,58,766 (March 31, 2017: 20,75,373; April 1, 2016: 19,69,876) units in IDFC super saver income fund-short term fund regular plan-Fortnightly dividend	224	215	204
51,43,571 (March 31, 2017: 49,43,314; April 1, 2016: 50,16,543) units in IDFC corporate bond fund Regular plan - dividend	543	520	508
Nil (March 31, 2017: 41,40,503; April 1, 2016: Nil) units in Sundaram banking & PSU debt fund Direct plan - Daily dividend reinvestment plan	–	416	–
Nil (March 31, 2017: 31,120; April 1, 2016: Nil) units in TATA ultra short term fund Regular plan-Daily dividend reinvestment plan	–	312	–
Nil (March 31, 2017: 40,82,253; April 1, 2016: Nil) units in L&T ultra short term fund - Daily dividend regular reinvestment plan	–	419	–
Nil (March 31, 2017: 3,02,646; April 1, 2016: 3,13,777) units in Aditya Birla sun life floating rate fund lt-dd-Direct-reinvestment plan-Daily dividend reinvestment plan	–	304	315
Nil (March 31, 2017: 20,270; April 1, 2016: Nil) units in TATA ultra short term fund Direct plan-Daily dividend reinvestment plan	–	203	–
36,23,626 (March 31, 2017: 34,32,343; April 1, 2016: Nil) units in Aditya Birla sun life short term fund-Monthly dividend-Regular plan-reinvestment	420	404	–
399,210 (March 31, 2017: 3,81,535; April 1, 2016: Nil) units in ICICI prudential flexible income - Regular plan -Daily dividend	422	403	–
10,26,812 (March 31, 2017: 9,88,816; April 1, 2016: Nil) units in IDFC super saver income fund-medium term plan-Fortnightly dividend-Direct plan	105	101	–
Nil (March 31, 2017: 60,27,874; April 1, 2016: Nil) units in DSP Blackrock ultra short term fund, regular plan daily dividend	–	608	–
40,76,783 (March 31, 2017: Nil; April 1, 2016: Nil) units in Franklin India ultra short bond fund-super institutional plan - Direct-Daily dividend reinvestment	410	–	–

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ESAB INDIA LIMITED

	31-Mar-18	31-Mar-17	01-Apr-16
Nil (March 31, 2017: 41,708; April 1, 2016: Nil) units in Invesco India ultra short term fund - Daily dividend	–	418	–
39,125 (March 31, 2017: Nil; April 1, 2016: Nil) units in Invesco India medium term bond fund - Direct plan daily dividend	404	–	–
22,25,099 (March 31, 2017: Nil; April 1, 2016: Nil) units in Kotak flexi debt Direct Monthly dividend	504	–	–
23,62,375 (March 31, 2017: Nil; April 1, 2016: Nil) units in Reliance medium term fund-daily Direct dividend plan dividend reinvestment	404	–	–
39,790 (March 31, 2017: Nil; April 1, 2016: Nil) units in SBI ultra short term debt fund - Direct plan - Daily dividend reinvestment plan	401	–	–
21,66,472 (March 31, 2017: 21,66,472; April 1, 2016: 21,66,472) units in IDFC super saver income fund-medium term plan-growth-Direct plan	653	619	562
7,81,506 (March 31, 2017: 7,81,506; April 1, 2016: 7,81,506) units in Reliance short term fund-Direct growth plan	263	247	225
11,76,766 (March 31, 2017: 11,76,766; April 1, 2016: 11,76,766) units in TATA short term bond fund Direct plan-growth	395	370	339
15,43,698 (March 31, 2017: 15,43,698; April 1, 2016: Nil) units in Franklin India banking and PSU debt fund - Direct - growth	215	201	–
3,23,712 (March 31, 2017: 3,23,712; April 1, 2016: Nil) units in Aditya Birla sun life short term fund - growth fund-Regular plan	215	202	–
6,44,738 (March 31, 2017: 6,44,738; April 1, 2016: Nil) units in Aditya Birla sun life short term fund - growth fund-Direct plan	431	403	–
11,22,965 (March 31, 2017: 11,22,965; April 1, 2016: Nil) units in HDFC short term opportunities fund - Regular plan - growth	215	202	–
Nil (March 31, 2017: Nil; April 1, 2016: 30,265) units in Axis Liquid Fund - Daily dividend	–	–	303
Nil (March 31, 2017: Nil; April 1, 2016: 3,46,513) units in Aditya Birla Sunlife Treasury Optimizer Plan	–	–	658
Nil (March 31, 2017: Nil; April 1, 2016: 72,183) units in ICICI Gilt Invest PF Plan - Direct Growth	–	–	213
Nil (March 31, 2017: Nil; April 1, 2016: 10,42,709) units in IDFC Super Saver Income Fund-Short Term Plan - Growth direct	–	–	329
Nil (March 31, 2017: Nil; April 1, 2016: 50,00,000) units in Reliance Fixed Horizon Fund XXX Series 9 - Direct Dividend Payout	–	–	501
Nil (March 31, 2017: Nil; April 1, 2016: 40,933) units in Invesco Credit Opportunities Fund-Daily dividend reinvestment plan	–	–	409
Nil (March 31, 2017: Nil; April 1, 2016: 12,986) units in Invesco Gilt Fund Long Duration Plan-Direct Plan	–	–	208
Nil (March 31, 2017: Nil; April 1, 2016: 50,086) units in Invesco Liquid Fund-Daily direct dividend reinvestment plan	–	–	501
Nil (March 31, 2017: Nil; April 1, 2016: 51,85,298) units in SBI Short Term Debt fund-Regular plan - Weekly Dividend Plan	–	–	549
Nil (March 31, 2017: Nil; April 1, 2016: 49,92,860) units in UTI Fixed Interval Income Fund - III - Quarterly Interval Plan - Dividend Plan Payout	–	–	504
Nil (March 31, 2017: Nil; April 1, 2016: 10,60,290) units in IDFC Banking Debt Fund-Direct Daily dividend reinvestment plan	–	–	107
Total investments at fair value through profit or loss	12,457	14,685	12,231
Total cost of investments	12,029	14,681	11,977

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for the year ended March 31, 2018

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

	31-Mar-18	31-Mar-17	01-Apr-16
8. Loans (Secured considered good unless otherwise stated)			
Loan to Related party (refer note 39)*	4,000	—	—
	<u>4,000</u>	<u>—</u>	<u>—</u>
* Secured by corporate guarantee from Colfax Corporation, the Ultimate Holding Company.			
9. Trade receivables			
Trade receivables	5,406	4,355	4,273
Receivables from related parties (refer note 39)	492	328	156
Total Trade receivables	<u>5,898</u>	<u>4,683</u>	<u>4,429</u>
Secured, considered good *	58	33	48
Unsecured, considered good	5,840	4,650	4,381
Doubtful	583	418	380
Impairment Allowance (allowance for bad and doubtful debts)			
Doubtful	(583)	(418)	(380)
	<u>5,898</u>	<u>4,683</u>	<u>4,429</u>
* 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 39. Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days based on the type of the customer.			
10.1 Cash and cash equivalents			
Balances with banks:			
- On current accounts	3,076	3,240	2,083
Cheques/ drafts on hand	633	675	621
Cash on hand	4	6	7
	<u>3,713</u>	<u>3,921</u>	<u>2,711</u>
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	29	49	70
Bank deposits with maturity greater than 3 months, less than 12 months*	2,650	173	710
	<u>2,679</u>	<u>222</u>	<u>780</u>
* includes margin money deposits with the Company's bankers having a carrying amount of ₹ 1,700 (March 31, 2017 ₹ Nil; April 1, 2016 ₹ Nil) 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 39)	106	—	—
Interest accrued on loan to related party (refer note 39)	81	—	—
Interest accrued on fixed deposits	97	90	78
	<u>284</u>	<u>90</u>	<u>78</u>

Notes to the Financial Statements

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



ESAB INDIA LIMITED

	31-Mar-18	31-Mar-17	01-Apr-16	
12. Other assets (current)				
Prepaid Rent	3	3	3	
Prepayments	179	212	199	
Balance with Government authorities	314	428	346	
Claims receivable	–	24	46	
Advance to Suppliers	884	292	296	
Advance to employees	38	22	33	
	<u>1,418</u>	<u>981</u>	<u>923</u>	
13. Income tax assets				
Advance income-tax (net of provision for taxation)	587	431	406	
	<u>587</u>	<u>431</u>	<u>406</u>	
14. Assets held for sale				
Assets held for sale*	196	102	–	
	<u>196</u>	<u>102</u>	<u>–</u>	
* Represents land at Khardah (refer no 3).				
15. Share Capital				
Authorised:				
1,90,00,000 (Previous years: 1,90,00,000) equity shares of ₹ 10/- each	1,900	1,900	1,900	
30,00,000 (Previous years: 30,00,000) unclassified shares of ₹ 10/- each	300	300	300	
	<u>2,200</u>	<u>2,200</u>	<u>2,200</u>	
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	1,539	
	<u>1,539</u>	<u>1,539</u>	<u>1,539</u>	
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year				
Particulars	No. of Shares	Amount		
As at April 01, 2016	15,393,020	1,539		
Changes during the year	–	–		
As at March 31, 2017	15,393,020	1,539		
Changes during the year	–	–		
As at March 31, 2018	15,393,020	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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
During the year ended March 31, 2018, the amount of per share dividend recognized as distributions to equity shareholders was ₹ 1/- (March 31, 2017: ₹ 1/-; April 1, 2016: ₹ 1/-).				
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-18	31-Mar-17	01-Apr-16
Subsidiary companies of Colfax Corporation, the ultimate holding company:				
ESAB Holdings Limited, UK	5,743,200	574	574	574
Exelvia Group India B.V, Netherlands	5,604,760	560	560	560
	<u>11,347,960</u>	<u>1,134</u>	<u>1,134</u>	<u>1,134</u>

Notes to the Financial Statements

for the year ended March 31, 2018

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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-18	31-Mar-17	1-Apr-16
Equity shares of ₹ 10 each fully paid held by				
ESAB Holdings Limited, UK	5,743,200	37.31%	37.31%	37.31%
Exelvia Group India B.V, Netherlands	5,604,760	36.41%	36.41%	36.41%
Acacia Partners, LP, Mauritius	821,140	5.33%	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.

e) Distribution made and proposed on equity shares

	31-Mar-18	31-Mar-17	01-Apr-16
The board proposed dividend on equity shares after the balance sheet date			
Proposed dividend on equity shares for the year ended on March 31, 2018: ₹ 1 (March 31, 2017: ₹ 1 per share)	154	154	154
Tax on proposed dividend	32	31	31
	<u>186</u>	<u>185</u>	<u>185</u>

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at March 31, 2018

16. Other equity

Securities Premium

Balance as at the beginning of the year	932	932	932
Add: Increase / (Decrease)	—	—	—
Balance as at the end of the year	<u>932</u>	<u>932</u>	<u>932</u>

Other reserves

Amalgamation reserve	100	100	100
General reserve	4,990	4,990	4,990
Retained Earnings	30,265	26,694	24,253
Total Other equity	<u>36,287</u>	<u>32,716</u>	<u>30,275</u>

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.

Notes to the Financial Statements

for the year ended March 31, 2018

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



ESAB INDIA LIMITED

	31-Mar-18	31-Mar-17	01-Apr-16
17. Provisions			
Current			
Sales tax	423	398	403
Litigations	73	73	73
Compensated absences	20	101	123
Pension	13	10	9
Warranties	294	191	149
	<u>823</u>	<u>773</u>	<u>757</u>
Non-current			
Provision for employee benefits:			
Gratuity (refer note 34)	155	294	266
Compensated absences	133	23	28
	<u>288</u>	<u>317</u>	<u>294</u>
	Sales Tax	Litigations	Warranties
Balances as at April 1, 2016	403	73	149
Add: Provision made during the year	35	–	206
Less: Provision utilised during the year	(40)	–	(164)
Balances as at March 31, 2017	398	73	191
Add: Provision made during the year	35	–	221
Less: Provision utilised during the year	(10)	–	(118)
Balances as at March 31, 2018	423	73	294
	<u>423</u>	<u>73</u>	<u>294</u>
18. Trade Payable			
Dues to Micro Enterprises and Small Enterprises*	–	–	–
Dues to Related Party (refer note 39)	1,799	971	1,408
Dues to other than Micro, Small & Medium Enterprises	5,648	4,821	2,918
	<u>7,447</u>	<u>5,792</u>	<u>4,326</u>
* There are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company. Further, the Company has not paid any interest to any Micro and Small Enterprises during the year ended March 31, 2018 and year ended March 31, 2017.			
Trade payables are non interest bearing and normally settled on 60 days term.			
19. Other financial liabilities at amortised cost			
Security Deposit from Dealers	137	133	127
Unclaimed Dividend	29	49	70
	<u>166</u>	<u>182</u>	<u>197</u>
20. Other liabilities (current)			
Advances from Customers	530	183	100
Advance received for sale of land (refer note 3)	250	250	–
Accrued salaries and benefits	427	426	422
Voluntary Separation Scheme	59	180	188
Statutory dues payable	221	485	546
	<u>1,487</u>	<u>1,524</u>	<u>1,256</u>

Notes to the Financial Statements

for the year ended March 31, 2018

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

	31-Mar-18	31-Mar-17
21. Revenue from operations		
Sale of products		
Manufactured Goods	42,818	42,366
Traded Goods	10,033	7,822
Less: Sale incentive	(875)	(733)
Income from services	1,892	1,151
Other operating revenues		
Scrap sales	227	336
Export benefits	172	30
Miscellaneous income	89	37
	<u>54,356</u>	<u>51,009</u>
22. Other income		
Interest on bank deposits	143	188
Interest from Others	7	15
Interest from loan to related parties (refer note 39)	213	–
Dividend from Mutual Funds	545	653
Profit on sale of current investments	–	282
Profit on sale of property, plant and equipment (net)	–	62
Net gain on account of foreign exchange fluctuation	80	85
Management service to related party (refer note 39)	67	–
Fair value of mutual fund investments	143	45
Unwinding of finance cost	4	3
	<u>1,202</u>	<u>1,333</u>
23. Cost of raw materials and components consumed		
a. Raw materials		
Inventory at the beginning of the year	2,578	2,325
Add: Purchases during the year	29,473	24,540
Less: Inventory at the end of the year	(3,023)	(2,578)
	<u>29,028</u>	<u>24,287</u>
b. Traded goods		
Purchase of traded goods	6,451	5,669
	<u>6,451</u>	<u>5,669</u>
c. Finished goods and work in progress (Increase) / Decrease in Inventories		
Opening Stock		
Manufactured Goods	1,111	1,421
Work in progress	415	555
Traded Goods	1,997	1,366
	<u>3,523</u>	<u>3,342</u>
Closing Stock		
Manufactured Goods	908	1,111
Work in progress	369	415
Traded Goods	2,817	1,997
	<u>4,094</u>	<u>3,523</u>
	<u>(571)</u>	<u>(181)</u>

Notes to the Financial Statements

for the year ended March 31, 2018

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ESAB INDIA LIMITED

	31-Mar-18	31-Mar-17
24. Employee benefits expense		
Salaries, wages and bonus	5,129	4,460
Contribution to provident and other funds	180	197
Gratuity expense (refer note 34)	68	55
Pension expenses	62	12
Staff welfare expenses	476	416
	<u>5,915</u>	<u>5,140</u>
25. Depreciation and Amortisation Expenses		
Depreciation of property, plant and equipment	916	941
Amortisation of intangible assets	93	86
	<u>1,009</u>	<u>1,027</u>
26. Other expense		
Consumption of stores and spares	456	620
Excise duty on sales	1,087	4,370
Power and fuel	1,039	1,057
External service charges	645	810
Increase / (decrease) of excise duty on inventory finished goods	(336)	(68)
Rent	189	229
Repairs and maintenance		
- Building	37	51
- Plant and machinery	195	167
- Others	283	300
Insurance	43	44
Travelling expenses	911	798
Communication expenses	184	170
Rates and taxes	125	263
Transport and freight	977	890
Sales promotion and selling expenses	141	154
Trademark license fees to related party (Refer note 39)	916	830
Legal and professional charges	450	292
Payment to auditors (Refer note 26.1)	45	44
Printing and stationery	37	31
Loss on sales of property, plant and equipment	10	-
CSR expenditure (Refer note 26.2)	4	8
Provision for warranty	221	206
Provision for doubtful receivables	209	38
Royalty to related party (Refer note 39)	-	56
Impairment of property, plant and equipment	-	47
Property, plant and equipment written off	56	10
Bank charges	22	36
Miscellaneous expenses	328	269
	<u>8,274</u>	<u>11,722</u>

28. 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-18	31-Mar-17
Profit for the year (₹)	3,715	2,686
Weighted average number of Equity shares for EPS	15,393,020	15,393,020
Basic and Diluted earnings per share	24.13	17.45

29. 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.

30. 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 Management

The Company imports raw materials, components and capital good 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, 2018:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(545)	–	(545)
Impact of EURO exposure	(121)	–	(121)
Net overall exposure - net assets / (net liabilities)	(666)	–	(666)

Notes to the Financial Statements

for the year ended March 31, 2018

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

As on March 31, 2017:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(497)	–	(497)
Impact of EURO exposure	(147)	–	(147)
Net overall exposure - net assets / (net liabilities)	(644)	–	(644)

As on April 1, 2016:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(538)	–	(538)
Impact of EURO exposure	(115)	–	(115)
Net overall exposure - net assets/ (net liabilities)	(653)	–	(653)

Foreign currency sensitivity analysis:

Movement in the functional currencies of the various operations of the Company against major foreign currencies may not impact the Company's revenues from its operations. Any weakening of the functional currency may not impact the Company's cost of imports and consequently may not significantly impact the cost of financing the Company's capital expenditures.

Interest rate risk management

The Company is not exposed to interest rate risk because of absence of debt.

Credit risk management

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 ₹ 583 (March 31, 2017: ₹ 418, April 1, 2016: ₹ 380) as there was no reasonable expectations of recovery.

Liquidity risk management

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.

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for the year ended March 31, 2018

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



ESAB INDIA LIMITED

	Due in 1st year	Due in 2nd to 5th year	Due after 5th year
March 31, 2018			
Trade payables	7,447	–	–
Other financial liabilities	166	–	–
	<u>7,613</u>	<u>–</u>	<u>–</u>
March 31, 2017			
Trade payables	5,792	–	–
Other financial liabilities	182	–	–
	<u>5,974</u>	<u>–</u>	<u>–</u>
April 1, 2016			
Trade payables	4,326	–	–
Other financial liabilities	197	–	–
	<u>4,523</u>	<u>–</u>	<u>–</u>

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
31. Categories of Financial Instruments			
Financial assets Carried at amortised cost			
Cash and bank balances	6,392	4,143	3,491
Trade Receivables	5,898	4,683	4,429
Loans	4,000	–	–
Others	567	2,294	2,230
Financial assets at fair value through OCI			
Units in Mutual Fund	12,457	14,685	12,231
Financial liabilities Carried at amortised cost			
Trade Payables	7447	5792	4326
Others	166	182	197

32. Fair values

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

33. 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, 2018	12,457	–	–
Units in Mutual Fund	March 31, 2017	14,685	–	–
Units in Mutual Fund	April 1, 2016	12,231	–	–

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

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for the year ended March 31, 2018

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

	Note	31-Mar-18	31-Mar-17	01-Apr-16
34. Gratuity and other post-employment benefit plans				
Provisions for Gratuity (<i>Refer note 17</i>)	A	155	294	266
Pension Fund (<i>Refer note 4</i>)	B	(41)	(54)	(130)

A. Gratuity plan

The Company has a defined benefit gratuity plan for employees which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ("Act"). Under the Act, every employee who has completed five years or more of service is entitled to this Gratuity payment, on departure, of 15 days' salary (last drawn salary) for each completed year of service subject to a maximum of Rs.20 lakhs. The Company has 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 2018:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2017	423	129	294
Gratuity cost charged to profit or loss			
Current service cost	41	–	41
Past service cost	10	–	10
Interest income / (expense)	28	11	17
Sub-total included in profit or loss (Note 24)	79	11	68
Asset acquired / Liabilities settled	13	13	–
Benefits paid	(12)	(12)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	(6)	–	(6)
Changes in financial assumptions	(31)	–	(31)
Experience adjustments	(6)	–	(6)
Return on plan assets (excluding amounts included in net interest expense)	–	12	(12)
Sub-total included in other comprehensive income	(43)	12	(55)
Contributions by Employer	–	152	(152)
As at 31 March 2018	460	305	155

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2016	403	137	266
Gratuity cost charged to profit or loss			
Current service cost	37	–	37
Interest income / (expense)	30	–	30
Actual return on plan assets	–	12	(12)
Sub-total included in profit or loss (Note 24)	67	12	55
Benefits paid	(70)	(70)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in financial assumptions	29	–	29
Experience adjustments	(6)	–	(6)
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	–	56	(56)
As at 31 March 2017	423	129	294

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



ESAB INDIA LIMITED

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

	31-Mar-18	31-Mar-17	01-Apr-16
Quoted investments:			
Bonds issued by Government of India	76	70	84
Unquoted investments:			
Insurer managed funds	203	49	42
Others	26	10	11
Total	305	129	137

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

	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	7.85%	7.1%	7.9%
Future salary increases			
For management staff	5%	5%	5%
For graded staff	8%	8%	8%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Impact on defined benefit obligation		
	Change	31-Mar-18	31-Mar-17
Discount Rate	-0.25%	2.20%	2.31%
Discount Rate	+0.25%	-2.12%	-2.23%
Salary Escalation rate	-0.25%	-2.14%	-2.12%
Salary Escalation rate	+0.25%	2.21%	2.14%

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

Particulars	31-Mar-18	31-Mar-17
Within the next 12 months (next annual reporting year)	53	(152)
Year 2 to 5	164	153
Year 6 to 9	155	176
Year 10 and above	723	766
Total expected payments	1,095	943

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 8.63 years (31 March 2017: 9.08 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.

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Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2018:

	Defined benefit obligation	Fair value of plan assets	Benefit asset
As at 1 April 2017	(463)	517	54
Pension cost charged to profit or loss			
Current service cost	(25)	–	(25)
Interest income / (expense)	(31)	–	(31)
Actual return on plan assets	–	36	36
Sub-total included in profit or loss	(56)	36	(20)
Benefits paid	25	(25)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	(44)	–	(44)
Changes in financial assumptions	23	–	23
Experience adjustments	(35)	–	(35)
Adjustment to recognise the effect of asset ceiling	3	–	3
Return on plan assets (excluding amounts included in net interest expense)	–	60	60
Sub-total included in other comprehensive income (Note 17)	(53)	60	7
As at 31 March 2018	(547)	588	41

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2017:

	Defined benefit obligation	Fair value of plan assets	Net benefit asset
As at 1 April 2016	(378)	508	130
Pension cost charged to profit or loss			
Current service cost	(20)	–	(20)
Interest income / (expense)	(28)	–	(28)
Actual return on plan assets	–	36	36
Sub-total included in profit or loss (Note 24)	(48)	36	(12)
Benefits paid	26	(26)	–
Remeasurement gains / (losses) in other comprehensive income			
Changes in financial assumptions	(58)	–	(58)
Experience adjustments	(5)	(1)	(6)
Adjustment to recognise the effect of asset ceiling	–	–	–
Return on plan assets (excluding amounts included in net interest expense)	–	–	–
Sub-total included in other comprehensive income (Note 17)	(63)	(1)	(64)
As at 31 March 2017	(463)	517	54

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

	31-Mar-18	31-Mar-17	01-Apr-16
Quoted investments:			
Bonds issued by Government of India	–	19	47
Unquoted investments:			
Insurer managed funds	584	462	460
Others	4	36	1
Total	588	517	508

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for the year ended March 31, 2018

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

	31-Mar-18	31-Mar-17	01-Apr-16
Discount rate	7.85%	7.1%	7.9%
Future salary increases	5%	5%	5%
Pension increase rate	0%	0%	0%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Impact on defined benefit obligation		
	Change	31-Mar-18	31-Mar-17
Discount Rate	-0.25%	1.43%	1.56%
Discount Rate	+0.25%	-1.39%	-1.52%
Salary Escalation rate	-0.25%	-1.24%	-1.22%
Salary Escalation rate	+0.25%	1.26%	1.24%
Pension increase rate	-0.25%	0%	0%
Pension increase rate	+0.25%	0%	0%

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

Particulars	31-Mar-18	31-Mar-17
Within the next 12 months (next annual reporting period)	107	60
Year 2 to 5	201	149
Year 6 to 9	137	87
Year 10 and above	46	30
Total expected payments	491	326

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 5.66 years (31 March 2017: 6.19 years).

35. Income taxes

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

	Year ended March 31, 2018	Year ended March 31, 2017
Current tax:		
Current income tax charge	1,494	1,155
Deferred Tax:		
Relating to the origination and reversal of temporary differences	55	(74)
Income tax expense reported in the statement of profit and loss	<u>1,549</u>	<u>1,081</u>
Other comprehensive income		
Deferred tax related to items recognised in OCI		
Income tax expense/(credit) on Re-measurement of defined benefit plans	(21)	33
Income tax charged to other comprehensive income	(21)	33

Notes to the Financial Statements

for the year ended March 31, 2018

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

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	5,264	3,767
Enacted tax rate in India	34.608%	34.608%
Income tax expense	1,822	1,304
Relating to the origination of Permanent differences:		
Exempt income (Income from Mutual fund)	(180)	(226)
Loss on sale of property plant and equipment	3	-
Property, plant and equipment written off	19	-
CSR expense	1	3
Excise duty on inventory as on 31 March 2017	(116)	-
Income tax expense recognised in profit or loss	1,549	1,081

The tax rate used for the reconciliations above is the corporate tax rate of 34.608% (for the year 2017-18) and 34.608% (for the year 2016-17) payable by corporate entities in India on taxable profits under tax law in Indian jurisdiction.

Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred tax liabilities (net)			
Property, Plant and equipment - Impact of difference between tax depreciation and depreciation or amortisation or impairment charged for financial reporting	915	874	643
Fair Value of Investments	153	103	89
Deferred tax assets (net)			
Provision for employee benefits	134	295	275
Provision for doubtful trade receivables	125	105	91
Provision for expected credit loss	77	40	40
Provision for inventories	341	290	283
Provision for sales tax	146	138	139
Fair valuation of security deposit	3	3	3
Provision for Impairment losses	366	301	-
Provision for doubtful advances	26	11	11
Provision for others	8	29	21
Provision for straight lining	8	7	4
Deferred tax assets (net)	166	242	135

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.

Movement of deferred tax expense during the year ended March 2017-18:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred tax (liabilities)/assets in relation to:			
Opening balance	242	135	62
Tax income / (expense) during the year recognised in profit or loss	(55)	74	73
Tax income / (expense) during the year recognised in OCI	(21)	33	–
Closing balance	166	242	135

36. 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.

Notes to the Financial Statements

for the year ended March 31, 2018

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

37. Commitment and contingencies

a. Leases

Operating Lease commitments - Company as a lessee

The Company has taken various residential and office premises under operating lease or leave & license agreements. These leases have a term of between 1 year and 3 years, and have no specific obligation for renewal. There are no restrictions placed upon the company by entering into these leases. The lease rentals incurred during the current year have been charged as an expense in the statement of profit and loss. The future lease rental payables as follows:

Particulars	31-Mar-18	31-Mar-17	01-Apr-16
Within one year	35	45	52
After one year but not more than five years	41	13	57
More than five years	—	—	—
	76	58	109

During the year an amount of ₹ 189 was recognised as an expense in the statement of profit and loss in respect of operating leases (March 31, 2017: ₹ 229)

b. Commitments

Estimated amount of contracts to be executed and not provided for (net of advances) on capital account and not provided for

	106	449	370
	106	449	370

c. Contingent Liabilities

(a) Bank Guarantees outstanding in favour of Government and other parties.

(b) Claims against the company not acknowledged as debt *

(c) Demand raised by authorities against which Company has filed appeals **

	540	312	249
	824	824	824
	2,715	2,324	2,026
	4,079	3,460	3,099

* 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.

38. Segment Information

Based on internal reporting provided to the chief operating decision maker, Consumables and equipments are two reportable segments for the Company. Consumables include Welding electrodes, Copper coated wires, Flux Cored Wires and Welding fluxes including related services. Equipment includes Welding machines and Cutting equipment. The above segments have been identified taking into account the organisation structure as well as differing risks and returns of these segments. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Notes to the Financial Statements

for the year ended March 31, 2018

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



ESAB INDIA LIMITED

Business segments

Consumables: Welding electrodes, Copper coated wires, Flux Cored Wires and Welding fluxes including related services.

Equipment: Welding machines and Cutting equipment.

Particulars	Consumables	Equipment	Total segment	Adjustments & eliminations	Total
Year ended March 31, 2018					
Revenue					
External customers	37,220	17,136	54,356	–	54,356
Total Revenue	37,220	17,136	54,356	–	54,356
Segment results	4,162	1,778	5,940	(488)	5,452
Less: Exceptional items*	(74)	(114)	(188)	–	(188)
Total profit before tax	4,088	1,664	5,752	(488)	5,264
Non-Cash expenses					
Depreciation and amortisation	754	143	897	112	1,009
Impairment	74	114	188	–	188
Asset held for sale	196	–	196	–	196
Total assets	16,150	8,609	24,759	23,278	48,037
Total liabilities	4,795	3,860	8,655	1,556	10,211
Other disclosures					
Capital expenditure	672	43	715	975	1,690
Year ended March 31, 2017					
Revenue					
External customers	37,633	13,376	51,009	–	51,009
Total Revenue	37,633	13,376	51,009	–	51,009
Segment results	4298	532	4,830	(152)	4,678
Less: Exceptional items	–	(911)	(911)	–	(911)
Total profit before tax	4298	(379)	3919	(152)	3767
Non-Cash expenses					
Depreciation and amortisation	756	142	898	129	1,027
Impairment	–	209	209	–	209
Asset held for sale	102	–	102	–	102
Total assets	14,700	7,152	21,852	20,991	42,843
Total liabilities	4,266	2,294	6,560	2,028	8,588
Other disclosures					
Capital expenditure	1033	280	1,313	81	1,394
Year ended April 1, 2016					
Total assets	14,419	6,171	20,590	18,054	38,644
Total liabilities	2,762	2,264	5,026	1,804	6,830
Other disclosures					
Capital expenditure	481	186	667	377	1,044

* Consumable segment includes impairment loss on property plant and equipment of one of the Company's plant at Khardah, Kolkata amounting to ₹ 74 (March 31, 2017 - ₹ Nil).

* Equipment segment includes VSS paid to employees and one time settlement to contractors for one of the Company's plant at Taratala, Kolkata amounting to ₹ Nil (March 31, 2017 - ₹ 702). Also includes impairment of property plant and equipment amounting to ₹ 114 (March 31, 2017 - ₹ 209).

Geographical segments

The Company caters mainly to the needs of Indian market and the export turnover being 4.67% (March 31, 2017 - 4.79 %) of the total turnover of the Company, considered as not a reportable geographical segments.

Notes to the Financial Statements

for the year ended March 31, 2018

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Reconciliations to amounts reflected in the financial statements:

	31-Mar-18	31-Mar-17
Segment Profit before tax	5,752	3,919
Other income	1,119	1,255
Unallocated other expenses	(506)	(272)
Unallocated employee benefit expenses	(989)	(1,006)
Unallocated Depreciation / Amortization	(112)	(129)
Profit before tax	5,264	3,767

39. Related party transactions

(a) Name of related Parties and related party relationship

Related Party where control exists

- ESAB Holdings Limited, UK - Principal Shareholder - Holds 37.31% of the paid up equity share capital of the Company as at March 31, 2018. 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*).
- Exelvia Group India B.V., Netherlands - Holds 36.41% of the paid up equity share capital of the Company as at March 31, 2018. Colfax UK, Holding 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
Cigweld (M) SDN, BHD, Malaysia	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 And Welding Wuxi, 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 Middle East LLC, UAE	Entities under common control
ESAB Equipment & Machinery Manufacturing (Zhangjiagang) Co Limited, China	Entities under common control
ESAB ATAS GmbH	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, United Kingdom	Entities under common control

Notes to the Financial Statements

for the year ended March 31, 2018

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



ESAB INDIA LIMITED

Name of the Related Party	Nature of Relationship
Howden Soyvent (India) Private Limited, India	Entities under common control
Monroe (Colfax Fluid Handling)	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
Victor Technologies S.R.L, Italy	Entities under common control
Mr. Rohit Gambir - Managing Director	Key Management Personnel
Mr. B. Mohan - Vice President Finance and Chief Finance Officer	Key Management Personnel
Mr. S. Venkatakrishnan - Company Secretary	Key Management Personnel
Mr. Daniel A Pryor - Non-Executive And Non-Independent Director*	Directors
Mr. K Vaidyanathan - Non-Executive Independent Director	Directors
Mr. Vikram Tandon - Non-Executive Independent Director	Directors
Mr. Sudhir Chand - Non-Executive Independent Director	Directors
Ms. Sabitha Rao - Non-Executive Independent Director	Directors

* No remuneration has been paid by the Company.

(b) Transactions with Related Parties:

Particulars	Ultimate Holding Co/ Holding Co			Entities under Common Control			Others		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Transactions during the year ended									
Sale of products	-	-	-	627	372	110	-	-	-
ESAB Middle East FZE,UAE	-	-	-	74	61	100	-	-	-
ESAB Middle East LLC, UAE	-	-	-	-	-	10	-	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	2	4	-	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	143	107	-	-	-	-
PT. Victor Teknologi, Indonesia	-	-	-	65	49	-	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	-	231	151	-	-	-	-
EWAC Alloys Ltd, India	-	-	-	1	-	-	-	-	-
Howden Soyvent (India) Private Limited, India	-	-	-	109	-	-	-	-	-
Soldex S.A , Peru	-	-	-	2	-	-	-	-	-
Income from services	-	82	-	1,880	1,069	811	-	-	-
ESAB AB, Sweden	-	-	-	998	628	470	-	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	105	16	-	-	-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	-	-	-	3	57	42	-	-	-
ESAB Europe GmbH ,Switzerland	-	-	-	277	144	-	-	-	-
ESAB Europe AG ,Switzerland	-	-	-	-	-	140	-	-	-
ESAB Holdings Limited, UK	-	82	-	-	-	-	-	-	-
ESAB North America ,Global Cost Nam Florence, USA	-	-	-	339	22	-	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	-	3	54	42	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2018

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

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

Particulars	Ultimate Holding Co/ Holding Co			Entities under Common Control			Others		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Transactions during the year ended									
Howden Soyvent (India) Private Limited, India	-	-	-	-	15	11	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	-	4	64	59	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	-	-	18	-	-	-	-
Victor Technologies International Inc., USA	-	-	-	46	51	47	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	35	-	-	-	-	-
Monroe (Colfax Fluid Handling)	-	-	-	51	-	-	-	-	-
Cigweld (M) SDN, BHD, Malaysia	-	-	-	19	-	-	-	-	-
Commission Income						2			
ESAB SeAH CORP, Korea	-	-	-	-	-	2	-	-	-
Management Service				67					
EWAC Alloys Ltd, India	-	-	-	67	-	-	-	-	-
Purchase of raw material / traded goods				4,003	2,666	2,299			
Alcotec Wire Corporation USA	-	-	-	39	52	139	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	6	-	-	-	-	-
ESAB AB, Sweden	-	-	-	950	41	523	-	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	-	2	-	-	-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	-	-	-	242	134	25	-	-	-
ESAB Cutting Systems GmbH, Germany	-	-	-	439	107	117	-	-	-
ESAB Europe GmbH, Switzerland	-	-	-	846	1,046	548	-	-	-
ESAB Equipment & Machinery Manufacturing (Zhangjiagang) Co Limited	-	-	-	-	-	22	-	-	-
ESAB SeAH CORP, Korea	-	-	-	81	167	198	-	-	-
ESAB Seah Welding Products(Yantai) Co Ltd, China	-	-	-	98	107	204	-	-	-
ESAB Sp.Z.O.O., Poland	-	-	-	2	1	-	-	-	-
ESAB Vamberk Sro, CZ	-	-	-	103	53	51	-	-	-
ESAB Welding & Cutting Product, USA	-	-	-	413	413	342	-	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	-	26	-	-	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	-	173	254	2	-	-	-
Gas Arc Group Limited, United Kingdom	-	-	-	9	-	-	-	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	-	5	4	7	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	-	37	29	24	-	-	-
Thermal Dynamics OY, Finland	-	-	-	15	26	-	-	-	-
Victor (Ningbo) Cutting & Welding Equipment Trade & Commerce Co., Ltd., China	-	-	-	14	10	-	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	-	2	-	-	-	-	-
Victor Technologies S.R.L, Italy	-	-	-	-	121	-	-	-	-
Victor Technologies International Inc., USA	-	-	-	502	99	85	-	-	-
Victor (Ningbo) Cutting & Welding Equipment Trade & Commerce Co., Ltd., China	-	-	-	-	-	12	-	-	-
Victor Technologies S.R.L, Italy	-	-	-	1	-	-	-	-	-

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



ESAB INDIA LIMITED

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

Particulars	Ultimate Holding Co/ Holding Co			Entities under Common Control			Others		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Transactions during the year ended									
Purchase of property plant and equipment	-	-	-	-	348	32	-	-	-
ESAB AB, Sweden	-	-	-	-	89	32	-	-	-
Cigweld (M) SDN, BHD, Malaysia.	-	-	-	-	29	-	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd-China	-	-	-	-	230	-	-	-	-
Royalty	-	56	59	-	-	-	-	-	-
ESAB Holdings Limited, UK	-	56	59	-	-	-	-	-	-
Trademark license fees	916	830	805	-	-	-	-	-	-
ESAB Holdings Limited, UK	916	830	805	-	-	-	-	-	-
Reimbursement of expenses received / receivable (net)	113	-	-	11	-	-	-	-	-
EWAC Alloys Limited, India	-	-	-	11	-	-	-	-	-
ESAB Holdings Limited, UK	106	-	-	-	-	-	-	-	-
Colfax Corporation USA	7	-	-	-	-	-	-	-	-
Technical / Consultancy services	-	-	-	-	-	8	-	-	-
ESAB AB, Sweden	-	-	-	-	-	7	-	-	-
ESAB Welding & Cutting Product, USA	-	-	-	-	-	1	-	-	-
Dividend paid	113	113	113	-	-	-	-	-	-
ESAB Holdings Limited, UK	57	57	57	-	-	-	-	-	-
Exelvia Group India B.V., Netherlands	56	56	56	-	-	-	-	-	-
Loan granted	-	-	-	4,000	-	-	-	-	-
Howden Soyvent (India) Private Limited, India	-	-	-	4,000	-	-	-	-	-
Interest Income	-	-	-	213	-	-	-	-	-
Howden Soyvent (India) Private Limited, India	-	-	-	213	-	-	-	-	-
Total compensation paid to key management personnel # (short-term employee benefits)	-	-	-	-	-	-	373	280	273
Mr. Rohit Gambhir	-	-	-	-	-	-	216	163	161
Mr. B Mohan	-	-	-	-	-	-	109	73	71
Mr. S Venkatakrisnan	-	-	-	-	-	-	48	44	41
Sitting Fee	-	-	-	-	-	-	6	4	6
Mr. K Vaidyanathan	-	-	-	-	-	-	2	1	2
Mr. Vikram Tandon	-	-	-	-	-	-	1	1	1
Mr. Sudhir Chand	-	-	-	-	-	-	2	1	2
Ms. Sabitha Rao	-	-	-	-	-	-	1	1	1
Director Commission	-	-	-	-	-	-	21	20	20
Mr. K Vaidyanathan	-	-	-	-	-	-	6	5	5
Mr. Vikram Tandon	-	-	-	-	-	-	5	5	5
Mr. Sudhir Chand	-	-	-	-	-	-	5	5	5
Ms. Sabitha Rao	-	-	-	-	-	-	5	5	5

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.

Notes to the Financial Statements

for the year ended March 31, 2018

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

(b) Balances as at year end with related parties

Particulars	Ultimate Holding Co/ Holding Co			Entities under Common Control			Others		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Balances as at									
Loan receivable (refer note below)	-	-	-	4,000	-	-	-	-	-
Howden Soyvent (India) Private Limited, India	-	-	-	4,000	-	-	-	-	-
Interest issued on loan receivable	-	-	-	81	-	-	-	-	-
Howden Solyvent (India) Private Limited, India	-	-	-	81	-	-	-	-	-
Management service fee receivable	7	-	-	99	-	-	-	-	-
EWAC Alloys Limited, India	-	-	-	99	-	-	-	-	-
Colfax Corporation USA	7	-	-	-	-	-	-	-	-
Trade receivables	-	66	-	492	262	156	-	-	-
Cigweld (M) SDN, BHD, Malaysia.	-	-	-	19	-	-	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	57	41	-	-	-	-
ESAB AB, Sweden	-	-	-	122	17	39	-	-	-
ESAB AB, Sweden	-	-	-	-	-	1	-	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	29	16	1	-	-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	-	-	-	-	21	19	-	-	-
ESAB Europe GmbH ,Switzerland	-	-	-	77	35	29	-	-	-
ESAB Holdings Limited, UK	-	66	-	-	-	-	-	-	-
ESAB Middle East FZE,UAE	-	-	-	1	-	19	-	-	-
ESAB North America Global Cost Nam Florence, USA	-	-	-	114	22	-	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	-	-	30	9	-	-	-
EWAC Alloys Limited, India	-	-	-	1	-	-	-	-	-
Howden Solyvent (India) Private Limited, India	-	-	-	-	-	13	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	-	-	27	12	-	-	-
PT. Victor Teknologi, Indonesia	-	-	-	18	12	-	-	-	-
Soldex S.A , Peru	-	-	-	2	-	-	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	-	47	41	15	-	-	-
Victor Technologies International Inc., USA	-	-	-	5	-	-	-	-	-
Trade payables	244	201	193	1,555	770	1,215	-	-	-
Alcotec Wire Corporation USA	-	-	-	8	25	67	-	-	-
Cigweld (M) SDN, BHD, Malaysia.	-	-	-	28	-	-	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	3	-	-	-	-	-
Esab AB Production Equipment	-	-	-	5	-	1	-	-	-
Esab AB, Laxa	-	-	-	697	14	9	-	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	-	2	-	-	-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	-	-	-	32	45	22	-	-	-
ESAB Cutting Systems GmbH, Germany	-	-	-	106	57	72	-	-	-
ESAB Equipment & Machinery Manufacturing (Zhangjiagang) Co Limited	-	-	-	-	-	29	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2018

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



ESAB INDIA LIMITED

(b) Balances as at year end with related parties

Particulars	Ultimate Holding Co/ Holding Co			Entities under Common Control			Others		
	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16	31-Mar-18	31-Mar-17	01-Apr-16
Balance as at									
ESAB Europe AG, Switzerland	-	-	-	43	49	95	-	-	-
Esab Europe GmbH	-	-	-	178	226	409	-	-	-
ESAB Holdings Limited, UK	244	201	193	-	-	-	-	-	-
Esab Seah Corp	-	-	-	2	7	24	-	-	-
ESAB Seah Welding Products(Yantai) Co Ltd, China	-	-	-	31	35	113	-	-	-
ESAB Sp.Z.O.O., Poland	-	-	-	-	-	-	-	-	-
ESAB Vamberk Sro, CZ	-	-	-	45	27	32	-	-	-
ESAB Welding & Cutting Product, USA	-	-	-	121	89	250	-	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	-	20	-	-	-	-	-
ESAB Welding & Cutting Product, USA	-	-	-	5	-	-	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	-	17	102	1	-	-	-
ESAB ATAS GmbH	-	-	-	-	4	2	-	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	-	9	1	1	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	-	16	16	7	-	-	-
Victor (Ningbo) Cutting & Welding Equipment Trade & Commerce Co., Ltd., China	-	-	-	5	-	69	-	-	-
Victor Technologies International Inc., USA	-	-	-	184	71	12	-	-	-

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, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Nil, April 01, 2016: 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.

40. FIRST-TIME ADOPTION OF IND AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2016, as amended.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective location of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost for property, plant and equipment and intangible assets

Since there is no change in the functional currency, the Company has elected to continue with the carrying value as at April 1, 2016 for all of its intangibles and property plant & equipment as recognised in its Previous GAAP financial as deemed cost at the transition date.

Notes to the Financial Statements

for the year ended March 31, 2018

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

Mandatory exceptions

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016 (i.e. the date of transition to Ind-AS) and as of March 31, 2017.

Effect of the Transition to Ind AS

Reconciliations of the Company's balance sheets prepared under Indian GAAP and Ind AS as of April 1, 2016 and March 31, 2017 are also presented in Note 41 & 42. Reconciliations of the Company's income statements for the year ended March 31, 2017 prepared in accordance with Indian GAAP and Ind AS in Note 43.

41. RECONCILIATION OF EQUITY AS ON APRIL 1, 2016 (DATE OF TRANSITION TO IND-AS)

	Foot notes	Previous GAAP	Adjustments	IND AS
Assets				
Non-current assets				
Property, plant and equipment	A	7,734	–	7,734
Capital work in progress		525	–	525
Intangible assets	A	68	–	68
Financial assets				
(i) Other financial assets	B	2,184	(32)	2,152
Deferred tax asset (net)	D	178	(43)	135
Other non-current assets	B	606	20	626
		11,295	(55)	11,240
Current assets				
Inventories		5,846	–	5,846
Financial assets				
(i) Investments	C	11,977	254	12,231
(ii) Loans		–	–	–
(iii) Trade Receivables	H	4,544	(115)	4,429
(iv) Cash and Cash equivalents		2,711	–	2,711
(v) Bank balances other than (iv) above		780	–	780
(vi) Other financial assets		78	–	78
Other assets	B	920	3	923
Current tax assets		406	–	406
		27,262	142	27,404
Asset held for sale		–	–	–
Total assets		38,557	87	38,644
Equity and liabilities				
Equity				
Equity Share Capital		1,539	–	1,539
Other Equity	C, G & I	30,015	260	30,275
Total equity		31,554	260	31,814
Non-current liabilities				
Provisions		294	–	294
Current liabilities				
Financial Liabilities				
Trade payables	I	4,314	12	4,326
Other financial liabilities		197	–	197
Provisions	E	942	(185)	757
Other current liabilities		1,256	–	1,256
		6,709	(173)	6,536
Total liabilities		7,003	(173)	6,830
Total equity and liabilities		38,557	87	38,644

Notes to the Financial Statements

for the year ended March 31, 2018

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



42. RECONCILIATION OF EQUITY AS ON MARCH 31, 2017

	Foot notes	Previous GAAP	Adjustments	IND AS
Assets				
Non-current assets				
Property, plant and equipment	A	7,520	(102)	7,418
Capital work in progress		723	–	723
Intangible assets	A	183	–	183
Financial assets				
(i) Other financial assets	B	2,233	(29)	2,204
Deferred tax asset (net)	D	296	(54)	242
Other non-current assets	B	658	17	675
		11,613	(168)	11,445
Current assets				
Inventories		6,283	–	6,283
Financial assets				
(i) Investments	H	14,386	299	14,685
(ii) Loans		–	–	–
(iii) Trade Receivables	H	4,798	(115)	4,683
(iv) Cash and Cash equivalents		3,921	–	3,921
(v) Bank balances other than (iv) above		222	–	222
(vi) Other financial assets		90	–	90
Other assets	B	978	3	981
Current tax assets		431	–	431
		31,109	187	31,296
Asset held for sale		–	102	102
Total assets		42,722	121	42,843
Equity and liabilities				
Equity				
Equity Share Capital		1,539	–	1,539
Other Equity	C, G & I	32,615	101	32,716
Total equity		34,154	101	34,255
Non-current liabilities				
Provisions		317	–	317
Current liabilities				
Financial Liabilities				
Trade payables	I	5,772	20	5,792
Other financial liabilities		182	–	182
Provisions		773	–	773
Other current liabilities		1,524	–	1,524
		8,251	20	8,271
Total liabilities		8,568	20	8,588
Total equity and liabilities		42,722	121	42,843

Notes to the Financial Statements

for the year ended March 31, 2018

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

43. RECONCILIATION OF PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2017

	Foot Notes	Previous GAAP	Adjustments	IND AS
Revenue from operations		51,009	–	51,009
Other income	C	1,285	48	1,333
Total income		52,294	48	52,342
Expenses				
Cost of Raw materials and components consumed		24,287	–	24,287
Cost of traded goods sold		5,669	–	5,669
(Increase) / decrease in inventories of work-in-progress and finished goods		(181)	–	(181)
Employee benefits expense	G	5,233	(93)	5,140
Depreciation and amortization expense		1,027	–	1,027
Other expenses	I	11,711	11	11,722
Total expense		47,746	(82)	47,664
Profit / (loss) before Exceptional items		4,548	130	4,678
Exceptional Items		911	–	911
Profit / (Loss) after Exceptional items before tax		3,637	130	3,767
Current Tax		1,155	–	1,155
Deferred tax expense / (credit)	D	(118)	44	(74)
Income tax expense		1,037	44	1,081
Profit for the year		2,600	86	2,686
Other comprehensive income				
Items that will not be reclassified to Profit or Loss in subsequent years				
- Re-measurement loss on defined benefit plans	G		(93)	(93)
- Income tax expense relating to above items	D		33	33
Other comprehensive income for the year, net of tax			(60)	(60)
Total comprehensive income for the year, net of tax			26	2,626

Foot notes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017

A. Property, plant and equipments and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as at April 1, 2016 (the transition date) measured as per the previous GAAP as its deemed cost as of the transition date. Accordingly, the gross block as at April 1, 2016 is net of accumulated depreciation/ amortisation and impairment of ₹ 12,129 (refer note 3). Further, in line with Ind AS 105, the Company has re-classified the Land at Khardah to Assets held for sale (refer note 14).

B. Security Deposits

Under Indian GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent. The prepaid rent is amortised over the period of the deposit.

C. Investments Carried at fair value through P&L

Under Indian GAAP, the Company accounted for investments in unquoted mutual funds as investment measured at the lower of cost or market value. Under Ind AS, the Company has measured such investments at fair value. The difference between fair value and Indian GAAP carrying amount has been recognized in retained earnings.

D. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes

Notes to the Financial Statements

for the year ended March 31, 2018

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



ESAB INDIA LIMITED

using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of ₹ 54 (April 1, 2016: ₹ 43).

E. Proposed Dividend

Under Indian GAAP, proposed dividends including DDT were recognised as a liability in the period to which they relate, irrespective of when they are declared till March 2016. From financial year ending on March 2017, dividend declared after the balance sheet is not considered as an adjusting event. Thus, the opening Ind AS balance sheet as on 1 April 2016 has a liability recognized. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid.

In the case of the Company, the declaration of dividend occurs after period end. Therefore, the liability of ₹ 185 for the year ended on 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016.

F. Sale of goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss. Thus sale of goods under Ind AS has increased by ₹ 4,370 (April 1, 2016 - ₹ 4,402) with a corresponding increase in other expense.

G. Other Comprehensive Income

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, 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. Thus the employee benefit cost is increased by ₹ 93 for the year 2016-17 and remeasurements gains / losses on defined benefit plans has been recognized in the OCI net of tax.

H. Under IND AS, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables.

I. Under the previous GAAP, leases need to be straight-lined over the period of non-cancellable term. As per Ind AS 17, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since the payments to the lessor does not vary because of any factors other than general inflation, the Company has recognised expense on a straight-line basis.

Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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 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

Rohit Gambhir
Managing Director
DIN: 06686250

K Vaidyanathan
Director
DIN: 00063692

S Balasubrahmanyam
Partner
Membership No. 053315

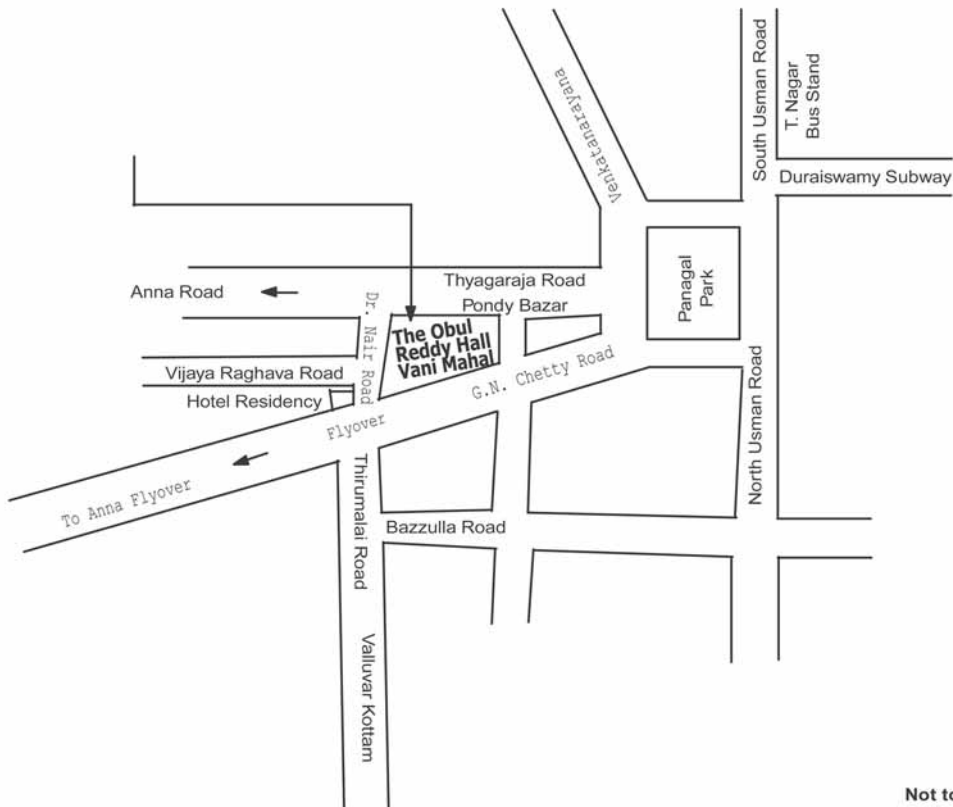
B Mohan
Vice President - Finance and
Chief Financial Officer

S Venkatakrishnan
Company Secretary

Place : Chennai

Date : May 30, 2018

Route map for the venue of AGM of **ESAB India Limited** to be held on **Thursday 9th August, 2018 at 10.00 A.M.**





ESAB INDIA LIMITED

Your Partner in Welding & Cutting

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

www.esabindia.com

**ESAB INDIA LIMITED**

CIN: L29299TN1987PLC058738

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

Tel : 044-4228 1100 Fax : 044-4228 1150 Email : investor.relations@esab.co.in Website : www.esabindia.com

ATTENDANCE SLIP (31st ANNUAL GENERAL MEETING)

Date : 9 August, 2018, Time : 10.00 a.m. Place: P. Obul Reddy Hall, Vani Mahal, 103, G.N. Road, T.Nagar, Chennai - 600 017.

Member's Folio / DP ID - Client ID No. *

Member's / Proxy's Name in Block Letters

Member's / Proxy's Signature

Note: 1. Please fill Attendance Slip and hand it over at the entrance of the meeting hall. 2. Joint shareholders may obtain additional slip at the venue of the meeting. 3. Bodies Corporate, whether a company or not, who are members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation should be deposited with the Company.

The electronic voting particulars are set out below:

EVEN	USER ID	PASSWORD

Please refer Notice for instructions on e-Voting. E-Voting facility is available during the following voting period

Commencement of e-voting	End of e-voting
Monday, 6 th August, 2018 (from 9:00 a.m.)	Wednesday, 8 th August, 2018 (upto 5:00 p.m.)

*Applicable for investors holding shares in electronic form.

**ESAB INDIA LIMITED**

CIN: L29299TN1987PLC058738

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

Tel : 044-4228 1100 Fax : 044-4228 1150 Email : investor.relations@esab.co.in Website : www.esabindia.com

PROXY FORM - Form No. MGT 11*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s):

Registered address:

E-mail Id:

Folio No. / DP ID No:

Client ID No.:

I/We, being the member (s) of shares of ESAB India Limited, hereby appoint:

1. Name: 2. Name: 3. Name:

Address: Address: Address:

E-mail id: E-mail id: E-mail id:

Signature: or failing him/her Signature: or failing him/her Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the company, to be held on the Thursday, 9th August, 2018 at 10:00 am at P. Obul Reddy Hall, Vani Mahal, 103, G. N. Road, T. Nagar, Chennai 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolutions to be passed
1.	To consider and adopt the Balance Sheet as at 31 March 2018 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 declare a dividend.
3.	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.
4.	Ratification of Remuneration to Cost Auditor.

Signed this..... day of..... 20.....

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Affix
Revenue
Stamp of
Re 1/-



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.