



SHAPING THE FUTURE OF FABRICATION TECHNOLOGY

ESAB INDIA LIMITED
ANNUAL REPORT
2022 - 2023

Board of Directors

Kevin Johnson

Chairman

Rohit Gambhir

Managing Director

K Vaidyanathan

Independent Director

Vikram Tandon

Independent Director

Sudhir Chand

Independent Director

Sabitha Rao (Upto 31.12.2022)

Independent Director

Cauvery Dharmaraj (From 23.03.2023)

Independent Director

Key Managerial Personnel

B Mohan

Vice President - Finance & Chief Financial Officer

G Balaji

Company Secretary & Compliance Officer

Email : balaji.g@esab.co.in

investor.relations@esab.co.in

Registered Office

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

Tel : 044-4228 1100

Fax : 044-4228 1150

www.esabindia.com

CIN: L29299TN1987PLC058738

Bankers to the Company

1. AXIS Bank Limited
No. 82, Dr Radhakrishnan Salai,
Mylapore, Chennai 600 004.
2. HDFC Bank Limited
No. 115, Dr Radhakrishnan Salai,
Mylapore, Chennai 600 004.

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

Kevin Johnson

Member

Stakeholders Relationship Committee

Vikram Tandon

Chairman

Sudhir Chand

Member

Rohit Gambhir

Member

Kevin Johnson

Member

Nomination & Remuneration Committee

K Vaidyanathan

Chairman

Sudhir Chand

Member

Sabitha Rao (Upto 31.12.2022)

Member

Cauvery Dharmaraj (From 23.03.2023)

Member

Kevin Johnson

Member

Corporate Social Responsibility Committee

Sabitha Rao (Upto 31.12.2022)

Chairperson

Cauvery Dharmaraj (From 23.03.2023)

Chairperson

Rohit Gambhir

Member

Kevin Johnson

Member

Risk Management Committee

Kevin Johnson

Chairman

Rohit Gambhir

Member

Sudhir Chand

Member

B Mohan

Member

Statutory Auditors

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

Chartered Accountants

6th Floor, "A" Block, Tidel Park,
No.4, Rajiv Gandhi Salai, Taramani,
Chennai - 600 113.

Tel. No.044-6117 9000

Firm Regn No.101049W / E300004

Internal Auditors

M/s. KPMG Assurance & Consulting Services, LLP,

Chartered Accountants

Ground Floor, No. 1,
Harrington Road, Chetput, Chennai 600 031.

Tel. No. 044-3914 5000

Cost Auditors

M/s. Geeyes & Co.

Cost & Management Accountants

A-3, III Floor, 56, Seventh Avenue,
Ashok Nagar, Chennai 600 083.

Tel.044-4203 3470

Secretarial Auditors

M/s. V Mahesh & Associates

No. 12/22, II Floor, 7th Main Road,
R.A. Puram, Chennai - 600 028.

Tel.: 044-4317 4474

Contents	Page
Five years Financial Highlights	3
Notice	5
Directors' Report	20
Business Responsibility and Sustainability Report	41
Report on Corporate Governance	73
Independent Auditor's Report on Compliance with Corporate Governance	94
Independent Auditor's Report on Audit of the Ind AS Financial Statements	95
Balance Sheet	106
Statement of Profit and Loss	107
Cash Flow Statement	108
Statement of Changes in Equity	109
Notes to the Financial Statements	110

Five years

Financial Highlights

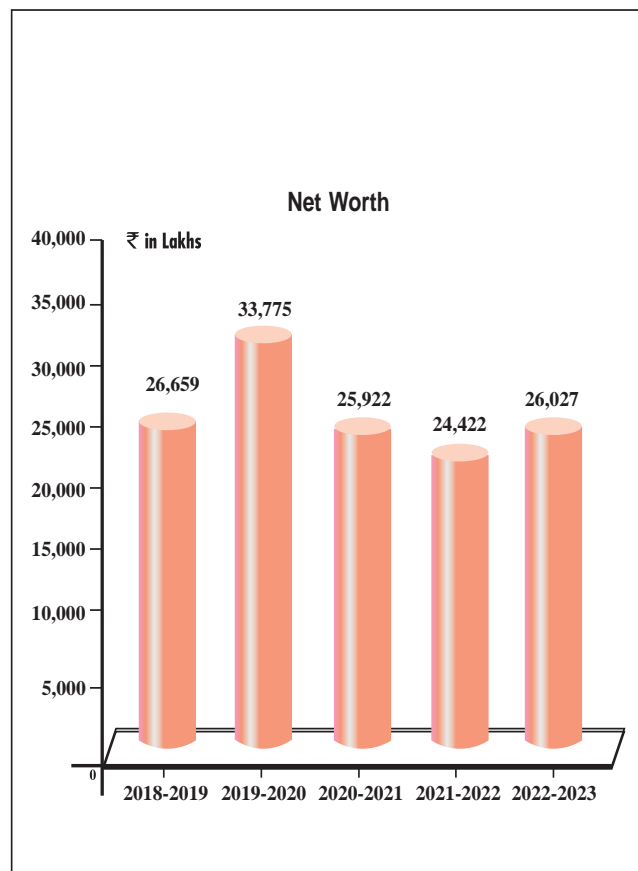
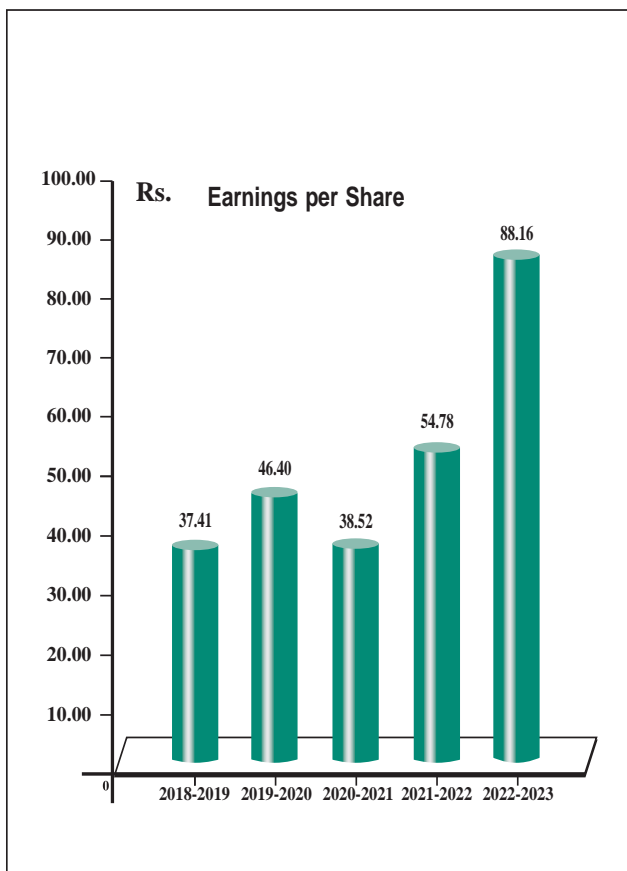
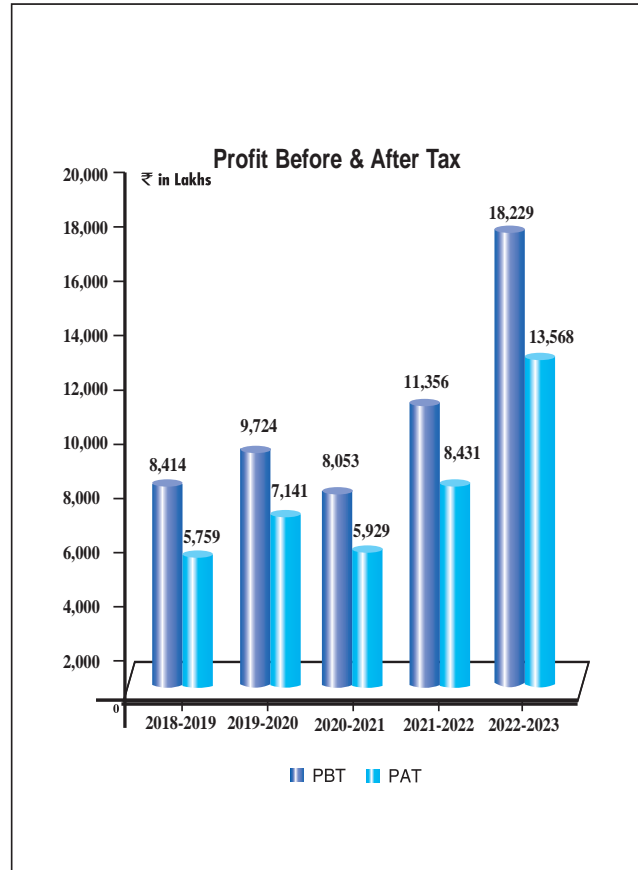
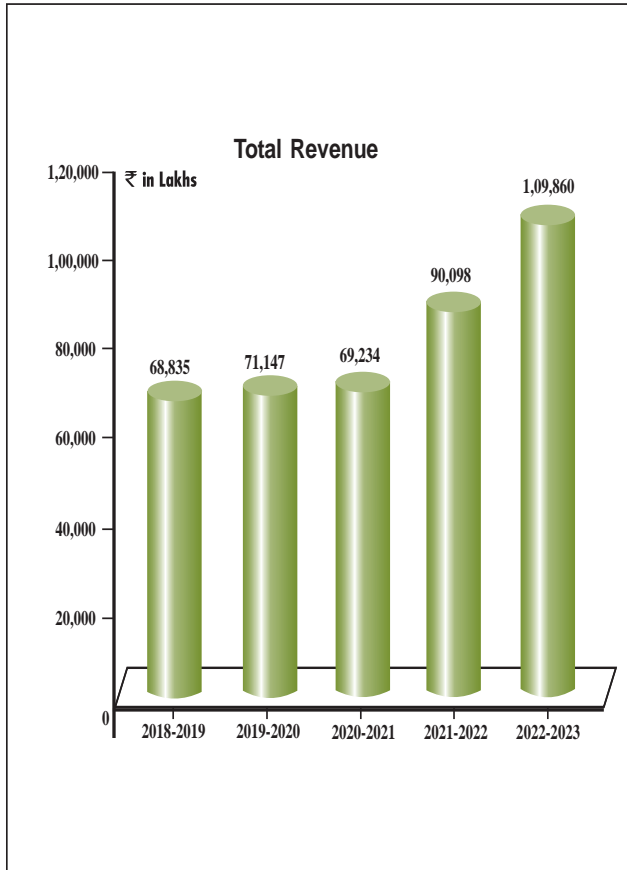
Highlights

₹ in Lakhs

Operating Results	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Revenue from Contract with customers	109,860	90,098	69,234	71,147	68,835
Materials	67,192	56,423	43,915	43,584	43,120
Manufacturing, Selling and Administrative Expenses	23,201	21,125	15,920	16,496	16,135
Interest and Finance Charges	50	61	175	85	28
Depreciation	1,188	1,133	1,171	1,258	1,070
Operating Profit	18,229	11,356	8,053	9,724	8,482
Exceptional / Extraordinary items	—	—	—	—	68
Profit before Tax	18,229	11,356	8,053	9,724	8,414
Taxation	(4,661)	(2,925)	(2,124)	(2,583)	(2,655)
Profit after Tax	13,568	8,431	5,929	7,141	5,759
Other comprehensive income	44	74	(82)	(25)	(38)
Total comprehensive income for the period, net of tax	13,612	8,505	5,847	7,115	5,721
Earnings per share (₹)	88.16	54.78	38.52	46.40	37.41
Dividends	12,006	9,236	6,773	10,775	13,854
Dividends Distribution Tax	—	—	—	—	2,848
Dividend per share (₹)	78 *	60	44	70	90
Dividend Payout Ratio	88%	109%	116%	151%	242%

Financial Position	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Sources of Funds					
Capital	1,539	1,539	1,539	1,539	1,539
Reserves	24,488 *	22,883	24,383	32,236	25,120
Net Worth	26,027	24,422	25,922	33,775	26,659
Borrowings	—	—	—	—	—
Deferred Tax Liability	—	—	—	—	—
Total	26,027	24,422	25,922	33,775	26,659
Application of Funds					
Fixed Assets	11,455	9,251	9,215	9,295	8,626
Investments	15	3,116	4,124	6,998	3,026
Deferred Tax Assets	108	162	145	153	141
Non Current Assets / Long Term Loans and Advances	706	557	343	463	839
Current Assets	35,117	30,524	24,993	29,032	25,244
Non Current Liabilities	(1,010)	(640)	(691)	(710)	(362)
Current Liabilities and Provisions	(20,364)	(18,548)	(12,206)	(11,456)	(10,855)
Total	26,027	24,422	25,922	33,775	26,659
Number of Employees	829	822	808	755	753

* Includes Final dividend of ₹ 20/- proposed by the BOD for approval of the shareholders at the forthcoming AGM.



Notice to Shareholders

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Members of the Company will be held on Thursday the 10th of August 2023 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as on 31st March 2023 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 final dividend of ₹ 20 per equity share of ₹ 10 each i.e., 200%.
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:

Ratification of Remuneration payable to Cost Auditors:

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand Only), in addition to reimbursement of travel and out-of-pocket expenses, payable to M/s. Geeyes & Co., Practicing Cost Accountants, Chennai holding Firm Registration No. 000044, who have been appointed as Cost Auditor of the Company for the Financial Year ending 31st March 2024 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 25th May, 2023 be and is hereby ratified.

5. To consider and to pass the following resolution as Special Resolution:

Re-appointment of Mr. Rohit Gambhir (DIN: 06686250) as Managing Director of the Company for a term of five years with effect from 1st November 2023.

RESOLVED THAT subject to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act 2013), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), consent of the Company be and is hereby accorded for re-appointment of Mr. Rohit Gambhir (DIN: 06686250), as the Managing Director of the Company for a period of five years with effect from 1st November 2023 upon such terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as recommended by the Nomination and Remuneration Committee of Directors and the Board of Directors (the Board) as set out in the explanatory statement and to alter and vary the terms and conditions of the said appointment and remuneration and / or agreement in such manner, as it may deem fit and as may be agreed to between the Board and Mr. Rohit Gambhir, however subject to the limits permissible under the Act and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary.

RESOLVED FURTHER THAT the scope and quantum of remuneration specified hereinbelow, may be enhanced, enlarged, widened, altered or varied by the Board, in light of and in conformity with any amendment to the relevant provisions of the Act, 2013 / Income Tax Act, 1961 and / or the rules and regulations made thereunder and / or such guidelines, as may be announced by the Central Government, from time to time.

Terms and Conditions:

Remuneration:

Mr. Rohit Gambhir shall be paid remuneration by way of salary, perquisites and other allowances and benefits, any or more than one of them as may be

recommended by the Nomination and Remuneration Committee and approved by the Board, in accordance with Sections 197, 203 and Schedule V of the Companies Act, 2013, within an overall ceiling limit not exceeding ₹ 6,00,00,000/- (Rupees six crores only).

Commission / Bonus: Performance based bonus will be in accordance with the Group's scheme applicable to senior executives. This would be a variable component. Percentage of the net profits of the Company or such other quantum as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, at its absolute discretion, for each financial year computed in the manner provided under Sections 197, 198 of the Companies Act, 2013 subject to a maximum of 35% of gross annual salary at the end of the financial year during the tenure of services within the overall ceiling limit of ₹ 6,00,00,000/- (Rupees six crores only).

Perquisites:

1. Mr. Rohit Gambhir will be eligible for gratuity as applicable to other officers of the Company.
2. Mr. Rohit Gambhir and family, subject to a maximum of 6 members, will be covered under Mediclaim policy for a total coverage of ₹ 900,000/- @ ₹ 150,000/- per person per annum.
3. Mr. Rohit Gambhir will be eligible for a company owned car along with a driver as per company's policy applicable from time to time.
4. Car provided to Mr. Rohit Gambhir will be run and maintained by the Company and as may be approved by the Board of Directors from time to time.
5. Fuel reimbursement will be given as per Company's policy as applicable to the senior executives of the Company. Unclaimed fuel and maintenance limit will be paid at the end of the year as allowance and taxed.
6. Leave Travel allowance for Mr. Rohit Gambhir and his family, which shall include spouse, dependent children and parents, as per the Company's policy as applicable from time to time and as may be approved by the Board of Directors.
7. **Telephone & Data Card:** The Company shall provide a home telephone, a mobile phone and a Data card for official use and reimburse expenses, at actuals.
8. **Leave:** The Managing Director shall be eligible for Leave entitlement and encashment as per the rules of the Company.

9. **Club Membership:** Payment of club fees for one club and all actual entertainment expenses at the club reasonably incurred in or about the business of the company shall be reimbursed.
10. The Company's contribution to provident fund not exceeding such percentage of the salary as may be fixed by the Central Government from time to time and superannuation fund as per the rules of the Company as may be applicable from time to time.
11. The Managing Director shall be entitled to reimbursement of all actual expenses, including on entertainment and travelling incurred by him in the course of the Company's business in line with the Company's Global / Domestic Travel Policy.
12. The Managing Director shall also be eligible for any other allowances / benefits / perquisites, as per the rules made applicable to the Senior Executives of the Company, and / or which may become applicable in the future and / or any other allowance, perquisites as the Board may from time to time decide.

Revision in remuneration:

The Board of Directors of the Company, subject to the recommendation of the Nomination & Remuneration Committee, may revise the remuneration payable to the Managing Director, in any financial year during the present tenure of office, in such manner as agreed to between the Board of Directors and the Managing Director subject to the condition that the remuneration by way of salary, perquisites, performance bonus / incentive and other allowances subject to the limits as approved by the Shareholders i.e. ₹ 6,00,00,000/- (Rupees six crores only).

Minimum Remuneration

In the event of any loss or inadequacy of profits for any financial year, the Board of Directors subject to the recommendation of Nomination & Remuneration Committee, shall revise the remuneration payable to the Managing Director, during such financial year, in such manner as agreed to between the said committee and the Managing Director and within the limits prescribed in this behalf under Schedule V of the Companies Act, 2013.

Other terms:

1. The Managing Director so long as he functions as such, shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

2. The Company may have the right to terminate the said appointment at any time with three-month's prior notice before the employment period originally agreed upon is concluded.
3. The Managing Director shall carry out such duties as may be entrusted to him by the Board of Directors from time to time.
4. The Managing Director shall exercise such powers as envisaged in the Articles of Association, subject to the approvals from the Board of Directors and such other powers as may be delegated from time to time by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.

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

Appointment of Mr. B Mohan (DIN: 00261434) as Director of the Company for a term of five years with effect from 20th June 2023.

RESOLVED THAT subject to the provisions of Sections 196 and 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act 2013), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the appointment of Mr. B Mohan (DIN: 00261434), Chief Financial Officer, as Director of the Company for a period of five years with effect from 20th June 2023, upon such terms and conditions as recommended by the Nomination and Remuneration Committee of Directors and the Board of Directors (the Board) as set out in the explanatory statement and to alter and vary the terms and conditions of the said appointment and for this purpose the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary.

RESOLVED FURTHER THAT Mr. B. Mohan, Chief Financial Officer shall hold the office of Director as an additional responsibility and his remuneration be paid only in the capacity as Chief Financial Officer as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

RESOLVED FURTHER THAT Mr. Mr. B Mohan, Director shall be liable to retire by rotation under Section 152 of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof), if re-appointed as a Director immediately on retirement by rotation, he shall continue to hold his office of Director and such reappointment shall not be deemed to constitute a break in his appointment as Director.

RESOLVED FURTHER THAT the Board of Directors or Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.

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

Approval for Material Transactions with ESAB Europe GmbH, Switzerland, Related Party.

RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Company's Policy on Related Party Transactions, consent of the members of the Company be and is hereby accorded for entering into related party transactions with ESAB Europe GmbH, Switzerland for purchase of raw materials, components, finished goods & services and sale of goods & services in the ordinary course of its business and at arm's length basis for an aggregate amount not exceeding ₹ 150 crores as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to approve transactions and the terms & conditions with the related party defined under the Act, and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient, or incidental thereto as the Board may at its absolute discretion deem fit, without being required to seek any further consent or approvals of the Members or otherwise to the end and intent that they shall be deemed has given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to any one of its directors or Committee of directors with power to further delegate

to or any Key Managerial Personnel of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper, or expedient to give effect to this Resolution.

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

Approval for Material Transactions with EWAC Alloys Limited, Related Party.

RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Company's Policy on Related Party Transactions, consent of the members of the Company be and is hereby accorded for entering into related party transactions with EWAC Alloys Limited for purchase of raw materials, components, finished goods & services and sale of goods & services in the ordinary course of its business and at arm's length basis for an aggregate amount not exceeding ₹ 150 crores as detailed in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to approve

transactions and the terms & conditions with the related party defined under the Act, and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient, or incidental thereto as the Board may at its absolute discretion deem fit, without being required to seek any further consent or approvals of the Members or otherwise to the end and intent that they shall be deemed has given their approval thereto expressly by the authority of this resolution for the purpose of giving effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to any one of its directors or Committee of directors with power to further delegate to or any Key Managerial Personnel of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper, or expedient to give effect to this Resolution.

By Order of the Board of Directors

Chennai
20 June, 2023

G. Balaji
Company Secretary

NOTES:

Explanatory Statement required pursuant to Section 102 of the Companies Act, 2013 (Act) in relation to Item No. 4, 5, 6, 7 and 8 above is annexed hereto.

Voting rights shall be reckoned on the basis of the shares registered in the name of the Members / Beneficial Owners as on 3rd August 2023.

In view of COVID-19 pandemic and pursuant to MCA General Circular No. 10 / 2022 dated 28th December 2022, all other relevant circulars issued from time to time, Companies are permitted to hold the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) without the physical presence of the Members at a common venue until 30th September 2023. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC / OAVM.

As per the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend

and vote on his / her behalf and the proxy need not be a Member of the Company. Pursuant to the General Circular No. 10 / 2022 dated 28th December 2022, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.

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

The relevant details, pursuant to Regulations 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed hereto.

As per Regulation 40 of SEBI LODR Regulations, as amended, any request received for transfer, transmission or transposition of securities of listed companies held in physical form shall be effected only in dematerialized form. In view of this and to eliminate all the risks associated with physical shares and ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited for any assistance in this regard.

Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Integrated Registry Management Services Private Limited in case the shares are held by them in physical form.

The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Company's RTA i.e., Integrated Registry Management Services Private Limited.

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

As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in a single name are advised, in their own interest, to avail the nomination facility by submitting Form SH 13. Members holding shares in dematerialized form may contact their Depository Participant for recording the nomination in respect of their shares.

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 in to one folio. In case of joint holders attending the AGM, only such joint holder who is

higher in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 4th August 2023 through email on investor.relations@esab.co.in or balaji.g@esab.co.in. The same will be replied by the Company suitably.

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 2014-15 to Investor Education and Protection Fund (IEPF) established by the Central Government and is in the process of transferring its unpaid or unclaimed dividends for the financial year 2015-16. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31st March, 2022 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 31.03.2023
2015-16	Final	1.00	4.08.2016	09.09.2023	1,30,358.00
2016-17	Final	1.00	3.08.2017	08.09.2024	1,42,548.00
2017-18	Final	1.00	09.08.2018	14.09.2025	88,421.00
2018-19	Interim	90.00	23.11.2018	29.01.2026	48,06,090.00
2019-20	Interim	70.00	28.05.2020	26.06.2027	41,11,501.00
2020-21	Interim	19.00	10.02.2021	16.03.2028	10,37,082.00
2020-21	Final	25.00	12.08.2021	16.10.2028	13,70,913.00
2021-22	First Interim	22.00	10.11.2021	15.01.2029	11,07,467.00
2021-22	Second Interim	18.00	10.02.2022	16.03.2029	8,14,278.00
2021-22	Final	20.00	11.08.2022	16.10.2029	10,64,295.00
2022-23	First Interim	30.00	11.11.2022	16.01.2030	14,43,242.00
2022-23	Second Interim*	28.00	10.02.2023	16.03.2030	0.00
Total					1,61,16,195.00

* As of 31st March 2023, TDS amount of ₹ 3,89,08,702.00 was lying in the Second Interim Dividend bank account of 2022-23 and it was subsequently paid to the government account on 4th April 2023.

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

The Company had already sent a communication to all the shareholders that henceforth all documents to be sent to the shareholders under the provisions of Companies Act, 2013 will be sent to their registered email address; thereby enabling paperless compliance. Further, in compliance with the aforesaid MCA General Circular No. 10/2022 dated December 28, 2022, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.

In line with the Ministry of Corporate Affairs (MCA) General Circular No.10/2022 dated December 28, 2022 members may note that the Notice and Annual Report for the financial year 2022-23 will be available on the Company's website www.esabindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) www.evoting.nsdl.com

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

AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA General Circular No.10/2022 dated December 28, 2022.

The Members can join the Annual General Meeting in the VC / OAVM mode 15 minutes before and after the

scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The facility for participation in the Annual General Meeting will be available for 1000 members on first come first served basis except for large shareholders (Holding more than 2% or more of shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circular issued by the Ministry of Corporate Affairs dated December 28, 2022 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by NSDL.

In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of Mr. Rohit Gambhir, Managing Director, who is liable to retire by rotation and who is eligible for reappointment including his expertise in specific functional areas, other directorships and committee memberships, shareholding, and relationship with other directors of the Company were disclosed in the explanatory statement annexed hereto.

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

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI LODR Regulations, and MCA General Circular No. 10, 2022 dated 28th December 2022 the Company is pleased to provide members with the facility to attend the AGM through VC/OAVM and to cast their vote electronically, through the NSDL e-Voting services, on all the resolutions set forth in the Notice.

The remote e-Voting period begins on 7th August 2023 at 09:00 A.M. and ends on 9th August 2023 at 05:00 P.M. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 3rd August 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 3rd August 2023.

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

Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the time of conduct of Annual General Meeting and until conclusion of the Annual General Meeting.

The Board of Directors has appointed Mr. V Mahesh (Membership No. F 4162) of V Mahesh & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.

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

Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode





In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their

mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Your User ID details are given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will

Type of shareholders	Login Method
	<p>open. You will have to enter your UserID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p>   </p> <p>   </p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.</p> <p>2. After successful login the Easi / Easiest, user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the</p>

Type of shareholders	Login Method
	<p>meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also be able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request

at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting". Select "EVEN" of the Company which is **124154**.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate Shareholders (i.e other than individuals / HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to maheshvenki@vmacs.co.in. with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep

your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or 022 - 4886 7000 and 022 - 2499 7000 or send a request to Attn : Ms. Prajakta Pawle at email ID : evoting@nsdl.co.in

In case of any grievances connected with facility for e-voting, please contact NSDL Official Ms. Prajakta Pawle at 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at Email ID: evoting@nsdl.co.in or call on 022 - 4886 7000 and 022 - 2499 7000

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to the Registrar and Transfer Agent of the Company srirams@integratedindia.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhaar Card) to the Registrar and Transfer Agent of the Company srirams@integratedindia.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder / members may send a request to evoting@nsdl.co.in for procuring user and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING AND ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.
5. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
6. Members are encouraged to join the Meeting through Laptops for better experience.
7. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore

recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members who have any queries on the subjects detailed in the Annual Report, may send in their questions in advance from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number to email ID balaji.g@esab.co.in on or before 4th August, 2023 (5:00 p.m. IST). Alternatively, a Q&A panel would also be made available for the Members on the date of AGM i.e., 10 August 2023 and the Members may raise questions through such panel also. The Company reserves the right to restrict the number of questions depending on the availability of time for the AGM.

Other Instructions:

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

The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.esabindia.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The resolution, if approved, will be taken as passed effectively on the date of Annual General Meeting.

The Board of Directors at its meeting held on 25 May 2023 appointed the scrutinizer for e-Voting as per details given below:

Mr V Mahesh
V Mahesh and Associates
Practising Company Secretaries
C/o. Integrated Registry Management Services Private Ltd
Unit: ESAB India Limited
2nd Floor, 'Kences Towers', No.1 Ramakrishna Street,
North Usman Road, T.Nagar, Chennai 600017.

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

The Scrutinizer, after completion of the Scrutiny, will submit his report to the Chairman of the Company or any person authorized by him in writing. The results will be declared by the Chairman or by any person authorized by him in this regard on or before 12 August 2023.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)
Item No.4
Ratification of Remuneration payable to Cost Auditors:

The Board at its meeting held on 25th May 2023 appointed M/s. Geeyes & Co., Practicing Cost Accountants, holding Firm Registration No. 000044, as Cost Auditor of the Company in terms of Section 148 of the Companies Act, 2013 (the Act 2013) and fixed a sum of ₹ 5,50,000/- (Rupees Five Lakh Fifty Thousand only) as remuneration payable to them, for the financial year ending 31 March 2024.

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.

Item No.5
Re-appointment of Mr. Rohit Gambhir, Managing Director (DIN: 06686250) for a period of five years from 1 November 2023

The Nomination and Remuneration Committee at its meeting held on 23rd March 2023, evaluated the contribution made by Mr. Rohit Gambhir, Managing Director, to the overall progress of the Company and after taking into consideration the complexities of the responsibilities handled by him and industry benchmarks for similarly placed managerial personnel, have recommended his reappointment as Managing Director for a further period of five years with effect from 1 November 2023 with an overall managerial remuneration limit of ₹ 600,00,000/- (Rupees Six Crores Only). Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 23 March 2023, have approved the re-appointment of Mr. Rohit Gambhir as Managing Director of the Company for a period of five years from 1 November 2023 till 31 October 2028 with an overall managerial remuneration limit of ₹ 600,00,000/- (Rupees Six Crores Only) subject to the approval of the shareholders.

In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of Mr. Rohit Gambhir, Managing Director,

including his expertise in specific functional areas, other directorships and committee memberships, shareholding, and relationship with other directors of the Company are furnished hereunder.

1. A Brief Profile of Mr. Rohit Gambhir, Managing Director

Name	Rohit Gambhir
DIN	06686250
Date of Birth	06 - 03 - 1973
Nationality	Indian
Date of first appointment on the Board	1 November, 2013
Shareholding in ESAB	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	He is a Director in EWAC Alloys Limited.
Membership / Chairmanship of Audit and Stakeholders' Relationship Committees across Public Companies	Member of Audit Committee of EWAC Alloys Limited
Disclosure of relationship between director inter-se	He is not related to any Director of the Company

Mr. Rohit Gambhir, aged 50 years, is a B.Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 28 years. He started his career in August 1994 with Saint Gobain. He rose through the ranks to be the Sales Manager for Abrasive Industrial trade products by April 2003, and he served them till November 2007. In 2007, Mr. Rohit Gambhir joined Stanley Black & Decker as its Business Head. He joined ESAB India in March 2013 as its Head of Sales & Marketing.

His areas of expertise include Business Management and strategy, marketing plans and implementation, end user B 2 B sales, international projects with Emerging Market focus, Sales and Operating margin management, Working capital management, Organization development, Supply Chain Management and Segment development.

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

The terms of appointment and the remuneration payable to Mr. Rohit Gambhir, Managing Director, as specified in the Resolution set out in the Notice, are now being placed

before the members for their approval by way of a special resolution, in compliance with the provisions of Sections 196, 197 and 203 read with Schedule V to the Act, 2013, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Mr. Rohit Gambhir is deemed to be concerned / interested in this resolution, since it relates to his re-appointment as Managing Director.

Item No.6

Appointment of Mr. B. Mohan (DIN: 00261434) as Director of the Company for a term of five years with effect from 20th June 2023

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 20th June 2023 have appointed Mr. B. Mohan, Chief Financial Officer as Director of the Company for a term of five years effective from 20th June 2023 subject to approval of the shareholders.

Mr.B. Mohan, Chief Financial Officer, if appointed as Director, shall be liable to retire by rotation in accordance with Section 152 of the Companies Act, 2013.

In terms of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile of Mr. B. Mohan, including his expertise in specific functional areas, other directorships and committee memberships, shareholding, and relationship with other directors of the Company are furnished hereunder.

The following statement sets out all material facts relating to the resolution mentioned in the accompanying notice.

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

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

Mr. B Mohan graduated in the year 1985 and completed Chartered Accountancy in 1986. He is also a qualified Company Secretary. He started his career with A.F. Ferguson and Associates, Mumbai handling statutory audits in leading Companies including Tata Steel, Hindustan Unilever and a few businesses of General Electric. He moved to Wipro, Bangalore and served in multiple roles as divisional finance head across various IT businesses of Wipro. After a year with Gillette, Delhi in the Corporate Accounting function moved to Valeo, Chennai a part of Valeo S.A, France headquartered auto components entity. Over a period of 7.5 years, he headed Finance function in two of their Joint ventures from a project set up stage.

He finally moved to Esab India Limited in 2005 as CFO and has been heading Finance / IT for over 18 years.

II. Terms & Conditions of appointment:

1. Period of appointment : 5 years from 20th June 2023 to 19th June 2028
2. Designation : Director
3. Remuneration : Remuneration will be paid only in the capacity as Chief Financial Officer as recommended by Nomination and Remuneration Committee and approved by the Board from time to time.

The Company has received:

- (i) consent in writing from B Mohan to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- (ii) intimation in Form DIR 8 in terms of the Appointment Rules from B Mohan to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- (iii) declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any Order passed by the Securities and Exchange Board of India or any other such authority.
- (iv) declaration that he does not hold any equity shares in ESAB India Limited as on date and is also not related to any other Director on the Board of the Company.
- (v) a notice in writing by a member proposing his candidature under Section 160(1) of the Act.

The Board recommends ordinary resolution, as set out for approval by the shareholders of the Company.

Except the appointee, none of the Directors or other Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in this Notice.

Item No.7

Approval for Material transactions with related parties i.e., ESAB Europe GmbH, Switzerland

The Audit Committee at their meeting held on 25th May 2023 have reviewed the details of expected transactions to be carried with ESAB Europe GmbH, Switzerland, during the financial year 2023-24 and found that the transaction value may likely exceed the prescribed limit of 10% of the annual turnover of the Company. Based on the inputs and explanations provided by the management of the Company, the Audit Committee have decided that this transaction is likely to be a material related party transaction and therefore recommended the same for the approval of the Board and shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 25th May 2023 have approved and recommended the material related party transactions with ESAB Europe GmbH, Switzerland for approval of the shareholders.

Regulation 23 of SEBI (LODR) Regulations provide that all related party transactions and subsequent material modifications shall require prior approval of the audit committee and only those members of the audit committee, who are independent directors, shall approve the related party transactions.

The said regulation provides further that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis with the prior approval of Audit Committee. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, material related party transactions (i.e., value exceeding 10% of the annual turnover or rupees one thousand crore whichever is lower) require shareholders approval.

The proposed transactions would be in the normal course of business and relate to purchases and sales of goods

and services, including reimbursement of expenses, if any. The approval of the shareholders is sought for the entire gamut of transactions to be entered with ESAB Europe GmbH, Switzerland under the existing and future arrangements may exceed 10 per cent of the annual turnover of the Company and not exceeding ₹ 150 crores which is considered as material related party transaction.

Nature of related party transactions and the business rationale for entering into such transactions:

The Company enters into transactions for purchase of raw materials, components, finished goods and services in the normal course of its business. The Company also enters into transactions for sales of goods and services.

Based on current and emerging business trends, the value of transactions with ESAB Europe GmbH, Switzerland may become material as defined in SEBI (LODR) Regulation as mentioned above.

All the independent directors on the Audit Committee approved the proposed material related party transaction with ESAB Europe GmbH, Switzerland at the meeting held on 25 May 2023.

The Board recommends the Ordinary Resolution set out at item no.7 of the Notice for approval by the Shareholders.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested in the said resolution.

Item No.8

Approval for Material transactions with related parties i.e., EWAC Alloys Limited

The Audit Committee at their meeting held on 25th May 2023 have reviewed the details of expected transactions to be carried with EWAC Alloys Limited during the financial year 2023-24 and found that the transaction value may likely exceed the prescribed limit of 10% of the annual turnover of the Company. Based on the inputs and explanations provided by the management of the Company, the Audit Committee have decided that this transaction is likely to be a material related party transaction and therefore recommended the same for the approval of the Board and shareholders.

Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 25th May 2023 have approved and recommended the material related party transactions with EWAC Alloys Limited for approval of the shareholders.

Regulation 23 of SEBI (LODR) Regulations provide that all related party transactions and subsequent material modifications shall require prior approval of the audit committee and only those members of the audit committee,

who are independent directors, shall approve the related party transactions.

The said regulation provides further that a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

The Company seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis with the prior approval of Audit Committee. As per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, material related party transactions (i.e., value exceeding 10% of the annual turnover or rupees one thousand crore whichever is lower) require shareholders approval.

The proposed transactions would be in the normal course of business and relate to purchases and sales of goods and services, including reimbursement of expenses, if any. The approval of the shareholders is sought for the entire gamut of transactions to be entered with EWAC Alloys Limited under the existing and future arrangements may exceed 10 per cent of the annual turnover of the Company and not exceeding ₹ 150 crores which is considered as material related party transaction.

Nature of related party transactions and the business rationale for entering into such transactions:

The Company enters into transactions for purchase of raw materials, components, finished goods and services in the normal course of its business. The Company also enters into transactions for sales of goods and services.

Based on current and emerging business trends, the value of transactions with EWAC Alloys Limited may become material as defined in SEBI (LODR) Regulation as mentioned above.

All the independent directors on the Audit Committee approved the proposed material related party transaction with EWAC Alloys Limited at the meeting held on 25 May 2023.

The Board recommends the Ordinary Resolution as set out at item no.8 of the Notice for approval by the Shareholders.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested in the said resolution.

By Order of the Board of Directors

Chennai
20 June, 2023

G. Balaji
Company Secretary

Directors' Report to Shareholders

Your Directors' take pleasure in presenting the Thirty Sixth Annual Report together with the audited accounts of the Company for the financial year ended 31 March 2023.

1. FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2022-23	2021-22
Total Revenue	1,09,860	90,098
Profit before Interest expense and Depreciation	19,448	12,518
Provision for Depreciation	(1,188)	(1,133)
Finance cost	(31)	(29)
Profit before exceptional and prior period items and tax	18,229	11,356
Exceptional items	—	—
Profit before Tax from continuing Operations	18,229	11,356
Provision for Tax	(4,661)	(2,925)
Net Profit After Tax	13,568	8,431

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

2. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There were no reportable events subsequent to the date of the financial statements.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

4. DIVIDEND

The shareholders at the Annual General Meeting held on 11th August 2022 had approved a Final Dividend of ₹ 20/- per equity share of ₹ 10/- each (200%) for the financial year 2021-22 resulting in a cash outflow of about ₹ 30.79 crores and the same was paid on 26 August 2022.

During the Financial Year 2022-23, the Board of Directors had approved two Interim Dividends as detailed below.

- First interim dividend of ₹ 30/- per equity share of ₹ 10/- each (300%) at its meeting held on 11th November 2022 resulting in a cash outflow of about ₹ 46.18 crores, which was paid on 9th December 2022; and
- Second interim dividend of ₹ 28/- per equity share of ₹ 10/- each (280%) at its meeting held on 10th February 2023 resulting in a total cash outflow of about ₹ 43.10 crores, which was paid on 10th March 2023.

In addition to the above two interim dividends for the financial year 2022-23, the Board has proposed a final dividend of ₹ 20/- per equity share of ₹ 10/- each (200%) for the financial year 2022-23, which is subject to approval of the shareholders at the ensuing Annual General Meeting to be held on 10th August 2023.

5. IND AS STANDARDS

Your Company had adopted IND AS in pursuance of Section 133 of the Companies Act, 2013 and in compliance with the Companies (Indian Accounting Standard) Rules, 2015. The financials for the current financial year ended 31st March 2023 and the comparative figures for the last financial year ended 31st March 2022 have been prepared and published based on such IND AS standards.

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 ("the Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), all unpaid 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 from the date of transfer of unpaid / unclaimed dividend to Unpaid Dividend account. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the dematerialized account created by the IEPF authority.

The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company had transferred the unpaid or unclaimed dividends and corresponding shares pertaining to Final Dividend 2014-15 on 11th October 2022 and 13th October 2022 respectively.

Members/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account of the Fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <https://www.iepf.gov.in>) along with requisite fee as prescribed by IEPF Authority from time to time. The Member / Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. Due dates for transfer of Unclaimed Dividend to IEPF are provided elsewhere in the notice calling the Annual General Meeting.

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

7. BOARD MEETINGS

The Board of Directors met 5 times during the financial year 2022-23. The Meetings were held on 27 May, 12 August, 11 November of 2022, 10 February and 23 March 2023.

8. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company has six members.

Mr. Kevin Johnson is the nominee of ESAB Holdings Limited and a non-retiring Director in terms of the Articles of Association and Chairman of the Board.

Mr. Rohit Gambhir is the Managing Director of the Company. He was initially appointed for a period of five years with effect from 1st November 2013. He was then subsequently re-appointed for a further term of 5 years from 1st November 2018 till 31st October 2023. The Board of Directors at their meeting held on 23rd March 2023, has approved and recommended re-appointment of Mr. Rohit Gambhir as Managing Director for a further period of five years from 1st November 2023 to 31st October 2028 for the approval of the shareholders.

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 re-appointment of Mr. Rohit Gambhir are published as part of the Notice convening the Annual General Meeting.

One of our Independent Directors, Late Sabitha Rao, passed away on 31st December 2022. The Board at its meeting held on 10th February 2023, had paid homage to late Sabitha Rao, by observing One Minute Silence (OMS). The Company has also intimated about the sudden demise of late Sabitha Rao to the Stock Exchanges.

The Board of Directors at its meeting held on 23rd March 2023 has appointed Ms. Cauvery Dharmaraj (DIN: 02917088) as an Additional Director in the capacity of Independent Director of the Company for a period of five years from 23rd March 2023 to 22nd March 2028. The Company has obtained approval of the shareholders through Postal Ballot on 3rd May 2023, for appointment of Ms. Cauvery Dharmaraj as Independent Director for a period of five years from 23rd March 2023 to 22nd March 2028.

Pursuant to appointment of Ms. Cauvery Dharmaraj as Independent Director on the Board on 23rd March 2023, the composition of the Board comprise of the following members as on the date of this report.

S. No	Name of the Director	Designation
1	Kevin Johnson	Chairman
2	Rohit Gambhir	Managing Director
3	K Vaidyanathan	Independent Director
4	Vikram Tandon	Independent Director
5	Sudhir Chand	Independent Director
6	Cauvery Dharmaraj	Independent Director

Key Managerial Personnel

In compliance with Section 203 of the Companies Act, 2013, Mr Rohit Gambhir, Managing Director, Mr. B. Mohan, Vice-President Finance & Chief Financial Officer, and Mr. G Balaji, Company Secretary have been designated as the Key Managerial Personnel of the Company.

Mr. B Mohan was appointed as Chief Financial Officer of the Company effective from 1st February 2005 and Mr. G Balaji was appointed as Company Secretary effective from 25th March 2022.

9. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

date. All the Directors except Ms. Cauvery Dharmaraj, Independent Director, are exempted from undergoing the mandatory online tests based on their quantum and areas of experience. Ms. Cauvery Dharmaraj shall clear the online proficiency self-assessment test in accordance with the Sub rule 4 of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

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. Kevin Johnson are the other members of the Committee.

The said Committee met 4 times during the financial year 2022-23, on 27th May, 12th August, 11th November 2022 and 10th February 2023. The constitution and the terms of reference of the Committee are in line with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were no occasions during the year 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. Mr. Sudhir Chand, Independent Director, Mr. Kevin Johnson, Chairman of the Board and Ms. Cauvery Dharmaraj, Independent Director (with effect from 23rd March 2023) are the other members of the Nomination and Remuneration Committee.

This Committee met once during the financial year 2022-23 on 23rd March of 2023.

This Committee lays down the policy on remuneration stating therein the attributes required for the Managing Director, Independent Directors and Key Managerial Personnel. The said policy also states the modus operandi for determining the remuneration of the KMP's and senior management. The remuneration policy of the Company can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/remuneration-policy/

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

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. Kevin Johnson, Chairman of the Board and Mr. Rohit Gambhir, Managing Director are the Members of the Committee.

The Committee met four times during the year on 27th May, 12th August, 11th November of 2022 and on 10th February 2023.

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company's Corporate Social Responsibility Committee consists of one Independent Director, one Non-executive Director and the Managing Director. Ms. Cauvery Dharmaraj was co-opted to the said Committee as the Chairperson with effect from 23rd March 2023 after the sudden demise of Late Sabitha Rao who was the Chairperson of the Committee. Mr. Kevin Johnson, Chairman of the Board, Mr. Rohit Gambhir, Managing Director are the other members of the said Committee.

The Committee met twice during the financial year 2022-23 on 27th May 2022 and on 10th February 2023.

The Committee lays down the Policy on Corporate Social Responsibility stating therein the strategy, objectives, funding & allocation for the CSR projects, implementation, strategy and steps involved in achieving the CSR objectives. The Policy on Corporate Social Responsibility was revised by the Board of Directors at their meeting held on 10th February 2023. The budget allocation for CSR Projects for the year 2022-23 can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/

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

E. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee as stipulated by the Companies Act, 2013 and Regulation 21 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. The Company's Risk Management Committee consists of Mr. Kevin Johnson, Chairman of the Board, Mr. Rohit Gambhir, Managing Director, Mr. Sudhir Chand, Independent Director and Mr. B Mohan, Vice President Finance & Chief Financial Officer of the Company. A Risk Management Committee is mandatory for the Company since it is part of the Top 500 Companies in terms of market capitalization.

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings. Accordingly, the said Committee met twice during the financial year on 28th July 2022 and on 20th January 2023.

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

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

11. VIGIL MECHANISM

The Company has set up a whistleblower policy which can be viewed on the Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. In terms of the said policy the Directors and employees are given direct access to the Chairman of the Audit Committee to report on alleged wrong doings. 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.

Based on an internal review, the Company had updated the whistle bower policy, and this was approved by the Board of Directors at its meeting held on 10th February 2022. The same can be viewed from the website of the Company viz. https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/.

The above complies with the requirements of Section 177 (9) & (10) of the Companies Act, 2013 and in terms of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company did not

receive any complaints under the whistle bower policy during the year under review.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts for the financial year ended 31st March 2023 the applicable accounting standards have been followed.
 2. The Directors have selected such accounting policies listed in Note 2.2 to the Notes to the Financial Statements and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year as on 31st March 2023 and of the Profit of the Company for that year;
 3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 4. The Directors have prepared the annual accounts for the year ended 31st March 2023 on a going concern basis;
 5. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
 6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
13. There were no instances of fraud reported by the auditors of the Company under sub- section 12 of Section 143 of the Companies Act, 2013.

14. MANAGEMENT DISCUSSION AND ANALYSIS

A. ECONOMIC & BUSINESS ENVIRONMENT

Amidst global uncertainties driven by economic and geopolitical factors, expectations were of moderate growth with concerns on Inflation adding to the weak sentiments. Despite some degree of resilience, India was expected to grow at a much slower pace despite base effect and unwinding in the economy post-covid.

A sustained and global increase in Interest rates to counter inflation did dampen the growth prospects for the year and posed challenges in the working capital cycle.

Volatilities in some of the commodities and minerals were quite strong and this demanded a high level of flexibility and agility in supply chain and sales functions.

Aided by new products, improved product mix and some softening in input costs, your Company went on to achieve strong growth in Revenues and Profits.

B. OUTLOOK, OPPORTUNITIES AND THREATS

We continue to see short term resilience and a steady trend during the ongoing financial year.

Macro-economic factors including global headwinds are likely to pose risks on the prospects for the ongoing financial year. Financing costs, volatilities in energy costs and input costs, inflation, geopolitical developments remain key factors with strong potential impact on the performance metrics of the Company.

The Company continues to look for opportunities in growing the addressable markets through new products and rationalization of products in current portfolio. Service revenue streams continue to grow and we see opportunities to grow revenues from recharges on global services provided out of India.

The Company recognizes threats in the macro-economic environment, potential shifts in technology and potential downsides on working capital and margins in the event of continuing measures to contain inflation with monetary policy changes.

15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management evaluates the Company's internal controls periodically considering local and global trends as also specific business-related developments. Independent Internal Auditors are engaged by the Company to test efficacy of controls in terms of design and operating effectiveness and to work with independent internal auditors to test these and identify areas for improvement. As the Company is a Subsidiary of a US listed entity, it is subjected to reviews applicable for Subsidiaries of US headquartered entities. The Company continues to list and evaluate key controls and process to an extent leveraging on the work done as part of its global reporting requirements. Key findings and actions taken to implement or remediate the same are reviewed by the Audit Committee periodically at its meetings. The scope and coverage of internal audits are aligned to have coverage in terms of key controls and locations. The endeavor is to align to the requirements of Internal Control on Financial Reporting (ICFR) framework

while leveraging on work done as part of global reporting requirements. Management testing through independent audit teams followed by external testing were done during the year.

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

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

16. FINANCIAL PERFORMANCE OF THE COMPANY

A. INCOME AND EXPENDITURE

The Company's revenue from contract with customers grew by 21.7 %. The growth was driven by gain in market share as well as through continuing introductions of new products in welding consumables and equipment.

The Company saw steady trends on its activities and revenues from services to related party entities.

Other income increased by about 66.67% primarily on account of indirect tax related refunds and asset disposal gains offset partly by lower interest income and absence of foreign exchange gains in 2022-23.

Materials costs as a percentage to sales was comparable to previous year despite price increases.

Overheads including employee costs were higher by 9.75% over the previous year. The increase was driven by the growth in revenues and partly due to the base effect of 2021-22 which was affected partly by lockdowns. Inflationary impact was felt on overheads in addition to payroll costs.

The Company has continued to provide for Depreciation at useful lives based on a technical evaluation of useful life of assets.

Profit before tax was higher by 60.52% over the previous year with the impact of higher contributions from revenue growth.

B. BALANCE SHEET

Shareholders' funds were at ₹ 260.27 Crores at the end of the year as against ₹ 244.22 Crores at the end of the previous year. The Company had paid dividends of ₹ 120.07 Crores during the financial year.

Disruptions in supply chain were witnessed during most part of the year driven by geo-political developments and consequential increases in costs and lead times. Higher interest rates led to additional stress on collection cycles. As in the past, working capital continued to be an area of intense focus through the year. Accounts Receivable and Inventory were better in terms of days sales as compared to the preceding financial year.

Capital Expenditure including capital work in progress was at ₹ 31.91 Crores as against ₹ 11.14 Crores in the preceding year. Capital expenditure was primarily on Buildings for Global R&D, refurbishments on existing lines, productivity improvements, marginal capacity enhancements, and upgrading IT systems.

Cash and equivalents were at ₹ 33.44 Crores at the end of the year as against ₹ 21.20 Crores at the end of the previous year. Investments in short term and debt funds were at ₹ 0.15 Crore as against ₹ 31.01 Crores at the end of the previous year, the reduction being driven by dividend payments during the year. The Company is well positioned to ride through short term volatilities in working capital by virtue of its debt free position and cash flows.

17. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

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

18. HOLDING COMPANY

With effect from 4th April 2022, ESAB Corporation, Delaware, USA, is the ultimate parent company of ESAB India Limited.

19. ANNUAL RETURN

Pursuant to sub-section (3) of Section 92 of the Companies Act 2013, your Company has placed a copy of the annual return for the financial year 2022-23 on its website and it can be viewed from the company's website viz. https://esabindia.com/in/ind_en/investor-relationship/annual-returns/.

20. STATUTORY AUDITORS

M/s. S R Batliboi & Associates, LLP, Chennai (Firm Regn No.101049W / E300004) was re-appointed for a period of four years by the shareholders at the Annual General Meeting held on 28th August 2020 as the Statutory Auditors of the Company in compliance with Section 139 (1) of the Companies Act, 2013. The details of remuneration of the statutory auditors with break-up of fee paid to S R Batliboi & Associates and its network firms as required by the provisions of amended SEBI (LODR) Regulations for the financial year 2022-23 is given as part of the Corporate Governance Report.

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

The Statutory Auditors have issued a clean report on the financials of the Company and have not issued any qualifications for the financial year ended 31st March 2023. Members may please take note of the changes in the

requirements with respect to the report of the Auditors including specific references to key audit matters.

21. 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 1st April 2022 to 31st March 2023. Their appointment was informed to the Registrar of Companies, Chennai vide SRN F05957014 form MGT-14 dated 13th June 2022.

M/s. V Mahesh & Associates have now completed their secretarial audit and have issued their certificate dated 17th May 2023 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 two observations in their report.

i) The Composition of CSR Committee as required under Section 135 of the Companies Act 2013, could not be maintained between 31st December 2022 and 22nd March 2023 due to the untimely & sudden demise of Ms. Sabitha Rao, Independent Director & Chairperson of CSR Committee. During the intervening period, it was observed that a CSR Committee Meeting was held on 10th February 2023 to review CSR activities and the same was ratified by the Board in its Board Meeting held on the same day. Subsequently, the CSR Committee has been reconstituted as required under Section 135 of the Companies Act, 2013 consequent to the appointment of Ms. Cauvery Dharmaraj on 23rd March 2023;

In response to the above observation, the Board explained that the lack of composition of CSR Committee from 31st December 2022 to 22nd March 2023 was unexpected due to sudden demise of Sabitha Rao, past member of CSR Committee and a meeting of CSR Committee was held during the said intervening period. The Company has remediated this by appointing Ms. Cauvery Dharmaraj as Independent Director and Chairperson of the CSR Committee.

ii) During the Audit Period, it was observed that the Company has submitted the disclosures of Related Party Transactions to Stock Exchanges as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however the same could not be maintained in legible format in the website of the Company due to technical snags & glitches. On being informed, the same has been corrected and maintained in the website without any technical snags.

In response to the above observation, the Company has taken immediate steps to upload the legible copy of the RPT on the website of the Company and the same has been complied with.

Barring the above, the Secretarial Auditors 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.

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

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

23. DETAILS RELATING TO DEPOSITS

The Company has not accepted any deposits during the period under review as envisaged under Section 73, 74 & 76 of the Companies Act, 2013. There have been additional filing requirements introduced with respect to liabilities not in the nature of deposits. The necessary form DPT 3 has been filed for the financial year 2021-22 on 6th June 2022 vide SRN No. F04564613.

24. 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.

25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

The Board of Directors from time to time has authorized the Company to invest the surplus funds of the Company in deposits with 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 debt funds and liquid funds. The Company has earned an income of around ₹ 98.12 Lakhs from investment in mutual funds for the period 1 April 2022 to 31 March 2023. The Company has not given any guarantees other than bank guarantees in the normal course of business to meet its contractual obligations.

26. RISK MANAGEMENT POLICY

In compliance with the requirements of Section 134(3)(n) of the Companies Act, 2013 and 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. Kevin Johnson, as the Chairman, Mr. Rohit Gambhir, Managing Director, Mr. Sudhir Chand, Independent 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 said committee updates the Board of Directors on a periodical basis on the material risks faced by the Company and the measures taken by the Company to mitigate the said risks. The Committee analyzed various risks including those arising from COVID 19, cyber security aspects and remote access control and other different controls necessary to be established with executives working from home. They suggested the actions to be taken to mitigate these risks which went a long way in the Company successfully managing all the risks. The Ministry of Home Affairs (MHA) had also during the pandemic had issued various guidelines for the plants to follow and the Company had complied with all these MHA guidelines to ensure that all the risks associated with the COVID 19 pandemic were adequately being addressed.

27. CORPORATE SOCIAL RESPONSIBILITY

As required under Section 134 (3) (o) read with Section 135 (1) of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Committee had Ms. Sabitha Rao as the Chairperson of the said committee. She passed away on 31st December 2022. After her demise, the Company has appointed Ms. Cauvery Dharmaraj, as the Chairperson with effect from 23rd March 2023. Her appointment was also approved by the shareholders of the Company via Postal Ballot on 3rd May 2023. Mr. Kevin Johnson, Chairman of the Board and Mr. Rohit Gambhir, Managing Director are the other 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 https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/.

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

During the year under review, the Company had the eligible 2% spend of ₹ 1,92,95,000/- in addition to the carried

forward unspent amount of ₹ 68,21,675/- aggregating to ₹ 2,61,16,675/-. The Board approved various CSR projects with the total CSR liability of ₹ 2,61,16,675/- during the financial year 2022-23.

During the financial year 2022-23, the Company had budgeted an amount of ₹ 1,32,01,925/- towards "safe welding practices - ongoing project 2020-21" and against which the Company had spent an amount ₹ 1,10,61,456/- leaving an unspent amount of ₹ 21,40,469/-. This unspent amount of ₹ 21,40,469/- was transferred to a separate bank account titled CSR Unspent account 2022-23 on 28th April 2023.

During the financial year 2022-23, the Company had also spent excess amount of ₹ 4,76,082/- in respect of certain CSR projects.

As against the total budget of ₹ 2,61,16,675/-, the Company had spent an amount of ₹ 2,44,52,288/- leaving a balance of ₹ 16,64,387/- which includes an excess spent of ₹ 4,76,082/-.

The unspent amount of ₹ 21,40,469/- which was transferred to a separate bank account titled CSR Unspent account 2022-23 will be spent during the financial year 2023-24.

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

28. RELATED PARTY TRANSACTIONS

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

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

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

material related party transactions entered into during this period.

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

29. FORMAL ANNUAL EVALUATION

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

Accordingly, as required under Schedule IV of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors at their separate meeting held on 23rd March 2023 evaluated the performance of the non-independent Directors and the Board as a whole. They also reviewed the performance of the Chairman of the Company and also assessed the quality, quantity, and timeliness of flow of information between the Company Management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

Also as required under Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board assessed the performance of the Independent Directors as per the criteria laid down and has recommended their continuation on the Board of the Company at its meeting held on 25th May 2023.

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

The Independent Directors fulfilled the independence criteria as specified under the above regulations and the Companies Act, 2013. The Board was satisfied with the evaluation results which reflected the overall engagement and the effectiveness of the Board and its committees. The Independent Directors also updated their current profiles by paying up the relevant fees in the website of the Ministry of Corporate Affairs on Independent Directors

for a period of five years from 2020-21. Ms. Cauvery's profile is updated in the Independent Directors data bank with effect from 13th March 2023. All the Independent Directors possess the necessary experience and expertise and are exempted from taking up the online assessment test of the Ministry except Ms. Cauvery Dharmaraj who will undertake the online proficiency self-assessment test as per Sub rule 4 of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

30. COST AUDITOR

As required under Section 148 of the Companies Act, 2013 the Board of Directors at its meeting held on 25th May 2023 has 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 2023-24. 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 8th May 2023 from the Cost Auditor stating that the appointment, if made, will be within the limit prescribed under the Act.

The relevant Form CRA 2 for appointment of Cost auditor for the financial year 2022-23 was filed with the Registrar of Companies on 10th June 2022 vide SRN F05493135.

The cost audit report issued by the Cost Auditor for the financial year ended 31 March 2022 was filed with the Registrar of Companies vide form CRA - 4 dated 9 September 2022 vide SRN F24293169.

31. RATIO OF REMUNERATION TO EACH DIRECTOR

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

A. Executive Director

Ratio of remuneration paid to Mr. Rohit Gambhir, Managing Director vs. the median employee is 26:1 (26:1 for the year ended 31 March 2022).

B. The percentage increase in remuneration of CFO and CS in the financial year 2022-23 was 8.1 % and 8.1% respectively.

C. The percentage increase in the median remuneration of employees in the financial year 2022-23 was 7.8%.

D. The number of eligible permanent employees in the rolls of the Company as on 31 March 2023 is 554 (557 as on 31 March 2022).

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

The average percentile increases in salaries of employees other than KMP proposed was 8.24% while that of KMPs was 8.10%.

As at the end of March 2023 the Company had 829 employees as against 822 at the end of 31 March 2022. The Company believes in providing a working environment that is focused on the customers, teamwork, continuous improvement, innovation and a competitive environment where employees strive to improve value for shareholders.

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

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

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

32. FINANCE

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

33. ENVIRONMENT, HEALTH AND SAFETY

The Company continued its commitment to industrial safety and environment protection and all its factories have obtained its ISO 14001 and OHSAS 18001 certification. Periodical audits are done by external and internal agencies to assess the continued levels of EHS efficiency of each of these plants and the OHSAS certification given is renewed after every such audit. The Company is also networked with the Group

Directors' Report

on EHS initiatives and works closely with them on initiatives and actions concerning EHS. During the year under review, the Company's Plants at Ambattur and Nagpur won global recognition for EHS initiatives.

Cautionary Statement

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

34. LISTING WITH STOCK EXCHANGES

The Company's equity shares are listed with a) BSE Limited and b) National Stock Exchange of India Limited. The annual fees for both the exchanges have been paid promptly for the year 2023-24. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company had executed fresh listing agreements with BSE Limited and National Stock Exchange of India Limited on 9th November 2015.

The Company had 18,401 shareholders as at the end of the year 31st March 2023. 99.19% of the shares are held in dematerialized form.

The Company is part of the Top 500 Companies by way of Market capitalization. The Company has adopted a dividend policy, formed a Risk Management Committee and have also prepared a Business Responsibility and Sustainability Report for the year under review. The dividend distribution policy is available in the Company's website link https://esabindia.com/in/ind_en/investor-relationship/policies/dividend-distribution-policy/

As required under Regulation 39 (4) Read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the shares issued by the Company consequent to amalgamation of erstwhile Maharashtra Weldaids Limited with the Company in 1994, the details of the physical shares which remains unclaimed and transferred to the Unclaimed Suspense Account and the reconciliation of the shares claimed by shareholders during the year 2022-23 and the shares

outstanding in the suspense account as on 31st March, 2023 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 1.4.2022	43	3,010
2.	Number of shareholders who approached the Company during the year	2	200
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	2	200
4.	Number of shares transferred to Investor Education and Protection Fund	2	150
5.	Aggregate number of shareholders and the outstanding shares lying in the unclaimed Suspense Account at the end of the year i.e. 31.3.2023	39	2,660

39 shareholders holding 2,660 equity shares constituting about 0.017% 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.

35. CORPORATE GOVERNANCE

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

A certificate from the Secretarial Auditors of the Company regarding compliance of the conditions stipulated for Corporate Governance as required under Clause E of Schedule V read with Regulation 34 (3) of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 is attached to this report.

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

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

The Company has also adopted the mandatory policy on Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Employees have been sensitized on the provisions of this enactment and the Company has also constituted an Internal Complaints Committee with effect from 30th October 2013 to deal with complaints, if any, under the said Act. The Committee also has an independent external NGO representative as one of its members. The Committee meets as and when requirement arises. The Company believes in providing safe working place for the Women in the Company and adequate protection are given for them to carry out their duties without fear or favour. All the employees of the Company as a part of induction are sensitized about the provisions of the said Act.

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

37. SECRETARIAL STANDARDS

As on 31st March 2023 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 17th May 2023 is enclosed as **Annexure - 2** and forms part of this Report.

38. 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.

39. ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board of Directors

Kevin Johnson
Chairman

Chennai
25 May, 2023

ANNEXURE 1

ANNEXURE TO 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 31st March 2023.

A. CONSERVATION OF ENERGY

- Addition of new transformers with latest upgradation to achieve energy savings.
- Packaging modifications to reduce usage of wood paper and items based on fossil fuels.
- Usage of energy efficient systems replacing conventional type air conditioners.
- Increased usage of recycled water
- Initiatives to reduce usage of compressed Air
- Ongoing and concluded initiatives for increased usage of renewable energy sources.
- Increased usage of natural lighting through transparent roof top by reducing energy consumption during day lighting.
- Measures initiated to identify energy saving opportunities.

B. TECHNOLOGY ABSORPTION

- Installation of automatic modular type fire extinguishers for unoccupied rooms.
- Installation of power inverter-drive for scrubber units.
- Installation of New Batch oven with latest technology and optimised baking cycle.

- Use of weather resistant, rust resistant Glass wall for buildings which can transmit daylight in all directions.
- Revamping of old machines to increase effectiveness and reliability by replacing outdated components, enhancing controls, adding additional features for increased productivity.

C. FOREIGN EXCHANGE

The Company exports its products and services to Australia, Bangladesh, Brazil, Czech Republic, China, Dubai, Sri Lanka, Nepal, Singapore, Middle East, Indonesia, Malaysia, Uzbekistan, Nigeria, Philippines, Poland, Russia, Saudi Arabia, Tanzania, Thailand, Egypt, Vietnam, Italy, Kenya, Germany, Sweden, Switzerland and USA.

During the year, the total outflows in foreign exchange amounted to ₹ 19,334 lakhs (which includes ₹ 16,523 lakhs for the import of raw materials, components and capital goods and ₹ 2,811 lakhs towards expenditure in foreign currency).

During the financial year, the foreign exchange earnings were ₹ 9,430 lakhs resulting in net foreign exchange outflow of Rs.9,903 lakhs for the year.

For and on behalf of the Board of Directors

Kevin Johnson
Chairman

Chennai
25 May, 2023

ANNEXURE - 2

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

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

To

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ESAB India Limited** (hereinafter called the "**The Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing 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, 2022 to 31st March, 2023) covering the financial year ended on 31st March, 2023 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, 2023 according to the provisions of the below said Acts & subject to modifications / re-enactments wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) The Following laws, are specifically applicable to the Company as per the representation given by the Company (apart from General Laws such as Environment Laws, Labour Laws etc):
 - a. The Petroleum Act, 1964.
 - b. Gas Cylinder Storage Rules.
 - c. Batteries (Management and Handling) Rules, 2001.
 - d. Electricity Act, 2003.
 - e. The E-Waste (Management and Handling) Rules, 2016.
 - f. Indian Boilers Act, 1923.
 - g. Food Safety and Standards Act, 2006.
 - h. Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011.
 - i. The Environment Protection Act & Rules, 1986.
 - j. Plastic Waste Management Rules, 2016.
 - k. The Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958.
 - l. Public Liability Insurance Act, 1991.
 - m. Air (Prevention and control of pollution) Act, 1991.
 - n. Water (Prevention and control of pollution) Act, 1974.
 - o. The Noise pollution (Regulation and control) Rules 2000.

- p. Employees State Insurance Act, 1948.
- q. Maternity Benefit Act, 1961.
- r. The Contract Labour (Regulation and abolition) Act, 1970 and Rules 1971.
- s. The Child Labour (Prohibition and Regulation) Act, 1986.
- t. The Apprentices Act, 1961.
- u. The Inter-State migrant workmen (Regulation of employment and conditions of service) Act, 1979.
- v. Employees Provident Fund and Miscellaneous provisions Act, 1952.
- w. Payment of Bonus Act, 1965.
- x. Goods and Services Act, 2017.
- y. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH).

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

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

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

- (i) Secretarial Standards with regard to Meetings of Board of Director (SS-1), General Meetings (SS-2) issued by The Institute of Company Secretaries of India subject to such modifications and amendments thereon;
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited;
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, subject to the following observations:

Observations

1. *The Composition of CSR Committee as required under Section 135 of Companies Act, 2013 could not be maintained between 31st December, 2022 and 22nd March, 2023 due to the untimely & sudden demise of Ms. Sabitha Rao, Independent Director & Chairman of*

CSR Committee. During the intervening period, it was observed that a CSR Committee Meeting was held on 10th February, 2023 to review CSR activities and the same was ratified by the Board in its Board Meeting held on the same day. Subsequently, the CSR Committee has been reconstituted as required under Section 135 of the Companies Act, 2013 consequent to the appointment of Ms. Cauvery Dharmaraj on 23rd March, 2023.

2. *During the Audit Period, it was observed that the Company has submitted the disclosures of Related Party Transactions to Stock Exchanges as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however the same could not be maintained in legible format in the website of the Company due to technical snags & glitches. On being informed, the same has been corrected and maintained in the website without any technical snags.*

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For V Mahesh & Associates

V Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Place: Chennai

Date : 17.05.2023

Peer Review No.:2107/2022

UDIN: F004162E000322062

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 17.05.2023 is to be read along with this letter.

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

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Mahesh & Associates

V Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Place: Chennai

Date : 17.05.2023

Peer Review No.:2107/2022

UDIN: F004162E000322062

ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/S. ESAB INDIA LIMITED FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

We V. Mahesh & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by **M/s. ESAB India Limited** ("the listed entity"),
- (b) the filings / submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other documents/ filings, as may be relevant, which has been relied upon to make this certification, for the year ended **31st March, 2023** ("Review Period") in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the listed entity during the review period)**;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the listed entity during the review period)**;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not Applicable to the listed entity during the review period)**;

Directors' Report

- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the listed entity during the review period)**;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depository and Participants) Regulations, 2018;
- (i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 and circulars / guidelines issued thereunder:

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

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

S. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations / Remarks by PCS*
8.	Related Party Transactions: <ul style="list-style-type: none"> The listed entity has obtained prior approval of Audit Committee for all related party transactions; or The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained 	Yes NA	– During the Review Period, there are no such instances.
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	Yes	–
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	–
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**)	NA	During the Review Period, there are no such instances.
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc	NA	During the Review Period, there are no such instances.

*Observations/ Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'

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

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

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

S. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulations/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the PCS	Management Response	Remarks
1.	Clarification vide mail dated 02 nd May, 2022 by the National Stock Exchange of India Limited (NSE)	Reg. 21 (3C).	Pursuant to Regulation 21(3C) of SEBI (LODR) Regulation, 2015, the gap between two consecutive meetings of Risk Management Committee exceeded one hundred and eighty two days as against the prescribed time limit of one hundred and eighty days	NA - o n l y clarification was sought by National S t o c k Exchange of India Limited (NSE)	NA	During the period under review, the gap between two consecutive committee meetings (held on 12.08.2021 and 10.02.2022 respectively) was one hundred and eighty two days as against the time period of one hundred and eighty days	NA	NA	The Management of the Company has clarified to the National Stock Exchange of India Limited (NSE) vide letter dated 04.05.2022 regarding the said gap and this clarification has been taken note of.	NA

For V Mahesh & Associates

V Mahesh
Practising Company Secretary
M.No. F4162
C.P. No. : 2473
Peer Review No.:2107/2022
UDIN: F004162E000322117

Place: Chennai
Date : 17.05.2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ESAB INDIA LIMITED** having CIN L29299TN1987PLC058738 and having registered office at Plot No. 13, 3rd Main Road, Industrial Estate, Ambattur, Chennai - 600058 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations / management representation letter furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been disqualified or debarred from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other Statutory Authorities.

S. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Kevin Johnson	09147729	24/03/2021
2.	Mr. Rohit Gambhir	06686250	01/11/2013
3.	Mr. Vaidyanathan Kalyanasundaram	00063692	21/07/2011
4.	Mr. VikramTandon	01727251	23/04/2010
5.	Mr. Sudhir Chand	01385201	23/04/2010
6.	Ms. Sabitha Rao*	06908122	31/07/2014
7.	Ms. Cauvery Dharmaraj	02917088	23/03/2023

* The office of directorship of Ms.Sabitha Rao was ceased due to untimely and sudden demise on 31st December, 2022.

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

For V Mahesh & Associates

V Mahesh
Practising Company Secretary
M.No. F4162
C.P. No. : 2473
Place: Chennai
Date : 17.05.2023
Peer Review No.:2107/2022
UDIN: F004162E000322141

ANNEXURE 3

REPORT ON CSR ACTIVITIES FOR THE YEAR 2022-2023

1. Brief Outline on CSR Policy of the Company

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

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

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee meeting attended
1	Ms. Sabitha Rao*	Chairperson	2	1
2	Ms. Cauvery Dharmaraj*	Chairperson	2	0
3	Mr. Rohit Gambhir	Member	2	2
4	Mr. Kevin Johnson	Member	2	2

* Ms. Sabitha Rao passed away on 31st December 2022 and Ms. Cauvery Dharmaraj was appointed as Independent Director with effect from 23rd March 2023 and the same was approved by the shareholders of the Company vide Postal Ballot on 3rd May 2023.

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

a) CSR Committee -

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

b) CSR Policy -

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

c) CSR Annual Action Plan 2022-23 -

https://esabindia.com/in/ind_en/investor-relationship/policies/csr-anual-action-plans/annual-csr-plan-and-project-budget-for-the-financial-year-2022-23/

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

Not Applicable.

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

Financial year	Net Profit as per Section 135	Average of the profits for the last three years
2019-20	9,551	
2020-21	7,962	
2021-22	11,429	9,647

(b) Two percent of average net profit of the Company as per Section 135 (5) ₹ 1,92,95,000/-

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

(d) Amount required to be set off for the Financial year, if any Nil

(e) Total CSR Obligation for the financial year (5b + 5c - 5d) ₹ 1,92,95,000/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ₹ 2,74,87,538/-

(b) Amount spent in Administrative Overheads ₹ 9,64,750/-

(c) Amount spent on Impact Assessment NA

(d) Total amount spent for the financial year (6a + 6b + 6c) ₹ 2,84,52,288/-

(e) CSR amount spent or unspent for the financial year 2022-23

Total amount Spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in ₹)	Date of transfer	Name of fund	Amount (in ₹)	Date of transfer
2,84,52,288	21,40,469	28.04.2023	Clean Ganga Fund	40,00,000	13.09.2022

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

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

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

S. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of Section 135 (in ₹)	Amount Spent in the Financial Year 2022-23 (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency (if any)
					Amount (in ₹)	Date of Transfer		
1	2020-21 (FY - 1)	21,64,719	—	—	—	—	—	—
2	2021-22 (FY - 2)	68,21,675	—	68,21,675	40,00,000	13.09.2022	—	—

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

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

During the financial year 2022-23, the Company had spent maximum amount of the eligible CSR budget leaving an unspent amount of ₹ 21,40,469/-. The unspent amount is due to administrative reason.

Rohit Gambhir
Managing Director

Cauvery Dharmaraj
Chairperson
CSR Committee

Place : Chennai

Date : 25th May, 2023

ANNEXURE - 4

FORM No. AOC-2

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

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

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

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

Kevin Johnson
Chairman

Place : Chennai

Date : 25th May, 2023

Business Responsibility and Sustainability Report

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

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L29299TN1987PLC058738
2	Name of the Listed Entity	ESAB India Limited
3	Year of incorporation	10 th November 1987
4.	Registered office address	No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.
5.	Corporate address	Same as Registered office address
6.	E-mail	balaji.g@esab.co.in
7.	Telephone	+91 44 4228 1100 / 1109
8.	Website	www.esabindia.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital	₹ 15,39,30,200/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	
	Name of Contact Person	Mr. G Balaji, DGM (Legal & Secretarial)
	Contact Number of Contact Person	+91 44 4228 1109
	Email of Contact Person	balaji.g@esab.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are for ESAB India Limited on a standalone basis.

II. PRODUCTS / SERVICES

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

S. No.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Metal and metal products	100

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

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	Welding Consumable	2592	71
2	Welding Equipment	2710	29

III. OPERATIONS

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

Location	Number of plants	Number of offices	Total
National	3	10	13
International	Nil	Nil	Nil

17. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States) & Union Territories	30
International (No. of Countries)	10
We serve the markets in India, Nepal, Bangladesh, Bhutan and Sri Lanka directly and also Middle-East, Africa, Australia, South-East Asia through our group companies.	

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

The contribution of exports to the total turnover is about 10%.

c. A brief on types of customers

The Company has both commercial customers (B2B) and direct private customers (B2C).

Welding & Cutting are integral to almost every industry with applications covering fabrication of various grades of Steels, Ni alloys, Aluminium alloys and many others. ESAB's solutions find application in a diverse range of industries viz. Automotive, General Fabrication & Civil Construction, Pipelines, Pipe mills, Power Generation, Process Industry, Railways, Repair & Maintenance, Ship building & Offshore and Transport & Mobile Machinery.

Business Responsibility and Sustainability Report

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	596	544	91.3%	52	8.7%
2.	Other than Permanent (E)	64	56	87.5%	8	12.5%
3.	Total employees (D+E)	660	600	90.9%	60	9.1%
WORKERS						
4.	Permanent (F)	150	150	100%	0	0%
5.	Other than Permanent (G)	310	270	87.1%	40	12.9%
6.	Total workers (F+G)	460	420	91.3%	40	8.7%

b. Differently abled Employees and workers: - Nil

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

19. Participation / Inclusion / Representation of women

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

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

Category	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14%	22%	14%	16%	22%	16%	6%	8%	6%
Permanent Workers	3%	0%	3%	8%	0%	8%	3%	0%	3%

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

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

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

VI. CSR DETAILS

22. CSR Details

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (₹ in Cr) 2022-23	₹ 1,098.60
(iii) Net worth (₹ in Cr) 2022-23	₹ 260.27

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaints is received	Grievance Redressal Mechanism in Place (Yes / No) if yes then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes https://esabindia.com/in/ind_en/investor-relationship/investor-grievances/ RTA resolves all Investor grievances and submit quarterly Investors Grievance Report	308	Nil	Nil	241	Nil	Nil
Employees and workers	Yes Whistle Blower Policy https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes Through toll free number and e-mail	Nil	Nil	Nil	Nil	Nil	Nil

Business Responsibility and Sustainability Report

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES - (Continued)

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

Stakeholder group from whom complaints is received	Grievance Redressal Mechanism in Place (Yes / No) if yes then provide web-link for grievance redress policy	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes Code of Conduct for Business Partners https://esabindia.com/in/ind_en/investor-relationship/policies/code-of-business-conduct/	Nil	Nil	Nil	Nil	Nil	Nil
Communities	No	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	No	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Employee Wellbeing	Risk and Opportunity	Occupational Health and Safety, Employee wellness Employee Training and Development	OHS Management Systems Employee Development Programmes	Risk: negative implications. Opportunity: positive implications - employee morale and retention.
2.	Customer relationships	Risk and Opportunity	Maintain competitive edge	Sustained focus on Product quality and customer satisfaction	Risk: negative implications. Opportunity: positive implications - customer retention and growth
3.	Product Innovation	Opportunity	Enhance competitive edge	Investment in R&D, Development of new products	Opportunity: positive implications
4.	Energy and Environment	Risk	Energy resource, compliance	Energy efficient operations	Risk: negative implications.
5.	Regulatory compliance	Risk	Dynamic regulatory landscape	Compliance with all applicable laws and regulations	Risk: negative implications.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

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

Governance, leadership and oversight

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

Business Responsibility and Sustainability Report

10. Details of Review of NGRBCs by the Company: Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually / Half yearly / Quarterly / Any other- please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action.	Yes Annually									The Board meets once every quarter or as and when required to review and discuss key issues relevant to the organization and its stakeholders.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes Quarterly									Key concerns are identified at the unit level and communicated by senior executives to the Board for discussion, advice and decisions. The board collectively ensures along with the senior and operating management that all the compliance and statutory requirements are met.								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment / evaluation of the working of an External agency (Yes/ No). If yes, provide name of the Agency.	No.								

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

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

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

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

ESSENTIAL INDICATORS

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	The Board is familiarised of the principles of the NGRBC released by SEBI/MCA, and ESAB Business Conduct Guidelines (BCG).	100%
Key Managerial Personnel (KMPs)	3	All KMPs are trained on the ESAB Business Conduct Guidelines (BCG), Anti-corruption Policy, POSH and the principles of NGRBC every year.	100%
Employees other than BoD and KMPs	10	All employees are trained on the ESAB Business Conduct Guidelines (BCG), Anti-corruption Policy, POSH and the principles of NGRBC.	100%
Workers	10	Awareness is being created among all the Workers on ESAB Business Conduct Guidelines (BCG), safety, environment, etc.	100%

Awareness Programmes, Well-being Programmes, Regulatory Updates, Safety, ESG, Behavioural and Technical Programmes conducted for all employees.

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / fine settlement / compounding fee	NIL				

Business Responsibility and Sustainability Report

Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / fine settlement / compounding fee		NIL			

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed - Not applicable

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NIL	NIL

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

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

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

No such cases on corruption and conflicts of interest.

LEADERSHIP INDICATORS

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

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

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

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

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

ESSENTIAL INDICATORS

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

	Current Financial Year (2022-23)	Previous Financial Year (2021-22)	Details of improvements in environmental and social impacts
R&D	3.31 Mn INR	0.23 Mn INR	Efficiency in power savings & environment friendly
Capex	34.35 Mn INR	Nil	Conservation of energy through VFD, design/specification change, etc. resulted in overall improvement in energy efficiency.

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

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

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

80% of input raw materials sourced sustainably.

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

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

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

Yes, it is applicable. The Extended Producer Responsibility plan is under development.

LEADERSHIP INDICATORS

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

No specific Life Cycle Assessment has been conducted. However, our products have certain pre-determined life period within which they are fully and safely consumed by the customers.

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

Business Responsibility and Sustainability Report

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

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

Workers are instructed to operate as per Standard Operating Procedures and use appropriate Personal Protective Equipment such as helmets, goggles, masks, gloves, aprons, safety shoes, etc.

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

The use of recycled inputs as a percentage to the total production is less than 10%.

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Metal Powders	₹ 4.8 Mn	Nil
RM's & Wires	₹ 15.80 Mn	₹ 22.11 Mn

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

All our products are fully consumed by the customers and any scrap after the usage is being disposed off at the customers' end through authorized scrap dealer for recycling without harming the environment. Hence there is no reclaim of the products at the end of its life.

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste	Nil	Nil	Nil	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Nil	Nil	Nil	Nil
Other waste	Nil	Nil	Nil	Nil	Nil	Nil

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

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

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

ESSENTIAL INDICATORS

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	544	544	100%	544	100%	NA	NA	NA	NA	NA	NA
Female	52	52	100%	52	100%	52	100%	NA	NA	52	100%
Total	596	596	100%	596	100%	52	100%	NA	NA	52	100%
Other than Permanent employees											
Male	56	56	100%	56	100%	NA	NA	NA	NA	NA	NA
Female	8	8	100%	8	100%	8	100%	NA	NA	8	100%
Total	64	64	100%	64	100%	8	100%	NA	NA	NA	NA

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	150	150	100%	150	100%	NA	NA	NA	NA	NA	NA
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	150	150	100%	150	100%	NA	NA	NA	NA	NA	NA
Other than Permanent workers											
Male	270	270	100%	270	100%	NA	NA	NA	NA	NA	NA
Female	40	40	100%	40	100%	40	100%	NA	NA	NA	NA
Total	310	310	100%	310	100%	40	100%	NA	NA	NA	NA

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

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97.1%	100%	Y	97.5%	100%	Y
Gratuity	97.1%	100%	Y	97.5%	100%	NA
ESI	3.8%	0%	N.A	4.2%	0%	NA
Others - please specify	--	--	--	--	--	--

Business Responsibility and Sustainability Report

3. Accessibility of workplaces

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

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

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

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

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

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

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

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

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

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	596	0	0%	612	0	0%
- Male	544	0	0%	561	0	0%
- Female	52	0	0%	51	0	0%
Total Permanent Workers	150	145	96.7%	151	146	96.7%
- Male	150	145	96.7%	151	146	96.7%
- Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Male	544	544	100%	544	100%	561	561	100%	561	100%
Female	52	52	100%	52	100%	51	51	100%	51	100%
Total	596	596	100%	596	100%	612	612	100%	612	100%
WORKERS										
Male	150	150	100%	150	100%	151	151	100%	151	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	150	150	100%	150	100%	151	151	100%	151	100%

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
EMPLOYEES						
Male	544	544	100%	561	561	100%
Female	52	52	100%	51	51	100%
Total	596	596	100%	612	612	100%
WORKERS						
Male	150	150	100%	151	151	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil
Total	150	150	100%	151	151	100%

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

10. Health and safety management system:

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

Yes, ESAB India Limited has implemented Occupational Health and Safety management system certifiable to ISO 45001 Standard at all locations. Maintaining, fostering and improving the safety and well-being of employees is embedded in the company-wide risk management and control process.

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

As part of implementation of ISO standard, procedures for Hazard Identification and Risk Assessment (HIRA) have been established and implemented in the business units. HIRA is conducted for routine and non-routine activities. Work related hazards are identified by people involved in the operations, EHS officers and contractor representatives (wherever applicable). The identified hazards are recorded and control measures are discussed and defined as per hierarchy of controls. The CAPA (Corrective and Preventive Action) tracker is implemented to proactively identify safety risks in high risk activities and implement engineering controls to mitigate the risks. A Cross Functional Team reviews high risk activity and implements engineering controls, as feasible to mitigate risks. Focused trainings are conducted on "Behavioral Based Safety" (BBS) to promote awareness amongst third party and contractor employees to adopt safe work practices.

Business Responsibility and Sustainability Report

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

Yes, ESAB India Ltd. has established a robust system of reporting Unsafe Acts and Unsafe Conditions (UAUC), near misses and incident reporting. Workers are encouraged to report UAUC, near miss and incidents and to immediately remove themselves from such risks. UAUC are recorded in an EHS dashboard from project sites, factories and office locations. These are analysed as per Safety Essentials categories. Corrective and preventive actions are initiated to mitigate safety risks.

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

Yes, Employees and workers of ESAB India Ltd. have access to non-occupational medical and healthcare services. PHC (Preventive Health Check), COVID 19 vaccination and rehabilitation, Wellness programs are offered as part of non-occupational medical and healthcare services.

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

Safety Incident / Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.38	0.0
	Workers	2.76	5.50
Total recordable work-related injuries	Employees	2	0
	Workers	1	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

The EHS management system has enabled businesses to mitigate EHS related risks and ensure providing safe and healthy workplace. Structured programs have been established and implemented to fight COVID-19 pandemic and ensure business continuity. Restoration process was defined by COVID 19 task force, post lock-down in structured manner to ensure safe and healthy workplace and at the same time enabling business continuity.

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

Particulars	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

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

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

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

LEADERSHIP INDICATORS

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

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

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

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

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

Particulars	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

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

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

5. Details on assessment of value chain partners:

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

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

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

Business Responsibility and Sustainability Report

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

ESSENTIAL INDICATORS

- Describe the processes for identifying key stakeholder groups of the entity. Stakeholder groups are identified based on the nature of their engagement with the company. The process is qualitative and is conducted in consultation with the operating departments and senior management.**

Any individual or group of individuals or institution who are impacted by or who can impact the business chain of the Company is identified as a key stakeholder. This *inter alia* includes employees, shareholders and investors, customers, channel partners, regulators, lenders, research analysts, communities and non-governmental organizations and suppliers.

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

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

LEADERSHIP INDICATORS

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

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

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

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

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

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

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

Business Responsibility and Sustainability Report

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

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

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
EMPLOYEES						
Permanent	596	596	100%	612	612	100%
Other than permanent	64	64	100%	51	51	100%
Total Employees	660	660	100%	663	663	100%
WORKERS						
Permanent	150	150	100%	151	151	100%
Other than permanent	310	310	100%	287	287	100%
Total Workers	460	460	100%	438	438	100%

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Permanent										
Male	544	0	0%	544	100%	561	0	0%	561	100%
Female	52	0	0%	52	100%	51	0	0%	51	100%
Other than Permanent										
Male	56	0	0%	56	100%	45	0	0%	45	100%
Female	8	0	0%	8	100%	6	0	0%	6	100%
WORKERS										
Permanent										
Male	150	0	0%	150	100%	151	0	0%	151	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	270	270	100%	0	0%	256	256	100%	0	0%
Female	40	40	100%	0	0%	31	31	100%	0	0%

3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)				
Key Managerial Personnel	3	1,19,68,056	0	0
Employees other than BoD and KMP	541	8,20,884	52	5,72,598
Workers - Permanent	150	5,67,366	0	0

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

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

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

Any grievance related to human rights issues is addressed through whistle blower mechanism. Also, we have Internal Complaints Committee under POSH Policy to redress the grievances, if any.

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour / Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

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

Internal Complaints Committee constituted under POSH Policy is a mechanism to prevent adverse consequences to the complainant in discrimination and harassment cases.

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

Yes. Statutory and regulatory requirement clauses stipulate regarding human values, child labour, equal remuneration and social security.

Yes, the code of business conduct forms part of the contract with suppliers and all third parties with whom we conduct business. It covers human rights protection as well.

9. Assessments for the year:

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

Business Responsibility and Sustainability Report

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

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

LEADERSHIP INDICATORS

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

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

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

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

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

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

Yes

4. Details on assessment of value chain partners:

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

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

There is no concern arising from the assessment.

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

ESSENTIAL INDICATORS

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A) (GJ)	48,742	44,463
Total fuel consumption (B)(GJ)	14,390	15,505
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C) (GJ)	63,131	59,968
Revenue Energy intensity per rupee of turnover (Total energy consumption in GJ / turnover in rupees in crores)	57.88	69.01
Energy intensity (optional) - the relevant metric may be selected by the entity	—	—

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

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

No

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	11,877	10,844
(iii) Third party water	40,775	37,395
(iv) Seawater/ desalinated water	Nil	Nil
(v) Others	—	—
Total volume of water withdrawal (in kilolitres) (i+ ii+ iii+ iv + v)	52,652	48,239
Total volume of water consumption (in kilolitres)	52,652	48,239
Water intensity per rupee of turnover (Water consumed in KL / t turnover in rupees in crores)	48.27	53.84
Water intensity (optional)-the relevant metric may be selected by the entity	--	--

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

No

Business Responsibility and Sustainability Report

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

Yes, water being an important environmental resource, necessary initiatives are taken across all the manufacturing units to conserve and recycle water, thus ensuring ZLD (Zero liquid Discharge). At all manufacturing locations suitable and efficient wastewater treatment like sewage treatment plants (STP) are installed with primary, secondary, and tertiary treatment which include RO treatment facilities to treat wastewater to usable quality water. The treated water is further used for flushing and in maintaining a green-belt, i.e., gardening activities within the premises. This in turn has resulted in reduced use of freshwater.

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

Parameter	Please specify Unit	FY 2022-23	FY 2021-22
NOx	µg/m ³	15	15
SOx	µg/m ³	10	10
Particulate matter(PM)	µg/m ³	70	70
Persistent organic pollutants (POP)	Nil	Nil	Nil
Volatile organic compounds (VOC)	Nil	Nil	Nil
Hazardous air pollutants (HAP)	Nil	Nil	Nil
Others please specify	—	—	—

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG in to CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tones of CO ₂ Equivalent	1,132	1,049
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ Equivalent	10,502	11,389
Total Scope 1 and Scope 2 emissions per rupee of turnover	M.T. / crore rupees	10.44	11.72
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity		—	—

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency.

No

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

Yes. Several energy conservation projects are being undertaken regularly.

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

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	32.75	37.82
E-waste (B)	13.22	9.91
Bio-medical waste (C)	Nil	Nil
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	166.64	103.82
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,730.02	1,602.30
Total (A + B + C + D + E + F + G + H)	1,942.63	1,753.85
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,170.10	979.75
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	–	–
Total	1,170.10	979.75
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Land filling	772.53	774.10
(iii) Other disposal operations	–	–
Total	772.53	774.10

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

No

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

Different identified waste bins are provided to segregate the wastes at the source itself and stored in designated places provided in the scrap yard and proper accounting is being done before disposal to authorized vendors. Sufficient awareness, visual aids, PPEs are provided to the associates who handle the wastes. Daily accounting and monthly reporting are being done.

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

Not applicable. None of our operations is located in ecologically sensitive areas

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

Business Responsibility and Sustainability Report

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

No project was implemented during 2022-23 which requires Environment Impact Assessment.

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

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

Yes, the Company complies with the applicable environmental laws / regulations / guidelines and there is a robust mechanism to monitor and report its compliances. There was no non-compliance.

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

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (GJ)	16,771	13,277
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	–	–
Total energy consumed from renewable sources (A+B+C)(GJ)	16,771	13,277
From non-renewable sources		
Total electricity consumption (D) (GJ)	31,970	31,186
Total fuel consumption (E)(GJ)	15,505	14,390
Energy consumption through other sources (F)	–	–
Total energy consumed from non-renewable sources (D+E+F) (GJ)	47,475	45,576

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

No

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	With secondary treatment at our existing Effluent treatment plant 1575 KL	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
Total water discharged (in kilolitres)	1575 KL	Nil

Initiatives are taken across all the manufacturing units to conserve and recycle wastewater, thus working towards ZLD (Zero liquid Discharge). At all manufacturing locations suitable and efficient wastewater treatment facilities like sewage treatment plants (STPs), ETP are installed with primary, secondary, and tertiary treatment to treat wastewater to usable quality water.

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

No

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

None of the Manufacturing locations is in Water stressed area and hence this section is not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. - No

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

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

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

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

No.

Business Responsibility and Sustainability Report

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

Our operations are being carried out in environment friendly areas and there is no negative impact on biodiversity.

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Process modifications	<ol style="list-style-type: none"> Changes in Wooden pallet specifications. Installed improved efficiency AC Drives. Installation of variable speed pneumatic air compressor, and timers for lighting and shop floors. Installation of hooter system on FD line for addition of Copper solution. 	<ol style="list-style-type: none"> Saved 1905 Kgs. of wood and 2475 Kgs. of plastic stretch film per annum. Saved 93030 Kwh and reduced 49.77 M.T. of CO2e emission. Saved Copper salt consumption by 1924 Kg.
2.	Energy Conservation	Change in Energy Mix: Increased Renewable Energy consumption through Power Purchased Agreements (PPAs), and open RE purchase	<ol style="list-style-type: none"> PPA for group captive wind power has generated 3361 Mwh of RE and reduced 2857 tons of CO2e emission. 1130 Mwh of power utilized from solar plant from Jan' 22 to Dec' 22
3.	Water Conservation	Installation of Auto inlet valve for all Finish draw line, and utilization of treated STP water for flushing.	Reduction of water consumption by 28 KLD.

7. Does the entity have a business continuity and disaster management plan?

Give details in 100 words/ web link.

Yes, the Company has Business Continuity Plan.

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

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

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

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

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

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

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

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

ESSENTIAL INDICATORS

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

Two

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

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

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

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

LEADERSHIP INDICATORS

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

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

PRINCIPLE 8 - BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

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

The Company has not undertaken any Social Impact Assessment (SIA) during the year 2022-23.

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

Business Responsibility and Sustainability Report

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: - Not Applicable

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

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

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

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

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs / small producers	1%	1%
Sourced directly from within the district and neighbouring districts	—	—

LEADERSHIP INDICATORS

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

Not Applicable

Details of negative social impact identified	Corrective action aken
Nil	Nil

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

S. No.	State	Aspirational District	Amount spent ₹ in lakhs
1.	Uttarakhand	Haridwar	2.97

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

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

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

Not Applicable.

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

Not Applicable.

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

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

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

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

There is no litigation in relation to Intellectual Property related disputes

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

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Vocational Skills development on Safe welding practices	2,873	100% Rural Population
2	Sanitation Project - Environment & Health	Local Community	100% Rural Population
3	Incubation Centre - Research & Development at PSG College of Technology, Coimbatore	Students Community	100%
4	Training in welding skills in association with various institutions	25	100%
5	Supporting Dialysis Centre at Tsunami Colony, Semmencherry, Tamil Nadu - Slum area development	Local Community	100% Rural Population

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

ESSENTIAL INDICATORS

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

All product packaging have the contact e-mail address and phone number for raising any concerns. Customers most often raise their concerns with the sales person in the territory, who in turn processes this in line with our "Customer Concern Resolution" Policy. We have a "No Questions Asked Replacement" protocol in place for visible defects and specific product categories, wherein the salesperson can authorize the product replacement. In other cases, a review is conducted on the concern by the Quality team and suitable actions are planned including subsequent corrective and preventive actions at the plant. The Company carries out periodic customer satisfaction surveys, through interaction with end users and the information is utilised to improve the business operations / services.

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

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

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

Business Responsibility and Sustainability Report

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

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

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

There was no product recall on account of safety issues during the reporting period.

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

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

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

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

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

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

LEADERSHIP INDICATORS

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

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

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

The usage of products and services is outlined in manuals and on website for MSDS, videos on safe practices on website as well as Youtube channel: https://www.youtube.com/playlist?list=PL0qXOiDcDq_m7IUyCDariEIXJ2MmIfP

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

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

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

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable)

If yes, provide details in brief.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

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

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

5. Provide the following information relating to data breaches:

There were no data breaches during the reporting period.

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil.

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

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

For and on behalf of the Board of Directors

Kevin Johnson
Chairman

Place : Chennai

Date : 25th May, 2023

To

The Members of ESAB India Limited

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

I, Rohit Gambhir, Managing Director of ESAB India Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2023.

Chennai
25 May, 2023

Rohit Gambhir
Managing Director

Report on Corporate Governance

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

2. BOARD OF DIRECTORS

A. Composition of Board

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

The Board of Directors consists of six members. Mr. Rohit Gambhir is the Managing Director of the Company who was re-appointed for a period of five years effective from 1 November 2018. There are 4 Independent Directors and 2 Non-Independent Directors in the Board of the Company. Other than the Managing Director, all the other members of the Board are Non-Executive Directors, including the four Independent Directors.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. These Independent Directors have the necessary experience and expertise and were qualified to be re-appointed as Independent Directors pursuant to the recent MCA notifications on Independent Director database and the online training requirement. None of the Directors on the Board of your Company is member of more than ten committees or Chairman of more than five committees in public limited companies in which they are Directors. Necessary disclosures have been obtained from all the Directors regarding their Directorship and have been taken on record by the Board at its meeting held on 25 May 2023.

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

During the period 1 April 2022 to 31 March 2023, 5 Board Meetings were held on 27 May 2022, 12 August 2022, 11 November 2022, 10 February and 23 March 2023 with not more than 120 days has 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 11 August 2022 and particulars of their Directorships and Committee Memberships / Chairmanships in other Companies are given below

Director	Category	Board Meetings held during the period 2022-2023	Attendance	
			at Board Meetings in 2022-2023	at previous AGM
Kevin Johnson*	NE-NI	5	5	Yes
K Vaidyanathan	NEI	5	5	Yes
Vikram Tandon	NEI	5	5	Yes
Sudhir Chand	NEI	5	5	Yes
Sabitha Rao**	NEI	5	2	Yes
Cauvery Dharmaraj**	NEI	5	-	-
Rohit Gambhir	Executive	5	5	Yes

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

NEI - Non-Executive Independent Directors

* Nominee of ESAB Holdings Limited.

** Sabitha Rao, NEI, passed away on 31 December 2022 and subsequently Ms. Cauvery Dharmaraj has been appointed as an Independent Director with effect from 23 March 2023 and the same has been approved by the Shareholders through Postal Ballot on 3 May 2023.

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

Name of the Director	Category	DIN	Number of Directorships in Other Companies		Number of Committee Memberships in other Companies		Name of the listed entities where he / she is a Director	Category of Directorship
			Chairman	Member	Chairman	Member		
Kevin Johnson	Non-Executive Chairman	09147729	Nil	1	Nil	Nil	Nil	NA
Rohit Gambhir	Executive - Managing Director	06686250	1	Nil	Nil	1	Nil	NA
Vikram Tandon	Non -Executive & Independent Director	01727251	Nil	Nil	Nil	Nil	Nil	NA
Sudhir Chand	Non -Executive & Independent Director	01385201	Nil	2	0	0	Nil	NA
K Vaidyanathan	Non -Executive & Independent Director	00063692	Nil	Nil	Nil	Nil	Nil	NA
Sabitha Rao*	Non - Executive & Independent Director	06908122	Nil	2	Nil	1	Data Patterns (India) Limited	Independent Director
Cauvery Dharmaraj **	Non - Executive & Independent Director	02917088	Nil	1	Nil	Nil	Nil	NA

* Sabitha Rao, NEI, passed away on 31 December 2022.

** Ms. Cauvery Dharmaraj has been appointed as an Independent Director with effect from 23 March 2023 and the same has been approved by the Shareholders through Postal Ballot on 3 May 2023.

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

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

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

Name of the Director	Meeting Dates				
	27.05.2022	12.08.2022	11.11.2022	10.02.2023	23.03.2023
Kevin Johnson	Yes	Yes	Yes	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	No	No	No
Cauvery Dharmaraj**	No	No	No	No	No
Rohit Gambhir	Yes	Yes	Yes	Yes	Yes

* Sabitha Rao, NEI, passed away on 31st December 2022.

** Ms. Cauvery Dharmaraj has been appointed as an Independent Director with effect from 23 March 2023 and the same has been approved by the Shareholders through Postal Ballot on 3 May 2023.

Report on Corporate Governance

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

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

G. The Independent Directors were appointed for a period of five years with effect from 29 January 2015. Further, pursuant to the special resolution passed by the shareholders at the Annual General Meeting held on 13 August 2019 the four Independent Directors were re-appointed for a further period of five years from 29 January 2020. Due to sudden demise of Sabitha Rao, Ms. Cauvery Dharmaraj has been appointed as a new Independent Director in place of late Sabitha Rao with effect from 23 March 2023. The said appointment has been approved by the shareholders of the Company through Postal Ballot on 3 May 2023. They were issued a letter of Appointment setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. Their letter of appointment is available for viewing at the website of the Company https://esabindia.com/in/ind_en/investor-relationship/terms-and-conditions-of-independent-directors-appointment/. It's a general practice for the Company to introduce to the newly appointed independent director, the Company's practices by way of a booklet and other communications giving details about the Company. The Directors are also taken around all the plants of the Company for them to understand the Company's operations and other processes.

The Company Secretary / Statutory Auditors brief the Directors about legal, statutory and regulatory updates on a quarterly basis as part of the familiarization process. The details of such familiarization programs presented to the Independent Directors are given on the weblink of the Company https://esabindia.com/in/ind_en/investor-relationship/familiarization-programme-for-independent-directors/.

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

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

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

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

Description	Kevin Johnson	Rohit Gambhir	Vikram Tandon	Sudhir Chand	K Vaidyanathan	Sabitha Rao*	Cauvery Dharmaraj**
Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ability to act as Directors of the Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Willingness to speak up	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Focus on shareholder value creation	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Maintenance of high governance standards	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Knowledge of business of the Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Openness of discussion / integrity	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Relationship with Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Impact on key management decisions	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ability to carry others	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attendance at the Meetings	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ability to disagree and stand his / her ground	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* Sabitha Rao, NEI, passed away on 31 December 2022.

** Ms. Cauvery Dharmaraj has been appointed as an Independent Director in place of late Sabitha Rao with effect from 23 March 2023 and the same has been approved by the Shareholders through Postal Ballot on 3 May 2023.

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

i. Mr Kevin Johnson

Kevin Johnson, aged 47 years, works as Chief Financial Officer for ESAB. Prior to this he held various positions in Colfax such as Vice President - Investor Relations, FP&A and also supported acquisition, diligence & integration. Prior to Colfax, he was with Howden in the roles of increasing responsibility including CFO for its South African Publicly - listed Company.

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

ii. Mr Rohit Gambhir

Mr. Rohit Gambhir, aged 50 years, is a B.Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 28 years. He started his career in August 1994 with Saint Gobain. He rose through the ranks to be the Sales Manager for Abrasive Industrial trade products by April 2003, and he served them till November 2007. In 2007 Mr. Rohit Gambhir joined Stanley Black & Decker as its Business Head. He joined ESAB India in March 2013 as its Head of Sales & Marketing.

His areas of expertise include Business Management and strategy, marketing plans and implementation, end user B 2 B sales, international projects with Emerging Market focus, Sales and Operating margin management, Working capital management, Organization development, Supply Chain Management and Segment development.

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

iii. Mr Vikram Tandon

Mr. Vikram Tandon, aged 74 years, graduated from I.I.T. Delhi in 1970, and joined Hindustan Lever as a Management Trainee. His early career was in manufacturing. He started as production manager in a factory and was then factory manager successively in three factories across India, two with regional profit responsibility including sales. He then worked in Corporate Development to identify and set up new core sector businesses for the company, after which he ran the company's Fertiliser Business, and then moved on to run the entire Chemicals business. He later moved to Unilever's Head Office in London and Rotterdam, where he worked on Corporate Strategy for Unilever's global chemicals business, in close conjunction with Dr Arnoldo Hax, Sloan professor of Management at Sloan School, MIT. He was also a member of Unilever's Technology Management Committee.

He returned to India in 1994 as Head of Corporate Strategy for the Unilever Group of companies in India. In 1995, Mr. Tandon joined the Board of

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

He does not hold any equity shares in the Company as on date. Mr. Vikram Tandon is not related to any other Director on the Board of the Company.

iv. Mr Sudhir Chand

Mr. Sudhir Chand aged 75 years, has over 50 years of work experience in various functions of General Management, Marketing, Sales, Manufacturing, HR and Consultancy. Worked with Crompton Greaves Ltd (7 yrs), Exide Industries Ltd (28 yrs) - where he held various leadership positions before being appointed to the main Board (10 yrs) first as Director Automotive (Marketing and Manufacturing) then as Director Corporate Affairs for the Company - including HR, Training and Corporate Social Responsibility. He retired from Exide in 2006. An Electrical Engineer from BITS Pilani with Dip in Marketing Management, University of Bombay, and Executive Development Programs at IIM Ahmedabad and Cranefield School of Management, UK - Sudhir has been visiting faculty at some Management Development Programs at IIM Calcutta and Calcutta Management Association. He is on the academic council of Globysyn Business School (Kolkata).

His areas of experience include Strategic and Corporate planning, Manufacturing, Marketing, Organization Structuring, HR Development, Collaborations and Technology absorption. He has served on various committees of Chambers of Commerce and CII. He was a President of Calcutta Management Association. He is an Associate of Grow Talent Company Ltd, the parent company of SOIL (School of Inspired Leadership) since 2006 and Right Management India (P) Ltd a Manpower group company of US (one of the World's largest talent and career management consulting firms) and has handled assignments in areas of Talent Appreciation, Leadership Development and Executive Coaching. He was an Associate of MART (the country's pioneering organization in rural

marketing) and has worked on some rural, social and marketing projects.

He does not hold any equity shares in ESAB India Limited. Mr. Sudhir Chand is not related to any other director on the Board of the Company.

v. Mr Kalyanasundaram Vaidyanathan

Mr. Kalyanasundaram Vaidyanathan, aged 75 years, is a Chartered Accountant with a good academic background-Calcutta University-Rank holder both in M.Com & B.Com (Hons.) First Class, Recipient of medals, awards & merit scholarships. He was a Corporate Member of the National Institute of Personnel Management of India from 1978 till 2016-17.

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

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

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

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

vi. Ms. Cauvery Dharmaraj

Ms. Cauvery Dharmaraj, aged 55 years, holding valid DIN 02917088, is a postgraduate in Human Resource Management from Xavier School of Management (XLRI). She started her career in the year 1992 with Royal Enfield Motors Limited as an Assistant Manager - Human Resource. After a

two (2) years stint at the corporate office, she became an independent Human Resource Consultant where the main focus was on setting up HR systems for startups, project based consulting in the areas of performance evaluation, review systems and compensation structures for a period of nine (9) years from 1994 to 2003.

In 2004, she became the Head - Human Resource of MM Imagine Technologies Private Limited where she provided her guidance and directions not just to HR team but also to the rest of the organization to achieve the business goals and organization's vision & growth for a period of five (5) years till 2009.

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

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

Ms. Cauvery Dharmaraj does not hold any equity shares in the Company and is not related to any of the Directors of the Company.

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

At the meeting of the Board of Directors held on 25 May 2023 the performance of the Independent Directors was evaluated under various criteria laid down and all of them in the opinion of the Board, fulfill the conditions specified in the SEBI (LODR) Regulations and are independent of the Management.

- J. Detailed reasons for the resignation of an independent director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided - Not Applicable.

3. AUDIT COMMITTEE

The terms of reference of the Committee are governed by a Charter, covering all applicable matters specified under Part C of Schedule II of Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 dealing with Corporate Governance and Section 177 of the Companies Act, 2013.

The Members of the Committee were:

K Vaidyanathan	Chairman	Independent Director
Vikram Tandon	Member	Independent Director
Sudhir Chand	Member	Independent Director
Kevin Johnson	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. Mr. K Vaidyanathan the Chairman of the Audit Committee is a Chartered Accountant and the Company benefits in him being an expert in finance and related matters. The Company's Managing Director, Chief Financial Officer, its Statutory Auditors and its Internal Auditors are permanent invitees to the Committee's meetings held on a quarterly basis and as and when the need arises. The Company Secretary is Secretary to the Committee. The Cost Auditors are invited for the meetings as and when the Cost Audit Reports are considered by the Audit Committee. The Members of the Audit Committee are also given free access to other executives of the Company and such executives attend the meeting at the behest of the Audit Committee. The quorum for Committee meetings is two members or one third of the total strength of the Committee, whichever is higher, but a minimum of two Independent Directors presence is required to constitute a quorum.

Mr. K Vaidyanathan the Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 11 August 2022 to answer the shareholder queries apart from Mr. Rohit Gambhir, Managing Director and Mr. B Mohan, Chief Financial Officer. The text of the Charter which describes the terms of reference of the Audit Committee is available on the Company's website https://esabindia.com/in/ind_en/investor-relationship/committees/audit-committee/.

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the Audit Committee 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 with particular reference to:-
 - a) Matters required to be included in the Directors Responsibility Statement to be included in the Boards Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act 2013;
 - b) Changes if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgement by management;
 - d) Significant adjustments made in the financial statement arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the Board for approval;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Approval of any subsequent modification of transactions of the Company with Related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;

Report on Corporate Governance

- 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 25 May 2023. Details of constitution of the Audit Committee and the Meetings held during the year 2022-23 are as given below:

Audit Committee	Members	Meeting Dates			
		27.05.2022	12.08.2022	11.11.2022	10.02.2023
K Vaidyanathan	Chairman & Independent Director	Yes	Yes	Yes	Yes
Vikram Tandon	Member & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Kevin Johnson	Member & Non-executive Director	Yes	Yes	Yes	Yes

Not more than 120 days has elapsed between any two meetings during the year under review. The first audit committee meeting for the financial year 2022-23 was held on 27 May 2022 to consider audited financials of 2021-22.

4. NOMINATION AND REMUNERATION COMMITTEE

- a. The Company to comply with the requirements of Section 178 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has constituted a Nomination and Remuneration Committee and the composition of the same as on 31 March 2023 is as below

K Vaidyanathan	Chairman	Independent Director
Sudhir Chand	Member	Independent Director
Sabitha Rao*	Member	Independent Director
Cauvery Dharmaraj*	Member	Independent Director
Kevin Johnson	Member	Non-Executive & Non-Independent Director

* Sabitha Rao, passed away on 31st December 2022 and was a member of the Nomination and Remuneration Committee till her demise. Ms. Cauvery Dharmaraj has been appointed as an Independent Director in place of late Sabitha Rao with effect from 23 March 2023 and became a member of the Nomination and Remuneration Committee from 23 March 2023.

Mr. K Vaidyanathan the Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 11 August 2022 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.
- For every appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - A) Use the services of an external agencies, if required;
 - B) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - C) Consider the time commitments of the candidates.

- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- To extend or continue the terms of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Director.
- Determination of the remuneration / incentives of Managing Directors / Executive Directors / Wholtime Directors / Key Managerial Personnel / Senior Management Personnel and review of the remuneration policy of the Company.
- The Committee also reviews recruitments one level below the Board of Directors and Direct reports to Key Managerial Personnel.
- The Committee also reviews the KPIs / KRAs of the Managing Director and its Direct Reports.
- Recommend to the board, all remuneration, in whatever form, payable to senior management personnel.

- b. During the financial year 2022-23, one meeting was held on 23rd March 2023. The details of the Composition of the Committee and the attendance of the members at the meeting are as given below:

Nomination & Remuneration Committee	Members	Meeting Dates
		23.03.2023
K Vaidyanathan	Chairman & Independent Director	Yes
Sudhir Chand	Member & Independent Director	Yes
Sabitha Rao*	Member & Independent Director	No
Cauvery Dharmaraj*	Member & Independent Director	No
Kevin Johnson	Member & Non-Executive Director	Yes

- * Sabitha Rao, passed away on 31 December 2022 and was a member of the Nomination and Remuneration Committee till her demise. Ms. Cauvery Dharmaraj has been appointed as an Independent Director in place of late Sabitha Rao with effect from 23 March 2023 and became a member of the Nomination and Remuneration Committee from 23 March 2023.

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

nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. This requirement was adhered to during the year under review.

c. Remuneration Policy

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

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

The nomination & remuneration committee reviews the policy on periodical basis and suggests changes to the Board as and when the need arises. They recommend the increase in salary and incentive payable to the Managing Director subject to the approval of the Board. They also approve the increase in salary payable and the incentive payable to the senior management personnel of the company i.e., one level below the board who are direct reports to the Managing Director and all the functional heads of the Company.

d. Policy on Board Diversity

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

e. Performance Evaluation of Independent Directors

As required under Section 134(3)(p) of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors assessed the performance of the Independent Directors as per the criteria laid down at its meeting held on 25 May 2023.

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

and Companies Act, 2013 and their independence from the management.

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

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

5. REMUNERATION OF DIRECTORS AND DISCLOSURES

The details of payment of remuneration to Directors during 2022-23 are as follows:

(in ₹)

Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid	Commission
Kevin Johnson	–	–	–	–	–
K Vaidyanathan	–	–	–	2,69,500	8,58,500
Vikram Tandon	–	–	–	2,65,000	7,86,500
Sudhir Chand	–	–	–	3,38,500	7,86,500
Sabitha Rao	–	–	–	73,500	7,86,500
Rohit Gambhir	2,12,30,800	1,58,538	3,98,448	–	53,09,345

A sitting fee of ₹ 24,500/- 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 the sitting fees paid to the non-executive directors of Stakeholders Relationship committee is ₹ 5,000/- per meeting. TDS @ 10% is deducted for the financial year 2022-23 from the sitting fee payable to the Independent Directors and GST @ 18% is also paid on reverse charge basis by the Company.

The payment of Commission to Non-Executive Directors upto 1% of the profit as calculated under the applicable provisions of the Companies Act, 2013 was approved by the Members at the Annual General Meeting held on 4 August 2016 for a period of five years. The same subject of payment of commission of 1% of the profit as calculated under the applicable provisions of the Companies Act, 2013 for five years up to the year 2026 was placed before the shareholders at the Annual General Meeting held on 12 August 2021 and the same was approved. 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.

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

The Company neither has any schemes for stock options nor has it granted any stock options to any of its Directors or employees during the year under review.

Criteria for making payments to Non-Executive Directors

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee functions under the Chairmanship of Mr. Vikram Tandon, a Non-Executive Independent Director. The other members of the Committee were Mr. Sudhir Chand, Mr. Kevin Johnson and Mr. Rohit Gambhir. Mr. G Balaji, Company Secretary, is the Compliance Officer of the Company.

The Members of the Committee along with the Chairman.

- (1) Resolved the grievances of the security holders including complaints related to transfer / transmission / transposition / name change of shareholders of equity shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, dematerialization and rematerialization of shares etc.
- (2) Reviewed the measures taken for effective exercise of voting rights by shareholders.
- (3) Reviewed the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent - Integrated Registry Management Services Private Limited.
- (4) Reviewed the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensured timely receipt of dividend warrants / annual reports / statutory notices to the shareholders of the Company.
- (5) Review transfer of unpaid dividend amount to Investor Education & Protection Fund and also the equity shares pertaining to shareholders which remained unclaimed for more than 7 years which are transferred to Investor Education & Protection Fund.

There were four meetings held during the year 2022-23. 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			
		27.05.2022	12.08.2022	11.11.2022	10.02.2023
Vikram Tandon	Chairman & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes	Yes	Yes
Kevin Johnson	Member & Non-Executive Director	Yes	Yes	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes	Yes	Yes

During the year, the Company received 308 complaints from shareholders. The details of the complaints received from the shareholders are as given below:

Sl.No.	Nature of Complaint	June 2022	Sep 2022	Dec 2022	Mar 2023
1.	Non-receipt of dividend warrants	12	31	13	14
2.	Non-receipt of annual report	-	-	-	-
3.	Non-receipt of share certificate	37	34	16	16
4.	Others	25	30	24	56
	Total	74	95	53	86

All the complaints were responded to as per applicable guidelines and regulations as of 31 March 2023. 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 2023. V Mahesh & Associates, practicing company secretaries vide their certificate 21.04.2023 for the relevant year have certified that the Company has been prompt in transferring the shares to the shareholders and the same has been filed with the stock exchanges BSE and NSE by the Company.

SEBI vide circular Ref CIR/OIAE/2/2011 dated June 3, 2011 informed the Company that they had commenced processing of investor complaints in a web based complaints redressal system viz. SCORES. Under this system all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit action taken report along with supporting documents electronically in SCORES.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with Section 135 (1) of the Companies Act, 2013 the Company has constituted a Corporate Social Responsibility Committee consisting of one Independent Director, one Non-Executive Director and the Managing Director. Ms. Sabitha Rao was the Chairperson of the said Committee till her demise on 31 December 2022. In place of late Sabitha Rao, Ms. Cauvery Dharmaraj has been appointed as an Independent Director and also the Chairperson of the CSR Committee with effect from 23 March 2023. Mr. Kevin Johnson, Chairman of the Board and Mr. Rohit Gambhir, Managing Director were the members of the said Committee.

Report on Corporate Governance

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

The Committee met twice on 27.05.2022 and 10.02.2023 during the financial year 2022-23. The details of the attendance of the Committee members in the meeting are given below:

CSR Committee	Members	Meeting Dates	
		27.05.2022	10.02.2023
Sabitha Rao*	Chairperson & Independent Director	Yes	No
Cauvery Dharmaraj*	Chairperson & Independent Director	No	No
Kevin Johnson	Member & Non-Executive Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes

* Sabitha Rao, passed away on 31st December 2022 and was the Chairperson of Corporate Social Responsibility Committee till her demise. Ms. Cauvery Dharmaraj has been appointed as an Independent Director in place of late Sabitha Rao with effect from 23 March 2023 and became the Chairperson of Corporate Social Responsibility Committee from 23 March 2023.

During the year under review the Company has spent money on projects identified under CSR. The unspent money budgeted for CSR on identified and ongoing projects was transferred to the Unspent CSR Account 2022-2023 opened with HDFC Bank Limited, Chennai on 28th April 2023, in pursuance of the Companies (Corporate Social Responsibility) Amendment Rules, 2022. The details of CSR budget and spend for the year 2022-23 is given as **Annexure - 3** to the Director's Report.

8. RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee consisting of Mr. Kevin Johnson, Chairman of the Board, Mr. Rohit Gambhir, Managing Director, Mr. Sudhir Chand, Independent Director and Mr. B Mohan, Vice President - Finance and Chief Financial Officer. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has undergone various amendments on May 5, 2021, Regulation 21(2) states that the Risk Management Committee shall have minimum three members with majority of them being members of the board of directors,

including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise of independent directors.

Based on the above amendment, Mr. Sudhir Chand, Independent Director was co-opted as a member of the Risk Management Committee with effect from 21 May 2021.

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

The Committee met twice during the financial year 2022-23 on 28.07.2022 and 20.01.2023. The details of the attendance of the Committee members in the meeting are given below:

Risk Management Committee	Members	Meeting Date	
		28.07.2022	20.01.2023
Kevin Johnson	Chairman & Non-Executive Director	Yes	Yes
Sudhir Chand	Member & Independent Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes
B Mohan	Member & Vice President Finance and Chief Financial Officer	Yes	Yes

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings. The first meeting of the Risk Management Committee of the Company was held on 28 July 2022 and the second was on 20 January 2023.

9. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company had met during the year on 23 March 2023 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and had assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board. The Independent Directors had after the conclusion of the meeting given their suggestions and opinions on various matters to the Chairman of the Board for his consideration.

The Board of Directors had during their meeting held on 25 May 2023 reviewed the individual performance of all the Independent Directors as per the standard

evaluation criteria and format laid down. The Independent Director whose performance was reviewed by the Board excused themselves from attending that part of the meeting as required under the statute.

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

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

The declaration by the Managing Director under Schedule V Part D Regulation 34(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31 March, 2023 is attached to this Corporate Governance Report.

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

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 Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention of sexual harassment of women employees at workplace and has constituted an Internal Complaints Committee to consider and redress complaints on sexual harassment, if any. All the employees have been sensitized on the provisions of the Act. No complaint was received during the year under review viz. 2022-23.

12. SUBSIDIARY COMPANIES

There were no Subsidiary Companies of the Company as on 31 March 2023.

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 3 April 2023 for the financial year ended 31 March, 2023 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	Mode & Venue
2019-20	28 August, 2020	09.00 AM	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
2020-21	12 August, 2021	09:00 AM	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)
2021-22	11 August, 2022	03.30 PM	Through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

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

M/s. V Mahesh and Associates, the Practicing Company Secretaries were appointed as the Scrutinizers for e-Voting process at the Annual General Meeting held on 11 August 2022. 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 provided to the shareholders to exercise their voting rights on the above said resolutions.

All the resolutions set forth in the notice calling the Annual General Meeting are being passed through e-Voting in compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.

The procedures for casting votes under e-Voting has been elaborately given under the Notice calling the Annual General Meeting on 10 August 2023. The members are requested to read this document to cast their votes accordingly.

15. DISCLOSURES

1. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 as amended.
2. There were no public, rights or preferential issues during the year.
3. The Key Managerial Personnel / Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have any personal interest that could result in conflict with the interest of the Company at large. The Company did not have any materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the other related party transactions which are in the ordinary course of business and at arms' length basis are approved by the Audit Committee and the Board of Directors of the Company on a regular basis.
4. The Company in compliance of the revised requirements of SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, has adopted the Code of Conduct for prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedure and Conduct for Regulation, Monitoring and Reporting of Trading in the securities for the designated employees and connected persons, policy on legitimate purpose and the whistle blower policy. The said policy has been uploaded and made available on the website of the Company https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/.

The same has been strictly adhered to by the Directors and the designated employees. The

Company informs the Directors and the designated employees, about the date of the Board Meeting to consider any Unpublished Price Sensitive Information (UPSI) and advising them not to trade in 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 (Prohibition of Insider Trading) Regulations.

The Company also informs the stock exchanges promptly on the details of the trading window period and the fact that the designated employees have been instructed not to deal with the shares of the Company during such time the trading window is closed. All the other applicable compliances under the said statute have been done.

All contracts entered into by the Company now specifies the need for the contracting third party to adhere to the Company's policy on SEBI (Prohibition of Insider Trading) Regulations and draws attention of the said parties to the policy adopted by the Company and advises them to desist from dealing with the shares of the Company without prior intimation.

All the Directors and the designated persons have also executed a Non-disclosure agreement in favour of the Company stating therein that they are fully aware of the fact that they in their ordinary course of executing their day to day work would be coming across or be in possession of certain price sensitive information which they would not divulge to any third parties.

The Company has also identified the designated employees who are above certain grades in the Company as required under the SEBI (Prohibition of Insider Trading) Regulations and monitors their share purchases and sales, if any, on a weekly basis to ensure that none of the Directors or the designated person indulge in any insider trading in the shares of the Company.

The Company has also entered the details of all the Directors of the Board, Key Managerial Personnel and all employees in Grade E8 and above along with the PAN numbers in NSDL website to monitor if there are any transactions in the shares of the Company in compliance with the amended SEBI's (Prohibition of Insider Trading) Regulations.

5. The Managing Director and the Chief Financial Officer of the Company certify to the Board every quarter on matters related to the financial

statements and other matters in accordance with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Key Managerial Personnel of the Company also certify on an annual basis to the Board of Directors on the existence of adequate Internal Financial Controls commensurate with the size of the Company as required under Section 134 (5) of the Companies Act, 2013 to enable the Board of Directors to confirm to the shareholders that the Company has laid down internal financial controls and that the same are adequate and such controls are operating effectively.

6. The Independent Directors have confirmed that they meet the criteria of "Independence" as stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
7. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation done on 23.03.2023 by the Board of Directors confirmed that all the Independent Directors meet the requisite criteria as given under Schedule IV of the Companies Act, 2013 and hence qualified to continue as Independent Directors on the Board of the Company.
8. To enhance standards of corporate governance and strengthen controls, the Company has set up a whistle blower policy which can be seen on Company's website https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. In terms of such whistle blower policy, it is affirmed that the employees have been given free access to the Audit Committee Chairman. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed else where in this report.
9. In compliance with Regulation 46 (2) (j) & (k) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and as required under the listing agreement entered into with the stock exchanges in compliance of Regulation 109 (2) of the said SEBI regulations, the Company has designated the mail id balaji.g@esab.co.in and investor.relations@esab.co.in and posted this in the Company's website and also on the websites of the stock exchanges where the Company's shares are listed. The investors can send their grievances, if any, to these designated mail IDs'. Mr. G Balaji is the Company Secretary and the Compliance Officer of the Company.
10. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have vide Regulation 46 (1) stipulated that the Company should maintain a functional website containing basic information about the Company and to update the contents of the said website periodically. In pursuance of this clause the Company updates its website with all the relevant information as envisaged in the said regulation and as per the provisions of the Companies Act, 2013 and they are now available in its official website www.esabindia.com.
11. In line with the circular no. CIR/OIAE/2/2011 dated June 3, 2011 from SEBI, the Investor Complaints are now centrally monitored through web based complaints redressal system called SCORES. The Company processes the investor complaints through this system and updates status periodically.
12. In pursuance of the Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% shareholding of the promoter group Companies has been dematerialized and all the shares are held in dematerialized mode to allow the shares of the Company to be traded in the stock exchanges in the normal segment.
13. In line with the circular no. NSE/CML/2015/23 dated December 28, 2015 from the National Stock Exchange of India Limited, the Company now intimates the Board Meeting dates, uploads its quarterly shareholding pattern, Corporate Governance Report and the quarterly / annual financial results, reconciliation of share capital audit report, certification under SEBI Regulation 7(3), 40 (9) & (10), intimation of postal ballot results through a web based application designed for corporates by NSE called as NEAPS.
14. In line with the circular no. DCS/COMP/33/2015-16 dated March 11, 2016 from the Bombay Stock Exchange, the Company now intimates the stock exchanges on Compliance Certificate by Share Transfer Agent, Statement of Investor Complaints, Corporate Governance Report, Notice for Board Meeting, Outcome of Board Meeting, Shareholding Pattern, Financial Results, Annual Report, Compliance Certificate, Notice for Record Date, Voting Results, Disclosure under SAST and PIT Regulations and Reconciliation of Share Capital Audit Report through an online portal called as BSE Corporate Compliance & Listing Centre.
15. Pursuant to Rule 5 (8) of the Investor Education and Protection Fund Authority (Accounting, Audit,

Transfer and Refund) Rules, 2016 notified on 5 September 2016 company has within a period of sixty days after the Annual General Meeting held on 11 August 2022 has uploaded on Company's website https://esabindia.com/in/ind_en/investor-relationship/statement-of-unclaimed-dividends/statement-of-unclaimed-dividends-as-on-31-march-2022-website/ 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 F24747487 dated 13 September 2022.

16. Pursuant to applicable provisions of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules") all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the dematerialization account created by the IEPF Authority. The Company had sent individual notices and also advertised in the newspapers seeking action from the Members who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred such unpaid or unclaimed dividends and corresponding shares.

17. In terms of Section 173 (2) of the Companies Act, 2013 and in terms of the provisions of the Articles of Association of the Company, the Company allows the option to the Board of Directors of the Company to attend / participate in a meeting of Board / Committee of Director through electronic mode using video conference facility.

MCA vide its General Circular No. 10/ 2022 dated December 28, 2022, have extended the facility to hold the Annual General Meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) till 30th September 2023. Hence, this Annual General Meeting is being held on Video Conferencing Mode on 10 August 2023.

18. Maharashtra Weldaids Limited (MWL) merged with the Company with effect from 12 January, 1994. The Company had issued equity shares to the shareholders of MWL in the ratio of 1:2. These shares were issued in physical mode and were to be exchanged on submission of the old MWL share

certificate. Some of these share certificates were not yet claimed by the shareholders of the Company.

As required under Regulation 39 (4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company after complying with the necessary procedural requirements have now dematerialized and transferred the remaining unclaimed shares to a single demat account titled "ESAB India Limited Unclaimed Suspense Account" opened with M/s Integrated Registry Management Services Private Limited.

In terms of said Regulation 39 (4) and Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of

Aggregate number of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	43 shareholders holding 3,010 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	2 shareholders
Number of shareholders whose shares were transferred to Investor Education and Protection Fund	2 shareholders
Number of shares were transferred from the unclaimed suspense account during the year	200 equity shares
Number of Shares transferred to Investor Education and Protection Fund	150 equity shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	39 shareholders holding 2,660 equity shares of ₹ 10/- each

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, all such shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to IEPF. In pursuance of this provision, the Company has already transferred the shares pertaining to such shareholders who have not claimed their dividend for a consecutive period of 7 years to the Investor Education and Protection Fund.

39 Shareholders holding 2,660 equity shares constituting about 0.017% of shares have not made their claim from the Company on the shares outstanding in the Unclaimed Suspense Account of ESAB India Limited. The voting rights for these shares shall remain frozen until these are claimed by the rightful owners.

19. The Policy on Board Diversity as approved by the Board of Directors is available in the Company's web site https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-board-diversity/
20. The Company vide Form No. MGT 15 dated 25 August 2022 vide SRN F22801781 have filed the report on the last year's Annual General Meeting held on 11 August 2022.
21. The Independent Directors have intimated the Company that they have registered their details in the Independent Directors Data Bank being maintained by Indian Institute of Corporate Affairs and all the directors except Ms. Cauvery Dharmaraj are exempted from undergoing the mandatory self-assessment tests required under the Companies Act, 2013. Ms. Cauvery Dharmaraj shall complete the online proficiency self-assessment test as per the sub rule 4 of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.
22. The Company in pursuance of Rule 16 of Companies (Acceptance of Deposits) Rules, 2014 have filed form DPT-3 on 6 June 2022, vide SRN No.F04564613 with the Registrar of Companies giving details of transactions not considered as deposits.
23. The Company in pursuance of order 2 and 3 dated 22 January 2019 under Section 405 of the Companies Act, 2013 have filed the details of amount outstanding to Micro and Small Enterprises under the MSMED Act, vide form No. MSME Form 1 on 28 April 2022 vide SRN No.T98126808, T98127400 with respect to half yearly return i.e. as of 31 March 2022 and another MSME Form for the half year return i.e. as of 30 September 2022 vide Form 1 on 2 November 2022 vide SRN No. F38970471, F38970935, F38972055 in respect of outstanding payments to Micro and Small Enterprises.
24. Reserve Bank of India had mandated all Companies using the banking channel to obtain a Legal Entity Identification (LEI) Number. The Company has renewed the LEI No.3358001SJHTOXOICND66 on 20 October 2022 and it is valid till 20 November 2023.

16. MEANS OF COMMUNICATION

The Company's quarterly financial results, after their approval by the Board of Directors, are promptly issued to all the Stock Exchanges with whom the Company has listing arrangements.

These financial results, in the prescribed format, as per Regulation 33 of SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 are published in leading local language and national newspapers in compliance with Regulation 47(1)(b) of the said regulations. These results are not sent individually to the shareholders.

The results are normally being published in "The Business Standard" in English and in the regional language newspaper "Makkal Kural" in Tamil.

The Company has in place a website viz. www.esabindia.com. The quarterly / annual financial results, shareholding pattern, corporate governance report, the details of the Board of Directors, Senior Management Personnel, the composition of the Board of Directors / Committee of Directors, the various policies adopted by the Company viz. Whistle Blower Policy, Risk Management Policy, Policy on Corporate Social Responsibility, Related Party Transactions Policy, Remuneration Policy, Policy on Disclosure of Material Events, Policy on Document Retention, Policy on Board Diversity are published in the Company's website. The Company makes use of its website for publishing official news release.

The Company as a part of its code of conduct adopted under the SEBI's (Prohibition of Insider Trading) Regulations, does not meet any institutional investors or analysts. Only the Chairman of the Company is authorized to meet them and there have been no occasions in the past 12 months where the Chairman met the institutional investors or the analysts.

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	10 August, 2023 at 15.30 hrs.
Venue	By Video Conference Mode / Other Audio Visual Mode
Financial Year of the Company	1 April, 2022 to 31 March, 2023

Approval of financial results proposed	
Quarter ended 30 June, 2022	Within 45 days from the end of the quarter
Quarter ended 30 September, 2022	- do -
Quarter ended 31 December, 2022	- do -
Year ended 31 March, 2023	Within 60 days from the end of the Financial Year

Report on Corporate Governance

Particulars of Dividend Payment for the year ended 31.03.2023

Final dividend 2021-22.

Date of declaration of Final dividend	11 August, 2022
Rate of Dividend	₹ 20/- per equity share of ₹ 10/- each (i.e. 200%)
Period of Book Closure	5 August, 2022 to 11 August, 2022
Date of payment of Dividend	26 August, 2022
Amount of Dividend Paid	₹ 30,78,60,400/-
Share capital	₹ 15,39,30,200/-

First interim Dividend 2022-23

Date of declaration of interim dividend	11 November 2022
Rate of Dividend	₹ 30/- per equity share of ₹ 10/- each (i.e. 300%)
Record Date	21 November 2022
Date of payment of Dividend	9 December 2022
Amount of Dividend Paid	₹ 46,17,90,600/-
Share capital	₹ 15,39,30,200/-

Second Interim Dividend 2022-23

Date of declaration of Second interim dividend	10 February 2023
Rate of Dividend	₹ 28/- per equity share of ₹ 10/- each (i.e. 280%)
Record Date	20 February 2023
Date of payment of Dividend	10 March 2023
Amount of Dividend Paid	₹ 43,10,04,560/-
Share capital	₹ 15,39,30,200/-

Listing of shares

Name and address of the stock exchange	Stock Code
BSE Limited 25 th Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	500133
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 2022-23 were duly paid to the above stock exchanges during May 2023.

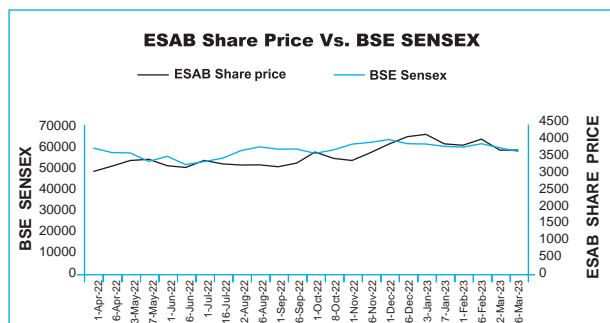
Divident History

Year	Type of Dividend	Dividend Rate	Dividend Amount in ₹ in lakhs *
2015-16	Final Dividend	10%	185.26
2016-17	Final Dividend	10%	185.26
2017-18	Final Dividend	10%	185.57
2018-19	Interim Dividend	900%	16,701.40
2019-20	Interim Dividend	700%	10,775.11
2020-21	Interim Dividend	190%	2,924.67
2020-21	Final Dividend	250%	3,848.26
2021-22	First Interim Dividend	220%	3,386.46
2021-22	Second Interim Dividend	180%	2,770.74
2021-22	Final Dividend	200%	3078.60
2022-23	First Interim Dividend	300%	4617.90
2022-23	Second Interim Dividend	280%	4310.04

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

Stock Market Price Data & Stock Performance

2022-23	BSE Limited		National Stock Exchange		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹	High Points	Low Points
Apr, 2022	3,550.90	3,026.00	3,565.00	3,024.10	60,845.10	56,009.07
May, 2022	4,160.35	3,018.20	4,250.05	3,045.00	57,184.21	52,632.48
June, 2022	3,677.00	3,062.65	3,672.00	3,084.90	56,432.65	50,921.22
July, 2022	3,647.95	3,186.00	3,595.15	3,188.00	57,619.27	52,094.25
Aug, 2022	3,470.00	3,021.30	3,354.00	3,020.00	60,411.20	57,367.47
Sep, 2022	3,748.00	3,118.40	3,742.95	3,120.00	60,676.12	56,147.23
Oct, 2022	3,769.50	3,270.00	3,850.00	3,282.00	60,786.70	56,683.40
Nov, 2022	4,203.35	3,334.20	4,280.00	3,336.00	63,303.01	60,425.47
Dec, 2022	4,300.00	3,761.50	4,337.95	3,755.00	63,583.07	59,754.10
Jan, 2023	4,304.35	3,782.00	4,300.00	3,849.80	61,343.96	58,699.20
Feb, 2023	4,141.00	3,707.30	4,140.00	3,730.00	61,682.25	58,795.97
Mar, 2023	3,999.90	3,411.00	3,917.70	3,355.70	60,498.48	57,084.91



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.
- 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 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 balaji.g@esab.co.in and investor.relations@esab.co.in for the purpose of

registration of complaints, if any, by the investors and expeditious redressal of their grievances and the same has already been hosted on the Company's website.

- 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, 2023

Shareholding	Number of Shareholders	%	Number of Shares	%
Upto 500	18120	97.24	915497	5.95
501-1000	303	1.63	223597	1.45
1001-2000	114	0.61	165993	1.08
2001-3000	28	0.15	68861	0.45
3001-4000	13	0.07	45212	0.30
4001-5000	11	0.06	51407	0.33
5001-10000	13	0.07	85331	0.55
10001 and above	32	0.17	13837122	89.89

Note: The total number of shareholders is based on number of folios.

Share holding pattern as on 31 March, 2023

Category	Number of Shareholders	Number of Shares	% of total
Promoter Companies			
Esab Holdings Limited	1	57,43,200	37.31
Exelvia Group India BV	1	56,04,760	36.41
Sub Total	2	1,13,47,960	73.72
Mutual Funds & UTI	11	20,33,785	13.21
Foreign Portfolio Investors	55	1,26,526	0.82
Financial Institutions / Banks	4	882	0.00
Insurance Companies	1	1,873	0.01
Indian Public	16,665	15,38,252	10.00
NBFC registered with RBI	1	25,000	0.16
IEPF	1	67,697	0.45
Others	1,301	2,51,045	1.63
Sub Total	18,039	40,45,060	26.28
Grand Total	18,041*	1,53,93,020	100.00

* Based on PAN

Dematerialisation of shares and liquidity

As on 31 March 2023, 99.19% of the total paid-up equity capital was held in dematerialised form. The Company has entered into agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer shareholders the option to dematerialise

their shares with these depositories. The ISIN number of the Company's shares in demat form is INE284A01012.

Outstanding GDRs / ADRs

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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does have exposure to Commodity Price Risks arising primarily from movements in prices of Metals used in the procured items of Raw materials and finished goods. The Company does not buy or sell Metals in any unprocessed form and items transacted are processed metals and alloys. The Company does not take any hedges.

The Company has exposure to Foreign Exchange risks arising from its international transactions on goods and services. The Company takes a considered view on hedging its risks based on underlying exposures in net terms and mix of currencies. During the Financial year 2022-23, the Company has not entered into any contracts for hedging on Foreign Exchange.

Plant Locations

Plant No.1	Plot No.13, 3 rd 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.

* During the year 2022-23, the Plant at Taratala Road, Kolkata which was operating under leased premises was closed effective from 29 March 2023. The Company has intimated this information to the stock exchanges.

Address for correspondence	Company Secretary ESAB India Limited Plot No.13, 3 rd Main Road, Industrial Estate, Ambattur, Chennai - 600 058.
Tel :	044 42281100
Fax:	044 42281150
E-mail	balaji.g@esab.co.in investor.relations@esab.co.in

Credit Ratings

The Company has no debt instruments, fixed deposit program or any scheme or proposal involving mobilization of funds, in India or abroad and the Company has not obtained any credit ratings during the year.

18. 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 https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/. The said policy has also been made available at the Offices / Plants of the Company at conspicuous places to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. All the employees are given direct access to the Audit Committee Chairman to report their concerns, if any. The employees are also apprised of the availability of the whistle blower policy at the time of their induction into the Company. There were no occasions during the year under review where any concerns were reported under the said policy.

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 2023.

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 27 May 2022 in terms of Regulation 23(3) of the said Regulations. The said policy and the list of related parties have been uploaded in the Company's website viz. https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-related-party-transaction/. The transactions with the

related parties are being placed before the Audit Committee and the Board on a quarterly basis for it to review the same in terms of Regulation 23(3)(d) of the said Regulations.

7. The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
8. Mr. V Mahesh, Practising Company Secretary from M/s. V Mahesh and Associates have issued the certificate that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
9. M/s. V Mahesh & Associates have completed the secretarial audit and have issued their certificate dated 17 May 2023 as per the prescribed format in MR-3 to the shareholders of the Company, which is annexed to the Director's Report as Annexure - 2. They have two observations as below:
 - i) The Composition of CSR Committee as required under Section 135 of the Companies Act 2013, could not be maintained between 31st December 2022 and 22nd March 2023 due to the untimely & sudden demise of Ms. Sabitha Rao, Independent Director & Chairman of CSR Committee. During the intervening period, it was observed that a CSR Committee Meeting was held on 10th February 2023 to review CSR activities and the same was ratified by the Board in its Board Meeting held on the same day. Subsequently, the CSR Committee has been reconstituted as required under Section 135 of the Companies Act, 2013 consequent to the appointment of Ms. Cauvery Dharmaraj on 23rd March 2023;

In response to the above observation, the Board explained that the lack of composition of CSR Committee from 31st December 2022 to 22nd March 2023 was unexpected due to sudden demise of Sabitha Rao, past member of CSR Committee and a meeting of CSR Committee was held during the said intervening period. The Company has remediated this by appointing Ms. Cauvery Dharmaraj as Independent Director and Chairperson of the CSR Committee.
 - ii) During the Audit Period, it was observed that the Company has submitted the disclosures of Related Party Transactions to Stock Exchanges as

required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however the same could not be maintained in legible format in the website of the Company due to technical snags & glitches. On being informed, the same has been corrected and maintained in the website without any technical snags.

In response to the above observation, the Company has taken immediate steps to upload the legible copy of the RPT on the website of the Company. The details were uploaded on the website of the Company.

Barring the above two observations, they have confirmed that the Company has proper board processes and a compliance mechanism in place. They have also affirmed that the Company has complied with the relevant statutes, rules and regulations and secretarial standards, as applicable. The Annual Secretarial Compliance report for the year ended 31 March 2023 was obtained from Mr.V Mahesh, Practising Company Secretary. The Company has filed the Annual Secretarial Compliance report dated 17 May 2023 with the Stock Exchanges on 19 May 2023.

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

11. Total fee paid to the Statutory Auditor:

The total fees paid to the statutory auditors viz. S R Batliboi & Associates, LLP, Chennai (SRBA) and other firms in the network entity for the financial year 2022-23 is ₹ 70,80,000/- (Rupees Seventy Lakh Eighty Thousand only)

Fees for Audit and related services to SRBA	₹ 59,00,000
Other fees paid to SRBA and other Network firms	₹ 11,80,000
Total	₹ 70,80,000

12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No. of Complaints filed during the financial year 2022-2023	No. of complaints disposed of during the financial year 2022-2023	No. of complaints pending as on end of the financial year 2022-2023
Nil	Nil	Nil

13. All the four Independent Directors have entered their profile in the Independent Director's database of Indian Institute of Corporate Affairs under Ministry of Corporate Affairs. All the Directors except Ms. Cauvery Dharmaraj have been exempted from taking up the online test under the Independent Directors' requirement. Ms. Cauvery Dharmaraj will complete the online proficiency self-assessment test as per sub rule 4 of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

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 https://esabindia.com/in/ind_en/investor-relationship/financial-results/. These results are not sent to shareholders individually.

3. Modified Opinion(s) in Audit Report

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

4. Reporting of Internal Auditor

M/s KPMG, Assurance & Consulting Services, LLP, Chennai, were the Internal Auditors of the Company during the year. The internal auditors report directly to the Audit Committee on a quarterly basis on their findings and corrective actions taken.

Request to Investors

- Investors are requested to communicate change of address, if any, directly to the registrar and share transfer agent of the Company.
- As required by SEBI, investors shall furnish details of their respective bank account number and name and address of the bank for incorporating in the dividend warrants to reduce the risk to them of fraudulent encashment.
- Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number, etc.
- Electronic Clearing Service (ECS) helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility are requested to register their ECS details with the Share Transfer Agent or their respective Depository Participants.

- Shareholders who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
- Investors are requested to note that National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the respective transfers. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs) and made a request for such services. No charge will be levied by NSDL / CDSL on DPs for providing this facility to investors.

Further information is available on the website of NSDL and CDSL viz. www.nsdl.com and www.cdslindia.com respectively.

- The Ministry of Corporate Affairs (MCA) has launched a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) by allowing various documents to be sent to you - under the provisions of Companies Act, 2013 - to your registered email address; thereby enabling paperless compliance. Keeping in view the underlying theme and the circular issued by MCA, we send all documents to you - like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report and Auditors' Report, Postal Ballot Notice etc., in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

The soft copy of the Annual Report would be uploaded in the Company's website https://esabindia.com/in/ind_en/investor-relationship/financial-results/ under investor relations page.

Shares held in Dematerialised form

For Shareholders holding shares in Dematerialised form, the Company will send documents in electronic form to the email ID registered with the Depository. All Shareholders are requested to ensure that the registered email ID with the Depository should be current and updated.

Shares held in Physical form

Shareholders having shares in physical form should provide their email ID to the Company for receiving notices and/or documents electronically. To register their email ID with the company, Shareholders are requested to send a communication addressed to the Company Secretary.

For and on behalf of the Board of Directors

Kevin Johnson
Chairman

Chennai
25 May, 2023

Auditor's Report on Corporate Governance

[Pursuant to Clause E of SCHEDULE V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members,

ESAB INDIA LIMITED

Plot No. 13, 3rd Main Road, Industrial Estate,
Ambattur, Chennai - 600058

We have examined the compliance of the conditions of Corporate Governance by ESAB India Limited ('the Company') for the year ended on 31st March, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2023 except to the extent of following.

1. Regulation 23(9)-Provision relating to Related Party Transactions

During the Audit Period, it was observed that the Company has submitted disclosures of Related Party Transactions to Stock Exchanges as required under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however the same could not be maintained in legible format in the website of the Company due to technical snags &

glitches. On being informed, the same has been corrected and maintained in the website without any technical snags.

2. Constitution of CSR Committee as per Section 135 of the Companies Act:

The Composition of CSR Committee as required under Section 135 of Companies Act, 2013 could not be maintained between 31st December, 2022 and 22nd March, 2023 due to the untimely & sudden demise of Ms.Sabitha Rao, Independent Director & Chairman of CSR Committee. During the intervening period, it was observed that a CSR Committee Meeting was held on 10th February, 2023 to review CSR activities and the same has been ratified by the Board in its Board Meeting held on the same day. Subsequently, the CSR Committee has been reconstituted as required under Section 135 of the Companies Act, 2013 consequent to the appointment of Ms. Cauvery Dharmaraj on 23rd March, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Mahesh & Associates

V Mahesh

Practising Company Secretary

M.No. F4162

C.P. No. : 2473

Peer Review No.:2107/2022

UDIN: F004162E000322139

Chennai

17.05.2023

Independent Auditor's Report

to the Members of ESAB INDIA LIMITED

Report on the Audit of the IND AS Financial Statements Opinion

We have audited the accompanying Ind AS financial statements of ESAB India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of

Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
(a) Revenue from Contracts with Customers (as described in Note 20 of the financial statements)	
The Company is engaged in the business of fabrication technology and the major customers are dealers. The Company recognizes revenue from sale of goods at a point in time based on the terms of the contract with customers which may vary case to case. Terms of sales arrangements with various customers including incoterms determine the timing of transfer of control and require judgement in determining timing of revenue recognition. Therefore, there is a significant risk associated with timing of revenue recognition in accordance with terms of Ind AS 115 - Revenue from contracts with customers. Accordingly, due to the significant risk associated with revenue recognition, it has been determined to be a key audit matter.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We understood the Company's order to cash processes, including design and implementation of controls and tested the operating effectiveness of such controls in relation to revenue recognition. On a sample basis, we tested revenue transactions to contracts with customers, purchase orders issued by customers and sales invoices raised by the Company to determine the timing of transfer of control along with pricing terms and the timing of revenue recognition in respect of such contracts. We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was

Key audit matters	How our audit addressed the key audit matter
	<p>recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions.</p> <ul style="list-style-type: none"> • We read, understood and evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 - Revenue from Contracts with Customers.
<p align="center">Provisions and contingencies pertaining to disputes (as described in note 33 on contingent liabilities of the Ind AS financial statements)</p>	
<p>The Company, in the normal course of business, is contesting various disputes, lawsuits, claims, proceedings including matters relating to taxes and commercial issues that arise from time to time. The Company assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each such litigation or dispute. This assessment is significant to our audit, to assess adequacy of disclosure or provision in the books of account. The accounting and disclosure for contingent liabilities is complex & involves judgment in assessing the outcome of the matter and estimating the potential impact if the outcome is unfavourable, and the amounts involved are, or can be, material to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the Company's process for identification and evaluation of claims, monitoring significant developments arising from contingencies and the measurement of provisions for disputes, potential claims and litigation, contingent liabilities and disclosures. • We obtained a list of ongoing litigations from the Company. We selected a sample of litigations based on materiality and performed inquiries with the Company on the legal evaluation of these litigations. We have compared the said evaluation with the appropriateness of provision or disclosure in the financial statements. We have tested the underlying computation of the management in relation to the measurement of provision or the contingency. • We solicited legal letters from company's external legal advisors with respect to the matters included in the summary. Where appropriate, we examined correspondences connected with the cases. • We obtained the details of uncertain tax positions as at the year ended March 31, 2023. We inspected relevant communication with tax authorities. • We involved internal tax experts in assessing the nature and amount of material tax positions and assessed the technical merits of the Company's tax positions based on the correspondence, assessments and settlements from the relevant tax authorities. • Our internal experts also considered legal precedence and other rulings in evaluating management's position on these contingencies. • We also evaluated the adequacy of disclosures in the financial statements.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The Balance Sheet, the 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or

- invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that
- the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. As stated in note 14 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

per Chirag Shah
Partner
 Chennai
 May 25, 2023
 Membership No. 121648
 UDIN: 23121648BGYPFU1594

Annexure 1 to the Independent Auditor's Report of even date on the Ind AS financial statements of ESAB India Limited

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| <p>(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.</p> <p>(i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.</p> <p>(i) (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.</p> <p>(i) (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.</p> <p>(i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.</p> <p>(i) (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.</p> <p>(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.</p> <p>(ii) (b) As disclosed in note 9 to the financial statements, the Company has been sanctioned working capital limits in excess of rupees five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements (including revised returns) filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.</p> <p>(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(a) of the Order is not applicable to the Company.</p> <p>(iii) (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(b) of the Order is not applicable to the Company.</p> | <p>(iii) (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(c) of the Order is not applicable to the Company.</p> <p>(iii) (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(d) of the Order is not applicable to the Company.</p> <p>(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(e) of the Order is not applicable to the Company.</p> <p>(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Clause 3(iii)(f) of the Order is not applicable to the Company.</p> <p>(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on Clause 3(iv) of the Order is not applicable to the Company.</p> <p>(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on Clause 3(v) of the Order is not applicable to the Company.</p> <p>(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 certain products of the Company to which such rules apply, 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.</p> <p>(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of</p> |
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goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	33,499	Apr '22	15-05-2022	Not yet paid	Issue in linking Aadhar of Employees with PF
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	33,499	May '22	15-06-2022	Not yet paid	Same as above
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	33,499	Jun '22	15-07-2022	Not yet paid	Same as above
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	33,499	Jul '22	15-08-2022	Not yet paid	Same as above
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	33,499	Aug '22	15-09-2022	Not yet paid	Same as above

- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited 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	914	1996-00	Assistant Commissioner, Commercial Taxes
		136	2011-18	Deputy Commissioner, Commercial Taxes
Central Excise Act, 1944	Excise duty	935	1997-00	Central Excise & Service Tax Appellate Tribunal
		410	2007-11	Central Excise & Service Tax Appellate Tribunal
		47	2011-12	Central Excise & Service Tax Appellate Tribunal
		96	2012-15	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service Tax	107	2006-11	Central Excise & Service Tax Appellate Tribunal
		6	2003-05	Joint Commissioner, Service Tax
Income Tax Act, 1961	Income Tax	190	AY 2003-04	Deputy Commissioner of Income Tax
		78	AY 2004-05	Deputy Commissioner of Income Tax
		3	AY 2016-17	Commissioner of Income Tax (Appeals)
		238	AY 2017-18	Commissioner of Income Tax (Appeals)
		44	AY 2018-19	Commissioner of Income Tax (Appeals)
		49	AY 2021-22	Assistant Director of Income Tax, CPC

* Out of the total disputed dues, an amount of ₹ 89 lakhs for excise and service tax related matters, ₹ 195 lakhs for income tax matters and ₹ 158 lakhs for sales tax matters was pre-deposited by the Company.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on Clause (ix)(c) of the Order is not applicable to the Company.
- (ix) (d) The Company did not raise any funds during the year hence, the requirement to report on Clause (ix)(d) of the Order is not applicable to the Company.
- (ix) (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix) (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii) (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii) (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on Clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on Clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on Clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on Clause 3(xvi) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year

from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub Section 5 of section 135 of the Act. This matter has been disclosed in note 27 to the financial statements
- (xx) (b) All amounts that are unspent under sub-section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of sub Section (6) of Section 135 of the said Act. This matter has been disclosed in note 27 to the financial statements.

For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

per Chirag Shah

Partner

Chennai
May 25, 2023

Membership No. 121648
UDIN: 23121648BGYPFU1594

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



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 with reference to financial statements of ESAB India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial

controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating

effectively as at March 31, 2023, 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 issued by the ICAI.

For S R Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration No. 101049W / E300004

per Chirag Shah

Partner

Chennai

May 25, 2023

Membership No. 121648

UDIN: 23121648BGYPFU1594

Balance Sheet

as at March 31, 2023

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



ESAB INDIA LIMITED

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, plant and equipment	3	8,764	8,585
Capital work in progress	3	1,961	285
Intangible assets	3	260	61
Right-of-use assets	34	470	320
Financial assets			
(i) Investment	7	15	15
(ii) Other financial assets	4	437	474
Deferred tax assets (net)	31	108	162
Other non-current assets	5	269	83
		<u>12,284</u>	<u>9,985</u>
Current assets			
Inventories	6	12,343	10,490
Contract assets	8	63	238
Financial assets			
(i) Investments	7	—	3,101
(ii) Trade receivables	8	15,165	13,522
(iii) Cash and cash equivalents	9	3,344	2,120
(iv) Bank balances other than (iii) above	9	2,301	2,378
(v) Other financial assets	10	136	137
Current tax assets (net)	12a	394	394
Other current assets	11	1,162	1,036
		<u>34,908</u>	<u>33,416</u>
Asset held for sale	13	209	209
Total assets		<u>47,401</u>	<u>43,610</u>
Equity and liabilities			
Equity			
Equity Share Capital	14	1,539	1,539
Other equity	15	24,488	22,883
Total equity		<u>26,027</u>	<u>24,422</u>
Non-current liabilities			
Financial liabilities			
Lease liabilities	34	347	68
Other financial liabilities	18	115	—
Long term provisions	16	548	572
		<u>1,010</u>	<u>640</u>
Current liabilities			
Financial Liabilities			
Lease liabilities	34	54	200
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	17	3,756	3,682
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	17	11,426	10,695
Other financial liabilities	18	1,900	790
Short term provisions	16	612	620
Other current liabilities	19	2,214	2,454
Liabilities for current tax (net)	12b	402	107
		<u>20,364</u>	<u>18,548</u>
Total liabilities		<u>21,374</u>	<u>19,188</u>
Total equity and liabilities		<u>47,401</u>	<u>43,610</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

Chirag Shah
Partner
Membership No. 121648
Place : Chennai
Date : May 25, 2023

B Mohan
Vice President - Finance and
Chief Financial Officer

G Balaji
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2023

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

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from contracts with customers	20	109,080	89,630
Other income	21	780	468
Total income		109,860	90,098
Expenses			
Cost of raw materials and components consumed	22	52,373	44,161
Purchase of traded goods	22	15,651	13,519
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	22	(832)	(1,257)
Employee benefits expense	23	9,692	9,481
Finance cost	25	31	29
Depreciation and amortisation expense	24	1,188	1,133
Other expenses	26	13,528	11,676
Total expense		91,631	78,742
Profit before exceptional items and taxes		18,229	11,356
Exceptional items		—	—
Profit before tax		18,229	11,356
Current tax	31	4,619	2,967
Adjustment of tax relating to earlier periods	31	2	—
Deferred tax expense / (credit)	31	40	(42)
Income tax expense		4,661	2,925
Profit for the year		13,568	8,431
Other comprehensive income	28		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
- Re-measurement gains on defined benefit plans		58	99
- Income tax effect		(14)	(25)
Other comprehensive income for the year, net of tax		44	74
Total comprehensive income for the year, net of tax		13,612	8,505
Earnings per share			
Basic and diluted earnings per share	29	88.16	54.78
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

Chirag Shah
Partner
Membership No. 121648

B Mohan
Vice President - Finance and
Chief Financial Officer

G Balaji
Company Secretary

Place : Chennai
Date : May 25, 2023

Statement of Cash Flow

for the year ended March 31, 2023



ESAB INDIA LIMITED

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

Particulars	Notes	March 31, 2023	March 31, 2022
A. Cash flow from Operating Activities:			
Profit before tax after exceptional items		18,229	11,356
Adjustments to reconcile profit before tax to net cash flows:			
Fair value of investments	21	—	(1)
Profit on sale of investments	21	(98)	(76)
(Profit) / loss on sale of property, plant and equipment	21	(115)	(7)
Unrealised foreign exchange loss / (gain)		107	43
Provision / (Write back) of provision for doubtful receivables	21, 26	(150)	110
Interest on bank deposits and others	21	(110)	(110)
Interest from loan to related party	21	—	(76)
Finance cost	25	31	29
Depreciation and amortisation expense	24	1,188	1,133
Provision for warranty	26	358	289
Property, plant and equipment written off	26	18	8
Working capital adjustments:			
(Increase) / decrease in inventories		(1,853)	(3,141)
(Increase) / decrease in trade receivables		(1,355)	(3,892)
(Increase) / decrease in other financial assets		(62)	(24)
(Increase) / decrease in other assets		(158)	(85)
Increase / (decrease) in trade payables		735	4,713
Increase / (decrease) in other financial liabilities		1,196	5
Increase / (decrease) in provisions		(332)	10
Increase / (decrease) in other current liabilities		(379)	1,022
Operating cash flow after working capital changes		17,250	11,306
Taxes paid, net of refund		(4,326)	(2,853)
Net cash flows from operating activities		12,924	8,453
B. Cash flow from Investing activities:			
Capital expenditure (including capital work in progress and capital advances)		(3,376)	(1,120)
Proceeds from sale of property, plant and equipment		239	25
Purchase of current investments		(26,700)	(19,700)
Proceeds from sale of current investments		29,899	20,785
Repayment received from loan to related party		—	1,800
Interest received from loan to related party		—	117
Investment in bank deposits		(3,051)	(2,256)
Redemption / maturity of bank deposits		3,395	2,225
Interest income		111	120
Net cash flows from / (used in) investing activities		517	1,996
C. Cash flow from Financing activities:			
Dividend to shareholders		(12,007)	(10,005)
Finance cost		(31)	(29)
Payment of principal portion of lease liabilities		(179)	(152)
Net cash flows used in financing activities		(12,217)	(10,186)
Net increase / (decrease) in cash and cash equivalents		1,224	263
Cash and cash equivalents at the beginning of the year	9.1	2,120	1,857
Cash and cash equivalents at year end	9.1	3,344	2,120
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

Chirag Shah
Partner
Membership No. 121648
Place : Chennai
Date : May 25, 2023

B Mohan
Vice President - Finance and
Chief Financial Officer

G Balaji
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2023

(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	Amount
At 31 March 2022	15,393,020	1,539
At 31 March 2023	15,393,020	1,539

B. Other Equity

For the year ended 31 March 2023

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation Reserve	General Reserve	Total Other Equity
As at 1 April 2022	932	16,861	100	4,990	22,883
Profit for the year	–	13,568	–	–	13,568
Other comprehensive income (Refer note 28)	–	44	–	–	44
Total comprehensive income	–	13,612	–	–	13,612
Dividend to shareholders (Refer note 14)	–	(12,007)	–	–	(12,007)
At 31 March 2023	932	18,466	100	4,990	24,488

For the year ended 31 March 2022

Particulars	Reserves and Surplus				
	Securities Premium	Retained Earnings	Amalgamation Reserve	General Reserve	Total Other Equity
As at 1 April 2021	932	18,361	100	4,990	24,383
Profit for the year	–	8,431	–	–	8,431
Other comprehensive income (Refer note 28)	–	74	–	–	74
Total comprehensive income	–	8,505	–	–	8,505
Dividend to shareholders (Refer note 14)	–	(10,005)	–	–	(10,005)
At 31 March 2022	932	16,861	100	4,990	22,883

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

Chirag Shah
Partner
Membership No. 121648

B Mohan
Vice President - Finance and
Chief Financial Officer

G Balaji
Company Secretary

Place : Chennai
Date : May 25, 2023

Notes to financial statements for the year ended March 31, 2023

(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 BSE Limited and National Stock Exchange of India Limited in India. The registered office of the Company is located at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058. The Company is engaged in the business of fabrication technology. The Company caters to both domestic and international markets.

The financial statements were authorized for issue in accordance with the resolution passed by the Board of Directors on May 25, 2023.

2. Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III) as applicable to these financial statements.

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

2.2 Summary of Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currency transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or

Notes to the Financial Statements

for the year ended March 31, 2023

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

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level	Remarks
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and

liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes to the financial statements.

d. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of products

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

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Installation services

The Company provides installation services that are bundled together with the sale of certain products for which the installation services can be obtained from other providers and does not significantly customise or modify the product.

The Company determined that both the equipment and installation are capable of being distinct.

Warranty obligations

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

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

Rendering of services

Revenue from services is recognised when the services are rendered in accordance with the specific

Notes to the Financial Statements

for the year ended March 31, 2023

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



terms of contract and when collectability of the resulting receivable is reasonably assured.

Dividend income

Dividend income is recognised when the Company's right to receive payment has been established.

Interest Income

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Export Benefits

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

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

e. Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which

method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognized unless the tax positions will probably be accepted by the tax authorities. This is based upon management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

for the year ended March 31, 2023

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

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.

(iii) Sales / value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales / value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that it is unlikely that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,

- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

g. Property, plant and equipment

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

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

Capital work in progress is stated at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of

Notes to the Financial Statements

for the year ended March 31, 2023

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

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 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 useful lives to provide depreciation on its property, plant and equipment.

Particulars	Useful Life
Buildings	30 - 60 years
Plant & Machinery	4 - 21 years
Furniture and Fixtures	16 years
Vehicles	6 years

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

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

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

h. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives from the date of capitalisation. The

estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

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

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

i. Impairment of tangible and intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Notes to the Financial Statements

for the year ended March 31, 2023

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

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. Retirement and other employee benefits

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

i. Defined contribution plans

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

ii. Defined benefit plans

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

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

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

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

Notes to the Financial Statements

for the year ended March 31, 2023

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



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

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

- (i) Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income.

iii. Other employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

I. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-

tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provision

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

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. It includes a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. It also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

Notes to the Financial Statements

for the year ended March 31, 2023

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

- (i) Debt instruments at amortised cost; and
- (ii) Debt instruments at fair value through profits or loss (FVTPL)

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

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

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

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

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

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

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

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

Equity instruments at FVTPL

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

Impairment of financial assets

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

Trade receivables

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

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

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial assets measured as at amortised cost - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

ii. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are

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

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

iii. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Notes to the Financial Statements

for the year ended March 31, 2023

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Cash and cash equivalents

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

p. Cash dividend

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

q. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity

shares that could have been issued upon conversion of all dilutive potential equity shares.

r. Leases

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

Company as a lessee

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

a. Right-of-use assets

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

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

b. Lease Liabilities

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

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

c. Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.3 Changes in accounting policies and disclosures

Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities

to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The amendments are not expected to have a material impact on the Company's financial statements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The amendments are not expected to have a material impact on the Company's financial statements.

Notes to the Financial Statements

for the year ended March 31, 2023

(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 (Owned)	Buildings (Owned)	Plant and Equipment (Owned)	Furniture and Fixtures (Owned)	Vehicles (Owned)	Total		
Cost or valuation								
At 1 April 2021	227	3,168	9,185	586	107	13,273	251	508
Additions	–	184	836	34	–	1,054	1,114	26
Disposals / Write off	–	–	(50)	(1)	(7)	(58)	–	–
Capitalised during the year	–	–	–	–	–	–	(1,080)	–
At 31 March 2022	227	3,352	9,971	619	100	14,269	285	534
Additions	–	190	1,009	61	21	1,281	3,191	234
Other adjustments	–	1	74	1	–	76	–	–
Disposals / Write off	–	(60)	(187)	(15)	(22)	(284)	–	–
Capitalised during the year	–	–	–	–	–	–	(1,515)	–
At 31 March 2023	227	3,483	10,867	666	99	15,342	1,961	768
Accumulated Depreciation / Amortisation/ Impairment								
At 1 April 2021	–	571	3,997	175	36	4,779	–	439
Depreciation charge for the year	–	128	748	45	16	937	–	34
Disposals	–	–	(25)	(1)	(6)	(32)	–	–
At 31 March 2022	–	699	4,720	219	46	5,684	–	473
Depreciation charge for the year	–	131	784	48	15	978	–	35
Other adjustments	–	1	74	1	–	76	–	–
Disposals / Write off	–	(13)	(112)	(13)	(22)	(160)	–	–
At 31 March 2023	–	818	5,466	255	39	6,578	–	508
Net book value								
At 31 March 2023	227	2,665	5,401	411	60	8,764	1,961	260
At 31 March 2022	227	2,653	5,251	400	54	8,585	285	61

Capital work in progress as at March 31, 2023 comprises expenditure of ₹ 1,540 (March 31, 2022: ₹ 206) for the construction of building in Ambattur.

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2023

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,753	208	—	—	1,961
Projects temporarily suspended	—	—	—	—	—
Total	1,753	208	—	—	1,961

As at 31 March 2022

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	278	—	—	7	285
Projects temporarily suspended	—	—	—	—	—
Total	278	—	—	7	285

On transition to Ind AS, the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

	31-Mar-23	31-Mar-22
4. Other non-current financial assets		
Unsecured, considered good - Carried at amortised cost		
Security deposits	259	197
Bank deposits with maturity greater than 12 months*	178	277
	<u>437</u>	<u>474</u>
*Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 178 (March 31, 2022: ₹ 277) which are subject to first charge to secure the Company's bank guarantees.		
5. Other current assets		
Capital advance	220	53
Prepayments	49	30
	<u>269</u>	<u>83</u>
Considered doubtful		
Advance to employees	33	33
Other receivables	44	44
Less : Provision for doubtful advances	(77)	(77)
	<u>269</u>	<u>83</u>
6. Inventories (lower of cost and net realisable value)		
Raw materials [includes in transit ₹ 2,290 (March 31, 2022 - ₹ 1,784)]	6,023	5,066
Work in progress	813	652
Finished goods		
- Manufactured goods	1,319	1,597
- Traded goods [includes in transit ₹ 796 (March 31, 2022 - ₹ 1,077)]	3,955	3,006
Stores and Spares	233	169
Total inventories at the lower of cost and net realisable value	<u>12,343</u>	<u>10,490</u>

Notes to the Financial Statements

for the year ended March 31, 2023

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

	31-Mar-23	31-Mar-22
7. Investments		
i) Investments at fair value through profit or loss		
Current		
a) Quoted mutual funds		
NIL (March 31, 2022: 43,678) units in		
Aditya Birla Sun Life Overnight Fund - Regular - Growth	—	500
NIL (March 31, 2022: 52,923) units in		
IDFC Overnight Fund Direct Plan - Growth	—	600
NIL (March 31, 2022: 12,054) units in		
HDFC Liquid Fund-Regular Plan-Growth Option	—	500
NIL (March 31, 2022: 44,577) units in		
Axis Overnight Fund - Regular-Growth	—	501
NIL (March 31, 2022: 4,39,638) units in		
Nippon India Overnight Fund - Growth Plan	—	500
NIL (March 31, 2022: 15,115) units in		
SBI Liquid Fund - Regular - Growth	—	500
Total investments at fair value through profit or loss	—	3,101
Total cost of investments	—	3,100
b) Non Current		
Unquoted equity shares		
30,000 equity shares (31 March 2022: 30,000) of		
M/s Clean Wind Power(Pratapgarh) Private Limited	15	15
Total investments at fair value (a + b)	15	3,116
8. Trade receivables and contract assets		
Trade receivables	9,757	10,322
Receivables from related parties (Refer note 35)	5,408	3,200
Total trade receivables	15,165	13,522
Considered good - secured *	78	70
Considered good - unsecured	15,055	13,631
Trade receivables which have significant increase in credit risk	138	159
Trade receivables - credit impaired	305	223
	15,576	14,083
Impairment Allowance (allowance for bad and doubtful debts)		
Considered good	(37)	(201)
Trade receivables which have significant increase	(69)	(137)
Trade Receivables - credit impaired	(305)	(223)
	(411)	(561)
Total	15,165	13,522

* Secured against deposits from dealers

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

Trade receivables ageing schedule

As at 31 March 2023

	Outstanding for following periods from transaction date					
	Less than 6 months	6 months 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	14,908	76	144	–	5	15,133
Undisputed Trade Receivables - which have significant increase in credit risk	–	138	–	–	–	138
Undisputed Trade receivable - credit impaired	–	–	144	23	30	197
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	108	108
Total	14,908	214	288	23	143	15,576

As at 31 March 2022

	Outstanding for following periods from transaction date					
	Less than 6 months	6 months 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	13,578	104	1	5	13	13,701
Undisputed Trade Receivables - which have significant increase in credit risk	–	159	–	–	–	159
Undisputed Trade receivable - credit impaired	–	–	61	17	37	115
Disputed Trade receivables - considered good	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	108	108
Total	13,578	263	62	22	158	14,083

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 35. Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days based on the type of the customer.

Contract Assets:

As at March 31, 2023, the Company has contract assets of ₹ 63 (March 31, 2022: 238) which is net off an allowance for expected credit losses of NIL (March 31, 2022: NIL). Revenues in excess of billing are classified as contract asset.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	31-Mar-23	31-Mar-22
Opening balance	561	451
Provision for expected credit losses (Refer note 21, 26)	(150)	110
	<u>411</u>	<u>561</u>
Balances with banks on current accounts	3,342	2,119
Cash on hand	2	1
	<u>3,344</u>	<u>2,120</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above balances.

Notes to the Financial Statements

for the year ended March 31, 2023

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

	31-Mar-23	31-Mar-22
9.2 Other bank balances		
In unpaid dividend accounts	550	382
Bank deposits with maturity greater than 3 months, less than 12 months*	1,751	1,996
	<u>2,301</u>	<u>2,378</u>

* Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 339 (March 31, 2022 - ₹ 500) which are subject to first charge to secure the Company's bank guarantees.

Deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has been sanctioned working capital limits from banks during the year on the basis of security of current assets of the Company. The quarterly returns / statements (including revised returns) filed by the Company with such banks are in agreement with the books of accounts of the Company.

	31-Mar-23	31-Mar-22
10. Other current financial assets		
Carried at amortised cost		
Interest accrued on fixed deposits	47	48
Security deposits	89	89
	<u>136</u>	<u>137</u>
11. Other current assets		
Prepayments	334	270
Balance with Government Authorities	175	207
Advance to suppliers	610	545
Advance to employees	38	14
Other Assets*	5	—
	<u>1,162</u>	<u>1,036</u>

* This amounts to excess spent of Corporate social responsibility expenses (Refer Note - 27)

12. Income tax

a. Income tax assets (Net)

Advance income-tax	394	394
	<u>394</u>	<u>394</u>

b. Liability for current income tax (Net)

Liability for current income tax (net)	402	107
	<u>402</u>	<u>107</u>

	31-Mar-23	31-Mar-22	
13. Assets held for sale			
Assets held for sale*	209	209	
	209	209	
* The Company has discontinued its operations at Khardah factory at Kolkata during the year ended March 31, 2015 and is in the process of finalising the sale of land to a prospective buyer.			
14. Share Capital			
Authorised:			
19,000,000 (March 31, 2022: 19,000,000) equity shares of ₹ 10/- each	1,900	1,900	
3,000,000 (March 31, 2022: 3,000,000) unclassified shares of ₹ 10/- each	300	300	
	2,200	2,200	
Issued, subscribed and paid-up:			
15,393,020 (March 31, 2022: 15,393,020) equity shares of ₹ 10/- each fully paid-up	1,539	1,539	
a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year			
Particulars	No. of Shares	Amount	
As at April 1, 2021	1,53,93,020	1,539	
Changes during the year	—	—	
As at March 31, 2022	1,53,93,020	1,539	
Changes during the year	—	—	
As at March 31, 2023	1,53,93,020	1,539	
b) Terms / rights attached to equity shares			
The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.			
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-23	31-Mar-22
Subsidiary companies of ESAB Corporation, the ultimate holding company (Refer Note: 35):			
ESAB Holdings Limited, UK	5,743,200	574	574
Exelvia Group India B.V, Netherlands	5,604,760	560	560
	11,347,960	1,134	1,134

Notes to the Financial Statements

for the year ended March 31, 2023

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

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

Name of equity share holders	31-Mar-23		31-Mar-22	
	No. of shares	% of share holding	No. of shares	% of share holding
Equity shares of Rs.10 each fully paid held by				
ESAB Holdings Limited, UK	5,743,200	37.31%	5,743,200	37.31%
Exelvia Group India B.V, Netherlands	5,604,760	36.41%	5,604,760	36.41%
SBI Small Cap Fund and allied plans	1,471,777	9.56%	1,477,127	9.60%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

e) Details of shares held by promoters at the end of the year:-

Promoters	31-Mar-23		
	No. of shares	% of total shares	% of change during the year
Equity shares of ₹ 10/- each fully paid held by			
ESAB Holdings Limited, UK	5,743,200	37.31%	—
Exelvia Group India B.V, Netherlands	5,604,760	36.41%	—

Promoters	31-Mar-22		
	No. of shares	% of total shares	% of change during the year
Equity shares of ₹ 10/- each fully paid held by			
ESAB Holdings Limited, UK	5,743,200	37.31%	—
Exelvia Group India B.V, Netherlands	5,604,760	36.41%	—

	31-Mar-23	31-Mar-22
f) Distribution made and proposed		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2021: INR 25 per share	—	3,848
Interim dividend - I for the year ended on 31 March 2022: INR 22 per share	—	3,386
Interim dividend - II for the year ended on 31 March 2022: INR 18 per share	—	2,771
Final dividend for the year ended on 31 March 2022: INR 20 per share	3,079	—
Interim dividend - I for the year ended on 31 March 2023: INR 30 per share	4,618	—
Interim dividend - II for the year ended on 31 March 2023: INR 28 per share	4,310	—
	12,007	10,005
The Board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2023:		
₹ 20 (March 31, 2022: ₹ 20 per share)	3,079	3,079
	3,079	3,079

Proposed dividend on equity shares are subject to approval of the shareholders at the annual general meeting and are not recognised as a liability as at 31 March.

Notes to the Financial Statements

for the year ended March 31, 2023
(All amounts are in lakhs of Indian rupees, unless otherwise stated)



	31-Mar-23	31-Mar-22
15. Other equity		
Securities premium account	932	932
Amalgamation reserve	100	100
General reserve	4,990	4,990
Retained earnings	18,466	16,861
Total Other equity	24,488	22,883

Nature and purpose of reserves

Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

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.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

	31-Mar-23	31-Mar-22
16. Provisions		
Current		
Sales tax	110	173
Litigations and disputes	93	99
Warranties	323	258
Provision for employee benefits		
Compensated absences	63	66
Pension*	23	24
	612	620
Non-current		
Provision for employee benefits		
Gratuity (refer note 32)	34	51
Compensated absences	316	315
Pension (refer note 32)	198	206
	548	572

* Pertains to liability towards defined contribution scheme

Balances as at April 1, 2021

Add: Provision made during the year

Less: Unused amounts reversed during the year

Balances as at March 31, 2022

Add: Provision made during the year

Less: Provision utilised / adjusted during the year

Balances as at March 31, 2023

Sales Tax	Litigations	Warranties
173	73	193
—	26	65
—	—	—
173	99	258
—	14	65
(63)	(20)	—
110	93	323

Notes to the Financial Statements

for the year ended March 31, 2023

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

	31-Mar-23	31-Mar-22
17. Trade Payable		
Dues to Micro & Small Enterprises*	3,756	3,682
Dues to other than Micro & Small Enterprises	11,426	10,695
	15,182	14,377
Dues to Third Parties	11,568	10,889
Dues to Related Parties (refer note 35)	3,614	3,488
	15,182	14,377

As at March 31 2023

	Outstanding for following periods from transaction date					
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	151	3,604	–	–	1	3,756
Total outstanding dues of creditors other than micro enterprises and small enterprises	865	10,384	75	12	90	11,426
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
Total	1,016	13,988	75	12	91	15,182

As at March 31 2022

	Outstanding for following periods from transaction date					
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	70	3,611	–	1	–	3,682
Total outstanding dues of creditors other than micro enterprises and small enterprises	911	9,585	66	47	86	10,695
Disputed dues of micro enterprises and small enterprises	–	–	–	–	–	–
Disputed dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–
Total	981	13,196	66	48	86	14,377

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

	31-Mar-23	31-Mar-22
* Disclosures relating to micro and small enterprises		
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;**: <ul style="list-style-type: none"> - Principal amount due to micro and small enterprises - Interest due on above 	3,605 151 3,756	3,612 70 3,682
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	—	—
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	81	50
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	81	50
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	151	70
Trade payables are non interest bearing and normally settled on 60 days term.		
** Includes overdue payables amounting of ₹ 508 (March 31, 2022 ₹ 461)		
18. Other financial liabilities (at amortised cost)		
Current		
Capital creditors	389	16
Refundable security deposit from dealers	200	192
Refundable security deposit received for sale of land	1,150	450
Unclaimed dividend	161	132
	1,900	790
Non-current		
Capital creditors	115	0
	115	0
	2,015	790
19. Other current liabilities		
Liability towards Corporate Social Responsibility	21	108
Advances received from customers/others	391	255
Accrued salaries and benefits	866	962
Deferred income	0	215
Statutory dues payable	936	914
	2,214	2,454

Notes to the Financial Statements

for the year ended March 31, 2023

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

	31-Mar-23	31-Mar-22
20. Revenue from contract with customers		
Sale of products		
Manufactured goods	79,934	63,949
Traded goods	22,669	18,938
	<u>102,603</u>	<u>82,887</u>
Other operating revenues		
Scrap sales	444	382
Export benefits	85	186
	<u>529</u>	<u>568</u>
Income from services		
Engineering, support and consulting services	5,598	5,825
Management service to related party	350	350
Total revenue from contract with customers	<u>109,080</u>	<u>89,630</u>
India	99,626	81,447
Outside India	9,454	8,183
Total revenue from contract with customers	<u>109,080</u>	<u>89,630</u>
Contract balances		
Trade receivables	15,165	13,522
Contract Assets	63	238
Reconciling the amount of revenue recognised in the statement of profit and loss		
Revenue as per contracted price	110,913	91,236
Adjustments		
Sales return	(475)	(452)
Sales incentive	(1,358)	(1,154)
Revenue from contract with customers	<u>109,080</u>	<u>89,630</u>
21. Other income		
Fair value of investments	—	1
Profit on sale of investments	98	76
Profit on sale of property, plant and equipment (net)	115	7
Net gain on account of foreign exchange fluctuation	—	122
Write back of provision for doubtful receivables	150	—
Interest on bank deposits and others	110	110
Interest from loan to related party (refer note 35)	—	76
Refund received	215	—
Miscellaneous income	92	76
	<u>780</u>	<u>468</u>

	31-Mar-23	31-Mar-22
22. Cost of raw materials and components consumed		
a. Raw materials and components consumed		
Inventory at the beginning of the year	5,066	3,178
Add: Purchases during the year	53,330	46,049
Less: Inventory at the end of the year	(6,023)	(5,066)
	<u>52,373</u>	<u>44,161</u>
b. Traded goods		
Purchase of stock in trade	15,651	13,519
	<u>15,651</u>	<u>13,519</u>
c. Finished goods and work in progress		
(Increase) / Decrease in Inventories		
Opening Stock		
Manufactured goods	1,597	1,748
Work in progress	652	341
Traded goods	3,006	1,909
	<u>5,255</u>	<u>3,998</u>
Closing Stock		
Manufactured goods	1,319	1,597
Work in progress	813	652
Traded goods	3,955	3,006
	<u>6,087</u>	<u>5,255</u>
	<u>(832)</u>	<u>(1,257)</u>
23. Employee benefits expense		
Salaries, wages and bonus	8,441	8,383
Contribution to provident and other funds	230	233
Gratuity expense (refer note 32)	72	72
Pension expenses *	139	153
Staff welfare expenses	810	640
	<u>9,692</u>	<u>9,481</u>
* Includes expense towards defined benefit scheme ₹ 45 (March 31, 2022 ₹ 54) (refer note 32)		
The Code on Social Security (2020) and other Labour Codes received Presidential assent in September 2020. The Code is published in the Gazette of India. However, the respective State Government Rules were not yet finalised and hence the Central Government has deferred the effective date of these Codes to a later date. The Company will assess the impact of these Codes as and when they come to effect.		
24. Depreciation and Amortisation Expense		
Depreciation of property, plant and equipment	978	937
Amortisation of intangible assets	35	34
Depreciation on right-of-use assets (refer note 34)	175	162
	<u>1,188</u>	<u>1,133</u>
25. Finance cost		
Interest expenses on lease liabilities	31	29
	<u>31</u>	<u>29</u>

Notes to the Financial Statements

for the year ended March 31, 2023

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

	31-Mar-23	31-Mar-22
26. Other expenses		
Consumption of stores and spares	461	349
Power and fuel	1,575	1,340
External service charges	1,453	1,350
Repairs and maintenance		
- Building	63	28
- Plant and machinery	322	303
- Others	121	159
Insurance	163	148
Information technology expenses	511	344
Travelling expenses	1,153	595
Communication expenses	84	74
Rates and taxes	157	127
Transport and freight	2,472	2,400
Sales promotion and selling expenses	196	180
Trademark license fees to related party (refer note 35)	2,486	2,044
Legal and professional fees	137	139
Testing and development charges	1,045	1,099
Payment to auditors (refer note 26.1)	63	54
Printing and stationery	38	38
Exchange differences (net)	89	—
CSR expenditure (refer note 27)	193	173
Warranty expenses	358	289
Provision for doubtful receivables	—	110
Property, plant and equipment written off	18	8
Bank charges	19	32
Miscellaneous expenses	351	293
	13,528	11,676
26.1 Payment to auditors		
As auditor		
Audit	33	26
Tax audit	6	6
Limited reviews	9	9
Others*	11	10
In other capacity		
Other services	—	—
Reimbursement of expenses	4	3
	63	54

*Amount shown is net of recoveries in respect of audit services availed by the Company for reporting to Colfax Corporation. The Company has paid ₹ NIL (March 31, 2022: ₹ 13) to the auditors in this regard which has been fully recovered from Group Company

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

	31-Mar-23	31-Mar-22
27. CSR expenditure		
(a) Gross amount required to be spent by the company during the year	193	173
(b) Amount approved by the Board to be spent during the year	193	173
(c) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	—	—
(ii) On purposes other than (i) above	177	65
(d) Shortfall at the end of the year out of the amount required to be spent during the year	21	108
(e) Total of previous years shortfall	—	—
(f) Reason for shortfall	Due to administrative reasons	
(g) Excess spent during the year	5	—
(h) Nature of CSR Activities	Employment enhancing vocational skills and safe welding practices, Slum area development, Environmental sustainability and Contribution to Clean Ganga Fund	
(i) Details of related party transactions related to CSR expenditure as per relevant Accounting Standard	NA	NA
(j) Details related to spent / unspent / excess spent:		
i) Spent amount in relation to:		
- Promoting education and vocational skills	112	65
- Environmental Sustainability	35	—
- Slum area development	20	—
- Administrative overheads	10	—
ii) Unspent amount in relation to:		
- Ongoing project	21	68
- Other than ongoing project	—	40
iii) Excess spent amount in relation to:		
- Ongoing project	4	—
- Other than ongoing project	1	—

Details of ongoing project and other than ongoing project

In case of Section 135(6) (Ongoing Project)								
Opening Balance			Amount required to be spent during the year	Amount spent during the year		Closing balance		
Excess Amount spent	Unspent Amount with Company	In separate CSR unspent A/c		From Company's bank A/c	From separate CSR Unspent A/c	Excess amount spent	Unspent Amount with Company	In separate CSR unspent A/c
—	—	68	129	112	68	4	—	21

Notes to the Financial Statements

for the year ended March 31, 2023

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

In case of Section 135(5) (Other than Ongoing Project)						
Opening Balance		Amount deposited in specified fund in Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing balance	
Excess Amount spent	Unspent amount with Company				Excess spent	Unspent amount with Company
–	40	40	64	65	1	–

	31-Mar-23	31-Mar-22
28. Components of Other Comprehensive Income (OCI)		
The disaggregation of changes by retained earnings to OCI in equity is shown below:		
Re-measurement gains on defined benefit plans, (net of tax)	44	74
	<u>44</u>	<u>74</u>

29. 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-23	31-Mar-22
Profit for the year (₹)	13,568	8,431
Weighted average number of Equity shares for EPS	1,53,93,020	1,53,93,020
Basic and Diluted earnings per share	88.16	54.78

30. 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 not made any judgement, which has significant effect on the amounts recognised in the Financial Statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

Allowances for slow / Non-moving Inventory and obsolescence:

An allowance for Inventory is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory allowance is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

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 32.

	Year ended March 31, 2023	Year ended March 31, 2022
31. Income taxes		
The major components of income tax expense for the year ended March 31, 2023 are:		
Current tax:		
Current income tax charge	4,619	2,967
Adjustment of tax relating to earlier periods	2	—
Deferred Tax:		
Relating to the origination and reversal of temporary differences	40	(42)
Income tax expense reported in the statement of profit and loss	4,661	2,925
Other comprehensive income		
Deferred tax related to items recognised in OCI		
Tax (income)/expense during the year recognised in OCI	14	25
Income tax charged to other comprehensive income	14	25
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate are:		
Profit before tax	18,229	11,356
At India's statutory income tax rate of 25.168% (March 31, 2022 : 25.168%)	4,588	2,858
Relating to the origination of Permanent differences:		
CSR expenditure	49	44
Others	24	23
Income tax expense recognised in profit or loss	4,661	2,925

Notes to the Financial Statements

for the year ended March 31, 2023

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

Deferred tax balances

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

	Balance sheet		Statement of profit and loss	
	March 31, 2023 INR Lacs	March 31, 2022 INR Lacs	March 31, 2023 INR Lacs	March 31, 2022 INR Lacs
Deferred tax liabilities (net)				
Property, plant and equipment	503	453	50	38
Deferred tax assets (net)				
Provision for employee benefits	175	180	5	(24)
Provision for doubtful trade receivables	104	141	37	(28)
Provision for inventories	222	213	(9)	(1)
Provision for sales tax	67	72	5	—
Provision for others	43	9	(34)	(2)
Deferred tax expense / (income)			54	(17)
Net deferred tax assets / (liabilities)	108	162	—	—

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:

	Year ended March 31, 2023	Year ended March 31, 2022
Deferred Tax (Liabilities) / Assets in relation to:		
Opening balance	162	145
Tax income / (expense) during the year recognised in profit or loss	(40)	42
Tax income / (expense) during the year recognised in OCI	(14)	(25)
Closing balance	108	162

	Note	31-Mar-23	31-Mar-22
32. Gratuity and other post-employment benefit plans			
Provisions for gratuity (refer note 16)	A	34	51
Pension fund liability (refer note 16)	B	198	206

A. Gratuity plan

The Company has a defined benefit gratuity plan for employees which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ("Act"). Under the Act, every employee who has completed five years or more of service is entitled to this Gratuity payment, on departure, of 15 days' salary (last drawn salary) for each completed year of service subject to a maximum of ₹ 20 lakhs. The Company has established a trust to setup an employee group gratuity scheme for providing gratuity benefits to eligible employees as per the rules of the scheme. The gratuity scheme is funded with Life Insurance Corporation of India ("LIC") for the purpose of providing gratuity benefits to its employees. The Trust is administered by the Board of Trustees, which is responsible for the administration of the plan assets.

The 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 2023:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2022	(759)	708	(51)
Gratuity cost charged to profit or loss			
Current service cost	(72)	—	(72)
Past service cost	—	—	—
Interest income / (expense)	(48)	48	—
Sub-total included in profit or loss (refer note 23)	(120)	48	(72)
Benefits paid	59	(59)	—
Remeasurement gains/(losses) in other comprehensive income			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	37	—	37
Experience adjustments	(3)	—	(3)
Return on plan assets (excluding amounts included in net interest expense)	—	(4)	(4)
Sub-total included in other comprehensive income	34	(4)	30
Contributions by Employer	—	59	59
As at 31 March 2023	(786)	752	(34)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at 1 April 2021	(717)	666	(51)
Gratuity cost charged to profit or loss			
Current service cost	(72)	—	(72)
Past service cost	—	—	—
Interest income / (expense)	(44)	44	—
Sub-total included in profit or loss (refer note 23)	(116)	44	(72)
Benefits paid	55	(55)	—
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	19	—	19
Experience adjustments	—	—	—
Return on plan assets (excluding amounts included in net interest expense)	—	(12)	(12)
Sub-total included in other comprehensive income	19	(12)	7
Contributions by Employer	—	65	65
As at 31 March 2022	(759)	708	(51)

Notes to the Financial Statements

for the year ended March 31, 2023

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

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

	31-Mar-23	31-Mar-22
Unquoted investments:		
Insurer managed funds	709	635
Others	43	73
Total	752	708

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

	31-Mar-23	31-Mar-22
Discount rate (%)	7.45%	6.85%
Future salary increases		
For management staff	5%	5%
For graded staff	8%	8%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Change	Impact on defined benefit obligation	
		31-Mar-23	31-Mar-22
Discount rate	-0.25%	1.94%	2.08%
Discount rate	+0.25%	-1.87%	-2.01%
Salary escalation rate	-0.25%	-1.85%	-2.00%
Salary escalation rate	+0.25%	1.90%	2.06%

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

Particulars	31-Mar-23	31-Mar-22
Within the next 12 months (next annual reporting year)	113	112
Year 2 to 5	320	244
Year 6 to 9	278	305
Year 10 and above	918	873
Total expected payments	1,629	1,534

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 7.62 years (31 March 2022: 8.19 years).

B. Pension fund

The Company has a defined benefit pension plan for employees which requires contributions to be made to a separately administered fund. The pension benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. The Company has setup an income tax approved irrevocable trust fund to finance the plan liability. The Company has funded the defined benefit obligation with Life Insurance Corporation of India.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2023:

	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2022	(720)	514	(206)
Pension cost charged to profit or loss			
Current service cost	(32)	—	(32)
Interest income / (expense)	(42)	29	(13)
Sub-total included in profit or loss	(74)	29	(45)
Benefits paid	32	(32)	—
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	17	—	17
Experience adjustments	6	—	6
Adjustment to recognise the effect of asset ceiling	—	—	—
Return on plan assets (excluding amounts included in net interest expense)	—	5	5
Sub-total included in other comprehensive income	23	5	28
Contributions by Employer	—	25	25
As at 31 March 2023 (refer note 16)	(739)	541	(198)

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2022:

	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
As at 1 April 2021	(847)	603	(244)
Pension cost charged to profit or loss			
Current service cost	(41)	—	(41)
Interest income / (expense)	(45)	32	(13)
Actual return on plan assets	—	—	—
Sub-total included in profit or loss	(86)	32	(54)
Benefits paid	127	(127)	—
Remeasurement gains / (losses) in other comprehensive income			
Changes in demographic assumptions	—	—	—
Changes in financial assumptions	10	—	10
Experience adjustments	76	—	76
Adjustment to recognise the effect of asset ceiling	—	—	—
Return on plan assets (excluding amounts included in net interest expense)	—	6	6
Sub-total included in other comprehensive income	86	6	92
Contributions by Employer	—	—	—
As at 31 March 2022 (refer note 16)	(720)	514	(206)

Notes to the Financial Statements

for the year ended March 31, 2023

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

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

	31-Mar-23	31-Mar-22
Unquoted investments:		
Insurer managed funds	531	505
Others	10	9
Total	541	514

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

	31-Mar-23	31-Mar-22
Discount rate	7.45%	6.85%
Future salary increases	5%	5%
Pension increase rate	0%	0%

Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Change	Impact on defined benefit obligation	
		31-Mar-23	31-Mar-22
Discount rate	-0.25%	1.00%	1.12%
Discount rate	+0.25%	-0.98%	-1.09%
Salary escalation rate	-0.25%	-0.86%	-0.95%
Salary escalation rate	+0.25%	0.87%	0.97%
Pension increase rate by 1 year	-0.25%	0%	0%
Pension increase rate by 1 year	+0.25%	0%	0%

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

Particulars	31-Mar-23	31-Mar-22
Within the next 12 months (next annual reporting period)	292	218
Year 2 to 5	201	218
Year 6 to 9	219	221
Year 10 and above	22	34
Total expected payments	734	691

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 3.96 years (31 March 2022: 4.43 years).

	31-Mar-23	31-Mar-22
33. Commitment and contingencies		
a. Commitments		
Estimated amount of contracts to be executed and not provided for (net of advances) on capital account	1,059	1,445
	1,059	1,445
b. Contingent Liabilities		
(i) Claims against the company not acknowledged as debt *	824	824
(ii) Demand raised by authorities against which Company has filed appeals **	2,171	2,175
	2,995	2,999

* 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. The timing of the outflow in respect of the above are determinable only on receipt of judgements/decisions pending before various forums / authorities. The aforesaid amounts do not include any interest to the extent it has not been determined.

34. Leases

The Company has lease contracts for lease hold lands, lease hold premises and vehicles used in its operations. Leasehold lands generally have lease terms between 15 and 99 years, lease hold premises and motor vehicles have lease terms between 2 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has leases of premises with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of- use asset	Total	Land	Building	Motor Vehicles
Balance as at April 1, 2021	401	287	101	13
Additions	81	-	-	81
Depreciation expense	(162)	(109)	(36)	(17)
Balance as at March 31, 2022	320	178	65	77
Additions	325	-	321	4
Depreciation expense	(175)	(109)	(37)	(29)
Balance as at March 31, 2023	470	69	349	52

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

Lease liability	Total	Land	Building	Motor Vehicles
Balance as at April 1, 2021	339	212	112	15
Additions to Lease liability	81	-	-	81
Finance cost	29	17	10	2
Payments made during the year	(181)	(115)	(46)	(20)
Balance as at March 31, 2022	268	114	76	78
Additions to Lease liability	312	-	308	4
Finance cost	31	6	19	6
Payments made during the year	(210)	(120)	(58)	(32)
Balance as at March 31, 2023	401	-	345	56
Current	54	-	32	22
Non-current	347	-	313	34

The maturity analysis of lease liabilities is disclosed in Note 38.

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

Notes to the Financial Statements

for the year ended March 31, 2023

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

The following are the amounts recognised in profit or loss:	31-Mar-23	31-Mar-22
Depreciation expense of right-of-use assets	175	162
Interest expense on lease liabilities	31	29
Expense relating to short-term leases (included in miscellaneous expenses)	1	1
Total amount recognised in profit or loss	207	192

The Company had total cash outflows for leases of ₹ 210 during the year (₹ 181 in March 31, 2022). All the payments are fixed lease payments. There are no variable lease payments in the Company.

35. Related party transactions

(a) Name of related Parties and related party relationship

Related Party where control exists

- i) As at March 31 2023, ESAB Holdings Limited, UK and Exelvia Group India B.V., Netherlands, being the Principal Shareholders of ESAB India Limited ("Company") hold 37.31% and 36.41% of the paid up equity share capital of the Company respectively and ESAB Corporation was the ultimate holding company of ESAB India Limited as on the said date.

Colfax Corporation had incorporated a wholly owned subsidiary in the name of ESAB Corporation, Delaware, USA and made ESAB Corporation, Delaware as the holding company of ESAB Holdings Limited, UK and Exelvia Group India B.V., Netherlands. Further, Colfax Corporation had separated itself from ESAB Corporation, Delaware, USA by selling 90% of the equity shares held in ESAB Corporation, Delaware, USA to the general public shareholders of Colfax Corporation thereby reducing its equity stake in ESAB Corporation, Delaware, USA to 10% with effect from April 4, 2022. Subsequently, during the financial year 2022-23, Colfax Corporation has also sold the remaining 10% of equity stake in ESAB Corporation, Delaware.

ESAB Corporation, Delaware became the Ultimate Parent Company of ESAB India Limited effective April 4, 2022.

I. Ultimate Holding Company

Colfax Corporation USA (Till April 04, 2022)

ESAB Corporation USA (From April 04, 2022)

II. Holding Companies

ESAB Holdings Limited, UK

Exelvia Group India B.V., Netherlands

III. Post Employment Benefit Funds

ESAB India Limited Executive Staff Pension Fund

ESAB India Limited Non-executive Staff Pension Fund

ESAB India Limited Executive Staff Gratuity Fund

ESAB India Limited Non-executive Staff Gratuity Fund

- ii) List of other related parties with whom transactions have taken place during the year and their relationship

Name of the Related Party	Nature of Relationship
Alcotec Wire Corporation USA	Entities under common control
Cigweld Pty Ltd., Australia	Entities under common control
DJO Global India Healthcare Pvt Ltd	Entities under common control
DJO Global, Inc., USA	Entities under common control
Esab AB, Laxa, Sweden	Entities under common control
ESAB AB, Perstorp	Entities under common control
ESAB AB, Sweden	Entities under common control
ESAB Asia/Pacific Pte Ltd, Singapore	Entities under common control
ESAB Automation Cutting & Welding Equipment (Wuxi) Co., Ltd., China	Entities under common control
ESAB Cutting Systems GmbH, Germany	Entities under common control
ESAB Europe AG, Switzerland	Entities under common control
ESAB Europe GmbH, Switzerland	Entities under common control
ESAB Industria e Comercio Ltda, Brazil	Entities under common control

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

Name of the Related Party	Nature of Relationship
ESAB Kazakhstan LLC	Entities under common control
ESAB Limited Liability Company, Russia	Entities under common control
ESAB Middle East FZE,UAE	Entities under common control
ESAB MOR KFT, Hungary	Entities under common control
ESAB North America ,Global Cost Nam Florence, USA	Entities under common control
ESAB Saudi Trading Company	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 and Cutting GmbH, Germany	Entities under common control
ESAB Welding Products (Jiangsu) Co Ltd, China	Entities under common control
EWAC Alloys Limited, India	Entities under common control
Gas Arc Group Limited, UK	Entities under common control
Gas Control Equipment Limited, UK	Entities under common control
GCE AUTOGEN S.R.O., Czech Republic	Entities under common control
GCE India Private Limited, India	Entities under common control
GCE Technology (Shanghai) Co.,Ltd	Entities under common control
GCE, s.r.o., Czech Republic	Entities under common control
HKS Prozesstechnik GmbH, Germany	Entities under common control
Jinan Red Hawk International Trading, China	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
SIAM ESAB Welding & Cutting Limited, Thailand	Entities under common control
Tbi (Shandong) Industries Ltd, China	Entities under common control
TBi Industries GmbH, Germany	Entities under common control
The ESAB Group, Inc. USA	Entities under common control
Thermal Dynamics Europe Srl, Italy	Entities under common control
Victor Technologies Asia SDN BHD, Malaysia	Entities under common control
Victor Technologies International Inc., USA	Entities under common control
Mr. Rohit Gambir - Managing Director	Key Managerial Personnel
Mr. B. Mohan - Vice President Finance And Chief Financial Officer	Key Managerial Personnel
Mr. S. Venkatakrishnan - Company Secretary (Till March 25, 2022)	Key Managerial Personnel
Mr. G Balaji - Company Secretary (From March 26, 2022)	Key Managerial Personnel
Mr. K Vaidyanathan - Non-Executive Independent Director	Director
Mr. Vikram Tandon - Non-Executive Independent Director	Director
Mr. Sudhir Chand - Non-Executive Independent Director	Director
Mrs. Sabitha Rao - Non-Executive Independent Director (Till December 31, 2022)	Director
Ms. Cauvery Dharmaraj - Non-Executive Independent Director (From March 23, 2023)	Director
Mr. Kevin J Johnson - Non-Executive And Non-Independent Director *	Director

* No remuneration has been paid by the Company.

Notes to the Financial Statements

for the year ended March 31, 2023

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

(b) Transactions with Related Parties:

Particulars	Ultimate Holding Company / Holding Company		Entities under Common Control		Others	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Transactions during the year ended						
Sale of products	-	-	8,552	4,508	-	-
Cigweld Pty Ltd., Australia	-	-	31	150	-	-
ESAB Asia/Pacific Pte Ltd, Singapore	-	-	15	1	-	-
ESAB Europe GmbH ,Switzerland	-	-	3	3	-	-
ESAB Industria e Comercio Ltda, Brazil	-	-	34	64	-	-
ESAB Middle East FZE,UAE	-	-	259	391	-	-
ESAB SAUDI TRADING COMPANY	-	-	44	-	-	-
ESAB Welding & Cutting Product, USA	-	-	3	1	-	-
ESAB Welding and Cutting GMBH, Germany	-	-	15	-	-	-
EWAC Alloys Limited, India	-	-	5,587	3,403	-	-
GCE India Private Limited, India	-	-	22	20	-	-
ESAB Limited Liability Company, Russia	-	-	2,125	111	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	-	12	-	-
PT. Victor Teknologi, Indonesia	-	-	120	205	-	-
Thermal Dynamics Europe Srl, Italy	-	-	7	1	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	287	143	-	-
ESAB Kazakhstan LLC	-	-	-	3	-	-
Income from services	-	-	5,598	5,839	-	-
ESAB AB, Sweden	-	-	2,894	2,698	-	-
Cigweld Pty Ltd., Australia	-	-	71	60	-	-
ESAB Asia/Pacific Pte Ltd, Singapore	-	-	118	133	-	-
ESAB Europe GmbH ,Switzerland	-	-	522	577	-	-
ESAB Middle East FZE,UAE	-	-	13	4	-	-
ESAB North America ,Global Cost Nam Florence, USA	-	-	1,539	1,390	-	-
ESAB Welding and Cutting GMBH, Germany	-	-	34	5	-	-
Gas Control Equipment Limited, UK	-	-	17	-	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	6	-	-	-
PT. Victor Teknologi, Indonesia	-	-	8	-	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	5	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	12	-	-	-
Victor Technologies International Inc., USA	-	-	359	391	-	-
DJO Global, Inc., USA	-	-	-	570	-	-
DJO Global India Healthcare Pvt Ltd	-	-	-	11	-	-
Management service income	-	-	350	350	-	-
EWAC Alloys Limited, India	-	-	350	350	-	-
Rent paid	-	-	16	21	-	-
EWAC Alloys Limited, India	-	-	16	21	-	-
Purchase of raw material / traded goods	-	-	8,327	8,259	-	-
Alcotec Wire Corporation USA	-	-	29	3	-	-
ESAB MOR KFT, Hungary	-	-	1	-	-	-
Cigweld Pty Ltd., Australia	-	-	-	3	-	-
ESAB AB, Sweden	-	-	1	40	-	-

Notes to the Financial Statements
for the year ended March 31, 2023
(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	
Esab AB, Laxa, Sweden	-	-	22	-	-	-
ESAB AB, Perstorp	-	-	24	4	-	-
ESAB Middle East FZE,UAE	-	-	-	9	-	-
ESAB Cutting Systems GmbH, Germany	-	-	324	249	-	-
ESAB Europe GmbH ,Switzerland	-	-	5,093	5,207	-	-
ESAB SeAH CORP, Korea	-	-	17	75	-	-
ESAB Sp.Z.O.O., Poland	-	-	18	11	-	-
ESAB Vamberk Sro, CZ	-	-	59	26	-	-
ESAB Welding & Cutting Product, USA	-	-	1,371	1,463	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	201	8	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	74	185	-	-
EWAC Alloys Limited, India	-	-	712	587	-	-
Gas Arc Group Limited, UK	-	-	24	19	-	-
GCE AUTOGEN S.R.O., Czech Republic	-	-	4	-	-	-
GCE India Private Limited, India	-	-	9	11	-	-
HKS Prozesstechnik GmbH, Germany	-	-	3	1	-	-
Jinan Red Hawk International Trading, China	-	-	43	130	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	39	17	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	13	27	-	-
TBi Industries GmbH, Germany	-	-	246	184	-	-
Purchase of property, plant and equipment	-	-	20	31	-	-
ESAB Europe GmbH ,Switzerland	-	-	20	25	-	-
ESAB Welding & Cutting Product, USA	-	-	-	6	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	-	0	-	-
Trademark license fee expense	2,486	2,044	-	-	-	-
ESAB Holdings Limited, UK	2,486	2,044	-	-	-	-
Reimbursement of expenses received / receivable	-	-	14	21	-	-
ESAB North America ,Global Cost Nam Florence, USA	-	-	-	13	-	-
Victor Technologies International Inc., USA	-	-	3	-	-	-
ESAB AB, Sweden	-	-	1	-	-	-
EWAC Alloys Limited, India	-	-	10	8	-	-
Reimbursement of expenses Paid / Payable	-	-	324	106	-	-
ESAB Europe GmbH ,Switzerland	-	-	37	41	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	30	12	-	-
ESAB Welding & Cutting Product, USA	-	-	195	48	-	-
ESAB Cutting Systems GmbH, Germany	-	-	28	-	-	-
ESAB Welding & Cutting GmbH, Germany	-	-	14	-	-	-
The ESAB Group, Inc. USA	-	-	14	-	-	-
TBi Industries GmbH, Germany	-	-	5	4	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.,Ltd, China	-	-	1	1	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

(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	
Dividend paid (net of tax)	7,967	6,770	–	–	–	–
ESAB Holdings Limited, UK	4,032	3,360	–	–	–	–
Exelvia Group India B.V., Netherlands	3,935	3,410	–	–	–	–
Loan repaid	–	–	–	1,800	–	–
EWAC Alloys Limited, India	–	–	–	1,800	–	–
Interest Income	–	–	–	76	–	–
EWAC Alloys Limited, India	–	–	–	76	–	–
Total compensation paid to key managerial personnel #	–	–	–	–	447	401
Short-term employee benefits						
Mr. Rohit Gambhir	–	–	–	–	271	220
Mr. B Mohan	–	–	–	–	143	118
Mr. S. Venkatakrishnan – Company Secretary (Till March 25, 2022)	–	–	–	–	–	62
Mr. G Balaji – Company Secretary (From March 26, 2022)	–	–	–	–	33	1
Sale of Motor car					1	–
Mr. B Mohan					1	–
Sitting Fee	–	–	–	–	10	12
Mr. K Vaidyanathan	–	–	–	–	3	3
Mr. Vikram Tandon	–	–	–	–	3	3
Mr. Sudhir Chand	–	–	–	–	3	4
Mrs. Sabitha Rao	–	–	–	–	1	2
Director Commission	–	–	–	–	32.16	29.25
Mr. K Vaidyanathan	–	–	–	–	8.58	7.80
Mr. Vikram Tandon	–	–	–	–	7.86	7.15
Mr. Sudhir Chand	–	–	–	–	7.86	7.15
Mrs. Sabitha Rao	–	–	–	–	7.86	7.15
Contribution to Post Employment Benefit Funds	–	–	–	–	84	65
ESAB India Limited Executive Staff Gratuity Fund	–	–	–	–	48	61
ESAB India Limited Non-executive Staff Gratuity Fund	–	–	–	–	11	4
ESAB India Limited Executive Staff Pension Fund	–	–	–	–	25	
# The compensation paid to the key managerial personnel does not include the provisions made for post-employment benefit plans (gratuity), as they are not separately allocable since the same is determined on an actuarial basis for the Company as a whole.						
Trade receivables	–	–	5,408	3,201	–	–
Cigweld Pty Ltd., Australia	–	–	12	7	–	–
ESAB AB, Sweden	–	–	609	233	–	–
ESAB Asia/Pacific Pte Ltd, Singapore	–	–	13	10	–	–
ESAB Europe GmbH, Switzerland	–	–	61	46	–	–
ESAB Middle East FZE, UAE	–	–	40	43	–	–
ESAB North America, Global Cost Nam Florence, USA	–	–	380	218	–	–
ESAB Welding & Cutting Product, USA	–	–	6	15	–	–
EWAC Alloys Limited, India	–	–	3,158	2,583	–	–

Notes to the Financial Statements
for the year ended March 31, 2023
(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	
Gas Control Equipment Limited, UK	-	-	17		-	-
GCE India Private Limited	-	-	6	4	-	-
ESAB Limited Liability Company, Russia	-	-	942	-	-	-
OZAS-ESAB Sp.Z.O.O., Poland **	-	-	-	8	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	6	-	-	-
PT. Victor Teknologi, Indonesia	-	-	50	-	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	5	-	-	-
Thermal Dynamics Europe Srl, Italy**	-	-	7	-	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	38	-	-	-
Victor Technologies International Inc., USA	-	-	55	28	-	-
DJO Global India Healthcare Pvt Ltd	-	-	-	1	-	-
ESAB Welding and Cutting GMBH, Germany	-	-	3	5	-	-
Contract Assets	-	-	63	238	-	-
Cigweld Pty Ltd., Australia	-	-	-	4	-	-
ESAB AB, Sweden	-	-	53	111	-	-
ESAB Asia/Pacific Pte Ltd,Singapore	-	-	-	8	-	-
ESAB Europe GmbH ,Switzerland	-	-	-	38	-	-
ESAB North America ,Global Cost Nam Florence, USA	-	-	-	65	-	-
Victor Technologies International Inc., USA	-	-	10	12	-	-
Trade payables	617	557	2,997	2,931	-	-
Alcotec Wire Corporation USA	-	-	10	-	-	-
Cigweld Pty Ltd., Australia	-	-	8	13	-	-
Esab AB, Laxa	-	-	15	24	-	-
ESAB AB, Perstorp	-	-	11		-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co.,Ltd., China	-	-	1	1	-	-
ESAB Cutting Systems GmbH, Germany	-	-	255	120	-	-
ESAB Europe AG ,Switzerland	-	-	2	3	-	-
ESAB Europe GmbH ,Switzerland	-	-	1,245	1,832	-	-
ESAB Holdings Limited, UK	617	557	-	-	-	-
ESAB SeAH CORP, Korea	-	-	16	0	-	-
ESAB SP ZOO, Poland	-	-	10	9	-	-
ESAB Vamberk Sro, CZ	-	-	-	16	-	-
ESAB Welding & Cutting Product, USA	-	-	854	603	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co.Ltd, China	-	-	208	13	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	44	20	-	-
EWAC Alloys Limited, India	-	-	157	164	-	-
Gas Arc Group Limited, UK	-	-	7	12	-	-
GCE AUTOGEN S.R.O., Czech Republic	-	-	1	-	-	-

Notes to the Financial Statements

for the year ended March 31, 2023

(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	
GCE India Private Limited, India	-	-	8	2	-	-
Jinan Red Hawk International Trading, China	-	-	9	2	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	6	5	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	6	20	-	-
TBi Industries GmbH, Germany	-	-	122	70	-	-
Victor Technologies International Inc., USA	-	-	2	2	-	-

** Amount is less than the rounding off norm adopted by the Company

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. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: 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.

36. Fair values

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

37. 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, 2023	-	-	-
Unquoted equity shares	March 31, 2023	-	-	15
Units in Mutual Fund	March 31, 2022	3,101	-	-
Unquoted equity shares	March 31, 2022	-	-	15

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

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. At present, the impact of climate-related matters is not material to the Company's financial statements.

38. 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.

Notes to the Financial Statements

for the year ended March 31, 2023

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



ESAB INDIA LIMITED

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 Company is exposed to commodity price risks primarily on Steel and Minerals. Price and supply disruptions arising from geopolitical and other developments could affect the Company's financial assets, profitability and future cash flows. The Company reviews its commercial arrangements with suppliers and customers at periodic intervals to adapt to changes arising from commodity price and availability risks.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities like import of raw materials, components and capital goods from outside India, incurs few expenditure as well as make export sales to countries outside India.

Unhedged foreign currency

The carrying amounts in Indian Rupees of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As on March 31, 2023:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(2,219)	—	(2,219)
Impact of EURO exposure	(449)	—	(449)
Impact of other exposures	(34)	—	(34)
Net overall exposure - net assets / (net liabilities)	(2,702)	—	(2,702)

As on March 31, 2022:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(3,260)	—	(3,260)
Impact of EURO exposure	(318)	—	(318)
Impact of other exposures	(43)	—	(43)
Net overall exposure - net assets / (net liabilities)	(3,621)	—	(3,621)

Foreign currency sensitivity analysis:

The following tables demonstrate the sensitivity to 5% appreciation in USD and EURO exchange rates on foreign currency exposures as at the year end, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

Nature	As at	Increase / (Decrease) in PBT for change in USD rates	Increase / (Decrease) in PBT for change in EURO rates
Receivables	31-Mar-23	127	—
Payables		(238)	(22)
Receivables	31-Mar-22	34	—
Payables		(197)	(16)

Interest rate risk

The Company is not exposed to interest rate risk because there are no borrowings.

Notes to the Financial Statements

for the year ended March 31, 2023

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

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across India. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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 ₹ 411 (March 31, 2022 ₹ 561) as there was no reasonable expectations of recovery.

Credit risk from balances with banks and bank deposits are managed by the treasury department in accordance with the Company's policy.

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

Liquidity tables:

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Due in 1 st year	Due in 2 nd to 5 th year	Due after 5 th year
March 31, 2023			
Trade payables (refer note 17)	15,182	—	—
Other financial liabilities (refer note 18)	1,900	—	—
Lease Liabilities (refer note 34)	54	347	—
	17,136	347	—
March 31, 2022			
Trade payables (refer note 17)	14,377	—	—
Other financial liabilities (refer note 18)	790	—	—
Lease Liabilities (refer note 34)	200	68	—
	15,367	68	—

39. 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.

40. Categories of Financial Instruments

	As at March 31, 2023	As at March 31, 2022
Financial assets carried at amortised cost		
Cash and bank balances	5,645	4,498
Trade Receivables	15,165	13,522
Others	573	611
Financial assets carried at fair value through profit or loss		
Investments	15	3,116
Financial liabilities carried at amortised cost		
Trade Payables	15,182	14,377
Lease liabilities	401	268
Others	2,015	790

41. Ratios

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.7	1.8	-5%	
Debt- Equity Ratio (in times)	Total Debt consists of borrowings and lease liabilities.	Shareholder's Equity	0.02	0.01	54%	Impact due to increase in lease liability by 50%
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Depreciation + Finance Cost + PPE written off	Debt service = Interest & Lease Payments + Principal Repayments	70.6	53.0	33%	There is an improvement in profitability due to revenue growth.
Return on Equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	53.8%	33.5%	61%	Impact of 61% growth in Profit after tax and 780% dividends paid out.
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	5.9	6.3	-7%	
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.6	7.7	-1%	
Trade Payable Turnover Ratio (in times)	Net credit purchases	Average Trade Payables	4.7	5.0	-7%	
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	7.5	6.0	25%	Impact due to revenue growth of 22%.
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	12.4%	9.4%	32%	Impact due to revenue growth of 22%.
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	69.8%	46.2%	51%	Impact of higher profits and dividends paid.
Return on Investment (in %)	Profit on sale of investments and Interest on Bank deposits	Investments and Bank deposits	10.7%	3.5%	206%	reduction of investments as at closing date

Notes to the Financial Statements

for the year ended March 31, 2023

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

42 Segment information

ESAB India Limited ('the Company') operates in the segment of fabrication technology. This includes manufacturing and selling of welding, cutting and allied products and also provides engineering, support and consulting services.

As defined in Ind AS 108, the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

Geographical information

The "Geographical Segments" comprises of domestic segment which includes sales to customers located in India and the overseas segment includes sales to customers located outside India.

Particulars	Domestic	Overseas	Total
Revenue from operations - External			
For the year ended March 31, 2023	99,626	9,454	1,09,080
For the year ended March 31, 2022	81,447	8,183	89,630

Information about major customers:

No customer individually accounted for more than 10% of the revenue.

43. Other Statutory Information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company does not have any transactions with companies struck off other than the below:

Nature of struck-off Company	Nature of transactions with Struckoff Company	Transactions during the year		Balance outstanding		Relationship with the struck off Company, if any.
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Varuna Alloys Pvt Ltd	Purchase of goods	–	6	–	–	Vendor

- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year (March 31, 2022: Nil).
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

44. Impact of COVID

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Financial Results including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Company has, at the date of approval of these Financial Results, used internal and external sources of information which are relevant and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions.

45. Previous year's figures

Previous year's figures have been regrouped and reclassified where necessary to conform to this year's classification.

As per our report of even date

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

Chirag Shah
Partner
Membership No. 121648

Place : Chennai
Date : May 25, 2023

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

Rohit Gambhir
Managing Director
DIN: 06686250

B Mohan
Vice President - Finance and
Chief Financial Officer

K Vaidyanathan
Director
DIN: 00063692

G Balaji
Company Secretary

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GLOBAL SOLUTIONS FOR KEY INDUSTRIES



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