



120 YEARS STRONG  
120 YEARS POWERFUL  
**120 YEARS ESAB.**

# ANNUAL REPORT

2023 - 2024

### Board of Directors

#### Kevin Johnson

Chairman

#### Rohit Gambhir

Managing Director

#### B Mohan (From 20<sup>th</sup> June 2023)

Director & CFO

#### K Vaidyanathan

Independent Director

#### Vikram Tandon

Independent Director

#### Sudhir Chand (Upto 31<sup>st</sup> May 2023)

Independent Director

#### Cauvery Dharmaraj

Independent Director

### Key Managerial Personnel

#### Rohit Gambhir

Managing Director

#### B Mohan

Director & Chief Financial Officer

#### G Balaji

Company Secretary & Compliance Officer

Email : [balaji.g@esab.co.in](mailto:balaji.g@esab.co.in)

[investor.relations@esab.co.in](mailto:investor.relations@esab.co.in)

### Registered Office

Plot No.13, 3<sup>rd</sup> Main Road, Industrial Estate  
Ambattur, Chennai - 600 058.

Tel : 044-4228 1100

Fax : 044-4228 1150

[www.esabindia.com](http://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.
3. JP Morgan Chase Bank, N.A.  
Off C.S.T Road, Kalina, Santacruz (East)  
Mumbai - 400 098.

### Registrar & Share Transfer Agent Integrated Registry Management Services Private Limited

2<sup>nd</sup> 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 : [einward@integratedindia.in](mailto:einward@integratedindia.in)

### Audit Committee

#### K Vaidyanathan

Chairman

#### Vikram Tandon

Member

#### Sudhir Chand (Upto 31<sup>st</sup> May 2023)

Member

#### Kevin Johnson

Member

### Stakeholders Relationship Committee

#### Vikram Tandon

Chairman

#### Sudhir Chand (Upto 31<sup>st</sup> May 2023)

Member

#### K Vaidyanathan (From 20<sup>th</sup> June 2023)

Member

#### Rohit Gambhir

Member

#### Kevin Johnson

Member

### Nomination & Remuneration Committee

#### K Vaidyanathan

Chairman

#### Sudhir Chand (Upto 31<sup>st</sup> May 2023)

Member

#### Cauvery Dharmaraj

Member

#### Kevin Johnson

Member

### Corporate Social Responsibility Committee

#### Cauvery Dharmaraj

Chairperson

#### Rohit Gambhir

Member

#### Kevin Johnson

Member

### Risk Management Committee

#### Kevin Johnson

Chairman

#### Rohit Gambhir

Member

#### Sudhir Chand (Upto 31<sup>st</sup> May 2023)

Member

#### Vikram Tandon (From 20<sup>th</sup> June 2023)

Member

#### B Mohan

Member

### Statutory Auditors

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

Chartered Accountants

6<sup>th</sup> 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

KRM Towers, Ground Floor, No. 1,

Harrington Road, Chetpet, 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

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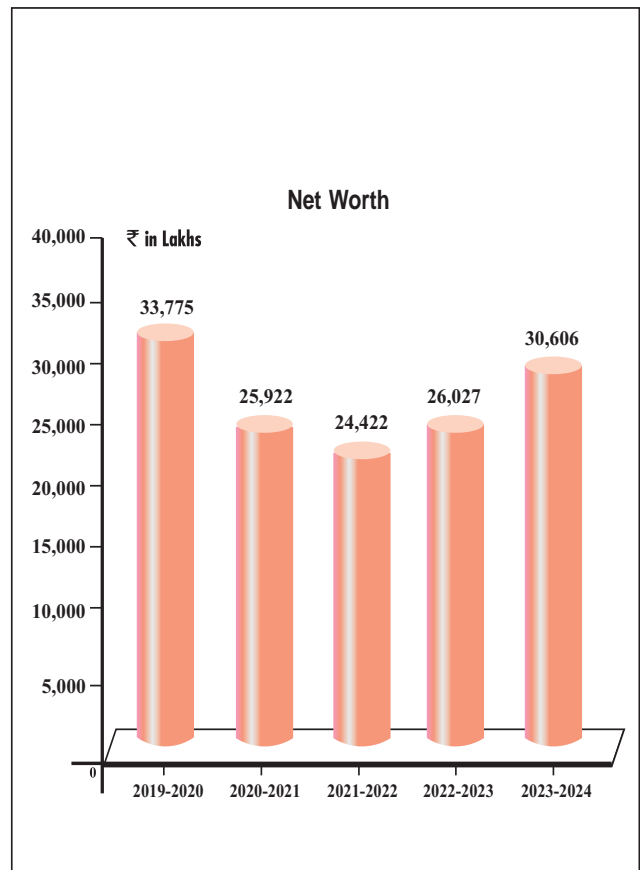
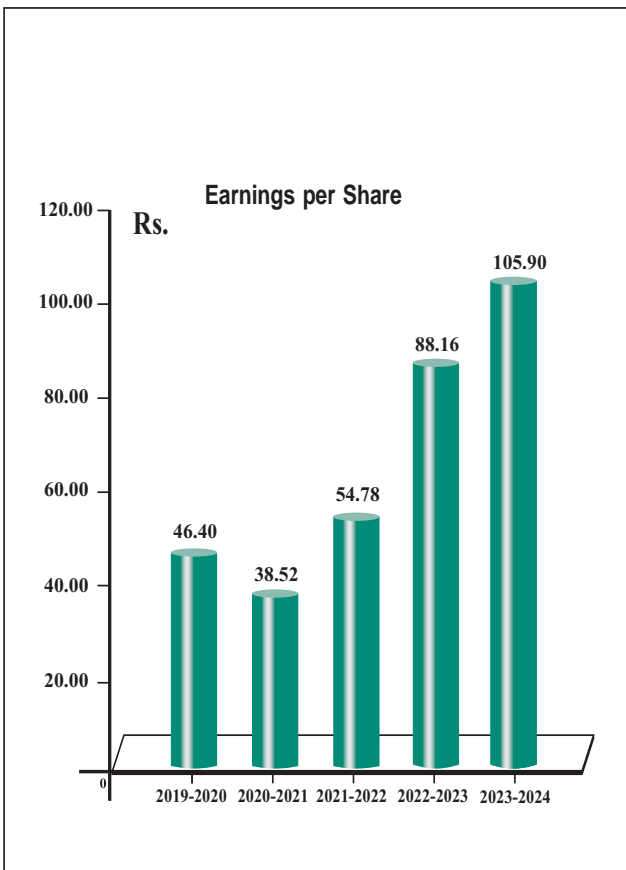
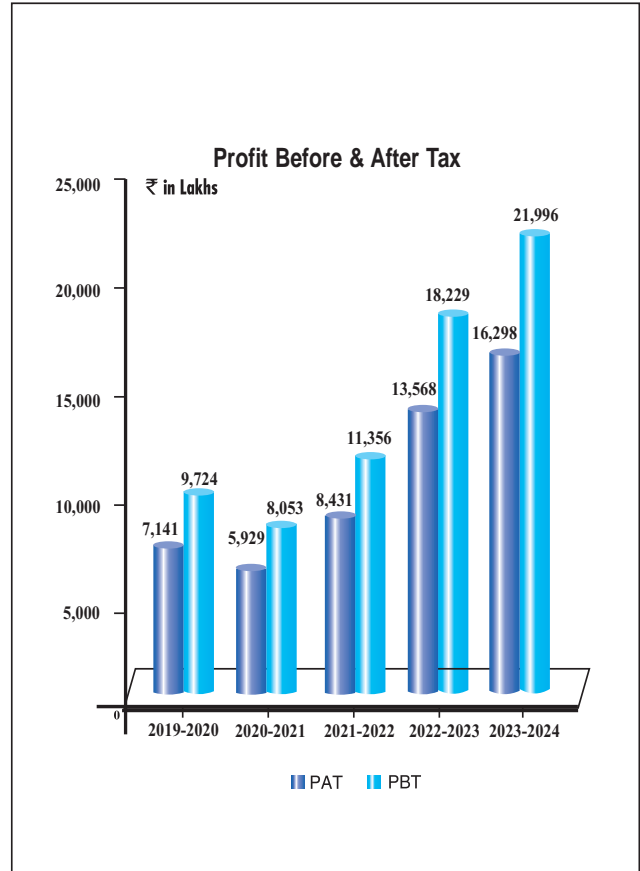
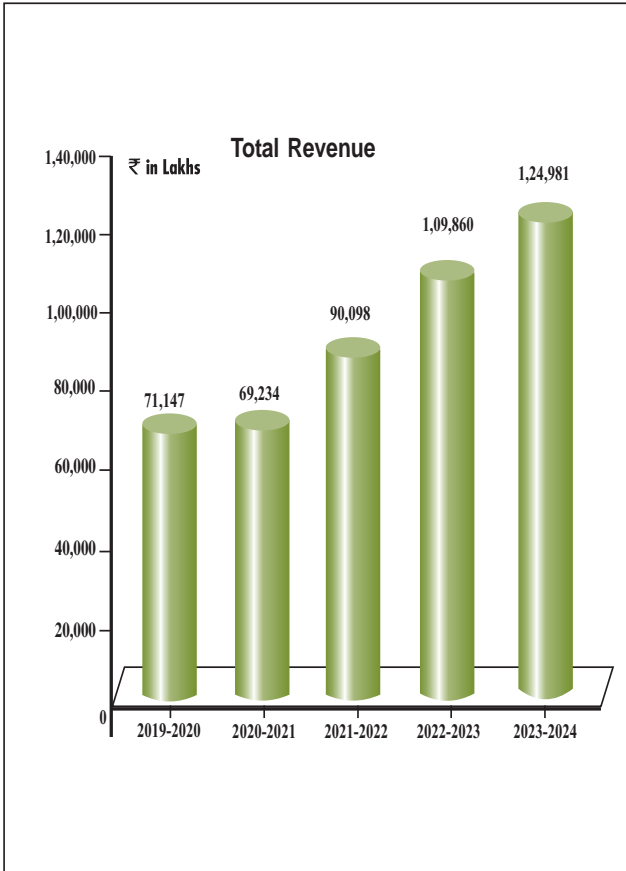
# Five years Financial Highlights

₹ in Lakhs

Operating Results	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
<b>Total Revenue</b>	<b>1,24,981</b>	1,09,860	90,098	69,234	71,147
Materials	74,401	67,192	56,423	43,915	43,584
Manufacturing, Selling and Administrative Expenses	27,155	23,201	21,125	15,920	16,496
Interest and Finance Charges	50	50	61	175	85
Depreciation	1,379	1,188	1,133	1,171	1,258
<b>Operating Profit</b>	<b>21,996</b>	18,229	11,356	8,053	9,724
Exceptional / Extraordinary items	–	–	–	–	–
<b>Profit before Tax</b>	<b>21,996</b>	18,229	11,356	8,053	9,724
Taxation	(5,698)	(4,661)	(2,925)	(2,124)	(2,583)
<b>Profit after Tax</b>	<b>16,298</b>	13,568	8,431	5,929	7,141
<b>Other comprehensive income</b>	<b>(20)</b>	44	74	(82)	(25)
<b>Total comprehensive income for the period, net of tax</b>	<b>16,278</b>	13,612	8,505	5,847	7,115
<b>Earnings per share (₹)</b>	<b>105.90</b>	88.16	54.78	38.52	46.40
<b>Dividends</b>	<b>11,699</b>	8,928	9,236	6,773	10,775
<b>Dividends Distribution Tax</b>	<b>–</b>	–	–	–	–
<b>Dividend per share (₹)</b>	<b>76</b>	58	60	44	70
<b>Dividend Payout Ratio</b>	<b>72%</b>	66%	109%	116%	151%
Retained Earnings	16,278	13,612	8,505	5,847	7,115

Financial Position	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
<b>Sources of Funds</b>					
Capital	1,539	1,539	1,539	1,539	1,539
Reserves *	29,067	24,488	22,883	24,383	32,236
<b>Net Worth</b>	<b>30,606</b>	26,027	24,422	25,922	33,775
Borrowings	–	–	–	–	–
Deferred Tax Liability	–	–	–	–	–
<b>Total</b>	<b>30,606</b>	26,027	24,422	25,922	33,775
<b>Application of Funds</b>					
Fixed Assets	12,956	11,455	9,251	9,215	9,295
Investments	44	15	3,116	4,124	6,998
Deferred Tax Assets	198	108	162	145	153
Non Current Assets / Long Term Loans and Advances	1,021	706	557	343	463
Current Assets	40,880	35,117	30,524	24,993	29,032
Non Current Liabilities	(1,077)	(1,010)	(640)	(691)	(710)
Current Liabilities and Provisions	(23,416)	(20,364)	(18,548)	(12,206)	(11,456)
<b>Total</b>	<b>30,606</b>	26,027	24,422	25,922	33,775
Number of Employees	889	829	822	808	755

\* Includes Final dividend of ₹ 30/- proposed by the BOD for approval of the shareholders at the forthcoming AGM.



# Notice to Shareholders

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of the Company will be held on Thursday the 8<sup>th</sup> day of August 2024 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 Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2024 together with the Reports of Directors and the Auditors thereon.
2. To declare final dividend of ₹ 30 per equity share of ₹ 10 each i.e., 300%
3. To appoint a director in place of Mr. B Mohan, Director Identification Number 00261434, who retires by rotation and is eligible for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai as the Statutory Auditors of the Company to hold office for a period of 5 (Five) years from the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company until the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

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

RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration number: 008072S), be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this meeting to hold such office till the conclusion of 42<sup>nd</sup> Annual General Meeting to be held in 2029, at a remuneration plus taxes and levies, as applicable and reimbursement of out-of-pocket expenses incurred, payable in one or more installments, as may be duly recommended by the Audit Committee and approved

by the Board of Directors from time to time to conduct the statutory audit from the financial year 2024-25 upto and including the financial year 2029-30.

## SPECIAL BUSINESS

5. Ratification of Remuneration payable to Cost Auditors

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

RESOLVED THAT pursuant to the provision 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., Practising Cost Accountants, Chennai holding Firm Registration No.000044, who have been appointed as Cost Auditor of the Company for the Financial Year ending 31<sup>st</sup> March 2025 as recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 23<sup>rd</sup> May, 2024 be and is hereby ratified.

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

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

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 accorded for entering into related party transactions with the above said related party for purchase of raw materials, components, finished goods & services and sales 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.

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

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

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 accorded for entering into related party transactions with the above said

Related Party for purchase of raw materials, components, finished goods & services and sales of goods & services in the ordinary course of its business and at arm's length basis for an aggregate amount not exceeding ₹200 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  
23<sup>rd</sup> May, 2024

**G. Balaji**  
Company Secretary

**NOTES:**

**Explanatory Statement required pursuant to Section 102 of the Companies Act, 2013 (Act) in relation to Item No. 5, 6 and 7 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 1<sup>st</sup> August 2024.

Pursuant to Ministry of Corporate Affairs (MCA) General Circular No. 09 / 2023 dated 25<sup>th</sup> September 2023, 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 30<sup>th</sup> September 2024.

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. 09 / 2023 dated 25<sup>th</sup> September 2023, 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](mailto:mareshvenki@vmacs.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), a certified copy of the relevant Board Resolution / Authorization authorizing their representative(s) to attend the AGM through VC / OAVM and to vote through remote e-Voting.

The relevant details, pursuant to Regulation 36(3) of the SEBI LODR Regulation 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.

With effect from 1<sup>st</sup> April 2024, any payment of dividend to the holders of securities who have not updated their KYC / Bank a/c details with the Company's Registrar and Transfer Agent, Integrated Registry Management Services Private Limited, shall be paid only through electronic mode upon updation of their relevant details.

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 into 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 4<sup>th</sup> August 2024 through email on [investor.relations@esab.co.in](mailto:investor.relations@esab.co.in) or [balaji.g@esab.co.in](mailto: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 up to the financial year 2015-16 to Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 31<sup>st</sup> March, 2024 on the website of the Company ([www.esabindia.com](http://www.esabindia.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://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 31.03.2024
2016-17	Final	1.00	03.08.2017	08.09.2024	1,39,718.00
2017-18	Final	1.00	09.08.2018	14.09.2025	86,336.00
2018-19	Interim	90.00	23.11.2018	29.12.2025	47,34,090.00
2019-20	Interim	70.00	28.05.2020	03.07.2027	40,36,461.00
2020-21	Interim	19.00	10.02.2021	18.03.2028	10,12,983.25
2020-21	Final	25.00	12.08.2021	18.09.2028	13,23,816.00
2021-22	1 <sup>st</sup> Interim	22.00	10.11.2021	16.01.2029	10,88,664.00
2021-22	2 <sup>nd</sup> Interim	18.00	10.02.2022	18.03.2029	8,04,425.00
2021-22	Final	20.00	11.08.2022	16.09.2029	10,36,365.00
2022-23	1 <sup>st</sup> Interim	30.00	11.11.2022	16.12.2029	14,05,112.00
2022-23	2 <sup>nd</sup> Interim	28.00	10.02.2023	18.03.2030	11,73,156.29
2022-23	Final	20.00	10.08.2023	15.09.2030	9,52,825.24
2023-24	1 <sup>st</sup> Interim	32.00	10.11.2023	16.12.2030	16,08,910.80
2023-24	2 <sup>nd</sup> Interim*	24.00	27.03.2024	02.05.2031	36,94,32,480.00
Total					38,88,35,342.58

\* Second Interim Dividend 2023-24 was declared on 27<sup>th</sup> March 2024 and paid to shareholders on 24<sup>th</sup> April 2024. Hence, the gross amount is lying in the bank account as on 31<sup>st</sup> March 2024.

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 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. 09/2023 dated September 25, 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories.

In line with the MCA General Circular No.09/2023 dated September 25, 2023 members may note that the Notice and Annual Report for the financial year 2023-24 will be

available on the Company's website [www.esabindia.com](http://www.esabindia.com), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL (agency for providing the Remote e-Voting facility) [www.evoting.nsdl.com](http://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. 09/2023 dated September 25, 2023.

The Members can join the AGM 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 AGM 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 September 25, 2023 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. B Mohan, Director & CFO, 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 are given below:

**I. A Brief Profile of Mr. B Mohan, Director & CFO**

Name	B Mohan
DIN	00261434
Date of Birth	20-09-1965
Nationality	Indian
Date of first appointment on the Board	20 <sup>th</sup> June 2023
Shareholding in ESAB	Nil
List of Directorships held in other Companies (excluding Foreign and Section 8 Companies)	Director in EWAC Alloys Limited and GCE India Private Limited
Membership / Chairmanship of Audit and Stakeholders' Relationship Committees across Public Companies	Chairman of Audit Committee of EWAC Alloys Limited
Disclosure of relationship between directors <i>inter-se</i>	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 has expertise in the field of Finance, Accounting and Management.

He finally moved to ESAB India Limited in 2005 as CFO and has been heading Finance and IT for over 19 years.

Mr. B Mohan is a Non-Executive Director of EWAC Alloys Limited and GCE India Private Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

**INSTRUCTIONS FOR e-VOTING AND JOINING THE AGM THROUGH VC/OAVM ARE AS UNDER**
**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. 09/2023 dated 25<sup>th</sup> September 2023 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 5<sup>th</sup> August 2024 at 09:00 A.M. and ends on 7<sup>th</sup> August 2024 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., 1<sup>st</sup> August 2024 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 1<sup>st</sup> August 2024.

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. F4162) of V Mahesh & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the voting during the AGM and remote e-Voting process in a fair and transparent manner.

The Scrutinizer shall within two working days from the conclusion of the AGM, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast "in favour" or "against", if any, forthwith to the Chairman of the Company 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 the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing 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 company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL. (continued)	<p><a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <ol style="list-style-type: none"> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 open. You will have to enter your User ID (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 company name or e-Voting service provider i.e. 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 &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL (continued)	<p>website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; 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 the company. On clicking the evoting 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 &amp; voting during the meeting. Additionally, there is 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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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 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	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. Click on e-Voting option, you will be redirected to NSDL / CDSL

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants (continued)	Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. 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.

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 <a href="mailto:evoting@nssl.co.in">evoting@nssl.co.in</a> or call at 022 - 4886 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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.nssl.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.nssl.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*****
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](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 **129023**.
- 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](mailto:maheshvenki@vmacs.co.in). with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login
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](http://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](http://www.evoting.nsdl.com) or 022 - 4886 7000 or send a request to Attn : Ms. Prajakta Pawle at email ID : [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case of any grievances connected with facility for e-Voting, please contact NSDL Official Ms. Prajakta Pawle at 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at Email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on 022 - 4886 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 [einward@integratedindia.in](mailto:einward@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), AADHAAR (self attested scanned copy of Aadhaar Card) to the Registrar and Transfer Agent of the Company [einward@integratedindia.in](mailto:einward@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](mailto: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.

### INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM 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.

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

1. 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.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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](mailto:balaji.g@esab.co.in) on or before 4<sup>th</sup> August, 2024 (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., 8<sup>th</sup> August 2024 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](http://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 resolutions, if approved, will be taken as passed effectively on the date of Annual General Meeting.

The Board of Directors at its meeting held on 23<sup>rd</sup> May 2024 appointed the scrutinizer for e-Voting as per details given below:

Mr. V Mahesh  
 V Mahesh and Associates  
 Practicing Company Secretaries  
 C/o. Integrated Registry Management Services Private Ltd  
 Unit: ESAB India Limited  
 2<sup>nd</sup> 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 10<sup>th</sup> August 2024.

**EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**
**Item No.5**
**Ratification of Remuneration payable to Cost Auditors:**

The Board at its meeting held on 23<sup>rd</sup> May 2024 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<sup>st</sup> March 2025.

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.5.

The Board recommends an Ordinary Resolution as set out at item No.5 of the Notice for approval by the Shareholders.

**Item No.6**
**Approval for Material transactions with related party i.e., ESAB Europe GmbH, Switzerland**

The Company has obtained shareholder approval for the transactions with ESAB Europe GmbH, Switzerland during the FY 2023-24 for a value upto ₹ 150 crores in the Annual General Meeting held on 10<sup>th</sup> August 2023. The total transaction value for FY 2023-24 with the said related party as per the audited financial statements was ₹ 56.86 crores representing 5.21% of the total turnover of the Company.

The Company feels that the overall transaction value with ESAB Europe GmbH, Switzerland during the financial year 2024-25, may likely exceed the prescribed limit of 10% and therefore as an abundant precaution, the Company would like to obtain shareholders approval for the same.

The Audit Committee at their meeting held on 23<sup>rd</sup> May 2024 have reviewed the details of expected transactions to be carried with ESAB Europe GmbH, Switzerland, during the financial year 2024-25. 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 23<sup>rd</sup> May 2024 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 on an 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.

**Information to shareholders as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November 2021.**

Provision	Remarks
Type, material terms and particulars of the proposed transaction	Purchase of raw materials, components, finished goods & services and sales of goods & services in the ordinary course of its business and at arm's length basis for an aggregate amount not exceeding ₹150 crores
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	ESAB Europe GmbH, Switzerland - Fellow Subsidiary
Tenure of the proposed transaction (particular tenure shall be specified)	Omnibus Shareholders Approval of Material RPT is valid from the conclusion of this AGM till the conclusion of next AGM as per SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022.
Value of the proposed transaction	Aggregate amount of ₹150 crores
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Percentage of the proposed transaction on the total turnover: 12.06%
If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary a) details of the source of funds in connection with the proposed transaction b) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and d) the purpose for which the funds will be utilized by the	NA

Provision	Remarks
ultimate beneficiary of such funds pursuant to the RPT	
Justification as to why the RPT / proposed transaction is in the interest of the listed entity	In the ordinary course of business.
A copy of the valuation or other external party report, if any such report has been relied upon	NA
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	NA
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	NA
Any other information that may be relevant	Nil

**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 23<sup>rd</sup> May 2024.

The Board recommends the Ordinary Resolution as set out in item no.6 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.7**

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

The Company has obtained shareholder approval for the transactions with EWAC Alloys Limited during the FY 2023-24 for a value upto ₹150 crores in the Annual General Meeting held on 10<sup>th</sup> August 2023. The total transaction value for FY 2023-24 with the said related party

as per the audited financial statements is ₹ 98.52 crores representing 9.03% of the total turnover of the Company.

The Company feels that the overall transaction value with EWAC Alloys Limited during the financial year 2024-25, may likely exceed the prescribed limit of 10% and therefore as an abundant precaution, the Company would like to obtain shareholders approval for the same.

The Audit Committee at their meeting held on 23<sup>rd</sup> May 2024 have reviewed the details of expected transactions to be carried with EWAC Alloys Limited, during the financial year 2024-25. 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 23<sup>rd</sup> May 2024 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 on an 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 ₹200 crores which is considered as material related party transaction.

**Information to shareholders as per SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22<sup>nd</sup> November 2021**

Provision	Remarks
Type, material terms and particulars of the proposed transaction	Purchase of raw materials, components, finished goods & services and sales of goods & services in the ordinary course of its business and at arm's length basis for an aggregate amount not exceeding ₹200 crores
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	EWAC Alloys Limited - Fellow Subsidiary
Tenure of the proposed transaction (particular tenure shall be specified)	Omnibus Shareholders Approval of Material RPT is valid from the conclusion of this AGM till the conclusion of next AGM as per SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022.
Value of the proposed transaction	Aggregate amount of ₹200 crores
The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Percentage of the proposed transaction on the total turnover: 16.09%
If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary a) details of the source of funds in connection with the proposed transaction b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, • nature of indebtedness; • cost of funds; and • tenure c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	NA

Provision	Remarks
d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	
Justification as to why the RPT / proposed transaction is in the interest of the listed entity	In the ordinary course of business.
A copy of the valuation or other external party report, if any such report has been relied upon	NA
A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	NA
Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis	NA
Any other information that may be relevant	Nil

**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 23<sup>rd</sup> May 2024.

The Board recommends the Ordinary Resolution as set out in 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.

By Order of the Board of Directors

Chennai  
23<sup>rd</sup> May, 2024

**G. Balaji**  
Company Secretary

# Directors' Report to Shareholders

Your Directors' take pleasure in presenting the Thirty Seventh Annual Report together with the audited accounts of the Company for the financial year ended 31<sup>st</sup> March 2024.

## 1. FINANCIAL SUMMARY / HIGHLIGHTS

(₹ in Lakhs)

Particulars	2023-24	2022-23
Total Revenue	<b>1,24,981</b>	1,09,860
Profit before Interest expense and Depreciation	<b>23,417</b>	19,448
Provision for Depreciation	<b>(1,379)</b>	(1,188)
Finance cost	<b>(42)</b>	(31)
Profit before exceptional and prior period items and tax	<b>21,996</b>	18,229
Exceptional items	–	–
Profit before Tax from continuing operations	<b>21,996</b>	18,229
Provision for Tax	<b>(5,698)</b>	(4,661)
Net Profit After Tax	<b>16,298</b>	13,568

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 10<sup>th</sup> August 2023 had approved a Final Dividend of ₹ 20/- per equity share of ₹ 10/- each (200%) for the financial year 2022-23 resulting in a cash outflow of about ₹ 30.79 crores and the same was paid on 25<sup>th</sup> August 2023.

During the Financial Year 2023-24, the Board of Directors approved two Interim Dividends as detailed below.

- i) First interim dividend of ₹ 32/- per equity share of ₹ 10/- each (320%) at its meeting held on 10<sup>th</sup> November 2023 resulting in a cash outflow of about ₹ 49.26 crores, which was paid on 8<sup>th</sup> December 2023; and
- ii) Second interim dividend of ₹ 24/- per equity share of ₹ 10/- each (240%) at its meeting held on 27<sup>th</sup> March 2024 resulting in a total cash outflow of about ₹ 36.94 crores, which was paid on 24<sup>th</sup> April 2024.

In addition to the above two interim dividends for the financial year 2023-24, the Board has proposed a final dividend of ₹ 30/- per equity share of ₹ 10/- each (300%) for the financial year 2023-24, which is subject to approval of the shareholders at the ensuing Annual General Meeting to be held on 8<sup>th</sup> August 2024.

## 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 31<sup>st</sup> March 2024 and the comparative figures for the last financial year ended 31<sup>st</sup> March 2023 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/](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 / 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 2015-16 on 4<sup>th</sup> October 2023 and 10<sup>th</sup> October 2023 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 [www.iepf.gov.in](http://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/](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 6 times during the financial year 2023-24. The Meetings were held on 25<sup>th</sup> May, 20<sup>th</sup> June, 10<sup>th</sup> August, 10<sup>th</sup> November of 2023, 8<sup>th</sup> February and 27<sup>th</sup> March 2024.

## 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 1<sup>st</sup> November 2013 and thereafter for a second term of five years until 31<sup>st</sup> October 2023. The Board of Directors at their meeting held on 23<sup>rd</sup> March 2023, had approved and recommended re-appointment of Mr. Rohit Gambhir as Managing Director for a further period of five years from 1<sup>st</sup> November 2023 to 31<sup>st</sup> October 2028 and the same was approved by the shareholders at the Annual General Meeting held on 10<sup>th</sup> August 2023.

During the year under review the Board of Directors at their meeting held on 20<sup>th</sup> June 2023 appointed Mr. B Mohan as Director for a period of five years with effect from 20<sup>th</sup> June 2023. The same was approved by the shareholders at the Annual General Meeting held on 10<sup>th</sup> August 2023.

In accordance with the provisions of Article 129 of the Company's Articles of Association, Mr. B Mohan retires by rotation at the forthcoming Annual General Meeting and being eligible, offered himself for re-appointment.

During the year under review, Mr. Sudhir Chand, Independent Director has resigned from the Directorship of the Company due to his personal reasons with effect from 1<sup>st</sup> June 2023.

The composition of the Board of Directors consists 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	B Mohan	Director & CFO
4	K Vaidyanathan	Independent Director
5	Vikram Tandon	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, Director & 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 1<sup>st</sup> February 2005 and subsequently appointed as Director effective from 20<sup>th</sup> June 2023. Mr. G. Balaji was appointed as Company Secretary effective from 25<sup>th</sup> 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 annual declarations 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 undertake 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 two Independent Directors and one Non-Executive Director. Mr. K Vaidyanathan, is the Chairman of the said Committee. Mr. Vikram Tandon and Mr. Kevin Johnson are the other members of the Committee.

The said Committee met 4 times during the financial year 2023-24, on 25<sup>th</sup> May, 10<sup>th</sup> August, 10<sup>th</sup> November 2023 and 8<sup>th</sup> February 2024. 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 two Independent Directors and one Non-Executive Director. Mr. K Vaidyanathan is the Chairman of the said Committee. Ms. Cauvery Dharmaraj, Independent Director and Mr. Kevin Johnson, Chairman of the Board are the other members of the Nomination and Remuneration Committee.

This Committee met twice during the financial year 2023-24 on 20<sup>th</sup> June 2023 and 27<sup>th</sup> March 2024.

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/](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

During the year under review, consequent to the resignation of Mr. Sudhir Chand as member of the Board who was also a member of the Stakeholders Relationship Committee, the said committee has been reconstituted by inducting Mr. K Vaidyanathan, Independent Director as an additional member of the Committee with effect from 20<sup>th</sup> June 2023.

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. K Vaidyanathan, 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 25<sup>th</sup> May, 10<sup>th</sup> August, 10<sup>th</sup> November of 2023 and on 8<sup>th</sup> February 2024.

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, Independent Director, is 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 2023-24 on 25<sup>th</sup> May 2023 and on 8<sup>th</sup> February 2024.

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

The budget allocation for CSR Projects for the year 2023-24 can be viewed on the company's website [https://esabindia.com/in/ind\\_en/investor-relationship/policies/csr-annual-action-plans/](https://esabindia.com/in/ind_en/investor-relationship/policies/csr-annual-action-plans/)

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 for the financial year 2023-24 is attached as an annexure to this report, complies 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. Vikram Tandon, Independent Director and Mr. B Mohan, Director & CFO of the Company. A Risk Management Committee is mandatory for the Company since it is part of the Top 1000 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 14<sup>th</sup> July 2023 and on 5<sup>th</sup> January 2024.

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/](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/](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 wrongdoings. The said policy has been made available at the Offices / Plants of the Company at conspicuous places to enable the employees to report concerns, if any, directly to the Chairman of the Board and to the Chairman of the Audit Committee. Employees who join the Company newly are apprised of the availability of the said policy as a part of their induction schedule.

The above 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 whistleblower 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 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2024 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 financial year ended 31<sup>st</sup> March 2024 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

The year under review continued to witness high levels of global volatilities driven by geopolitical events, climate change, technology driven disruptions and supply chain risks. Inflationary challenges and job creation concerns continued to pose challenges for Governments and central banks around the world.

The overall situation augured well for industrial consumers given the relatively subdued trends in metal prices through most part of the financial year.

Despite some favourability towards the end of the financial year, the capital expenditure cycle remained anaemic.

Continuing focus on productivity and product portfolio with a better product mix helped your Company achieve growth in sales and profitability.

## B. OUTLOOK, OPPORTUNITIES AND THREATS

We continue to encounter short term turbulences while the medium to long term prospects continue to be relatively stable.

Key drivers for the ongoing financial year would be commodity prices, our product portfolio, fuel and energy costs, geopolitical stability and currency related developments.

The Company continues to pursue and capitalize on opportunities in growing the addressable markets through launch of new products and rationalization of products in current portfolio. Service revenue streams continue to witness opportunities given the cost competitiveness and talent pool availability in India.

Leveraging on global presence and relationships together with the ability, driven by organizational experience and strength of Balance Sheet, to ride through difficult trade cycles are opportunities.

Pricing pressures, liquidity challenges and supply chain driven issues on working capital together with global factors are seen as key risks apart from cyber security and technology driven risks.

## 15. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal controls are evaluated by the Management on an ongoing basis drawing on inputs from global framework, learnings from previous years and the emerging landscape on technology and regulatory framework. Independent Internal Auditors are engaged by the Company to test efficacy of controls in terms of design and operating effectiveness. We continue to work with internal auditors and domain experts to test these and identify areas for improvement. As a Subsidiary of a US listed entity, it is subjected to additional reviews applicable to such entities. 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.

The Company continues to focus on compliance with the requirements of Internal Controls on Financial Reporting.

## 16. FINANCIAL PERFORMANCE OF THE COMPANY

### A. INCOME AND EXPENDITURE

Revenue from Contract with customers grew by 13.98%. The growth was driven by growth in volumes across all product categories despite softness in selling prices in view of deflationary conditions in Metal prices for part of the year. New products continued to grow in key markets.

Continuing traction in support services including R&D services to related parties helped grow service revenues over the previous year.

Other income decreased by about 16.79% primarily on account of non-recurring items in the previous year on VAT refunds offset partly by Foreign exchange gains in the current year.

Material costs as a percentage to sales were favorable as compared to the preceding primarily driven by lower commodity prices and product mix.

Overheads including employee costs were higher by 17.5% over the previous year.

The increase was driven by inflation and growth in volumes. Payroll costs were also driven by growth in service revenue streams where we had growth in headcounts during the year.

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 20.66% over the previous year with the impact of higher contributions from revenue growth.

### B. BALANCE SHEET

Shareholders' funds were at ₹ 306.06 Crores at the end of the year as against ₹ 260.27 Crores at the end of the previous year. The Company had paid dividends of ₹ 116.99 Crores during the financial year.

The Company ended the financial year with growth in profits and profitability as also stable levels of working capital with strong cash flows. The business environment saw challenges in supply chain driven by availability and transit time challenges due to geo political developments. Liquidity challenges and changing legislative landscape had an adverse impact on overall working capital needs.

Capital Expenditure including capital work in progress was at ₹ 28.18 Crores as against ₹ 31.91 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 Cash equivalents were at ₹ 87.78 Crores at the end of the year as against ₹ 56.45 Crores at the end of the previous year. All business requirements were funded by internal cash generation and the Company continued to remain debt free.

### 17. SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

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

### 18. HOLDING COMPANY

ESAB Corporation, Delaware, USA, is the ultimate parent company of ESAB India Limited. ESAB Corporation holds 73.72% of equity shares of your Company through ESAB Holdings Limited, UK and Exelvia Group India B V, Netherlands.

### 19. ANNUAL RETURN

Pursuant to subsection (3) of Section 92 of the Companies Act 2013, your Company has placed a copy of the annual return for the financial year 2023-24 on its website and it can be viewed from the company's website viz. [https://esabindia.com/in/ind\\_en/investor-relationship/annual-returns/](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 28<sup>th</sup> 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 2023-24 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 31<sup>st</sup> March 2024. 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.

At the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company, M/s. S R Batliboi & Associates, LLP, would be completing their two terms of ten years period as Statutory Auditors of the Company.

In place of M/s. S R Batliboi & Associates, LLP, the Company propose to appoint M/s. Deloitte Haskins & Sells, as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of the 37<sup>th</sup> Annual General Meeting till the conclusion of the 42<sup>nd</sup> Annual General Meeting.

The proposal for appointment of M/s. Deloitte Haskins & Sells, is duly reviewed and recommended by the Audit Committee and Board of Directors at their meetings held on 23<sup>rd</sup> May 2024. The same has been proposed for approval of the shareholders in the 37<sup>th</sup> AGM.

### 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 2023 to 31<sup>st</sup> March 2024. Their appointment was informed to the Registrar of Companies, Chennai vide SRN AA2714751 in form MGT-14 dated 2<sup>nd</sup> June 2023.

M/s. V Mahesh & Associates have now completed their secretarial audit and have issued their certificate dated 13<sup>th</sup> May 2024 as per the prescribed format in MR-3 to the shareholders of the Company, which is annexed to this Report as **Annexure - 2**.

The Secretarial Auditors have no observations and have confirmed that the Company has proper board processes and a compliance mechanism in place. They have also affirmed that the Company has complied with the relevant statutes, rules and regulations and secretarial standards, as applicable.

### 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 **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 2022-23 on 5<sup>th</sup> July 2023 vide SRN No. AA3300767.

### 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 tenure not exceeding 100 days.

The investments are made in debt funds and liquid funds. The Company has earned an income of around ₹ 62.45 Lakhs from investment in mutual funds for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. 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 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. Vikram Tandon, Independent Director and Mr. B Mohan, Director & CFO 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 ESG risk and those arising from cyber security aspects, 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.

## 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 has Ms. Cauvery Dharmaraj as the Chairperson of the said committee. She was appointed by the Board of Directors on 23<sup>rd</sup> March 2023 and her appointment also approved by the shareholders of the Company via Postal Ballot on 3<sup>rd</sup> 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/](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 ₹ 2,51,11,000/- in addition to the carried forward unspent amount of ₹ 21,40,469/- aggregating to ₹ 2,72,51,469/-. The Board approved various CSR projects with the total CSR liability of ₹ 2,72,51,469/- during the financial year 2023-24.

During the financial year 2023-24, the Company had budgeted an amount of ₹ 2,72,51,469/- against which the Company had spent an amount of ₹ 2,76,40,039/- leaving an excess spent of ₹ 3,88,569/-.

During the financial year 2023-24, the Company has spent an excess amount of ₹ 8,76,556/- against one ongoing project 2023-24 and an unspent amount of ₹ 4,87,987 against two other ongoing projects. The unspent amount of ₹ 4,87,987/- has been transferred to a separate unspent CSR account on 26<sup>th</sup> April 2024.

The amount excess spent during the financial year 2023-24 and 2022-23 i.e., ₹ 8,76,556 and 4,76,082/- respectively will be carried forward and will be offset against the CSR liability of FY 2024-25.

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/](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 and 27<sup>th</sup> March 2024 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 23<sup>rd</sup> May 2024.

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. 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 23<sup>rd</sup> May 2024 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 2024-25. 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 26<sup>th</sup> April 2024 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 2023-24 was filed with the Registrar of Companies on 7<sup>th</sup> June 2023 vide SRN F61760047.

The cost audit report issued by the Cost Auditor for the financial year ended 31<sup>st</sup> March 2023 was filed with the Registrar of Companies vide form CRA - 4 dated 5<sup>th</sup> September 2023 vide SRN F63885370.

### 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<sup>st</sup> March 2023).

- B. The percentage increase in remuneration of CFO and CS in the financial year 2023-24 was 9.7% and 9.7% respectively.
- C. The percentage increase in the median remuneration of employees in the financial year 2023-24 was 8.5%.
- D. The number of eligible permanent employees in the rolls of the Company as on 31<sup>st</sup> March 2024 is 575 (554 as on 31<sup>st</sup> March 2023).
- 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 9.84% while that of KMPs was 9.9%.

As at the end of March 2024 the Company had 867 employees as against 829 at the end of 31<sup>st</sup> March 2023. 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 in terms of remuneration drawn is set out in the **Annexure - 5** to this Report.

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., HDFC Bank Ltd. and J. P Morgan 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 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 2024-25. Pursuant to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company had executed fresh listing agreements with BSE Limited and National Stock Exchange of India Limited on 9<sup>th</sup> November 2015.

The Company had 19,038 shareholders as at the end of the year 31<sup>st</sup> March 2024. 99.34% of the shares are held in dematerialized form.

The Company is part of the Top 1000 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 [https://esabindia.com/in/ind\\_en/investor-relationship/policies/dividend-distribution-policy/](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 2023-24 and the shares outstanding in the suspense account as on 31<sup>st</sup> March, 2024 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 1.4.2023	39	2,660
2.	Number of shareholders who approached the Company and to whom shares were transferred from Unclaimed Suspense Account during the year.	3	200
3.	No. of shares transferred to Investor Education and Protection Fund	4	300
4.	Aggregate Number of shareholders and the outstanding shares lying in the unclaimed Suspense Account at the end of the year i.e., 31.3.2024	32	2160

32 shareholders holding 2160 equity shares constituting about 0.014% 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 reconstituted an Internal Complaints Committee with effect from 10<sup>th</sup> August 2023 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 31<sup>st</sup> March 2024 all the applicable Secretarial Standards which have been notified have been complied with by the Company.

A certificate of compliance issued by the Secretarial Auditor M/s. V Mahesh & Associates dated 13<sup>th</sup> May 2024 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  
23<sup>rd</sup> May, 2024

**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 31<sup>st</sup> March 2024.

**A. CONSERVATION OF ENERGY**

- Initiated actions to implement energy management information system which allows to monitor, manage, track and analyse the energy usage.
- Auto cut off with spot ventilation systems to Equipment panel ACs to achieve energy savings.
- Using energy-efficient equipment & light fittings with auto switching system.
- Optimize power factor to reduce KVA demand charges and line losses within plant.
- Reduce the operating pressure of the air compressor, check for leakages, and turn it off completely when not in use.
- Continue to increase use of electricity through alternative renewable energy sources.
- Measures initiated to identify other energy saving opportunities.
- Recycling of STP water for flushing, gardening & vegetation purposes.
- Reduction of paper consumption through various initiatives.

**B. TECHNOLOGY ABSORPTION**

- Enhanced productivity by installing new set of extruder line with tunnel and chain continuous oven along with automatic packing setup.
- Installation of new layer winding machines for better quality product and energy efficiency.
- Installation of ABT Meters for Captive Wind power generation and its utilizations.

- Installation of new high flow Turbo ventilators for better and fresh atmospheric air and maintaining low temperature inside plant.
- Replaced fixed speed air compressor to variable speed air compressor.
- Replacement of Lightning arrestors from ceramic to polymer type to improve availability and safety.
- Introduced Laser marking machine for Gas equipment to improve the productivity and traceability in operations.
- Introduced Dock Leveler system to reduce the loading time and improve ergonomics.

**C. FOREIGN EXCHANGE**

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

During the year, the total outflows in foreign exchange amounted to ₹ 22,505 lakhs (which includes ₹ 19,028 lakhs for the import of raw materials, components and capital goods and ₹ 3,477 lakhs towards expenditure in foreign currency).

During the financial year, the foreign exchange earnings were ₹ 11,108 lakhs resulting in net foreign exchange outflow of ₹ 11,397 lakhs for the year.

For and on behalf of the Board of Directors

**Kevin Johnson**  
Chairman

Chennai  
23<sup>rd</sup> May, 2024

## ANNEXURE - 2

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2024**

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

To

The Members,  
**M/s. ESAB INDIA LIMITED,**  
 CIN: L29299TN1987PLC058738  
 Plot No. 13, 3<sup>rd</sup> 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 referred to as '**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 (1<sup>st</sup> April, 2023 to 31<sup>st</sup> March, 2024) covering the financial year ended on 31<sup>st</sup> March, 2024 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 31<sup>st</sup> March, 2024 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;
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.

**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 : 13/05/2024

Peer Review No.: 2107/2022  
UDIN: F004162F000357891

**Annexure - A**

To

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

Our Secretarial Audit report dated 13/05/2024 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

Peer Review No.:2107/2022

Place: Chennai

Date : 13/05/2024

UDIN: F004162F000357891

## ANNUAL SECRETARIAL COMPLIANCE REPORT OF M/S. ESAB INDIA LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024

We V. Mahesh & Associates have examined:

- (a) all the documents and records made available to us and explanation provided by 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 report,
- for the financial year ended 31<sup>st</sup> March, 2024 ("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);
  - (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:

(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
Not Applicable										

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.	<b>Secretarial Standards:</b> 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.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/circulars/guidelines issued by SEBI</li> </ul>	Yes Yes	- -
3.	<b>Maintenance and Disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>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</li> </ul>	Yes Yes Yes	- - -
4.	<b>Disqualification of Director:</b> 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.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> <ul style="list-style-type: none"> <li>Identification of material subsidiary companies</li> <li>Disclosure requirement of material as well as other subsidiaries</li> </ul>	NA NA	During the review period, the Company does not have any Subsidiary
6.	<b>Preservation of Documents:</b> 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.	<b>Performance Evaluation:</b> 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.	<b>Related Party Transactions:</b> <ul style="list-style-type: none"> <li>The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</li> <li>In case no prior approval has been obtained, the listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit Committee</li> </ul>	Yes NA	During the Review Period, there are no such instances
9.	<b>Disclosure of events or information:</b> 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.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	-
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> 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 The actions taken against the listed entity / its promoters / directors / subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	NA	During the Review Period, there are no such instances.
12.	<b>Resignation of statutory auditors from the listed entity or its material subsidiaries:</b> In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of Section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	NA
13.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation / circular / guidance note etc	NA	During the Review Period, there are no such instances.

*Assumptions & limitation of scope and review:*

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For V. Mahesh & Associates**

**V. Mahesh**  
 Practising Company Secretary  
 M.No. F4162  
 C.P. No. : 2473  
 Peer Review No.:2107/2022  
 UDIN: F004162F000358274

Place: Chennai  
 Date : 13/05/2024

## 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, 3<sup>rd</sup> 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, 3<sup>rd</sup> Main Road, Industrial Estate, Ambattur, Chennai - 600 058 (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](http://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 31<sup>st</sup> March, 2024 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. Vikram Tandon	01727251	23/04/2010
5.	Mr. Sudhir Chand*	01385201	23/04/2010
6.	Mr. Bhuvarahan Mohan**	00261434	20/06/2023
7.	Ms. Cauvery Dharmaraj	02917088	23/03/2023

\* Mr. Sudhir Chand (DIN: 01385201), Director was resigned from the directorship of the company with effect from 1<sup>st</sup> June, 2023.

\*\* Mr. Bhuvarahan Mohan (DIN: 00261434) was appointed as the Director in the Company on 20<sup>th</sup> June, 2023.

*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 : 13/05/2024

Peer Review No.:2107/2022  
UDIN: F004162F000358054

**ANNEXURE 3**

**REPORT ON CSR ACTIVITIES FOR THE YEAR 2023-24**

**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/](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 during the year
1	Ms. Cauvery Dharmaraj	Chairperson	2	2
2	Mr. Rohit Gambhir	Member	2	2
3	Mr. Kevin Johnson	Member	2	2

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/investor-relationship/committees/corporate-social-responsibility-committee/](https://esabindia.com/in/ind_en/investor-relationship/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/](https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/)
- c) CSR Annual Action Plan 2023-24 – [https://esabindia.com/in/ind\\_en/investor-relationship/policies/csr-anual-action-plans/](https://esabindia.com/in/ind_en/investor-relationship/policies/csr-anual-action-plans/)

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
2020-21	7,962	
2021-22	11,429	
2022-23	18,272	12,554

- (b) Two percent of average net profit of the Company as per Section 135 (5) ₹ 2,51,11,000/-
- (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) ₹ 2,51,11,000/-

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) ₹ 2,42,44,020/-
- (b) Amount spent in Administrative Overheads ₹ 12,55,550/-
- (c) Amount spent on Impact Assessment NA
- (d) Total amount spent for the financial year (6a + 6b + 6c) ₹ 2,54,99,570/-
- (e) CSR amount spent or unspent for the financial year 2023-24

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
2,76,40,039	4,87,987	26.04.2024	NA	NA	NA

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

S. No	Particulars	Amount (in ₹)
1.	Two percent of average net profit of the company as per sub-section (5) of Section 135	2,51,11,000
2.	Total amount spent for the Financial Year	2,54,99,570
3.	Excess amount spent for the Financial Year [(2)-(1)]	13,52,638*
4.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
5.	Amount available for set off in succeeding Financial Years [(3)-(4)]	13,52,638*

\* The total CSR Liability for 2023-24 was ₹ 2,72,51,469/- which includes opening balance of ₹ 21,40,469/-. During the year under review ₹ 8,76,556/- were excess spent against a particular ongoing project and ₹ 4,87,987/- was unspent against two ongoing projects. There was an excess spent of ₹ 4,76,082/- pertaining to 2022-23 which was not set off in 2023-24. Hence the company propose to set off the excess spent of 2022-23 and 2023-24 aggregating to ₹ 13,52,638/-.

**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 relevant Financial Year (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	-	-
3	2022-23 (FY - 3)	21,40,469	-	21,40,469	-	-	-	-

**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 2023-24, the Company has spent excess amount of ₹ 8,76,556/- against "Project Bandhan" - Ongoing Project 2023-24 and an unspent amount of ₹ 4,87,987 against two other ongoing projects. The unspent amount of ₹ 4,87,987/- has been transferred to a separate unspent CSR account on 26<sup>th</sup> April 2024. However, the Company has spent an overall excess of ₹ 3,88,569/- as against the total CSR obligation for FY 2023-24.

**Rohit Gambhir**  
 Managing Director

**Cauvery Dharmaraj**  
 Chairperson  
 CSR Committee

Place : Chennai

Date : 23<sup>rd</sup> May, 2024

**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 : 23<sup>rd</sup> May, 2024

# Business Responsibility and Sustainability Report

## 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 <sup>th</sup> November 1987
4.	Registered office address	No.13, 3 <sup>rd</sup> Main Road, Industrial Estate, Ambattur, Chennai 600 058.
5.	Corporate address	Same as Registered office address
6.	E-mail	<a href="mailto:balaji.g@esab.co.in">balaji.g@esab.co.in</a>
7.	Telephone	+91 44 4228 1100 / 1109
8.	Website	<a href="http://www.esabindia.com">www.esabindia.com</a>
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE & NSE
11.	Paid-up Capital	₹ 15,39,30,200/-
12.	a. Name of the Contact Person	Mr. G Balaji, DGM (Legal & Secretarial)
	b. Contact Number of Contact Person	+91 44 4228 1109
	c. Email ID of the Contact Person	<a href="mailto:balaji.g@esab.co.in">balaji.g@esab.co.in</a>
13	Reporting boundary (Standalone / Consolidated)	Standalone
14	Name of Assurance Provider	None
15	Type of Assurance obtained	N.A.

## II. PRODUCTS / SERVICES

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

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

17. 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	Fabrication Technology	2592 & 2710	100

## III. OPERATIONS

18. 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

19. Markets served by the entity:

a. Number of locations

	Location	Number
	National (No. of States)	28
	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, China and North 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 primarily serves commercial customers (B2B) for re-selling, but also a few direct customers (B2C).

Welding & Cutting operations are integral to almost every industry with applications covering fabrication of various grades of Steels, Ni alloys, Aluminium alloys etc. ESAB's solutions find application in a diverse range of industries viz. Automotive, General Fabrication & Construction, Pipelines, Pipemills, Power Generation, Process Industry, Railways, Shipbuilding & Offshore and Transport & Mobile Machinery. We also provide Repair & Maintenance solutions to a wide range of industries such as steel, cement, power, mining etc.

#### IV. EMPLOYEES

20. 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)
<b>EMPLOYEES</b>						
1.	Permanent (D)	609	554	90.97%	55	9.03%
2.	Other than Permanent (E)	81	58	83.95%	13	16.05%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>690</b>	<b>622</b>	<b>90.14%</b>	<b>68</b>	<b>9.86%</b>
<b>WORKERS</b>						
4.	Permanent (F)	162	162	100.0%	0	0.0%
5.	Other than Permanent (G)	349	338	96.85%	11	3.15%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>511</b>	<b>500</b>	<b>97.85%</b>	<b>11</b>	<b>2.15%</b>

b. Differently abled Employees and workers:

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

21. 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	0.00%

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

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	9%	11%	14%	22%	14%	16%	22%	16%
Permanent Workers	3%	0%	3%	3%	0%	3%	8%	0%	8%

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

23. (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 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

24. CSR Details

(i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 (Yes/No)	Yes
(ii) Turnover (₹ in Cr) 2023-24	1,243.32
(iii) Net worth (₹ in Cr) 2023-24	306.06

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. 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 2023-24 Current Financial Year			FY 2022-23 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
Communities	No	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	No	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes <a href="https://esabindia.com/in/ind_en/investor-relationship/investor-grievances/">https://esabindia.com/in/ind_en/investor-relationship/investor-grievances/</a> RTA resolves all Investor grievances and submit quarterly Investors Grievance Report	308	Nil	Nil	308	Nil	Nil
Employees and workers	Yes Internal Grievance Redressal mechanism and Whistle Blower Policy <a href="https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/">https://esabindia.com/in/ind_en/investor-relationship/policies/whistle-blowing-policy/</a>	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes Through toll free number and e-mail	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes Code of Conduct for Business Partners. <a href="http://www.esabindia.com">www.esabindia.com</a>	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The Company has various Grievance Redressal Mechanisms in place to address the grievances of specific stakeholders.

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES - (Continued)

### 26. 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.	Regulatory compliance	Risk	Dynamic regulatory landscape	Compliance with all applicable laws and regulations	Risk: negative implications.
2	Product Stewardship / Responsibility	Opportunity	Foster Innovation, improve competitiveness and enhance brand image	investment in R&D, Development of new products	Positive
3	Customer relationships and satisfaction	Opportunity	Retain customers, expand customer base, maintain competitive edge, and growth	Sustained focus on Product quality and customer satisfaction	Positive
4	Employee Wellbeing and development	Opportunity	Employee wellness, Employee Training and Development, employee morale, and talent retention.	Employee Development Programmes	Positive
5	Occupational Health & Safety	Risk	Health and safety hazards in workplace	OHS Management Systems, Employee Wellness initiatives, OHS audits	Negative
6	Energy and Environmental management	Risk & Opportunity	Compliance, Climate change	Adopting energy efficient technologies in all units, use of renewable energy, process modifications	Both
7	Resource Management and Circular manufacturing	Opportunity	Increased use of resource substitution and optimization, conservation of resources.	Resource efficiency, reduction of waste, material substitution	Positive
8	Supply Chain Management	Risk & Opportunity	Ensuring uninterrupted supply of materials, scaling up volumes, brand reputation, improved green supply chain	Supplier evaluation, and supplier support programmes	Both
9	Technology	Opportunity	New technologies enable improved / new processes and products, and provide opportunities to enhance the value offerings to the customer with higher quality, efficiency and reliability	Sustained focus on ideation, new technologies, new product development, investment in people, R&D and infrastructure	Positive
10	Regulatory compliance	Risk	Dynamic regulatory landscape	Compliance with all applicable laws and regulations	Negative
11	Community development	Opportunity	Growing focus on community engagement, improving goodwill	Periodic review of programmes, impact assessment, and better engagement with communities	Positive

## 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
<b>Policy and management processes</b>										
1. a)	Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)					Yes				
b)	Has the policy been approved by the Board ? (Yes/No)					Yes				
c)	Weblink of the Policies, if available				<a href="http://www.esabindia.com">www.esabindia.com</a>					
2.	Whether the entity has translated the policy in to procedures. (Yes / No)					Yes				
3.	Do the enlisted policies extend to your value chain partners ?(Yes/No)					Yes				
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 ISO, BIS and those standards are mapped to each principle. Besides, the company's BRSR Policy and Code of Conduct also refer to these principles.								
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 &amp; safety aspects while conducting its business operations. Periodical review meetings on these aspects are conducted in order to inculcate a 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, operational improvement and waste reduction projects.</p>								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The performance on the environmental and social aspects, besides operations and product innovation, are being monitored and met as per the standards and the company's performance targets.								

### 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 its 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.

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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action.	Yes									Annually								
	The Board meets once in every quarter to review and discuss key issues to the organization and its stakeholders.																	
	Yes									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									Quarterly								
	The status of all statutory compliances of the Company are presented to the Board on a quarterly basis for the Board to review and to take note of. Key discussions are held on the statutory compliances and necessary guidance / directions are also provided by the Board to the management on periodic basis. The Board collectively ensures along with the Senior Management that the Company drives the statutory compliances in a robust manner.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11 Has the entity carried out independent assessment / evaluation of the working of its policies by 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	3	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	12	Awareness is being created among all the Workers on the ESAB Business Conduct Guidelines (BCG), safety, environment, etc.	100%

#### 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 Requirements) 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					

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)
Imprisonment	NIL			
Punishment				

**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.**

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.**

Yes, the Company has an 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 [https://esabindia.com/in/ind\\_en/investor-relationship/policies/anti-bribery-policy/](https://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 charges of bribery / corruption.**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 2023-24 (Current Financial Year)		FY 2022-23 (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.**

During the year under review, there were no such instances occurred as referred above.

**8. Number of days of accounts payables ((Accounts payable\*365) / Cost of goods / services procured) in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	70	80

## 9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	33%	29%
	b. Number of trading houses where purchases are made from	147	149
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	63%	64%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales.	81%	83%
	b. Number of dealers / distributors to whom sales are made	379	391
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	26%	26%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	12%	10%
	b. Sales (Sales to related parties / Total Sales)	13%	13%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

## 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.**

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	₹ 1.44 Mn	₹ 3.31 Mn	Improvement in process efficiency, energy savings, ensuring employees safety and ergonomics and adhering to product environmental compliances.
Capex	₹ 5.77 Mn	₹ 17.83 Mn	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?**

Around 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 as related to our products. Any residual quantity of metals 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. Other wastes are handled as per the rules.

**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 company's waste collection plan is in line with the Extended Producer Responsibility plan submitted to the Pollution Control Boards.

**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?**

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						

Though ESAB has a life cycle perspective, LCA has not been conducted. It will be planned and carried out over subsequent reporting years.

**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

**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).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Metal Powders	₹ 9.74 Mn	₹ 4.8 Mn
RM's & Wires	₹ 22.4 Mn	₹ 15.80 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:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	554	554	100%	554	100%	NA	NA	NA	NA	NA	NA
Female	55	55	100%	55	100%	55	100%	NA	NA	NA	NA
Total	609	609	100%	609	100%	55	9.03%	NA	NA	NA	NA
Other than Permanent employees											
Male	68	14	20.59%	NA	NA	NA	NA	NA	NA	NA	NA
Female	13	7	53.85%	NA	NA	13	100%	NA	NA	NA	NA
Total	81	21	25.93%	NA	NA	13	16.05%	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	162	162	100%	NA	NA	NA	NA	NA	NA	NA	NA
Female	0	0	0	NA	NA	NA	NA	NA	NA	NA	NA
Total	162	162	100%	NA	NA	NA	NA	NA	NA	NA	NA

#### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company	0.66%	0.62%

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

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (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	88.26%	100%	Y	97.1%	100%	Y
Gratuity	88.26%	100%	Y	97.1%	100%	Y
ESI	10.4%	0%	NA	3.8%	0%	N.A
Others - please specify	--	--	--	--	--	--

**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 workers? If yes, give details of the mechanism in brief.**

	Yes / No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Workers Union
Other than Permanent Workers	Yes, Monthly meeting
Permanent Employees	Yes, Internal Grievance Redressal mechanism, 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 2023-24 (Current Financial Year)			FY 2022-23 (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	609	0	0%	596	0	0%
- Male	554	0	0%	544	0	0%
- Female	55	0	0%	52	0	0%
Total Permanent Workers	162	157	96.91%	150	145	96.7%
- Male	162	157	96.91%	150	145	96.7%
- Female	0	0	0%	0	0	0%

**8. Details of training given to employees and workers:**

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (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)
<b>EMPLOYEES</b>										
Male	554	554	100%	554	100%	544	544	100%	544	100%
Female	55	55	100%	55	100%	52	52	100%	52	100%
Total	609	609	100%	609	100%	596	596	100%	596	100%
<b>WORKERS</b>										
Male	162	162	100%	162	100%	150	150	100%	150	100%
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	162	162	100%	162	100%	150	150	100%	150	100%

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

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male	554	554	100%	544	544	100%
Female	55	55	100%	52	52	100%
Total	609	609	100%	596	596	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 an Occupational Health and Safety management system, certifiable to ISO 45001, across all its locations. The commitment to maintaining, fostering, and continually improving the safety and well-being of employees is embedded in the company's wider risk management and control processes.

- 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 the implementation of ISO standards, procedures for Hazard Identification and Risk Assessment (HIRA) have been established and implemented across the business units. HIRA is conducted for both routine and non-routine activities. Individuals involved in operations, EHS officers, and contractor representatives (where applicable) identify work-related hazards. The identified hazards are recorded, and control measures are discussed and defined according to the hierarchy of controls. The Corrective and Preventive Action (CAPA) tracker is employed to proactively identify safety risks in high-risk activities and implement engineering controls to mitigate these risks. A Cross-Functional Team reviews high-risk activities and implements engineering controls where feasible to mitigate risks. Focused training sessions on "Behavioral Based Safety" (BBS) are conducted to raise awareness among third-party and contractor employees, promoting the adoption of safe work practices.

**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 implemented a robust system for reporting Unsafe Acts and Unsafe Conditions (UAUC), near misses, and incidents. Workers are actively encouraged to report UAUC, near misses, and incidents and to promptly remove themselves from any associated risks. UAUC incidents are documented in an EHS dashboard, covering project sites, factories, and office locations. These reports are analyzed based on Safety Essentials categories, and corrective and preventive actions are initiated to mitigate safety risks.

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

Yes, Employees and workers at ESAB India Ltd. have access to non-occupational medical and healthcare services, including Preventive Health Checks (PHC), and rehabilitation programs, as well as wellness initiatives.

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

Safety Incident / Number	Category*	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	1.38
	Workers	0	2.76
Total recordable work-related injuries	Employees	0	2
	Workers	0	1
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

\* Including in the contract workforce

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

The EHS management system has empowered businesses to mitigate EHS-related risks, ensuring a safe and healthy workplace. Structured programs have been established and implemented to ensure business continuity and the following measures were taken in this regard.

- Conducting JSA reviews for each zones addressing the risk
- ISO 45001 internal audit to meet the compliance requirements.
- Loss prevention audit by 3<sup>rd</sup> party insurer (Zurich) recommendations
- Adhering the ESAB's life critical standards
- Practising mock drill for emergency preparedness
- Installed scrubber for acid fumes
- Usage of required PPE
- Adherence to the PPE matrix of machine
- Health check-up

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

Particulars	FY 2023-24(Current Financial Year)			FY 2022-23 (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 requires. Safety related aspects 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 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (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 sessions to the value chain partners viz. suppliers and workers. The EHS practices in the company are robust and all the value chain partners are adhering to the same.

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

### ESSENTIAL INDICATORS

#### 1. 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.

#### 2. 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 Group (Yes/No)	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.

## 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 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>EMPLOYEES</b>						
Permanent	622	622	100%	596	596	100%
Other than permanent	68	68	100%	64	64	100%
<b>Total Employees</b>	<b>690</b>	<b>690</b>	<b>100%</b>	<b>660</b>	<b>660</b>	<b>100%</b>
<b>WORKERS</b>						
Permanent	162	162	100%	150	150	100%
Other than permanent	349	349	100%	310	310	100%
<b>Total Workers</b>	<b>511</b>	<b>511</b>	<b>100%</b>	<b>460</b>	<b>460</b>	<b>100%</b>

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

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	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)
<b>EMPLOYEES</b>										
<b>Permanent</b>										
Male	554	0	0%	554	100%	544	0	0%	544	100%
Female	55	0	0%	55	100%	52	0	0%	52	100%
<b>Other than Permanent</b>										
Male	68	0	0%	68	100%	56	0	0%	56	100%
Female	13	0	0%	13	100%	8	0	0%	8	100%
<b>WORKERS</b>										
<b>Permanent</b>										
Male	162	0	0%	162	100%	150	0	0%	150	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Other than Permanent</b>										
Male	338	338	100%	0	0%	270	270	100%	0	0%
Female	11	11	100%	0	0%	40	40	100%	0	0%

**3. Details of remuneration / salary / wages**

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	5	-	1	-
Key Managerial Personnel	3	₹ 1,42,85,004	NA	NA
Employees other than BoD and KMP	551	₹ 9,08,100	55	₹ 6,50,100
Workers	162	₹ 4,88,542	NA	NA

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4.42%	4.60%

**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 2023-24 (Current Financial Year)			FY 2022-23 (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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

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

Confidentiality of the Complainant is strictly maintained.

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

Yes.

**10. 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	–

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

There was no issue or concern relating to child labour, forced labour, sexual harassment, discrimination at workplace and wages being 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 are any human rights grievances / complaints. The Company has not received any complaint on 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 are no concerns 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 Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year) In GJ	FY 2022-23 (Previous Financial Year) In GJ
<b>From renewable sources</b>		
Total electricity consumption (A)	14,577	16,771
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A + B + C)	14,577	16,771
<b>From non-renewable sources</b>		
Total electricity consumption (D)	40,545	31,971
Total fuel consumption (E)	16,532	15,949
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D + E + F)	57,077	47,920
Total energy consumed (A + B + C + D + E + F)	71,654	64,691
Energy intensity per rupee of turnover (Total energy consumed in GJ per turnover ₹ in crores)	57.63	59.31
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) GJ per USD in Cr. (Total energy consumed / Revenue from operations adjusted for PPP) (1 USD = ₹ 22.88 as per World Bank for 2022)	1,318.60	1,356.92
Energy intensity in terms of physical output	-	-
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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	8,804	11,755
(iii) Third party water	47,263	41,237
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	56,067	52,992
Total volume of water consumption (in kilolitres)	56,067	52,992
Water intensity per rupee of turnover (Total water consumption in KL / Turnover Rs. in Crores)	45.09	48.58
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (KL per USD in Cr.) (1 USD = Rs.22.88 as per World Bank for 2022)	1,031.76	1,111.53
Water intensity in terms of physical output	-	-
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.

### 4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	3325 KL	1575 KL
(v) Others		
- No treatment	-	-
- With treatment – after primary & secondary treatment in STP, ETP & RO.	52742 KL	51417 KL
Total water discharged (in kilolitres)	56067 KL	52992 KL

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.

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

At all manufacturing locations suitable and efficient wastewater treatment like Effluent Treatment Plant (ETP) and Sewage Treatment Plant (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 greenbelt, i.e., gardening activities within the premises. This in turn has resulted in reduced use of freshwater. No wastewater directly discharged to the environment.

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

Parameter	Please specify Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	µg / m3	18.03	19.06
SOx	µg / m3	11.18	14.04
Particulate matter (PM)	µg / m3	53.28	63.69
Persistent organic pollutants (POP)	Nil	–	–
Volatile organic compounds (VOC)	Nil	–	–
Hazardous air pollutants (HAP)	Nil	–	–
Others	µg / m3	34.88	33.58

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

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tones of CO2 Equivalent	1,176	1,132
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	13,110	11,389
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total scope 1 and scope 2 GHG Emissions in MT / Revenue ₹ in Crores)		11.49	11.48
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) (MT of CO2e per USD in Cr.) (1USD = ₹ 22.88 as per world bank for 2022)		262.90	262.63
Total Scope 1 and Scope 2 emission intensity in terms of physical output		–	–
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.

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

Company is opting to increase renewable energy consumption and is undertaking many energy efficiency projects.

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

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	37.46	32.75
E-waste (B)	7.15	13.22
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)	170.46	166.64
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,793.38	1,730.02
Total (A+B + C + D + E + F + G + H)	2,008.45	1,942.63
Waste intensity per rupee of turnover (Total waste generated in MT / Revenue ₹ in crores)	1.62	1.78
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (MT per USD in Cr.) (1 USD = ₹ 22.88 as per World Bank for 2022)	36.96	40.75
Waste intensity in terms of physical output	-	-
Waste intensity (optional) - the relevant metric may be selected by the entity	-	-
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	1,337.25	1,170.10
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	-	-
Total	1,337.25	1,170.10
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	671.20	772.53
(iii) Other disposal operations	-	-
Total	671.20	772.53

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.

**10. 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.**

Through continuous improvement in the process, the Company strives to minimize the waste generation. These include reduction in material consumption, recycling, etc.

**11. 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:**

Nil

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.
	-	-	-

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

Nil

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.
-	-	-	-	-	-

**13. 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 is in compliance with the applicable environmental laws.

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
-	-	-	-	-

## LEADERSHIP INDICATORS

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

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

None of the manufacturing locations is in water stressed area and hence this section is not applicable.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

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.

Not Applicable

**2. 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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 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.

Not Applicable

**3. With respect to the ecologically sensitive areas reported at Question 11 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

**4. 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:**

Through continuous improvement in the process, the Company strives to improve resource efficiency and reduce the impact due to emissions, etc.

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Process modification	<ol style="list-style-type: none"> <li>Reduced paper consumption and replaced hard copy manual of certain products to e-copy to eliminate paper usage.</li> <li>Improved the existing practices in handling Wooden pallets, installed battery operated stacker for safe material handling and implemented emergency lighting system in unmanned areas.</li> <li>Process improvement in wooden pallet consumption.</li> </ol>	<ol style="list-style-type: none"> <li>Eliminated major paper consumption.</li> <li>Reduction of OHS risks.</li> <li>Reduction in the consumption of wooden pallets.</li> </ol>
2	Energy conservation	<ol style="list-style-type: none"> <li>Installed auto on / off interlocking provided in the cooling tower to reduce the energy consumption and reduce the wastewater.</li> <li>Installed auto cut off system to Electrical panel AC's to achieve energy savings.</li> <li>Spot ventilation or panel AC mounted to electrical panel and removal of control room split AC for energy conservation</li> <li>Increased usage of natural lighting through transparent roof top by reducing energy consumption during day lighting.</li> <li>Steps initiated for reducing the fossil fuel energy and increasing the renewable energy.</li> </ol>	<p>Reduction in energy consumption &amp; reduced wastewater.</p> <p>Reduction in the CO2 equivalent through renewable energy consumption.</p>
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.

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.**

Yes

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.

**6. 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.

**7. 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.**

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

**LEADERSHIP INDICATORS**

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

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information 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

**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.**

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

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

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 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	36%	28%
Directly from within India	26%	20%

**5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	–	–
Semi-urban	₹ 1,63,50,116	₹ 1,74,14,642
Urban	₹ 5,01,00,368	₹ 2,44,13,350
Metropolitan	₹ 1,15,44,336	₹ 53,25,852

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

## 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):**

Details of negative social impact identified	Corrective action taken
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 INR)
1	Andhra Pradesh	Visakhapatnam	6,02,928

**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.**

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	3,471	100% Rural Population
2	Training in welding skills in association with various institutions & educational support	72	100%
3	Research based collaboration with Sri Sivasubramaniya Nadar College of Engineering (SSN), Chennai supporting an ESAB Chair Professor in Welding and funding two research scholars per annum for a four-year period to pursue research in five identified thrust areas.	Students' community	100%

## 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.

ESAB connects with customers through its sales & service personnel of over 120 trained engineers and its extended distribution network of over 350 dealers spread across the country. The regular interaction allows for easy communication of customer concerns. In addition, ESAB's products and website provide all relevant details for communication and registering customer concerns. Our "Customer Concern Resolution" Policy provides for a "No Questions Asked Replacement" for visible defects and specific product categories, wherein the first ESAB representative registering the concern is empowered to authorize 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%

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

	FY 2023-24 (Current Financial Year)			FY 2022-23 (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:

	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/](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.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches - NIL
- b. Percentage of data breaches involving personally identifiable information of customers - NIL
- c. Impact, if any, of the data breaches - NIL

## 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](http://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=PL0qXOiDcFfDq\\_m7IUYCDariEIXJ2MmlfP](https://www.youtube.com/playlist?list=PL0qXOiDcFfDq_m7IUYCDariEIXJ2MmlfP)

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

For and on behalf of the Board of Directors

**Kevin Johnson**  
Chairman

Place : Chennai

Date : 23<sup>rd</sup> May, 2024

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 31<sup>st</sup> March 2024.

Chennai  
23<sup>rd</sup> May, 2024

**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 viz. 3 Non-Executive Independent Directors (NE-ID), 1 Non-Executive Non-Independent Director (NE-NID) and 2 Executive Non-Independent (E-NID) Directors. Mr. Rohit Gambhir is the Managing Director of the Company who was re-appointed for a period of five years effective from 1<sup>st</sup> November 2023. Mr. B Mohan, Chief Financial Officer (CFO) was also appointed as Director with effect from 20<sup>th</sup> June 2023.

Mr. Kevin Johnson, Chairman of the Board, is a nominee director representing ESAB Holdings Limited, UK, with effect from 24<sup>th</sup> March 2021. Mr. K Vaidyanathan, Mr. Vikram Tandon, NE-ID were re-appointed for a period of five years effective from 29<sup>th</sup> January 2020. Ms. Cauvery Dharmaraj, NE-ID was appointed for a period of five years effective from 23<sup>rd</sup> March 2023.

All Independent Directors possess the requisite qualifications and are experienced in their own fields. 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 23<sup>rd</sup> May 2024.

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

During the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, 6 Board Meetings were held on 25<sup>th</sup> May 2023, 20<sup>th</sup> June 2023, 10<sup>th</sup> August 2023, 10<sup>th</sup> November 2023, 8<sup>th</sup> February 2024 and 27<sup>th</sup> March 2024 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 10<sup>th</sup> August 2023 and particulars of their Directorships and Committee Memberships / Chairmanships in other Companies are given below:

Director	Category	Board Meetings held during the period 2023-24	Attendance	
			at Board Meetings in 2023-24	at previous AGM
Kevin Johnson*	NE-NI	6	6	Yes
K Vaidyanathan	NEI	6	6	Yes
Sudhir Chand**	NEI	6	-	NA
Vikram Tandon	NEI	6	6	Yes
Cauvery Dharmaraj	NEI	6	6	Yes
Rohit Gambhir	Executive	6	6	Yes
B Mohan	Executive	6	4	Yes

NE-NI - Non-Executive and Non-Independent Director

NEI - Non-Executive Independent Director

\* Nominee of ESAB Holdings Limited.

\*\* Mr. Sudhir Chand has resigned from the office of Directorship with effect from 1<sup>st</sup> June 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
B Mohan	Executive - Director & CFO	00261434	Nil	2	1	Nil	Nil	NA
Vikram Tandon	Non -Executive & Independent	01727251	Nil	Nil	Nil	Nil	Nil	NA
Sudhir Chand*	Non -Executive & Independent	01385201	Nil	2	Nil	Nil	Nil	NA
K Vaidyanathan	Non -Executive & Independent	00063692	Nil	Nil	Nil	Nil	Nil	NA
Cauvery Dharmaraj	Non - Executive & Independent	02917088	Nil	1	Nil	Nil	Nil	NA

\* Mr. Sudhir Chand has resigned from the office of Directorship with effect from 1<sup>st</sup> June 2023

Membership of Audit Committee & Stakeholders 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 and the dates on which it was held is as given below:**

Name of the Director	Meeting Dates					
	25.05.2023	20.06.2023	10.08.2023	10.11.2023	08.02.2024	27.03.2024
Kevin Johnson	Yes	Yes	Yes	Yes	Yes	Yes
K Vaidyanathan	Yes	Yes	Yes	Yes	Yes	Yes
Vikram Tandon	Yes	Yes	Yes	Yes	Yes	Yes
Sudhir Chand*	No	NA	NA	NA	NA	NA
Cauvery Dharmaraj	Yes	Yes	Yes	Yes	Yes	Yes
Rohit Gambhir	Yes	Yes	Yes	Yes	Yes	Yes
B Mohan	NA	No	Yes	Yes	Yes	Yes

\* Mr. Sudhir Chand has resigned from the office of Directorship with effect from 1<sup>st</sup> June 2023.

**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.** During the year under review, familiarization program to all the Independent Directors was conducted in an

extensive manner. 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/](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	B Mohan	Vikram Tandon	Sudhir Chand*	K Vaidyanathan	Cauvery Dharmaraj
Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ability to act as Director 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 handle 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

\* Mr. Sudhir Chand has resigned from the office of Directorship with effect from 1<sup>st</sup> June 2023.

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

**i. Mr Kevin Johnson**

Kevin Johnson, aged 48 years, holding valid DIN 09147729, works as Chief Financial Officer for ESAB Corporation. 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 51 years, holding valid DIN 06686250, is a B. Tech (Mechanical) from NIT Kurukshetra (1994) and EPGDM from IIM Indore (2004). He has an overall experience of 29 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 not related to any other Director on the Board of the Company.

**iii. Mr. B Mohan**

Mr. B Mohan, aged 59 years, holding valid DIN 00261434, 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 has expertise in the field of Finance, Accounting and Management.

He finally moved to Esab India Limited in 2005 as CFO and has been heading Finance / IT for over 19 years.

Mr. B Mohan is a Non-Executive Director of EWAC Alloys Limited and GCE India Private Limited. He does not hold any equity shares in the Company as on date and is not related to any other Director on the Board of the Company.

iv. **Mr Vikram Tandon**

Mr. Vikram Tandon, aged 75 years, holding valid DIN 01727251, 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. Vikram 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. Vikram Tandon retired from Pepsico and returned to India in 2007.

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

v. **Mr. Kalyanasundaram Vaidyanathan**

Mr. Kalyanasundaram Vaidyanathan, aged 76 years, holding valid DIN 00063692, 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 and is not related to any other Director on the Board of the Company.

vi. **Ms. Cauvery Dharmaraj**

Ms. Cauvery Dharmaraj, aged 56 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 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 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 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 23<sup>rd</sup> May 2024 the performance of the Independent Directors was evaluated under various criteria laid down and all of them in the opinion of the Board, fulfil the conditions specified in the SEBI (LODR) Regulations and are independent of the Management.

J. **Detailed reasons for the resignation of an independent director who resigns before the expiry of his / her tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

**The tenure of Mr. Sudhir Chand as Independent Director was until 29<sup>th</sup> January 2025. However, he has resigned from the directorship of the Company with effect from 1<sup>st</sup> June 2023 on account of his health conditions and personal reasons. He has also confirmed that there was no other material reason for his resignation other than the reasons stated in his resignation letter dated 1<sup>st</sup> June 2023.**

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
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 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 10<sup>th</sup> August 2023 to answer the shareholder queries apart from Mr. Rohit Gambhir, Managing Director and Mr. B Mohan, Director & CFO. 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/](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, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter
- 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;
- To look into the reasons, if any, for substantial default in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, expertise and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- Management Discussion and Analysis of financial condition and results of operations;
- Management Letters / Letters of Internal Control weaknesses issued by the statutory auditors; and
- Internal Audit reports relating to Internal Control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

The Committee Members have also reviewed the performance of the Committee and the performance of its members at its meeting held on 23<sup>rd</sup> May 2024. Details of constitution of the Audit Committee and the Meetings held during the year 2023-24 are as given below:

Audit Committee	Members	Meeting Dates			
		25.05.2023	10.08.2023	10.11.2023	08.02.2024
K Vaidyanathan	Chairman & Independent Director	Yes	Yes	Yes	Yes
Vikram Tandon	Member & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand*	Member & Independent Director	No	NA	NA	NA
Kevin Johnson	Member & Non-executive Director	Yes	Yes	Yes	Yes

\*Sudhir Chand has resigned from the office of directorship of the Company with effect from 1<sup>st</sup> June 2023.

Not more than 120 days have elapsed between any two meetings during the year under review. The first audit committee meeting for the financial year 2023-24 was held on 25<sup>th</sup> May 2023 to consider audited financials of 2022-23.

#### 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<sup>st</sup> March 2024 is as below:

K Vaidyanathan	Chairman	Independent Director
Vikram Tandon	Member	Independent Director
Cauvery Dharmaraj	Member	Independent Director
Kevin Johnson	Member	Non-Executive & Non-Independent Director

Mr. K Vaidyanathan the Chairman of the Nomination and Remuneration Committee was present at the Annual General Meeting of the Company held on 10<sup>th</sup> August 2023 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 agency, 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 / Whole time Directors / Key Managerial Personnel / Senior Management Personnel and review of the remuneration policy of the Company.
  - The Committee also reviews recruitments one level below the Board of Directors and Direct reports to Key Managerial Personnel.
  - The Committee also reviews the KPIs / KRAs of the Managing Director and its Direct Reports.
  - Recommend to the board, all remuneration, in whatever form, payable to senior management personnel.
- b. During the financial year 2023-24, two meetings were held on 20<sup>th</sup> June 2023 and 27<sup>th</sup> March 2024. 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	
		20.06.2023	27.03.2024
K Vaidyanathan	Chairman & Independent Director	Yes	Yes
Sudhir Chand*	Member & Independent Director	NA	NA
Vikram Tandon	Member & Independent Director	Yes	Yes
Cauvery Dharmaraj	Member & Independent Director	Yes	Yes
Kevin Johnson	Member & Non-Executive Director	Yes	Yes

\* Mr. Sudhir Chand resigned from the office of directorship with effect from 1<sup>st</sup> June 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:

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

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

The Nomination & Remuneration Committee reviews the policy on a periodical basis and suggests changes to the Board as and when the need arises. They recommend an 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<sup>th</sup> 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/](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 23<sup>rd</sup> May 2024.

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 2023-24 are as follows:

(in ₹)

Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid	Commission
Kevin Johnson	–	–	–	–	–
K Vaidyanathan	–	–	–	3,33,500	9,40,000
Vikram Tandon	–	–	–	3,38,500	8,60,000
Cauvery Dharmaraj	–	–	–	2,69,500	–
B Mohan	1,34,09,389	9,48,857	2,16,000	–	23,60,902
Rohit Gambhir	2,41,88,633	7,48,203	4,21,800	–	50,33,095

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 independent directors of Stakeholders Relationship Committee is ₹ 5,000/- per meeting. TDS @ 10% is deducted for the financial year 2023-24 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 up to 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 12<sup>th</sup> August 2021 for a period of five years. The approval was based on their roles and responsibilities and their contribution to the Company in their respective capacities. Based on the above principle, Commission has been individually determined for each Non-Executive Director based on their varying commitments of time and effort to the Board and to its committees. Commission to Managing Director and Director & CFO are based on performance and contribution 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 in the Company. None of the Directors are related to each other and there are no other pecuniary relationships or transactions with 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/](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. K Vaidyanathan, Mr. Kevin Johnson and Mr. Rohit Gambhir.

Mr. G Balaji, Company Secretary, is the Compliance Officer of the Company.

The role of the Committee shall *inter alia* include the following:

- (1) Resolving 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) Review the measures taken for effective exercise of voting rights by shareholders.
- (3) Review 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) Review 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 2023-24. The details of the Composition of the Committee and the attendance of the members at such meetings are as given below:

Stakeholders Relationship Committee	Members	Meeting Dates			
		25.05.2023	10.08.2023	10.11.2023	08.02.2024
Vikram Tandon	Chairman & Independent Director	Yes	Yes	Yes	Yes
Sudhir Chand*	Member & Independent Director	No	NA	NA	NA
K Vaidyanathan	Member & Independent Director	NA	Yes	Yes	Yes
Kevin Johnson	Member & Non-Executive Director	Yes	Yes	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes	Yes	Yes

\* Mr. Sudhir Chand has resigned from the office of directorship with effect from 1<sup>st</sup> June 2023.

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

Sl.No.	Nature of Complaint	June 2023	Sep 2023	Dec 2023	Mar 2024
1.	Non-receipt of dividend warrants	17	19	13	12
2.	Non-receipt of share certificate	30	32	33	31
3.	Transmission procedure	19	4	13	15
4.	Others	22	21	15	12
<b>Total</b>		<b>88</b>	<b>76</b>	<b>74</b>	<b>70</b>

All the complaints were responded to as per applicable guidelines and regulations as of 31<sup>st</sup> March 2024. 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<sup>st</sup> March 2024. V Mahesh & Associates, practicing company secretaries vide their certificate dated 29<sup>th</sup> April 2024 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. Cauvery dharmaraj is the Chairperson of the said Committee. Mr. Kevin Johnson, Chairman of the Board and Mr. Rohit Gambhir, Managing Director were the members of the said Committee.

The Committee has 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/](https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-corporate-social-responsibility-revised-on-10th-february-2023/).

The Committee met twice on 25.05.2023 and 08.02.2024 during the financial year 2023-24. The details of the attendance of the Committee members in the meeting are given below:

CSR Committee	Members	Meeting Dates	
		25.05.2023	08.02.2024
Cauvery Dharmaraj	Chairperson & Independent Director	Yes	Yes
Kevin Johnson	Member & Non-Executive Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes

During the year under review the Company has spent money on projects identified under CSR. The unspent money budgeted for CSR on identified and ongoing projects was transferred to the Unspent CSR Account 2023-24 opened with HDFC Bank Limited, Chennai on 26<sup>th</sup> April 2024, in pursuance of the Companies (Corporate Social Responsibility) Amendment Rules, 2022. The details of CSR budget and spend for the year 2023-24 are 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. Vikram Tandon, Independent Director and Mr. B Mohan, Director & CFO. Regulation 21(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

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<sup>st</sup> May 2021. However, Mr. Sudhir Chand has resigned from the office of directorship with effect from 1<sup>st</sup> June 2023 and consequentially he ceased to be a member of the Risk Management Committee. In place of Mr. Sudhir Chand, Mr. Vikram Tandon, Independent Director was co-opted as a member of the said Committee with effect from 20<sup>th</sup> June 2023.

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/](https://esabindia.com/in/ind_en/investor-relationship/policies/risk-management-policy/)

The role of the committee shall, *inter alia*, include the following:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met twice during the financial year 2023-24 on 14<sup>th</sup> July 2023 and 5<sup>th</sup> January 2024. The details of the attendance of the Committee members in the meeting are given below:

Risk Management Committee	Members	Meeting Date	
		14.07.2023	05.01.2024
Kevin Johnson	Chairman & Non-Executive Director	Yes	Yes
Sudhir Chand*	Member & Independent Director	NA	NA
Vikram Tandon	Member & Independent Director	Yes	Yes
Rohit Gambhir	Member & Managing Director	Yes	Yes
B Mohan	Member & Director & CFO	Yes	Yes

\* Mr. Sudhir Chand has resigned from the office of directorship with effect from 1<sup>st</sup> June 2023.

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.

**9. SENIOR MANAGEMENT**

The particulars of senior management including the changes therein since the close of the previous financial year are furnished below:

Sl. No.	Name of the Senior Management Personnel	Designation
1	Debobroto Banerjee	Vice President - M&A & Special Projects
2	Mohan B	Director & CFO
3	Jagannathan P V	Vice President - Operations
4	Kumar P R	General Manager - Marketing
5	Narula Anil Kumar	General Manager - Consumable Sales
6	Biswadeep Banerjee	General Manager- Equipment Sales & After Market
7	Ajai Bajpai	Business Head - Welding Automation
8	Jaimon Antony V	Vice President - Human Resources
9	Paramasivam S	General Manager - R&D Equipment
10	Balaji G	Deputy General Manager - Legal & Secretarial
11	Meenakshi A	Assistant General Manager - R & D Consumables
12	Raman N V	Deputy General Manager - Finance
13	Kalaiselvi*	Chief Information Officer

\* Kalaiselvi, Chief Information Officer passed away on 9<sup>th</sup> December 2023.

**MEETING OF INDEPENDENT DIRECTORS**

During the year under review, the Independent Directors of the Company had met on 27<sup>th</sup> March 2024 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 after the conclusion of the meeting had 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 23<sup>rd</sup> May 2024 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 the 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/](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 compliance 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 financial year ended 31<sup>st</sup> March 2024 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/](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 complaints were received during the year under review viz. 2023-24.

**12. SUBSIDIARY COMPANIES**

There were no subsidiaries to the Company as on 31<sup>st</sup> March 2024.

**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<sup>rd</sup> April 2024 for the financial year ended 31<sup>st</sup> March, 2024 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
2020-21	12 <sup>th</sup> August, 2021	09:00 AM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2021-22	11 <sup>th</sup> August, 2022	03.30 PM	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2022-23	10 <sup>th</sup> August, 2023	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 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 10<sup>th</sup> August 2023. 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 have been elaborated in the Notice calling the Annual General Meeting on 8<sup>th</sup> August 2024. The members are requested to read this document to cast their votes accordingly.

**Details of special resolution passed in the previous three Annual General Meetings:**

- a) In the Annual General Meeting held on 12<sup>th</sup> August 2021, the Company had obtained approval from shareholders through special resolution for payment of remuneration by way of commission not exceeding 1% of the net profits of the Company for a period of five financial years commencing from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2026 to Directors (other than Directors not resident in India) who are not in the whole-time employment of the Company.
- b) In the Annual General Meeting held on 10<sup>th</sup> August 2023, the Company had obtained approval from shareholders through special resolution for re-appointment of Mr. Rohit Gambhir as Managing Director for a period of five years commencing from 1<sup>st</sup> November 2023 to 31<sup>st</sup> October 2028.

**Details of special resolution passed last year through postal ballot and voting pattern:**

The Company had passed a special resolution through Postal Ballot on 3<sup>rd</sup> May 2023 for appointment of Ms. Cauvery Dharmaraj as Independent Director for a period of five years from 23<sup>rd</sup> March 2023 to 22<sup>nd</sup> March 2028. The Company had conducted the postal ballot process through electronic means in accordance with Section 110 of Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014. M/s. V Mahesh and Associates, the Practicing Company Secretaries were appointed as the Scrutinizers for conducting the postal ballot exercise.

**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 under review.
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/](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 (Prohibition of Insider Trading) Regulations.

The Company also informs the stock exchanges promptly on the details of the trading window closure 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 (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 23.05.2024 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](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](mailto:balaji.g@esab.co.in) and [investor.relations@esab.co.in](mailto: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](http://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 10<sup>th</sup> August 2023 has uploaded on Company's website [https://esabindia.com/in/ind\\_en/investor-relationship/statement-of-unclaimed-dividends/statement-of-unclaimed-dividend-as-on-31st-march-2023/](https://esabindia.com/in/ind_en/investor-relationship/statement-of-unclaimed-dividends/statement-of-unclaimed-dividend-as-on-31st-march-2023/) 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 F65874042 dated 5<sup>th</sup> October 2023.
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 Directors through electronic mode using video conference facility.

MCA vide its General Circular No. 09/ 2023 dated 25<sup>th</sup> September 2023, have extended the facility to hold the Annual General Meetings through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) till 30<sup>th</sup> September 2024. Hence, this Annual General Meeting is being held on Video Conferencing Mode on 8<sup>th</sup> August 2024.

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 these shares are given below:

Aggregate number of shareholders and outstanding shares lying in the unclaimed suspense account at the beginning of the year	39 shareholders holding 2,660 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	3 shareholders
Number of shareholders whose shares were transferred to Investor Education and Protection Fund	4 shareholders
Number of shares transferred from the unclaimed suspense account during the year	200 equity shares
Number of Shares transferred to Investor Education and Protection Fund	300 equity shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the end of the year	32 shareholders holding 2,160 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.

32 Shareholders holding 2160 equity shares constituting about 0.014% 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. In relation to the Company, no agreement was entered into by any of the parties as specified in clause 5A to para A of Schedule III of SEBI (LODR) Regulations 2015 and hence there were no details that subsist either as on the date of notification of said Clause 5A or as on the date of this report to disclose.

20. 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/](https://esabindia.com/in/ind_en/investor-relationship/policies/policy-on-board-diversity/)
21. The Company vide Form No. MGT 15 dated 21<sup>st</sup> August 2023 vide SRN F63320907 have filed the report on the last year's Annual General Meeting held on 10<sup>th</sup> August 2023.
22. 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 undertake the online proficiency self-assessment test as per the sub rule 4 of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.
23. The Company in pursuance of Rule 16 of Companies (Acceptance of Deposits) Rules, 2014 have filed form DPT-3 on 5<sup>th</sup> July 2023, vide SRN No. AA3300767 with the Registrar of Companies giving details of transactions not considered as deposits.
24. The Company in pursuance of order 2 and 3 dated 22<sup>nd</sup> 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 24<sup>th</sup> April 2023 vide SRN No. F60672813, F60673506 with respect to half yearly return i.e. as of 31<sup>st</sup> March 2023 and another MSME Form for the half year i.e. as of 30<sup>th</sup> September 2023 vide Form MSME 1 on 30<sup>th</sup> October 2023 vide SRN No. F75913707, F75948208, F75950642, F75970640 in respect of outstanding payments to Micro and Small Enterprises.
25. Reserve Bank of India had mandated all Companies using the banking channel to obtain a Legal Entity Identification (LEI) Number. The Company has renewed the LEI No.3358001SJHTOXOICND66 on 16<sup>th</sup> October 2023 and it is valid till 20<sup>th</sup> November 2024.

## 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](http://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 (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	8 <sup>th</sup> August, 2024 at 15.30 hrs.
Venue	By Video Conference Mode / Other Audio Visual Mode
Financial Year of the Company	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024

Approval of financial results proposed	
Quarter ended 30 June, 2023	Within 45 days from the end of the quarter
Quarter ended 30 September, 2023	- do -
Quarter ended 31 December, 2023	- do -
Year ended 31 March, 2024	Within 60 days from the end of the Financial Year

**Particulars of Dividend Payment for the financial year ended 31<sup>st</sup> March 2024**

**Final dividend 2022-23**

Date of declaration of Final dividend	10 <sup>th</sup> August, 2023
Rate of Dividend	₹ 20/- per equity share of ₹ 10/- each (i.e. 200%)
Period of Book Closure	4 <sup>th</sup> August, 2023 to 10 <sup>th</sup> August, 2023
Date of payment of Dividend	25 <sup>th</sup> August, 2023
Amount of Dividend Paid	₹ 30,78,60,400/-
Share capital	₹ 15,39,30,200/-

**First interim Dividend 2023-24**

Date of declaration of interim dividend	10 <sup>th</sup> November 2023
Rate of Dividend	₹ 32/- per equity share of ₹ 10/- each (i.e. 320%)
Record Date	25 <sup>th</sup> November 2023
Date of payment of Dividend	8 <sup>th</sup> December 2023
Amount of Dividend Paid	₹ 49,25,76,640/-
Share capital	₹ 15,39,30,200/-

**Second Interim Dividend 2023-24**

Date of declaration of Second interim dividend	27 <sup>th</sup> March 2024
Rate of Dividend	₹ 24/- per equity share of ₹ 10/- each (i.e. 240%)
Record Date	5 <sup>th</sup> April 2024
Date of payment of Dividend	24 <sup>th</sup> April 2024
Amount of Dividend Paid	₹ 36,94,32,480/-
Share capital	₹ 15,39,30,200/-

**Listing of shares**

Name and address of the stock exchange	Stock Code
BSE Limited 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Fort, Mumbai 400 001.	500133
National Stock Exchange of India Limited “Exchange Plaza” BKC, Bandra (E), Mumbai 400 051.	ESABINDIA
ISIN allotted by Depositories (Company ID Number)	INE284A01012

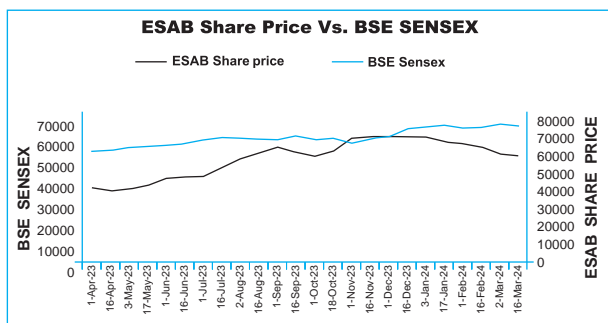
The listing fees for the financial year 2023-24 were duly paid to the above stock exchanges during April 2024.

**Dividend History**

Year	Type of Dividend	Dividend Rate	Dividend Amount in ₹ in lakhs
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%	3,078.60
2022-23	First Interim Dividend	300%	4,617.90
2022-23	Second Interim Dividend	280%	4,310.04
2022-23	Final Dividend	200%	3,078.60
2023-24	First Interim	320%	4,925.77
2023-24	Second Interim	240%	3,694.32

**Stock Market Price & Stock Performance Data**

2023-24	BSE Limited		National Stock Exchange		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹	High Points	Low Points
Apr, 2023	3,623.95	3,221.35	3,626.15	3,244.85	61,209.46	58,793.03
May, 2023	4,010.05	3,401.05	4,020.00	3,240.00	63,036.12	61,002.17
June, 2023	4,098.00	3,751.35	4,098.50	3,790.00	64,768.58	62,359.14
July, 2023	4,853.30	3,979.85	4,860.00	3,956.00	67,619.17	64,836.16
Aug, 2023	5,853.35	4,579.60	5,850.00	4,576.00	66,658.12	64,723.63
Sep, 2023	5,529.80	4,937.70	5,529.95	4,951.00	67,927.23	64,818.37
Oct, 2023	5,850.00	4,825.00	5,844.40	5,811.55	66,592.16	63,092.98
Nov, 2023	6,542.65	5,636.00	6,585.95	5,714.70	67,069.89	63,550.46
Dec, 2023	6,149.95	5,580.45	6,095.00	5,588.05	72,484.34	67,149.07
Jan, 2024	5,944.95	5,350.05	5,924.90	5,350.00	73,427.59	70,001.60
Feb, 2024	5,804.95	5,048.50	5,801.00	5,035.00	73,413.13	70,809.84
Mar, 2024	5,349.00	4,618.65	5,360.00	5,016.35	74,245.17	71,674.42



Registrar and Share Transfer Agent Integrated Registry Management Services Private Limited  
 2<sup>nd</sup> 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 : [einward@integratedindia.in](mailto:einward@integratedindia.in)

**Shareholders are requested to correspond with the share transfer agent for transfer / transmission of shares, change of address, queries pertaining to their shareholding, dividend etc., at their address given above.**

**Share Transfer System**

- a. Integrated Registry Management Services Private Limited, Chennai is the Registrar & Share Transfer Agent for the Company.
- b. Share transfers are processed and approved, subject to receipt of all requisite documents.
- c. The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Regulation 40 (9) & (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifications on yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.
- d. Pursuant to SEBI (Depositories and Participants) Regulations, 2015, certificates have also been received from a Company Secretary-in-practice for timely dematerialization of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.
- e. The Company as required under Regulation 46(2)(j) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has designated two mail ids viz [balaji.g@esab.co.in](mailto:balaji.g@esab.co.in) and [investor.relations@esab.co.in](mailto:investor.relations@esab.co.in) for the purpose of

registration of complaints, if any, by the investors and expeditious redressal of their grievances and the same has already been hosted on the Company's website.

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

**Distribution of shareholding as on 31 March, 2024**

Shareholding	Number of Shareholders	%	Number of Shares	%
Upto 500	18,543	97.400	9,08,084	5.899
501-1000	276	1.450	2,07,403	1.347
1001-2000	113	0.594	1,67,900	1.091
2001-3000	32	0.168	76,902	0.500
3001-4000	14	0.074	48,322	0.314
4001-5000	11	0.058	51,251	0.333
5001-10000	14	0.074	1,03,983	0.676
10001 and above	35	0.184	1,38,29,175	89.840
<b>TOTAL</b>	<b>19,038</b>	<b>100.00</b>	<b>1,53,93,020</b>	<b>100.00</b>

Note: The total number of shareholders is based on number of folios.

**Share holding pattern as on 31 March, 2024**

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
<b>Sub Total</b>	<b>2</b>	<b>1,13,47,960</b>	<b>73.72</b>
Mutual Funds & UTI	9	19,34,104	12.56
Alternate Investment Funds	4	69,718	0.45
Foreign Portfolio Investors	63	1,94,735	1.27
Financial Institutions / Banks	4	882	0.00
Insurance Companies	1	1,249	0.01
Indian Public	17,010	14,84,367	9.65
Non-Resident Indians	692	62,773	0.41
NBFC registered with RBI	2	25,001	0.16
IEPF	1	70,333	0.46
Bodies Corporate	162	65,890	0.43
Others	445	1,36,008	0.88
<b>Sub Total</b>	<b>18,393</b>	<b>40,45,060</b>	<b>26.28</b>
<b>Grand Total</b>	<b>18,395</b>	<b>1,53,93,020</b>	<b>100.00</b>

Note: The total number of shareholders is based on PAN.

**Dematerialisation of shares and liquidity**

As on 31<sup>st</sup> March 2024, 99.34% 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 2023-24, the Company has not entered into any contracts for hedging on Foreign Exchange.

### Plant Locations

Plant No.1 Plot No.13, 3<sup>rd</sup> 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 B-28, MIDC Industrial Area, Kalmeshwar, Nagpur - 441 501.

Address for correspondence Company Secretary  
ESAB India Limited  
Plot No.13, 3<sup>rd</sup> Main Road,  
Industrial Estate, Ambattur,  
Chennai - 600 058.

Tel : 044 42281100

Fax: 044 42281150

E-mail [balaji.g@esab.co.in](mailto:balaji.g@esab.co.in)  
[investor.relations@esab.co.in](mailto: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/](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 on 31<sup>st</sup> March 2024.

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 23<sup>rd</sup> May 2024 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/](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 13<sup>th</sup> May 2024 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 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<sup>st</sup> March 2024 was obtained from Mr. V Mahesh, Practising Company Secretary. The Company has filed the Annual Secretarial Compliance report dated 13<sup>th</sup> May 2024 with the Stock Exchanges on 15<sup>th</sup> May 2024.

10. The Board has accepted all the recommendations made by the Committees.
11. Total fees paid to the Statutory Auditor:

The total fees paid to the statutory auditors viz. S R Batliboi & Associates, LLP, Chennai (SRBA) and other firms in the network entity for the financial year 2023-24 is ₹ 71,43,199/- (Rupees Seventy One Lakh Forty Three Thousand One Hundred and Ninety Nine only)

Fees for Audit and related services to SRBA	₹ 59,63,199
Other fees paid to SRBA and other Network firms	₹ 11,80,000
Total	₹ 71,43,199

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 2023-2024	No. of complaints disposed of during the financial year 2023-2024	No. of complaints pending as on end of the financial year 2023-2024
Nil	Nil	Nil

13. The Company has not made loans and advances in the nature of loans to firms / companies in which directors are interested.
14. All the 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 shall undertake 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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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/](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 unmodified opinion on the statutory financial statements of the Company.

### 4. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has designated Mr. Rohit Gambhir, as the Managing Director of the Company and his current term as Managing Director is valid until 31<sup>st</sup> October 2028

### 5. 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](http://www.nsdl.com) and [www.cdslindia.com](http://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/](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  
23<sup>rd</sup> May, 2024

# 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, 3<sup>rd</sup> 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 31<sup>st</sup> March, 2024, 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 31<sup>st</sup> March, 2024.

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: F004162F000358001

Chennai

13/05/2024

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# 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 2024, 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 material 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, 2024, 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, 2024. 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
<b>Revenue from Contracts with Customers</b> (as described in Note 21 of the financial statements)	
<p>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>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>• We analyzed revenue transactions near the reporting date and tested whether the timing of revenue was recognized in the appropriate period with reference to shipping records, sales invoices etc for sample transactions.</li> <li>• 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.</li> </ul>
<b>Provisions and contingencies pertaining to disputes</b> (as described in note 34 on contingent liabilities of the Ind AS financial statements)	
<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 &amp; 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• We obtained the details of uncertain tax positions as at the year ended March 31, 2024. We inspected relevant communication with tax authorities.</li> <li>• 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.</li> <li>• Our internal experts also considered legal precedence and other rulings in evaluating management's position on these contingencies.</li> <li>• We also evaluated the adequacy of disclosures in the financial statements.</li> </ul>

### 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, 2024 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

except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);

- (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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
- (g) 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;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 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;
- (i) 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 34 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 persons or entities, 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 persons or entities, 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 15 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 explained in note 46 to the financial statements in respect of the two accounting software, based on our examination, which included test checks, such software has a feature of recording audit trail (edit log) facility except, the audit trail was enabled for part of the year. Further, in the absence of sufficient and appropriate audit evidence, we are unable to comment on the completeness / enablement of audit trail and required logs or if the audit trail feature has been tampered with during the course of our audit.

In respect of a third party operated accounting software (for payroll), based on examination of Service Organisation Controls report, we noted that the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, based on such examination of the report, we did not come across any instance of audit trail feature being tampered with.

**For S R Batliboi & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration No. 101049W / E300004

**per Chirag Shah**

*Partner*

Chennai  
May 23, 2024

Membership No. 121648  
UDIN: 24121648BKGDF1998

# Annexure 1 to the Independent Auditor's Report

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (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.
- (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, 2024.
- (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
- (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, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in note 9 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, 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. The Company do not have sanctioned working capital limits in excess of ₹ five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.
- (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.
- (b) During the year the investments made are not prejudicial to the Company's interest. During the year, the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (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.
- (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.
- (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.
- (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.
- (iv) Investments in respect of which provisions of Section 186 of the Companies Act, 2013 is applicable have been complied with by the Company. There are no loans, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (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.
- (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.
- (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 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	62,492	April 2022 to August 2023	Various dates commencing from May 2022 till date	17 <sup>th</sup> April 2024	Issue in linking Aadhar of Employees with PF
Employees Provident Fund Organisation	Employer's Contribution to Provident Fund	44,112	April 2022 to March 2023	Various dates commencing from May 2022 till April 2023	20 <sup>th</sup> May 2024	Issue in linking Aadhar of Employees with PF

- (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 which 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
<b>Sales Tax</b>	Non Submission of Sales tax Forms	914	1996-00	Assistant Commissioner, Commercial Taxes
		136	2011-18	Deputy Commissioner, Commercial Taxes
<b>Central Excise Act, 1944</b>	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)
<b>Finance Act, 1994</b>	Service Tax	107	2006-11	Central Excise & Service Tax Appellate Tribunal
		6	2003-05	Joint Commissioner, Service Tax
<b>Income Tax Act, 1961</b>	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)
		8	AY 2021-22	Assistant Commissioner of Income Tax

\* 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.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (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.
- (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.
- (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.
- (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.
- (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 by the Company or no fraud on the Company has been noticed or reported during the year.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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.
- (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 42 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 28 to the financial statements.
- (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 of with provisions of sub Section (6) of Section 135 of the said Act. This matter has been disclosed in note 28 to the financial statements.

**For S R Batliboi & Associates LLP**

*Chartered Accountants*

ICAI Firm Registration No. 101049W / E300004

**per Chirag Shah**

*Partner*

Chennai

May 23, 2024

Membership No. 121648

UDIN: 24121648BKGDF1998

# Annexure 2 to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of ESAB India Limited ("the Company") as of March 31, 2024 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, 2024, 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 23, 2024

Membership No. 121648

UDIN: 24121648BKGDF1998

# Balance Sheet

## as at March 31, 2024



ESAB INDIA LIMITED

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

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	11,843	8,764
Capital work in progress	3	429	1,961
Intangible assets	3	183	260
Right-of-use assets	35	501	470
<b>Financial assets</b>			
(i) Investment	6	44	15
(ii) Other financial assets	4	516	437
Non-current tax assets (net)	12a	394	-
Deferred tax assets (net)	32	198	108
Other non-current assets	5	111	269
		<u>14,219</u>	<u>12,284</u>
<b>Current assets</b>			
Inventories	7	11,126	12,343
<b>Financial assets</b>			
(i) Trade receivables	8	18,882	15,228
(ii) Cash and cash equivalents	9	3,836	3,344
(iii) Bank balances other than (ii) above	9	4,942	2,301
(iv) Other financial assets	10	209	136
Current tax assets (net)	12b	-	394
Other current assets	11	1,676	1,162
		<u>40,671</u>	<u>34,908</u>
Asset held for sale	13	209	209
<b>Total assets</b>		<u>55,099</u>	<u>47,401</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity Share Capital	14	1,539	1,539
Other equity	16	29,067	24,488
<b>Total equity</b>		<u>30,606</u>	<u>26,027</u>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	35	350	347
(ii) Other financial liabilities	19	49	115
Provisions	17	678	548
		<u>1,077</u>	<u>1,010</u>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
(i) Lease liabilities	35	107	54
(ii) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	18	2,654	3,756
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	18	10,689	11,426
(iii) Other financial liabilities	19	8,144	1,900
Other current liabilities	20	953	2,214
Provisions	17	599	612
Liabilities for current tax (net)	12c	270	402
		<u>23,416</u>	<u>20,364</u>
<b>Total liabilities</b>		<u>24,493</u>	<u>21,374</u>
<b>Total equity and liabilities</b>		<u>55,099</u>	<u>47,401</u>
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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**  
Director & Chief Financial Officer  
DIN: 00261434

**G Balaji**  
Company Secretary

Place : Chennai  
Date : May 23, 2024

# Statement of Profit and Loss



ESAB INDIA LIMITED

for the year ended March 31, 2024

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

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contracts with customers	21	124,332	109,080
Other income	22	649	780
<b>Total income</b>		<b>124,981</b>	<b>109,860</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	23	56,867	52,373
Purchase of traded goods	23	17,884	15,651
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	23	(350)	(832)
Employee benefits expense	24	10,898	9,692
Finance cost	26	42	31
Depreciation and amortisation expense	25	1,379	1,188
Other expenses	27	16,265	13,528
<b>Total expense</b>		<b>102,985</b>	<b>91,631</b>
<b>Profit before tax</b>		<b>21,996</b>	<b>18,229</b>
Current tax	32	5,762	4,619
Adjustment of tax relating to earlier periods	32	20	2
Deferred tax expense / (credit)	32	(84)	40
<b>Income tax expense</b>		<b>5,698</b>	<b>4,661</b>
<b>Profit for the year</b>		<b>16,298</b>	<b>13,568</b>
<b>Other comprehensive income</b>	29		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
- Re-measurement gains / (losses) on defined benefit plans		(26)	58
- Income tax effect		6	(14)
<b>Other comprehensive income for the year, net of tax</b>		<b>(20)</b>	<b>44</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>16,278</b>	<b>13,612</b>
<b>Earnings per share in ₹ (Face value of ₹ 10 each)</b>			
Earnings per share in ₹ (Face value of ₹ 10 each)	30	105.90	88.16
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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**  
Director & Chief Financial Officer  
DIN: 00261434

**G Balaji**  
Company Secretary

Place : Chennai

Date : May 23, 2024

# Statement of Cash Flow



ESAB INDIA LIMITED

for the year ended March 31, 2024

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

Particulars	Notes	March 31, 2024	March 31, 2023
<b>A. Cash flow from Operating Activities:</b>			
Profit before tax		<b>21,996</b>	18,229
<b>Adjustments to reconcile profit before tax to net cash flows:</b>			
Profit on sale of investments	22	(62)	(98)
Profit on sale of property, plant and equipment	22	(177)	(115)
Unrealised foreign exchange loss		68	107
Provision / (Write back) of provision for doubtful receivables	22,27	273	(150)
Interest on bank deposits and others	22	(121)	(110)
Finance cost	26	42	31
Depreciation and amortisation expense	25	1,379	1,188
Provision for warranty	27	316	358
Property, plant and equipment written off	27	16	18
<b>Working capital adjustments:</b>			
(Increase) / decrease in inventories		1,217	(1,853)
(Increase) / decrease in trade receivables		(3,946)	(1,355)
(Increase) / decrease in other financial assets		(126)	(62)
(Increase) / decrease in other assets		(498)	(158)
Increase / (decrease) in trade payables		(1,888)	735
Increase / (decrease) in other financial liabilities		2,620	1,196
Increase / (decrease) in provisions		(225)	(332)
Increase / (decrease) in other current liabilities		(870)	(379)
<b>Operating cash flow after working capital changes</b>		<b>20,014</b>	17,250
Income tax paid (net of refund)		(5,911)	(4,326)
<b>Net cash flows from operating activities</b>		<b>14,103</b>	12,924
<b>B. Cash flow from Investing activities:</b>			
Purchase of property, plant and equipment including Intangible assets, changes in capital work in progress and capital advances		(2,849)	(3,376)
Proceeds from sale of property, plant and equipment		219	239
Purchase of current investments		(18,000)	(26,700)
Purchase of non current investments		(29)	-
Proceeds from sale of current investments		18,062	29,899
Investment in bank deposits		(1,512)	(3,051)
Redemption / maturity of bank deposits		2,183	3,395
(Increase) in Earmarked bank balances		(3,694)	-
Interest income		121	111
<b>Net cash flows from/(used in) investing activities</b>		<b>(5,499)</b>	517
<b>C. Cash flow from Financing activities:</b>			
Dividend to shareholders		(8,005)	(12,007)
Finance cost		(42)	(31)
Payment of principal portion of lease liabilities		(65)	(179)
<b>Net cash flows used in financing activities</b>		<b>(8,112)</b>	(12,217)
Net increase/(decrease) in cash and cash equivalents		492	1,224
Cash and cash equivalents at the beginning of the year	9.1	3,344	2,120
<b>Cash and cash equivalents at year end</b>	9.1	<b>3,836</b>	3,344
Refer Note 9.3 for Change in liabilities arising from financing activities and for non-cash financing and investing activities.			
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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**  
Director & Chief Financial Officer  
DIN: 00261434

**G Balaji**  
Company Secretary

Place : Chennai  
Date : May 23, 2024

# Statement of Changes in Equity

## for the year ended March 31, 2024



ESAB INDIA LIMITED

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

### A. Equity Share Capital

#### For the year ended 31 March 2024

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers	Amount
At 1 April 2023	1,53,93,020	1,539
Changes in Equity share capital during the year	–	–
At 31 March 2024	1,53,93,020	1,539

#### For the year ended 31 March 2023

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers	Amount
At 1 April 2022	1,53,93,020	1,539
Changes in Equity share capital during the year	–	–
At 31 March 2023	1,53,93,020	1,539

### B. Other Equity

#### For the year ended 31 March 2024

Particulars	Reserves and Surplus				
	Securities Premium (Note 16)	Retained Earnings (Note 16)	Capital Reserve (Note 16)	General Reserve (Note 16)	Total Other Equity
As at 1 April 2023	932	18,466	100	4,990	24,488
Profit for the year	–	16,298	–	–	16,298
Other comprehensive income (Refer note 29)	–	(20)	–	–	(20)
<b>Total comprehensive income</b>	–	<b>16,278</b>	–	–	<b>16,278</b>
Dividend to shareholders (Refer note 15)	–	(11,699)	–	–	(11,699)
At 31 March 2024	932	23,045	100	4,990	29,067

#### For the year ended 31 March 2023

Particulars	Reserves and Surplus				
	Securities Premium (Note 16)	Retained Earnings (Note 16)	Capital Reserve (Note 16)	General Reserve (Note 16)	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 29)	–	44	–	–	44
<b>Total comprehensive income</b>	–	<b>13,612</b>	–	–	<b>13,612</b>
Dividend to shareholders (Refer note 15)	–	(12,007)	–	–	(12,007)
At 31 March 2023	932	18,466	100	4,990	24,488

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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**  
Director & Chief Financial Officer  
DIN: 00261434

**G Balaji**  
Company Secretary

Place : Chennai  
Date : May 23, 2024

## Notes to financial statements for the year ended March 31, 2024

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

### 1. Company Overview

ESAB India Limited ("the Company") (CIN L29299TN1987PLC058738) 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, 3<sup>rd</sup> 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. Information on other related party relationships of the Company is provided in Note 36.

The financial statements were approved for issue in accordance with the resolution passed by the Board of Directors on May 23, 2024.

### 2. Material Accounting Policies

#### 2.1 Statement of compliance and basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) 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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

#### 2.2 Summary of Material 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

(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. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration and consideration payable to the customer.

**Variable Consideration - Incentives**

The Company provides retrospective incentives to certain dealers once the quantity or value of the products purchased during the period exceeds a threshold specified in the contract. The Company applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Company then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future incentives (i.e., the amount not included in the transaction price).

**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.

# Notes to the Financial Statements

for the year ended March 31, 2024

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



## Warranty obligations

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

The Company provides assurance-type 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 terms of contract and when collectability of the resulting receivable is reasonably assured.

## 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 Remission of Duties and Taxes on Export Products (RoDTEP) are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Export Benefits are recognised on export of products and services on availment of any such benefits, as applicable.

## Contract balances

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from the customer. The Company's refund liabilities arise from customers' incentives. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

## 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

### (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent

that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **(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**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The

management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. "Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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.

#### h. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are measured on initial recognition at cost. They 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.

The Company holds only acquired computer software which are amortized on a straight line basis over a period of 4 years.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined

for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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
- (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 an outflow of resources embodying economic benefits 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.

### **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 or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

### **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**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent measurement**

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

- (i) Financial assets at amortised cost
- (ii) Financial assets at fair value through profit or loss

#### **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.

### **Impairment of financial assets**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – see Note 31
- Trade receivables – see Note 8

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

### **Trade receivables**

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of

the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Financial assets measured as at amortised cost - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

## **ii. Financial Liabilities**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

### **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.

**iii. Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**o. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques, draft on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

**p. 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. Right-of-use assets mainly consists of land and building. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

**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.

**Standards notified but not yet effective**

There are no standards that are notified and not yet effective as on the date.

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

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

Particulars	Property, Plant and Equipment					Capital work in progress	Intangible Assets			
	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles		Total	Software	Others	Total
<b>Cost or valuation</b>										
<b>At 1 April 2022</b>	227	3,352	9,971	619	100	14,269	474	60	534	
Additions	-	190	1,009	61	21	1,281	234	-	234	
Other adjustments	-	1	74	1	-	76	-	-	-	
Disposals / Write off	-	(60)	(187)	(15)	(22)	(284)	-	-	-	
Capitalised during the year	-	-	-	-	-	-	-	-	-	
<b>At 31 March 2023</b>	227	3,483	10,867	666	99	15,342	708	60	768	
Add: Additions	-	1,563	2,647	140	-	4,350	-	-	-	
Less: Disposals/ Write off	-	(40)	(102)	(31)	-	(173)	-	-	-	
Less: Capitalised during the year	-	-	-	-	-	-	-	-	-	
<b>At 31 March 2024</b>	227	5,006	13,412	775	99	19,519	708	60	768	
<b>Accumulated Depreciation/ Amortisation / Impairment</b>										
<b>At 1 April 2022</b>	-	699	4,720	219	46	5,684	431	42	473	
Depreciation charge for the year	-	131	784	48	15	978	25	10	35	
Other adjustments	-	1	74	1	-	76	-	-	-	
Disposals / Write off	-	(13)	(112)	(13)	(22)	(160)	-	-	-	
<b>At 31 March 2023</b>	-	818	5,466	255	39	6,578	456	52	508	
Depreciation charge for the year	-	182	964	51	16	1,213	69	8	77	
Disposals / Write off	-	(18)	(71)	(26)	-	(115)	-	-	-	
<b>At 31 March 2024</b>	-	982	6,359	280	55	7,676	525	60	585	
<b>Net book value</b>										
<b>At 31 March 2024</b>	227	4,024	7,053	495	44	11,843	183	-	183	
<b>At 31 March 2023</b>	227	2,665	5,401	411	60	8,764	252	8	260	

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

## Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2024

	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	429	–	–	–	429
Projects temporarily suspended	–	–	–	–	–
<b>Total</b>	<b>429</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>429</b>

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	–	–	–	–	–
<b>Total</b>	<b>1,753</b>	<b>208</b>	<b>–</b>	<b>–</b>	<b>1,961</b>

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. There are no restriction over the title of the Company's Property, Plant and Equipment and Intangible Assets nor pledged as security for liabilities.

There is no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2023-24.

	31-Mar-24	31-Mar-23
<b>4. Other non-current financial assets</b>		
<b>Unsecured, considered good - Carried at amortised cost</b>		
Security deposits	312	259
Bank deposits with maturity greater than 12 months*	204	178
	<u>516</u>	<u>437</u>
*Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 204 (March 31, 2023: ₹ 178) which are subject to first charge to secure the Company's bank guarantees.		
<b>5. Other current assets</b>		
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital advance	82	220
Advances other than capital advances:		
Prepayments	29	49
	<u>111</u>	<u>269</u>
<b>Considered doubtful</b>		
Advance to employees	33	33
Other receivables	44	44
Less : Provision for doubtful advances	(77)	(77)
	<u>111</u>	<u>269</u>

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23
<b>6. Investments</b>		
<b>Investments at fair value through profit or loss</b>		
<b>Non-Current</b>		
<b>Unquoted equity shares</b>		
30,000 equity shares (31 March 2023: 30,000) of M/s Clean Wind Power (Pratapgarh) Private Limited (Face value ₹ 10 each (31 March 2023 : ₹ 10 each)	15	15
2,91,200 equity shares (31 March 2023: NIL) of M/s Vivid Clean Energy (One) Private Limited (Face value ₹ 10 each (31 March 2023 : NIL)	29	–
<b>Total Investments at fair value</b>	<b>44</b>	<b>15</b>
<b>Reconciliation of fair value measurement of the investment in unquoted equity shares:</b>		
<b>Opening</b>	<b>15</b>	<b>15</b>
Purchases	29	–
Sales	–	–
Total gains and losses recognised in profit and loss	–	–
<b>Closing</b>	<b>44</b>	<b>15</b>
There were no gains or losses recognised in profit or loss with respect to these assets. Furthermore, the Company did not recognise any gain or loss in profit and loss account, as the valuation of the equity instrument as of 31 March 2024 did not differ significantly from last year's valuation.		
<b>7. Inventories (lower of cost and net realisable value)</b>		
Raw materials [includes in transit ₹ 1,326 (March 31, 2023 - ₹ 2,290)]	4,413	6,023
Work in progress	849	813
Finished goods		
- Manufactured goods	993	1,319
- Traded goods [includes in transit ₹ 1,158 (March 31, 2023 - ₹ 796)]	4,595	3,955
Stores and Spares	276	233
<b>Total inventories at the lower of cost and net realisable value</b>	<b>11,126</b>	<b>12,343</b>
<b>8. Trade receivables</b>		
Trade receivables	12,890	9,757
Receivables from related parties (Refer note 36)	5,992	5,471
Total trade receivables	18,882	15,228
Considered good - secured *	78	78
Considered good - unsecured	18,772	15,118
Trade receivables which have significant increase in credit risk	187	138
Trade receivables - credit impaired	473	305
	<b>19,510</b>	<b>15,639</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Considered good	(61)	(37)
Trade receivables which have significant increase in credit risk	(94)	(69)
Trade Receivables - credit impaired	(473)	(305)
	<b>(628)</b>	<b>(411)</b>
<b>Total</b>	<b>18,882</b>	<b>15,228</b>

\* Secured against deposits from dealers

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

### Trade receivables ageing schedule

As at 31 March 2024

	Outstanding for following periods from transaction date						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	286	18,404	145	10	–	5	18,850
Undisputed Trade Receivables - which have significant increase in credit risk	–	–	187	–	–	–	187
Undisputed Trade receivable - credit impaired	–	–	–	201	121	26	348
Disputed Trade receivables - considered good	–	–	–	–	–	–	–
Disputed Trade receivables - which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade receivables - credit impaired	–	–	–	–	12	113	125
<b>Total</b>	<b>286</b>	<b>18,404</b>	<b>332</b>	<b>211</b>	<b>133</b>	<b>144</b>	<b>19,510</b>

As at 31 March 2023

	Outstanding for following periods from transaction date						Total
	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade Receivables - considered good	63	14,908	76	144	–	5	15,196
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
<b>Total</b>	<b>63</b>	<b>14,908</b>	<b>214</b>	<b>288</b>	<b>23</b>	<b>143</b>	<b>15,639</b>

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 36. Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days based on the type of the customer.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	31-Mar-24	31-Mar-23
Opening balance	411	561
Provision for expected credit losses	217	(150)
	<b>628</b>	<b>411</b>

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23
<b>9.1 Cash and cash equivalents</b>		
Balances with banks on current accounts	3,836	3,342
Cash on hand	0	2
	<u>3,836</u>	<u>3,344</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the above balances.

	31-Mar-24	31-Mar-23
<b>9.2 Other bank balances</b>		
In unpaid dividend accounts*	3,888	550
Bank deposits with maturity greater than 3 months, less than 12 months**	1,054	1,751
	<u>4,942</u>	<u>2,301</u>

\* There are restrictions in the balances in Unpaid Dividend accounts.

\*\* Includes margin money deposits with the Company's bankers having a carrying amount of ₹ 156 (March 31, 2023 - ₹ 100) 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.

### 9.3 Change in liabilities arising from financing activities and for non-cash financing and investing activities

These are no liabilities relating to financing activities other than lease liabilities. Refer note 35 for changes in lease liabilities arising from financing activities.

	31-Mar-24	31-Mar-23
<b>Non-cash financing and investing activities</b>		
Acquisition of Right-of-use assets	120	325

	31-Mar-24	31-Mar-23
<b>10. Other current financial assets</b>		
<b>Carried at amortised cost</b>		
Security deposits	88	89
Other Receivables	121	47
	<u>209</u>	<u>136</u>

### 11. Other current assets

#### Unsecured, considered good, unless otherwise stated

Advances other than capital advances:

Prepayments	344	334
Balance with Government Authorities	288	175
Advance to suppliers	987	610
Advance to employees	43	38
Other Assets*	14	5
	<u>1,676</u>	<u>1,162</u>

\*This amounts to excess spent of Corporate Social Responsibility expenses (Refer Note 28)

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23	
<b>12. Income tax</b>			
<b>a. Non-Current tax assets (net)</b>			
Advance income-tax	394	–	
	<b>394</b>	–	
<b>b. Current tax assets (net)</b>			
Advance income-tax	–	394	
	–	394	
<b>c. Current tax liabilities (net)</b>			
Liabilities for current tax (net)	270	402	
	<b>270</b>	402	
<b>13. Assets held for sale</b>			
Assets held for sale*	209	209	
	<b>209</b>	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.			
<b>14. Share Capital</b>			
<b>Authorised:</b>			
1,90,00,000 (March 31, 2023: 1,90,00,000) equity shares of ₹ 10/- each	1,900	1,900	
30,00,000 (March 31, 2023: 30,00,000) unclassified shares of ₹ 10/- each	300	300	
	<b>2,200</b>	2,200	
<b>Issued, subscribed and paid-up:</b>			
1,53,93,020 (March 31, 2023: 1,53,93,020) equity shares of ₹ 10/- each fully paid-up	1,539	1,539	
<b>a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year</b>			
<b>Particulars</b>	<b>No. of Shares</b>	<b>Amount</b>	
<b>As at April 1, 2022</b>	<b>1,53,93,020</b>	<b>1,539</b>	
Changes during the year	–	–	
<b>As at March 31, 2023</b>	<b>1,53,93,020</b>	<b>1,539</b>	
Changes during the year	–	–	
<b>As at March 31, 2024</b>	<b>1,53,93,020</b>	<b>1,539</b>	
<b>b) Terms / rights attached to equity shares</b>			
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 final 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.			
<b>c) Details of shares held by subsidiaries of ultimate holding company / holding and / or their subsidiaries / associates</b>			
<b>Name of equity share holders</b>	<b>No. of shares</b>	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>Subsidiary companies of ESAB Corporation, the ultimate holding company (Refer Note: 36)</b>			
ESAB Holdings Limited, UK	57,43,200	574	574
Exelvia Group India B.V, Netherlands	56,04,760	560	560
	<b>1,13,47,960</b>	<b>1,134</b>	<b>1,134</b>

# Notes to the Financial Statements

for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

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

Name of equity share holders	31-Mar-24		31-Mar-23	
	No. of shares	% of share holding	No. of shares	% of share holding
Equity shares of ₹10 each fully paid held by ESAB Holdings Limited, UK	57,43,200	37.31%	57,43,200	37.31%
Exelvia Group India B.V, Netherlands	56,04,760	36.41%	56,04,760	36.41%
SBI Small Cap Fund and allied plans	15,09,936	9.81%	14,71,777	9.56%

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:-**

**As at 31 March 2024**

Sl. No.	Promoters	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total shares	% of change during the year
Equity shares of ₹ 10/- each fully paid held by	ESAB Holdings Limited,	57,43,200	-	57,43,200	37.31%	-
	Exelvia Group India B.V, Netherlands	56,04,760	-	56,04,760	36.41%	-
	<b>Total</b>	<b>1,13,47,960</b>	<b>-</b>	<b>1,13,47,960</b>	<b>73.72%</b>	<b>-</b>

**As at 31 March 2023**

Sl. No.	Promoters	No. of Shares at the beginning of the year	Change during the year	No. of Shares at the end of the year	% of total shares	% of change during the year
Equity shares of ₹ 10/- each fully paid held by	ESAB Holdings Limited,	57,43,200	-	57,43,200	37.31%	-
	Exelvia Group India B.V, Netherlands	56,04,760	-	56,04,760	36.41%	-
	<b>Total</b>	<b>1,13,47,960</b>	<b>-</b>	<b>1,13,47,960</b>	<b>73.72%</b>	<b>-</b>

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23
<b>15. Distribution made and proposed</b>		
<b>Cash dividends on equity shares declared and paid:</b>		
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
Final dividend for the year ended on 31 March 2023: INR 20 per share	<b>3,079</b>	–
Interim dividend - I for the year ended on 31 March 2024: INR 32 per share	<b>4,926</b>	–
	<b>8,005</b>	12,007
Cash dividends on equity shares declared and not paid as at 31 <sup>st</sup> March 2024:		
Interim dividend - II for the year ended on 31 March 2024: INR 24 per share	<b>3,694</b>	–
	<b>3,694</b>	–
The Board proposed dividend on equity shares after the balance sheet date		
Proposed dividend on equity shares for the year ended on March 31, 2024: ₹ 30 (March 31, 2023: ₹ 20 per share)	<b>4,618</b>	3,079
	<b>4,618</b>	3,079
	<b>31-Mar-24</b>	<b>31-Mar-23</b>
<b>16. Other equity</b>		
Securities premium account	<b>932</b>	932
Capital reserve	<b>100</b>	100
General reserve	<b>4,990</b>	4,990
Retained earnings	<b>23,045</b>	18,466
<b>Total Other equity</b>	<b>29,067</b>	24,488
<b>Securities premium</b>		<b>Amount</b>
<b>As at April 1, 2022</b>		<b>932</b>
Changes during the year		–
<b>As at March 31, 2023</b>		<b>932</b>
Changes during the year		–
<b>As at March 31, 2024</b>		<b>932</b>
<b>Capital reserve</b>		<b>Amount</b>
<b>As at April 1, 2022</b>		<b>100</b>
Changes during the year		–
<b>As at March 31, 2023</b>		<b>100</b>
Changes during the year		–
<b>As at March 31, 2024</b>		<b>100</b>
<b>General reserve</b>		<b>Amount</b>
<b>As at April 1, 2022</b>		<b>4,990</b>
Changes during the year		–
<b>As at March 31, 2023</b>		<b>4,990</b>
Changes during the year		–
<b>As at March 31, 2024</b>		<b>4,990</b>
<b>Retained earnings</b>		<b>Amount</b>
<b>As at April 1, 2022</b>		<b>16,861</b>
Add: Profit for the year		13,568
Add: Other comprehensive income (Refer note 29)		44
Less: Dividend to shareholders (Refer note 15)		(12,007)
<b>As at March 31, 2023</b>		<b>18,466</b>
Add: Profit for the year		16,298
Add: Other comprehensive income (Refer note 29)		(20)
Less: Dividend to shareholders (Refer note 15)		(11,699)
<b>As at March 31, 2024</b>		<b>23,045</b>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

### 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.

#### Capital 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 Capital 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.

#### Retained Earnings

Retained earnings are the profits / (loss) that the Company has earned / incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

	31-Mar-24	31-Mar-23
<b>17. Provisions</b>		
<b>Current</b>		
Sales tax	110	110
Litigations and disputes	73	93
Warranties	346	323
<b>Provision for employee benefits</b>		
Compensated absences	70	63
Pension*	–	23
	<u>599</u>	<u>612</u>
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 33)	124	34
Compensated absences	343	316
Pension (refer note 33)	211	198
	<u>678</u>	<u>548</u>
* Pertains to liability towards defined contribution scheme		
	<b>Sales Tax</b>	<b>Litigations</b>
	<b>Warranties</b>	
<b>Balances as at April 1, 2022</b>	173	258
Add: Arising during the year	–	323
Less: Provision utilised / adjusted during the year	(63)	(258)
<b>Balances as at March 31, 2023</b>	<u>110</u>	<u>323</u>
Add: Arising during the year	–	316
Less: Provision utilised / adjusted during the year	–	(293)
<b>Balances as at March 31, 2024</b>	<u>110</u>	<u>346</u>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

	31-Mar-24	31-Mar-23
<b>18. Trade Payable</b>		
Total outstanding dues of micro enterprises and small enterprises*	2,654	3,756
Total outstanding dues of creditors other than micro enterprises and small enterprises	10,689	11,426
	<b>13,343</b>	<b>15,182</b>
Dues to Third Parties	9,789	11,568
Dues to Related Parties (Refer note 36)	3,554	3,614
	<b>13,343</b>	<b>15,182</b>

### As at March 31 2024

	Outstanding for following periods from transaction date					
	Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed dues of micro enterprises and small enterprises	139	2,509	4	-	2	2,654
Undisputed dues of creditors other than micro enterprises and small enterprises	1,158	9,269	81	52	129	10,689
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>1,297</b>	<b>11,778</b>	<b>85</b>	<b>52</b>	<b>131</b>	<b>13,343</b>

### 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
Undisputed dues of micro enterprises and small enterprises	151	3,604	-	-	1	3,756
Undisputed 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	-	-	-	-	-	-
<b>Total</b>	<b>1,016</b>	<b>13,988</b>	<b>75</b>	<b>12</b>	<b>91</b>	<b>15,182</b>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

	31-Mar-24	31-Mar-23
<b>* Disclosures relating to micro and small enterprises</b>		
(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"> <li>- Principal amount due to micro and small enterprises</li> <li>- Interest due on above</li> </ul>	<b>2,515</b> <b>139</b> <hr/> <b>2,654</b>	3,605 151 <hr/> 3,756
(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	181	–
(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;	169	81
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	126	81
(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.	139	151
Trade payables are non interest bearing and normally settled on 60 days term.		
** Includes overdue payables amounting of ₹ 71 (March 31, 2023 ₹ 508)		
<b>19. Other financial liabilities (at amortised cost)</b>		
<b>Current</b>		
Capital creditors	286	389
Refundable security deposit from dealers	206	200
Refundable security deposit received for sale of land	2,358	1,150
Accrued salaries and benefits	1,107	–
Unclaimed dividend	194	161
Dividend Payable (Refer note 15)	3,694	–
Refund liabilities	299	–
<b>Total</b>	<b>8,144</b>	<b>1,900</b>
<b>Non-current</b>		
Capital creditors	49	115
<b>Total</b>	<b>49</b>	<b>115</b>
<b>Total other financial liabilities</b>	<b>8,193</b>	<b>2,015</b>
<b>20. Other current liabilities</b>		
Liability towards Corporate Social Responsibility	5	21
Advance from customers	181	391
Statutory dues payable	767	936
Other payables	–	866
	<b>953</b>	<b>2,214</b>

	31-Mar-24	31-Mar-23
<b>21. Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Manufactured goods	88,826	79,934
Traded goods	27,781	22,669
	<u>1,16,607</u>	<u>1,02,603</u>
<b>Other operating revenues</b>		
Scrap sales	363	444
Export benefits	91	85
	<u>454</u>	<u>529</u>
<b>Income from services</b>		
Engineering, support and consulting services	6,921	5,598
Management service to related party	350	350
	<u>7,271</u>	<u>5,948</u>
<b>Total revenue from contract with customers</b>	<u>1,24,332</u>	<u>1,09,080</u>
India	1,12,556	99,626
Outside India	11,776	9,454
<b>Total revenue from contract with customers</b>	<u>1,24,332</u>	<u>1,09,080</u>
<b>Timing of revenue recognition</b>		
Transferred at a point in time	1,17,061	1,03,132
Transferred over time	7,271	5,948
<b>Total revenue from contract with customers</b>	<u>1,24,332</u>	<u>1,09,080</u>
<b>Reconciling the amount of revenue recognised in the statement of profit and loss</b>		
Revenue as per contracted price	126,785	110,913
<b>Adjustments</b>		
Sales return	(841)	(475)
Sales incentive	(1,612)	(1,358)
<b>Revenue from contract with customers</b>	<u>1,24,332</u>	<u>1,09,080</u>
<b>Contract balances</b>		
Trade receivables	18,882	15,228
<b>22. Other income</b>		
Profit on sale of investments	62	98
Profit on sale of property, plant and equipment (net)	177	115
Net gain on account of foreign exchange fluctuation	191	–
Write back of provision for doubtful receivables	–	150
Interest on bank deposits and others	121	110
VAT Refund received	–	215
Miscellaneous income	98	92
	<u>649</u>	<u>780</u>

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23
<b>23. Cost of raw materials and components consumed</b>		
<b>a. Raw materials and components consumed</b>		
Inventory at the beginning of the year	6,023	5,066
Add: Purchases during the year	55,257	53,330
Less: Inventory at the end of the year	(4,413)	(6,023)
	<u>56,867</u>	<u>52,373</u>
<b>b. Traded goods</b>		
Purchase of stock in trade	17,884	15,651
	<u>17,884</u>	<u>15,651</u>
<b>c. Finished goods and work in progress</b>		
(Increase) / Decrease in inventories		
Opening Stock		
Manufactured goods	1,319	1,597
Work in progress	813	652
Traded goods	3,955	3,006
<b>Total opening balance</b>	<u>6,087</u>	<u>5,255</u>
<b>Closing Stock</b>		
Manufactured goods	993	1,319
Work in progress	849	813
Traded goods	4,595	3,955
<b>Total closing balance</b>	<u>6,437</u>	<u>6,087</u>
<b>(Increase) / Decrease in inventories</b>		
Manufactured goods	326	278
Work in progress	(36)	(161)
Traded goods	(640)	(949)
	<u>(350)</u>	<u>(832)</u>
<b>24. Employee benefits expense</b>		
Salaries, wages and bonus	9,373	8,441
Contribution to provident and other funds	240	230
Gratuity expense (Refer note 33)	65	72
Pension expenses *	133	139
Staff welfare expenses	1,087	810
	<u>10,898</u>	<u>9,692</u>
* Includes expense towards defined benefit scheme ₹ 44 (March 31, 2023 ₹ 45) (Refer note 33)		
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.		
<b>25. Depreciation and Amortisation Expense</b>		
Depreciation of property, plant and equipment	1,213	978
Amortisation of intangible assets	77	35
Depreciation on right-of-use assets (Refer note 35)	89	175
	<u>1,379</u>	<u>1,188</u>
<b>26. Finance cost</b>		
Interest expenses on lease liabilities	42	31
	<u>42</u>	<u>31</u>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

	31-Mar-24	31-Mar-23
<b>27. Other expenses</b>		
Consumption of stores and spares	522	461
Power and fuel	1,776	1,575
External service charges	1,921	1,453
Repairs and maintenance		
- Building	53	63
- Plant and machinery	404	322
- Others	168	121
Insurance	161	163
Information technology expenses	678	511
Travelling expenses	1,266	1,153
Communication expenses	90	84
Rates and taxes	204	157
Transport and freight	2,743	2,472
Sales promotion and selling expenses	186	196
Trademark license fees to related party (Refer note 36)	3,235	2,486
Legal and professional fees	319	137
Testing and development charges	1,009	1,045
Payment to auditors (Refer note 27.1)	63	63
Printing and stationery	37	38
Exchange differences (net)	-	89
CSR expenditure (Refer note 28)	251	193
Warranty expenses	316	358
Provision for doubtful receivables	273	-
Property, plant and equipment written off	16	18
Bank charges	8	19
Miscellaneous expenses	566	351
	<u>16,265</u>	<u>13,528</u>
<b>27.1 Payment to auditors</b>		
<b>As auditor</b>		
Audit	31	33
Tax audit	-	6
Limited reviews	9	9
Others	18	11
<b>In other capacity</b>		
Other services	-	-
Reimbursement of expenses	5	4
	<u>63</u>	<u>63</u>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

	31-Mar-24	31-Mar-23
<b>28. CSR expenditure</b>		
(a) Gross amount required to be spent by the company during the year	251	193
(b) Amount approved by the Board to be spent during the year	251	193
(c) Amount of expenditure incurred on:		
(i) Construction / acquisition of any asset	–	–
(ii) On purposes other than (i) above	255	177
(d) Shortfall at the end of the year out of the amount required to be spent during the year	5	21
(e) Total of previous years shortfall	–	–
(f) Reason for shortfall	Due to administrative reasons	
(g) Excess spent during the year	9	5
(h) Nature of CSR Activities	Employment enhancing vocational skills and safe welding practices	
(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	242	112
- Environmental Sustainability	–	35
- Slum area development	–	20
- Administrative overheads	13	10
ii) Unspent amount in relation to:		
- Ongoing project	5	21
- Other than ongoing project	–	–
iii) Excess spent amount in relation to:		
- Ongoing project	9	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
4	–	21	238	242	21	13	–	5

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

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
1	-	-	13	13	1	-

	31-Mar-24	31-Mar-23
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## 29. Components of Other Comprehensive Income (OCI)

The disaggregation of changes by retained earnings to OCI in equity is shown below:

Re-measurement gains / (losses).on defined benefit plans, (net of tax)	(20)	44
	<u>(20)</u>	<u>44</u>

## 30. 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-24	31-Mar-23
Profit for the year	16,298	13,568
Weighted average number of Equity shares for EPS	1,53,93,020	1,53,93,020
<b>Basic and Diluted earnings per share (₹)</b>	<b>105.90</b>	88.16

There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

## 31. 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.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 39
- Capital management Note 40

### 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

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

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. The information about the ECLs on the Company's trade receivables is disclosed in Note 8.

### **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 33.

	Year ended March 31, 2024	Year ended March 31, 2023
<b>32. Income taxes</b>		
The major components of income tax expense for the year ended March 31, 2024 are:		
<b>Current tax:</b>		
Current income tax charge	5,762	4,619
Adjustment of tax relating to earlier periods	20	2
<b>Deferred Tax:</b>		
Relating to the origination and reversal of temporary differences	(84)	40
<b>Income tax expense reported in the statement of profit and loss</b>	<b>5,698</b>	<b>4,661</b>
<b>Other comprehensive income</b>		
Deferred tax related to items recognised in OCI		
Tax (income) / expense during the year recognised in OCI	(6)	14
Income tax charged to other comprehensive income	(6)	14
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate are:</b>		
Profit before tax	21,996	18,229
At India's statutory income tax rate of 25.168% (March 31, 2023 : 25.168%)	5,536	4,588
<b>Relating to the origination of Permanent differences:</b>		
CSR expenditure	63	49
MSME Interest	43	20
Adjustment of tax relating to earlier years	20	2
Others	36	2
	<b>5,698</b>	<b>4,661</b>

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

### 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, 2024 INR Lacs	March 31, 2023 INR Lacs	March 31, 2024 INR Lacs	March 31, 2023 INR Lacs
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(595)	(503)	92	50
<b>Deferred tax asset</b>				
Provision for employee benefits	208	175	(33)	5
Provision for doubtful trade receivables	158	104	(54)	37
Provision for inventories	247	222	(25)	(9)
Provision for sales tax	67	67	–	5
Provision for others	113	43	(70)	(34)
<b>Deferred tax expense / (income)</b>			(90)	54
<b>Net deferred tax assets / (liabilities)</b>	<b>198</b>	<b>108</b>		

### Movement of deferred tax expense during the year ended:

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Deferred Tax (Liabilities) / Assets in relation to:</b>		
Opening balance	108	162
Tax income / (expense) during the year recognised in profit or loss	84	(40)
Tax income / (expense) during the year recognised in OCI	6	(14)
<b>Closing balance</b>	<b>198</b>	<b>108</b>

	Note	31-Mar-24	31-Mar-23
<b>33. Gratuity and other post-employment benefit plans</b>			
Provisions for gratuity (Refer note 17)	A	124	34
Pension fund liability (Refer note 17)	B	211	198

#### 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 present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



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 2024:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
<b>As at 1 April 2023</b>	<b>(786)</b>	752	(34)
<b>Gratuity cost charged to profit or loss</b>			
Current service cost	(67)	–	(67)
Past service cost	–	–	–
Interest income / (expense)	(54)	56	2
<b>Sub-total included in profit or loss (Refer note 24)</b>	<b>(121)</b>	56	(65)
Benefits paid	46	(46)	–
<b>Remeasurement gains / (losses) in other comprehensive income</b>			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	(13)	–	(13)
Experience adjustments	0	–	0
Return on plan assets (excluding amounts included in net interest expense)	–	(12)	(12)
<b>Sub-total included in other comprehensive income</b>	<b>(13)</b>	(12)	(25)
Contributions by Employer	–	–	–
<b>As at 31 March 2024</b>	<b>(874)</b>	750	(124)

### 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
<b>As at 1 April 2022</b>	<b>(759)</b>	708	(51)
<b>Gratuity cost charged to profit or loss</b>			
Current service cost	(72)	–	(72)
Past service cost	–	–	–
Interest income / (expense)	(48)	48	–
<b>Sub-total included in profit or loss (Refer note 24)</b>	<b>(120)</b>	48	(72)
Benefits paid	59	(59)	–
<b>Remeasurement gains / (losses) in other comprehensive income</b>			
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)
<b>Sub-total included in other comprehensive income</b>	<b>34</b>	(4)	30
Contributions by Employer	–	59	59
<b>As at 31 March 2023</b>	<b>(786)</b>	752	(34)

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

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

	31-Mar-24	31-Mar-23
<b>Unquoted investments:</b>		
Insurer managed funds	740	709
Others	10	43
<b>Total</b>	<b>750</b>	<b>752</b>

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

	31-Mar-24	31-Mar-23
Discount rate (%)	7.25%	7.45%
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-24	31-Mar-23
Discount rate	-0.25%	1.90%	1.94%
Discount rate	+0.25%	-1.84%	-1.87%
Salary escalation rate	-0.25%	-1.81%	-1.85%
Salary escalation rate	+0.25%	1.87%	1.90%

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

Particulars	31-Mar-24	31-Mar-23
Within the next 12 months (next annual reporting year)	142	113
Year 2 to 5	358	320
Year 6 to 9	278	278
Year 10 and above	966	918
<b>Total expected payments</b>	<b>1,744</b>	<b>1,629</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 7.47 years (31 March 2023: 7.62 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 present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

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.

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

## Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2024:

	Defined benefit obligation	Fair value of plan assets	Benefit asset / (liability)
<b>As at 1 April 2023</b>	(739)	541	(198)
<b>Pension cost charged to profit or loss</b>			
Current service cost	(31)	–	(31)
Interest income / (expense)	(44)	31	(13)
<b>Sub-total included in profit or loss</b>	(75)	31	(44)
Benefits paid	18	(18)	–
<b>Remeasurement gains / (losses) in other comprehensive income</b>			
Changes in demographic assumptions	–	–	–
Changes in financial assumptions	(5)	–	(5)
Experience adjustments	(2)	–	(2)
Adjustment to recognise the effect of asset ceiling	–	–	–
Return on plan assets (excluding amounts included in net interest expense)	–	6	6
<b>Sub-total included in other comprehensive income</b>	(7)	6	(1)
Contributions by Employer	–	32	32
<b>As at 31 March 2024 (Refer note 17)</b>	(803)	592	(211)

## 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)
<b>As at 1 April 2022</b>	(720)	514	(206)
<b>Pension cost charged to profit or loss</b>			
Current service cost	(32)	–	(32)
Interest income / (expense)	(42)	29	(13)
Actual return on plan assets	–	–	–
<b>Sub-total included in profit or loss</b>	(74)	29	(45)
Benefits paid	32	(32)	–
<b>Remeasurement gains / (losses) in other comprehensive income</b>			
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
<b>Sub-total included in other comprehensive income</b>	23	5	28
Contributions by Employer	–	25	25
<b>As at 31 March 2023 (Refer note 17)</b>	(739)	541	(198)

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

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

	31-Mar-24	31-Mar-23
<b>Unquoted investments:</b>		
Insurer managed funds	581	531
Others	10	10
<b>Total</b>	<b>591</b>	<b>541</b>

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

	31-Mar-24	31-Mar-23
Discount rate	7.25%	7.45%
Future salary increases	5%	5%

### Sensitivity Analysis:

A quantitative sensitivity analysis for significant assumption are shown below:

Particulars	Change	Impact on defined benefit obligation	
		31-Mar-24	31-Mar-23
Discount rate	-0.25%	0.90%	1.00%
Discount rate	+0.25%	-0.88%	-0.98%
Salary escalation rate	-0.25%	-0.78%	-0.86%
Salary escalation rate	+0.25%	0.80%	0.87%

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

Particulars	31-Mar-24	31-Mar-23
Within the next 12 months (next annual reporting period)	350	292
Year 2 to 5	262	201
Year 6 to 9	163	219
Year 10 and above	25	22
<b>Total expected payments</b>	<b>800</b>	<b>734</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting year is 3.59 years (31 March 2023: 3.96 years).

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

	31-Mar-24	31-Mar-23
<b>34. Commitment and contingencies</b>		
<b>a. Commitments</b>		
Estimated amount of contracts to be executed and not provided for (net of advances) on capital account	827	1,059
	<b>827</b>	<b>1,059</b>
<b>b. Contingent Liabilities</b>		
(i) Demand raised by authorities against which Company has filed appeals		
- Excise duty matters	1,487	1,487
- Income Tax matters	315	326
- Service Tax matters	114	114
- Other matters	244	244
(ii) Claims against the company not acknowledged as debt	824	824
(iii) Sales Tax matter	215	-
	<b>3,199</b>	<b>2,995</b>

- (i) 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.
- (ii) 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.
- (iii) From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.
- (iv) Excise duty / Service tax cases includes disputes pertains to determination of assessable value, short payment of service tax on expenditure incurred in foreign currency, inadmissibility of CENVAT credit and applicability of service tax under reverse charge mechanism, etc.
- (v) Income tax cases pertains to disallowance of expenses, etc.
- (vi) Sales tax case pertains to reversal of Input Tax Credit on inter-state sales.
- (vii) Other cases includes dispute pertains to Non-submission of Bill of Entries under Foreign Exchange Management Act, 1999 etc.

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

## 35. 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
<b>Balance as at April 1, 2022</b>	320	178	65	77
Additions	325	–	321	4
Depreciation expense	(175)	(109)	(37)	(29)
<b>Balance as at March 31, 2023</b>	<b>470</b>	<b>69</b>	<b>349</b>	<b>52</b>
Additions	120	–	120	–
Depreciation expense	(89)	(1)	(65)	(23)
<b>Balance as at March 31, 2024</b>	<b>501</b>	<b>68</b>	<b>404</b>	<b>29</b>

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

Lease liability	Total	Land	Building	Motor Vehicles
<b>Balance as at April 1, 2022</b>	<b>268</b>	<b>114</b>	<b>76</b>	<b>78</b>
Additions to Lease liability	312	–	308	4
Finance cost	31	6	19	6
Payments made during the year	(210)	(120)	(58)	(32)
<b>Balance as at March 31, 2023</b>	<b>401</b>	<b>–</b>	<b>345</b>	<b>56</b>
Additions to Lease liability	121	–	121	–
Finance cost	42	–	38	4
Payments made during the year	(107)	–	(80)	(27)
<b>Balance as at March 31, 2024</b>	<b>457</b>	<b>–</b>	<b>424</b>	<b>33</b>
Current	107	–	81	26
Non-current	350	–	343	7

The maturity analysis of lease liabilities is disclosed in Note 39.

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

The following are the amounts recognised in profit or loss:	31-Mar-24	31-Mar-23
Depreciation expense of right-of-use assets	89	175
Interest expense on lease liabilities	42	31
Expense relating to short-term leases (included in miscellaneous expenses)	33	5
<b>Total amount recognised in profit or loss</b>	<b>164</b>	<b>211</b>

The Company had total cash outflows for leases of ₹ 107 during the year (₹ 210 in March 31, 2023). All the payments are fixed lease payments. There are no variable lease payments in the Company.

### 36. Related party transactions

#### (a) Name of Related Parties and related party relationship

##### Related Party where control exists

- i) As at March 31 2024, 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 2023-24, 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
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 Europe GmbH, Switzerland	Entities under common control
ESAB Industria eComercio Ltda, Brazil	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

# Notes to the Financial Statements

for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

<b>Name of the Related Party</b>	<b>Nature of Relationship</b>
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
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
PT 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 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
Thermal Dynamics OY, Finland	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 - Director & Chief Financial Officer (Director from June 20, 2023)	Key Managerial Personnel
Mr. G Balaji - Company Secretary	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 (Till May 31, 2023)	Director
Ms. Cauvery Dharmaraj - Non-Executive Independent Director	Director
Ms. Sabitha Rao - Non-Executive Independent Director (Till December 31, 2022)	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, 2024

(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-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Transactions during the year ended</b>						
<b>Sale of products</b>	-	-	12,393	8,552	-	-
Cigweld Pty Ltd., Australia	-	-	138	31	-	-
ESAB Asia / Pacific Pte Ltd, Singapore	-	-	154	15	-	-
ESAB Europe GmbH, Switzerland	-	-	2	3	-	-
ESAB Industria eComercio Ltda, Brazil	-	-	3	34	-	-
ESAB Middle East FZE, UAE	-	-	668	259	-	-
ESAB Saudi Trading Company	-	-	201	44	-	-
The ESAB Group, Inc. USA	-	-	18	3	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	-	-	44	-	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China**	-	-	0	-	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	-	15	-	-
EWAC Alloys Limited, India	-	-	8,752	5,587	-	-
GCE India Private Limited, India	-	-	23	22	-	-
ESAB Limited Liability Company, Russia	-	-	971	2,125	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	8	-	-	-
PT Victor Teknologi, Indonesia	-	-	1,093	120	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	4	-	-	-
Thermal Dynamics Europe Srl, Italy	-	-	6	7	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	308	287	-	-
<b>Income from services</b>	-	-	6,921	5,598	-	-
ESAB AB, Sweden	-	-	3,631	2,894	-	-
Cigweld Pty Ltd., Australia	-	-	92	71	-	-
ESAB Asia / Pacific Pte Ltd, Singapore	-	-	47	118	-	-
ESAB Europe GmbH, Switzerland	-	-	522	522	-	-
ESAB Middle East FZE, UAE	-	-	4	13	-	-
ESAB North America, Global Cost Nam Florence, USA	-	-	1,814	1,539	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	33	34	-	-
Gas Control Equipment Limited, UK	-	-	140	17	-	-
PT Karya Yasantra Cakti, Indonesia	-	-	11	6	-	-
PT Victor Teknologi, Indonesia	-	-	43	8	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	27	5	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	39	12	-	-
Victor Technologies International Inc., USA	-	-	494	359	-	-
EWAC Alloys Limited, India	-	-	24	-	-	-
<b>Management service income</b>	-	-	350	350	-	-
EWAC Alloys Limited, India	-	-	350	350	-	-
<b>Testing charges</b>	-	-	2	-	-	-
ESAB Middle East FZE, UAE	-	-	1	-	-	-
ESAB Saudi Trading Company	-	-	1	-	-	-
<b>Rent paid</b>	-	-	8	16	-	-
EWAC Alloys Limited, India	-	-	8	16	-	-

# Notes to the Financial Statements

## for the year ended March 31, 2024

(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	
<b>Purchase of raw material / traded goods</b>	-	-	8,785	8,327	-	-
Alcotec Wire Corporation USA	-	-	21	29	-	-
ESAB MOR KFT, Hungary	-	-	1	1	-	-
Cigweld Pty Ltd., Australia	-	-	1	-	-	-
ESAB AB, Sweden	-	-	58	47	-	-
ESAB Middle East FZE, UAE	-	-	38	-	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	299	324	-	-
ESAB Europe GmbH, Switzerland	-	-	5,114	5,093	-	-
ESAB SeAH CORP, Korea	-	-	10	17	-	-
ESAB Sp.Z.O.O., Poland	-	-	17	18	-	-
ESAB Vamberk Sro, CZ	-	-	-	59	-	-
The ESAB Group, Inc. USA	-	-	1,817	1,371	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	-	-	209	201	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	218	74	-	-
EWAC Alloys Limited, India	-	-	538	712	-	-
Gas Arc Group Limited, UK	-	-	34	24	-	-
GCE AUTOGEN S.R.O., Czech Republic	-	-	3	4	-	-
GCE India Private Limited, India	-	-	11	9	-	-
HKS Prozesstechnik GmbH, Germany	-	-	8	3	-	-
Jinan Red Hawk International Trading, China	-	-	61	43	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	40	39	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	8	13	-	-
TBI Industries GmbH, Germany	-	-	279	246	-	-
<b>Purchase of property, plant and equipment</b>	-	-	161	20	-	-
ESAB Europe GmbH, Switzerland	-	-	-	20	-	-
ESAB MOR KFT, Hungary	-	-	147	-	-	-
EWAC Alloys Limited, India**	-	-	0	-	-	-
GCE India Private Limited, India	-	-	14	-	-	-
<b>Trademark license fee expense</b>	-	2,486	3,235	-	-	-
ESAB Holdings Limited, UK	-	2,486	-	-	-	-
ESAB Europe GmbH, Switzerland	-	-	3,235	-	-	-
<b>Reimbursement received / receivable</b>	527	-	137	14	-	-
ESAB MOR KFT, Hungary	-	-	122	-	-	-
Victor Technologies International Inc., USA	-	-	-	3	-	-
ESAB AB, Sweden	-	-	-	1	-	-
EWAC Alloys Limited, India	-	-	12	10	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	3	-	-	-
Exelvia Group India B.V., Netherlands	527	-	-	-	-	-
<b>Reimbursement of expenses paid / payable</b>	20	-	254	324	-	-
ESAB Europe GmbH, Switzerland	-	-	48	37	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	12	30	-	-

# Notes to the Financial Statements

## for the year ended March 31, 2024

(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 Welding and Cutting GmbH, Germany**	-	-	0	42	-	-
The ESAB Group, Inc. USA	-	-	190	209	-	-
TBI Industries GmbH, Germany**	-	-	0	5	-	-
EWAC Alloys Limited, India	-	-	3	-	-	-
ESAB Holdings Limited, UK	20	-	-	-	-	-
ESAB MOR KFT, Hungary	-	-	1	-	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China**	-	-	0	1	-	-
<b>Dividend paid (net of tax)</b>	<b>5,311</b>	<b>7,967</b>	-	-	-	-
ESAB Holdings Limited, UK	2,688	4,032	-	-	-	-
Exelvia Group India B.V., Netherlands	2,623	3,935	-	-	-	-
<b>Dividend Payable</b>	<b>2,723</b>	-	-	-	-	-
ESAB Holdings Limited, UK	1,378	-	-	-	-	-
Exelvia Group India B.V., Netherlands	1,345	-	-	-	-	-
<b>Contribution to Post Employment Benefit Funds</b>	-	-	-	-	<b>32</b>	<b>84</b>
ESAB India Limited Executive Staff Gratuity Fund	-	-	-	-	-	48
ESAB India Limited Non-executive Staff Gratuity Fund	-	-	-	-	-	11
ESAB India Limited Executive Staff Pension Fund	-	-	-	-	<b>32</b>	<b>25</b>
<b>Total compensation paid to Key Managerial Personnel #</b>						
<b>Short-term employee benefits</b>	-	-	-	-	<b>513</b>	<b>447</b>
Mr. Rohit Gambhir	-	-	-	-	<b>300</b>	<b>271</b>
Mr. B Mohan	-	-	-	-	<b>166</b>	<b>143</b>
Mr. G Balaji	-	-	-	-	<b>47</b>	<b>33</b>
<b>Sale of Motor car</b>	-	-	-	-	-	<b>1</b>
Mr. B Mohan	-	-	-	-	-	<b>1</b>
<b>Sitting Fee</b>	-	-	-	-	<b>8</b>	<b>10</b>
Mr. K Vaidyanathan	-	-	-	-	<b>3</b>	<b>3</b>
Mr. Vikram Tandon	-	-	-	-	<b>3</b>	<b>3</b>
Mr. Sudhir Chand	-	-	-	-	-	<b>3</b>
Ms. Sabitha Rao	-	-	-	-	-	<b>1</b>
Ms. Cauvery Dharmaraj	-	-	-	-	<b>2</b>	-
<b>Director Commission Paid</b>	-	-	-	-	<b>26.60</b>	<b>32.16</b>
Mr. K Vaidyanathan	-	-	-	-	<b>9.40</b>	<b>8.58</b>
Mr. Vikram Tandon	-	-	-	-	<b>8.60</b>	<b>7.86</b>
Mr. Sudhir Chand	-	-	-	-	<b>8.60</b>	<b>7.86</b>
Ms. Sabitha Rao	-	-	-	-	-	<b>7.86</b>

# 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.

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



### (c) Balances as at year end with related parties

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Balances as at</b>						
<b>Trade receivables</b>	-	-	5,992	5,471	-	-
Cigweld Pty Ltd., Australia	-	-	36	12	-	-
ESAB AB, Sweden	-	-	788	662	-	-
ESAB Asia / Pacific Pte Ltd, Singapore	-	-	67	13	-	-
ESAB Europe GmbH, Switzerland	-	-	161	61	-	-
ESAB Middle East FZE, UAE	-	-	274	40	-	-
ESAB North America, Global Cost Nam Florence, USA	-	-	473	380	-	-
The ESAB Group, Inc. USA	-	-	17	6	-	-
EWAC Alloys Limited, India (including management fee receivables)	-	-	3,425	3,158	-	-
Gas Control Equipment Limited, UK	-	-	-	17	-	-
GCE India Private Limited, India	-	-	19	6	-	-
ESAB Limited Liability Company, Russia	-	-	60	942	-	-
OZAS-ESAB Sp.Z.O.O., Poland**	-	-	8	-	-	-
PT Karya Yasantra Cakti, Indonesia	-	-	-	6	-	-
PT Victor Teknologi, Indonesia	-	-	504	50	-	-
SIAM ESAB Welding & Cutting Limited, Thailand	-	-	5	5	-	-
Thermal Dynamics Europe Srl, Italy**	-	-	-	7	-	-
Victor Technologies Asia SDN BHD, Malaysia	-	-	32	38	-	-
Victor Technologies International Inc., USA	-	-	78	65	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	10	3	-	-
ESAB Industria eComercio Ltda, Brazil	-	-	2	-	-	-
ESAB Saudi Trading Company	-	-	33	-	-	-
<b>Trade payables</b>	-	617	3,554	2,997	-	-
Alcotec Wire Corporation USA	-	-	-	10	-	-
Cigweld Pty Ltd., Australia	-	-	5	8	-	-
ESAB AB, Sweden	-	-	11	26	-	-
ESAB Automation Cutting & Welding Equipment (Wuxi) Co., Ltd., China	-	-	1	1	-	-
ESAB Welding and Cutting GmbH, Germany	-	-	114	255	-	-
ESAB Europe GmbH, Switzerland	-	-	2,832	1,247	-	-
ESAB Holdings Limited, UK	-	617	-	-	-	-
ESAB SeAH CORP, Korea	-	-	-	16	-	-
ESAB Sp.Z.O.O., Poland	-	-	-	10	-	-
The ESAB Group, Inc. USA	-	-	393	854	-	-
ESAB Welding & Cutting Products (Shanghai) Management Co., Ltd, China	-	-	88	208	-	-
ESAB Welding Products (Jiangsu) Co Ltd, China	-	-	35	44	-	-
EWAC Alloys Limited, India	-	-	16	157	-	-
Gas Arc Group Limited, UK	-	-	6	7	-	-
GCE AUTOGEN S.R.O., Czech Republic	-	-	-	1	-	-
GCE India Private Limited, India**	-	-	0	8	-	-

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



### (c) Balances as at year end with related parties (contd.)

Particulars	Ultimate Holding Co / Holding Co		Entities under Common Control		Others	
Jinan Red Hawk International Trading, China	-	-	11	9	-	-
OZAS-ESAB Sp.Z.O.O., Poland	-	-	5	6	-	-
P.T Karya Yasantra Cakti, Indonesia	-	-	5	6	-	-
TBI Industries GmbH, Germany	-	-	30	122	-	-
Victor Technologies International Inc., USA	-	-	2	2	-	-
Thermal Dynamics OY**	-	-	0	-	-	-
<b>Guarantee / Surety received</b>	<b>1,300</b>	-	<b>165</b>	-	-	-
ESAB Corporation USA***	1,300	-	-	-	-	-
EWAC Alloys Limited, India****	-	-	165	-	-	-

\*\* Amount is less than the rounding off norm adopted by the Company

\*\*\* ESAB corporation, USA being an ultimate holding company of ESAB India Limited, has given a corporate guarantee for securing the working capital facility from JP Morgan, Chase Bank, N.A.

\*\*\*\* EWAC Alloys Limited, India being a fellow subsidiary of ESAB India Limited, have given 2 surety bonds in favour of Assistant Director, Directorate of Enforcement, Mumbai in respect of appeal pending in Appellate Tribunal of foreign exchange pertaining to non-submission of Bill of Entry.

### 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, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: 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.

### 37. Fair values

The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values. Refer note 41 for the value of all financial instruments

### 38. 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)
Unquoted equity shares	March 31, 2024	-	-	44
Unquoted equity shares	March 31, 2023	-	-	15

The investment in unquoted equity shares (Level 3 in the fair value hierarchy) of the Company consists of third party power companies invested at face value as per statutory requirements.

There have been no transfers between the level 1, level 2 and level 3 during the period.

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.

### 39. Major Financial risk management objectives

The Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including commodity price risk, currency risk and interest rate risk), credit risk and liquidity risk.

The Management reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: commodity price risk, currency 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, 2024:

Particulars	Gross exposure	Exposure hedged	Net liability exposure on the currency
Impact of USD exposure	(906)	–	(906)
Impact of EURO exposure	(605)	–	(605)
Impact of other exposures	(31)	–	(31)
Net overall exposure - net assets / (net liabilities)	(1,542)	–	(1,542)

#### 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)

**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 Equity for change in USD rates	Increase / (Decrease) in PBT for change in EURO rates	Increase / (Decrease) in Equity for change in EURO rates
Receivables	31-Mar-24	118	118	8	8
Payables		(163)	(163)	(39)	(39)
Receivables	31-Mar-23	127	127	-	-
Payables		(238)	(238)	(22)	(22)

**Interest rate risk**

The Company is not exposed to interest rate risk because there are no borrowings.

**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.

**a. Trade receivables**

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management.

An impairment analysis is performed at each reporting date using a provision matrix based on transaction date to measure expected credit losses. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 41. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**b. Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company invests only on quoted liquid mutual funds with very low credit risk, which are classified under fair value through profit and loss. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2024 and 31 March 2023 is the carrying amounts as illustrated in Note 7.

**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.

# Notes to the Financial Statements

## for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

### 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 <sup>st</sup> year	Due in 2 <sup>nd</sup> to 5 <sup>th</sup> year	Due after 5 <sup>th</sup> year
<b>March 31, 2024</b>			
Trade payables (Refer note 18)	13,343	–	–
Other financial liabilities (Refer note 19)	8,144	49	–
Lease Liabilities (Refer note 35)	107	350	–
	<b>21,594</b>	<b>399</b>	<b>–</b>
<b>March 31, 2023</b>			
Trade payables (Refer note 18)	15,182	–	–
Other financial liabilities (Refer note 19)	1,900	115	–
Lease Liabilities (Refer note 35)	54	347	–
	<b>17,136</b>	<b>462</b>	<b>–</b>

### 40. 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.

### 41. Categories of Financial Instruments

	As at March 31, 2024	As at March 31, 2023
<b>Financial assets carried at amortised cost</b>		
Cash and bank balances	<b>8,778</b>	5,645
Trade Receivables	<b>18,882</b>	15,228
Others	<b>725</b>	573
<b>Financial assets carried at fair value through profit or loss</b>		
Investments	<b>44</b>	15
<b>Financial liabilities carried at amortised cost</b>		
Trade Payables	<b>13,343</b>	15,182
Lease liabilities	<b>457</b>	401
Others	<b>8,193</b>	2,015

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

## 42. Ratios

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio (in times)	Current Assets	Current Liabilities	1.7	1.7	0%	
Debt- Equity Ratio (in times)	Total Debt consists of borrowings and lease liabilities.	Shareholder's Equity	0.015	0.02	(25%)	Impact is due to increase in profit
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	165.7	70.6	135%	Impact is due to reduction in lease payments in the current year.
Return on Equity ratio (in %)	Net Profits after taxes	Average Shareholder's Equity	57.6%	53.8%	7 %	
Inventory Turnover ratio (in times)	Cost of goods sold	Average Inventory	6.3	5.9	7%	
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	7.3	7.6	(4%)	
Trade Payable Turnover Ratio (in times)	Net credit purchases	Average Trade Payables	5.1	4.7	9%	
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	7.2	7.5	(4%)	
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	13.1%	12.4%	6%	
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt	71.4%	69.8%	2%	
Return on Investment - Bank deposits (in %)	Interest on Bank deposits	Average bank deposits	7.6%	5.2%	46%	Impact is due to increase in interest rates.

## 43 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".

# Notes to the Financial Statements

for the year ended March 31, 2024

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



ESAB INDIA LIMITED

## 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
<b>Revenue from operations - External</b>			
For the year ended March 31, 2024	1,12,556	11,776	1,24,332
For the year ended March 31, 2023	99,626	9,454	1,09,080

Particulars	31-03-2024	31-03-2023
<b>Non-current operating assets:</b>		
India	12,026	9,024
Outside India	–	–

## Information about major customers:

No customer individually accounted for more than 10% of the revenue.

## 44. Other Statutory Information

- No proceedings has been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- The Company has working capital facilities with Axis Bank, HDFC Bank and JP Morgan Chase Bank. However, the Company has not availed any amount from the banks during the year/in previous years. The quarterly returns (including revised returns) or statements of current assets filed by the company with banks are in agreement with the books of accounts. The Company do not have sanctioned working capital from financial institutions during the year on the basis of security of current assets of the Company. Following is the summary of the details submitted by the Company:

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the revised quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-23	HDFC & Axis Bank	Inventories	12,835	12,835	-	Not Applicable
Jun-23	HDFC & Axis Bank	Third Party Debtors	10,271	10,271	-	
Jun-23	HDFC Bank	Creditors Other than accruals	14,735	14,735	-	
Sep-23	HDFC & Axis Bank	Inventories	11,877	11,877	-	
Sep-23	HDFC & Axis Bank	Third Party Debtors	11,506	11,506	-	
Sep-23	HDFC Bank	Creditors Other than accruals	12,328	12,328	-	
Dec-23	HDFC & Axis Bank	Inventories	11,180	11,180	-	
Dec-23	HDFC & Axis Bank	Third Party Debtors	12,050	12,050	-	
Dec-23	HDFC Bank	Creditors Other than accruals	12,790	12,790	-	
Mar-24	HDFC & Axis Bank	Inventories	11,126	11,126	-	
Mar-24	HDFC & Axis Bank	Third Party Debtors	12,890	12,890	-	
Mar-24	HDFC Bank	Creditors Other than accruals	12,046	12,046	-	

- (iii) The Company does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year. (March 31, 2023: Nil)
- (iv) The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (vi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year. (March 31, 2023: Nil)
- (vii) 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:
  - (a) 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)
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) 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:
  - (a) 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)
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (March 31, 2023: Nil)
- (ix) 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).
- (x) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

#### 45. Events after the reporting period

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer note 15 for details.

# Notes to the Financial Statements

for the year ended March 31, 2024

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



**ESAB INDIA LIMITED**

## 46. Others

The Company has three accounting software's for maintaining its books of accounts, one of which is operated by a third-party service provider and used for maintaining its records related to Payroll. All the three-accounting software have a feature of recording audit trail (edit log) facility.

In respect of two accounting softwares, the audit trial and related logs had been enabled from April 12, 2023 except for log pertaining to Property, Plant and Equipment records, where audit trial feature was enabled from March 6, 2024. In respect of these two software, the Company is currently in the process of validating the completeness of audit trial and required logs and also evaluating enablement of features that can track changes made using privileged / administrative access rights to the accounting software and the underlying SQL database.

In respect of third payroll related accounting software, Management is in possession of Service Organisation Controls report and noted that the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software. Accordingly, there were no instances of the audit trail feature being tampered with.

As per our report of even date attached

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

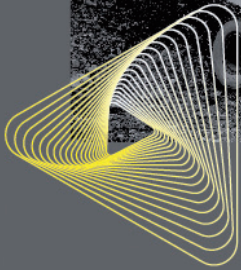
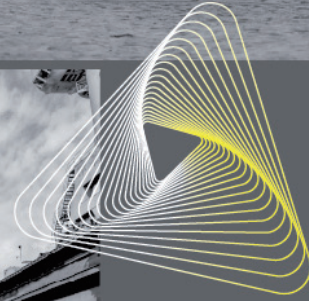
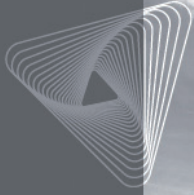
**Chirag Shah**  
*Partner*  
Membership No. 121648

**B Mohan**  
Director & Chief Financial Officer  
DIN: 00261434

**G Balaji**  
Company Secretary

Place : Chennai  
Date : May 23, 2024





# GLOBAL SOLUTIONS FOR KEY INDUSTRIES



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