



**ESAB INDIA LIMITED**

**CIN: L29299TN1987PLC058738**

**Regd. Office:**

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

Tel : 044-4228 1100 Fax : 044-4228 1150

Email: investor.relations@esab.co.in Website: www.esabindia.com

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## **NOTICE FOR POSTAL BALLOT AND E-VOTING**

Dear Shareholders,

Notice is hereby given that pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) that the resolution appended below is proposed to be passed by way of Postal Ballot :-

1. Approval of material transactions with EWAC Alloys Limited, Related Party

The Member's consideration and approval is being sought for the Resolution annexed hereto. A Statement pursuant to Section 102 of the Companies Act, 2013, pertaining to the said resolution, setting out material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr V Mahesh, Practising Company Secretary, No.39/19, Aspen court, 3<sup>rd</sup> Floor, 6<sup>th</sup> Main Road, R A Puram, Chennai – 600 028 as Scrutinizer at its meeting held on 7<sup>th</sup> February, 2018, for conducting the postal ballot process in a fair and transparent manner in accordance with the provisions of Rule 22 of the Companies (Management and Administration) Rules, 2014.

In compliance with applicable clauses of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 110 of the Act, read with Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate, for its Shareholders which would enable them to cast their votes electronically, instead of physical postal ballot form.

Further, the Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility. It is clarified that e-voting is optional. Only members entitled to vote have to fill in the postal ballot form and send it to the Scrutinizer or vote under the e-voting facility offered by the Company and any other recipient of the Notice who has no voting rights should treat the Notice as intimation only. Please carefully read and follow the instructions on e-voting printed in the Postal Ballot Form.

In respect of shareholders opting for e-voting mode as above, they should cast their votes online from **10.00 Hrs (IST) on 22 February, 2018 till 17.30 Hrs (IST) on, 23 March, 2018** as per e-voting and other instructions provided with Postal Ballot Form. E-Voting shall not be allowed beyond **17.30 Hrs (IST) 23 March, 2018**. The duly completed postal ballot Form should reach Scrutinizer on or before **17.30 Hours (IST) on 23 March, 2018**.

The Scrutinizer will submit the report to the Chairman of the Company or in his absence to Director or Company Secretary of the Company upon completion of scrutiny of postal ballots in a fair and transparent manner and the result of the postal ballot will be announced on **27 March, 2018** at the Registered Office of the Company.

The result of the postal ballot will be posted on the Company's website viz. [www.esabindia.com](http://www.esabindia.com) and on NSDL's website viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) besides communicating to the Stock Exchanges (BSE & NSE) where the shares of the Company are listed ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)).

In accordance with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, if approved with requisite majority the resolutions shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot forms or e-Voting i.e **23 March, 2018**.

Members requiring any clarification may contact Mr S Venkatakrisnan, Company Secretary at the registered office of the Company.

By order of the Board  
For ESAB India Limited

Place: Chennai  
Date: 7 February, 2018

S Venkatakrisnan  
Company Secretary

## TEXT OF THE PROPOSED RESOLUTION ALONG WITH EXPLANATORY STATEMENT

### **Resolution 1:**

#### **Approval of 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 in ordinary course of business and at arm's length as detailed below and also given in the Explanatory Statement annexed hereto:

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised 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 in 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 to have 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 director 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 the order of the Board of Directors  
For ESAB India Limited

Place: Chennai

Date: 7 February, 2018

S Venkatakrisnan  
Company Secretary

#### Encl:

1. Explanatory Statement
2. Postal Ballot form and self-addressed Business Reply Envelope

#### Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is appended hereto.
2. Consideration and approval of the Shareholders of the Company by postal ballot and e-voting is sought for the above resolution.
3. Resolution passed by the shareholders through Postal Ballot and E-voting is deemed to have been passed at a General Meeting of the shareholders.
4. The material documents referred to in the accompanying Explanatory Statement shall be open for inspection by the Equity Shareholders at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays (between 9.30 a.m. to 11.30 a.m.) up to the last date for receipt of the Postal Ballot Form.
5. The Notice along with Explanatory Statement and Business Reply Envelope, are being sent to all the eligible shareholders of the Company by speed / registered post whose names appear in the Register of Members / list of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent (RTA) as on **9 February, 2018**. The Notice will be displayed on the website of the Company ([www.esabindia.com](http://www.esabindia.com)) and of NSDL.
6. The Company has appointed M/s V Mahesh and Associates, Practising Company Secretaries as Scrutinizer to conduct the postal ballot and e-voting process in a fair and transparent manner.

7. Voting rights shall be reckoned on the paid up value of the shares registered in the names of the members as on **9 February, 2018**.
8. A postal ballot form along with self-addressed Business Reply Envelope is enclosed. Shareholders voting in physical form are requested to carefully read the instructions printed in the attached postal ballot form. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [srirams@integratedindia.co.in](mailto:srirams@integratedindia.co.in) or [investor.relations@esab.co.in](mailto:investor.relations@esab.co.in). The Registrar and Share Transfer Agent / Company shall forward the same along with self-addressed Business Reply Envelope to the Member.
9. Members are requested to read the instructions printed on the reverse of the Postal Ballot Form and return the Form duly completed in the attached self addressed Business Reply envelope so as to reach the Scrutinizer on or before **23 March, 2018** at the following address:

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

Any postal ballot form received after the said date and time period shall be treated as if the reply from the member has not been received.

10. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio / client ID irrespective of the number of joint members.
11. The postal ballot form should be completed and signed by the Shareholder (as per specimen signature registered with the Company and / or furnished to NSDL / CDSL). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his / her absence, by the next named member. Holder(s) of Power of Attorney ("PoA") on behalf of a Shareholder may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution / authorisation giving the requisite authority to the person voting on the postal ballot form.
12. The members who have cast their vote already by remote e-voting shall not be entitled to cast their vote again
13. The instructions for the Shareholders for voting electronically are as under :

#### **INSTRUCTIONS FOR E-VOTING**

In compliance with Regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Sections 108, 110 and other applicable provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 the Company is pleased to provide e-Voting facility to all its members to exercise their right to vote on the resolutions as set out in the Notice by 'electronic means' and all the businesses may be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

Members are requested to follow the below mentioned instructions to cast their vote through e-voting: The voting period begins on 10.00 Hrs (IST) on **22 February, 2018** till 17.30 Hrs (IST) on **23 March, 2018**. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off-date of **9 February, 2018** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

Members whose email addresses are registered with the Depository Participant(s) will receive an email from NSDL informing them of their User ID and password. Once the member receives the email, he or she will need to go through the following steps to complete the e-voting process:

- (i) Open e-mail and then open PDF file viz., “ESAB India Limited e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains the User ID and password for e-Voting. Please note that the password is an initial password.
- (ii) Launch your internet browser by typing the following URL in the address bar: [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (iii) Click on shareholder - Login
- (iv) Enter User ID and password noted in step (i) above or provided in the physical postal ballot form. Click Login.
- (v) Password change menu appears. Change the password to a password of your choice. The new password should have a minimum 8 digits / characters or combination thereof. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- (vi) Home page of e-Voting opens. Go to “eVoting” icon and select “Active Evoting Cycles”.
- (vii) Select “EVEN” of ESAB INDIA LIMITED.
- (viii) Now you are ready for e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) After you have voted on a resolution, you will not be allowed to modify your vote.
- (xii) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant board resolution / authority letter etc. together with attested specimen signature of the duly authorized signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to [maheshvenki@yahoo.com](mailto:maheshvenki@yahoo.com). with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of members receiving physical copy of the Notice

- (i) Initial password is provided as below / at the bottom of the notice

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

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of note no 3 to cast vote.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Telephone No: 022 - 24994600 or to Mr. S. Venkatakrishnan, company at Telephone No: 044 - 42281100 or his email id [venkatakrishnan.s@esab.co.in](mailto:venkatakrishnan.s@esab.co.in).

Login to e-Voting website will be disabled upon 5 unsuccessful attempts to key in the correct password. In such an event you will need to go through the Forgot User Details/Password option available on the site to reset the password.

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

**ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The Explanatory Statement for Item No. 1 of the accompanying Notice set out hereinabove is as under:

ITEM No. 1:- Approval for Material transactions with related party Pursuant to Section 188 of the Companies Act, 2013, the Company can enter into transactions mentioned in aforesaid resolution, which are Material in nature, though in the ordinary course of business and at arm’s length basis, only with prior approval of the Shareholders accorded by way of Ordinary resolution. Though,

your Company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis with the prior approval of Audit Committee, as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, material related party transactions (i.e value exceeding 10% of the annual turnover) require shareholder's approval. The Company feels that since both the Companies are in the field of welding lot of synergies in operations, execution and approaching the market / customers / different segment would enable growth for both the Companies. It is in this regard an agreement to capture the intent of both the related parties is envisaged to be entered into. The approval of the shareholders is sought for the entire gamut of transactions likely to be entered into under the fresh Agreements is likely to exceed 10 per cent of the annual turnover of the Company as per its applicable last audited financial statements of the Company under consideration.

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

On 16 November, 2017, a Share Purchase Agreement was signed between ESAB Holdings Limited (Holding Company of ESAB India Limited), Larsen & Toubro (L&T) and EWAC Alloys Limited (EWAC) for acquiring 100% of the equity shares of EWAC from L&T. As a result of such acquisition EWAC became a subsidiary of ESAB Holdings Limited.

ESAB Holdings Limited holds 37.31% of the equity share capital of ESAB India Limited. Hence, EWAC Alloys Limited, became a fellow-sub subsidiary of the Company and hence a related party.

EWAC is a Company engaged in the business of special welding electrodes, gas brazing rods, fluxes, welding torches and accessories, customized metal powder alloys, flux cored continuous wires and wire feeders polymer compounds and wear resistant plates at its factories in India. Since there were many areas of synergies between the two Companies, it was considered desirable to have a written understanding between these two companies which would qualify as a related party transactions. The type of related party transaction that is envisaged to be entered into between these two entities could include:

Management services including sharing of common resources on support functions, etc., Purchase and sale of goods and services on an arms' length basis as per the best market practices between the two entities, Common facilities for carrying on the Job work related work in the Repairs and Maintenance Business, Deputation of personnel for short to long term assignments, Sharing of office premises / space of each of these two companies in various locations, Sharing of plant premises / space of each of these two companies to enter into contract manufacturing type of work, Sharing of IT infrastructure including bandwidth and networking equipment, R&D services, Coordination and alignment of sales and marketing related practices including work carried out for seminar, exhibitions and customer events, between the two Companies, Usage of assets on chargeable basis of both these Companies interchangeably at arms' length basis and in the ordinary course of business, Specific reviews including but not restricted to audits, compliance reviews and related matters, etc.

While all these transactions likely to be entered into are in the ordinary course of business and would be done at arms' length basis, the total overall transactions between these two companies could exceed 10% of the turnover of the Company as per the last audited financials as of 31 March, 2017. The subject is now being placed before the shareholders for approval after obtaining the approval of the Audit Committee and the Board of Directors at its respective meetings held on 7 February, 2018.

While the likely list of transactions that are envisaged to be entered into would inter alia include the transactions listed above, there is a likelihood of extending the same to other areas where synergies of operations and economies of scale is expected to be achieved.

The above transactions are planned to be entered into, to benefit both the entities and achieve the economies of scale for both the entities. All transactions would nevertheless be entered into on an arm's length basis and as per the best business practices prevalent in the welding industry. Additionally, these transactions would also be subjected to review under transfer pricing regulations by various regulators under the applicable laws of India and by the auditors as well.

The business of your Company would be significantly impacted if the transactions of the nature stated here in above are not carried on by the Company or are restricted due to statutory limits and approvals specified. It is in the interest of the Company, therefore, to enter into, to the said transactions as they contribute to the business growth, competitiveness and efficiency of both the Companies.

The Audit Committee and Board of Directors of your Company have approved the related party transactions likely to be entered into between these two entities at their respective meetings held on 7 February, 2018 and they have recommended the Resolution as set out accompanying notice for the approval of members of the Company as an Ordinary Resolution.

Copies of draft of the Agreements to be entered into by the Company with the said related party are available for inspection by Members on all working days except Saturdays, Sundays and Public Holidays (between 9.30 A.M. and 11.30 A.M.) at the registered Office of the Company.

Accordingly, all related parties of the Company, irrespective of whether he/she/ entity is a party interested in the above transactions or not, will not vote on this resolution. Hence, the Promoter(s) and promoter group companies shall abstain from voting for this resolution.

None of Director or Key Managerial Personnel or their relatives other than mentioned above, is concerned or interested in the said resolution.

By order of the Board  
For ESAB India Limited

Place: Chennai  
Date: 7 February, 2018

S Venkatakrisnan  
Company Secretary

Enclosed:

- 1) Postal Ballot Form
- 2) Self addressed Postage Pre-paid Business Reply Envelope



**ESAB INDIA LIMITED**

CIN: L29299TN1987PLC058738

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

Email: investor.relations@esab.co.in Website : www. esabindia.com

**POSTAL BALLOT FORM**

(to be returned to the Scrutinizer)

1.	Name(s) of the Member(s) (including joint holders, if any)	
2.	Registered address of the Sole/ first Named member	
3.	Registered folio No / DP ID No & Client ID No	
4.	Number of Equity shares held	

I/We hereby exercise my/our vote in respect of the ordinary resolution to be passed through postal ballot for the business stated in the postal ballot notice of the Company by conveying my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Description	No of shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Approval of material transactions with EWAC Alloys Limited, Related Party.			

Place:

Date:

Signature of the Member

**ELECTRONIC VOTING PARTICULARS**

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

Note: Kindly read the instructions printed overleaf before filling the form. Last date for receipt of postal ballot forms by the Scrutinizer is 23 March, 2018.

## Notes/Instructions

1. A member desiring to exercise his/her vote by postal ballot may complete this postal ballot form (no other form or photocopy thereof is permitted to be used for the purpose) and send it to the Scrutinizer at the address of the Company in the attached postage pre-paid self addressed business reply envelope. The postage will be borne and paid by the Company. The Company shall also accept envelopes containing postal ballot forms, if deposited with the Company in person or if sent by courier at the expense of the member. Members residing outside India should stamp the envelopes appropriately.
2. The Board of Directors of the Company has at its meeting held on **7<sup>th</sup> February, 2018** appointed Mr V Mahesh, Practising Company Secretary, No.39/19, Aspen court, 3<sup>rd</sup> Floor, 6<sup>th</sup> Main Road, R A Puram, Chennai – 600 028 as Scrutinizer for conducting the postal ballot process in a fair and transparent manner. The name and address of the Scrutinizer to whom the postal ballot papers are to be sent are given below:

Mr V Mahesh  
Scrutinizer  
C/o. Integrated Registry Management Services Private Limited  
Unit: ESAB India Limited  
2nd Floor, 'Kences Towers',  
No.1 Ramakrishna Street, North Usman Road,  
T. Nagar, Chennai 600017.
3. This form should be completed and signed by the members (as per specimen signature recorded with the Company/Depositories). In case of joint shareholding, this form should be completed and signed by the first named member and in his/her absence, by the next named member. In case, holders of power of attorney sign the postal ballot form, reference to the Power of Attorney registered with the Company should be mentioned in the postal ballot form. The right of voting by postal ballot cannot be exercised by proxy.
4. Unsigned postal ballot forms will be rejected. Duly completed postal ballot forms should reach to the Company not later than by the close of working hours at 17:30 hours on **23 March, 2018**. Postal ballot forms received after this date and time will be strictly treated as if the reply from such member has not been received.
5. In the case of shares held by bodies corporate/trust/societies, the duly completed postal ballot form should be accompanied by a certified true copy of the relevant resolution/authorization.
6. There will be only one postal ballot form for every folio irrespective of the number of joint member(s).
7. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the members as on **9 February, 2018**.
8. Members are requested not to send any other paper along with the postal ballot form such as envelopes to the Scrutinizer and the scrutinizer would destroy any extraneous paper found in such envelope.
9. Votes will be considered invalid on the following grounds:
  - a. If the ballot form is unsigned;
  - b. If the member's signature does not tally with the specimen signature in the records of the Company/ depositories;
  - c. If the member has voted all his shares both in favour and also against in the ballot paper although member need not use all his votes or cast all his votes in the same way.
  - d. If the ballot paper received is torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are cast in favour or against the resolution or if the signature could not be checked or on one or more of the above grounds; or
  - e. On such other grounds which in the opinion of the scrutinizer makes the votes invalid.
10. The Scrutinizer's decision on the validity of a postal ballot form will be final and binding.
11. The result of the postal ballot will be announced by the Chairman or in his absence, any person authorized by the Chairman on **27 March, 2018**. In accordance with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, if approved with requisite majority the resolutions shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot forms or e-Voting i.e **23 March, 2018**.
12. The results will thereafter be published in the website of the Company, [www.esabindia.com](http://www.esabindia.com) and in newspapers viz. Business Standard in English and Makkal Kural in Tamil.