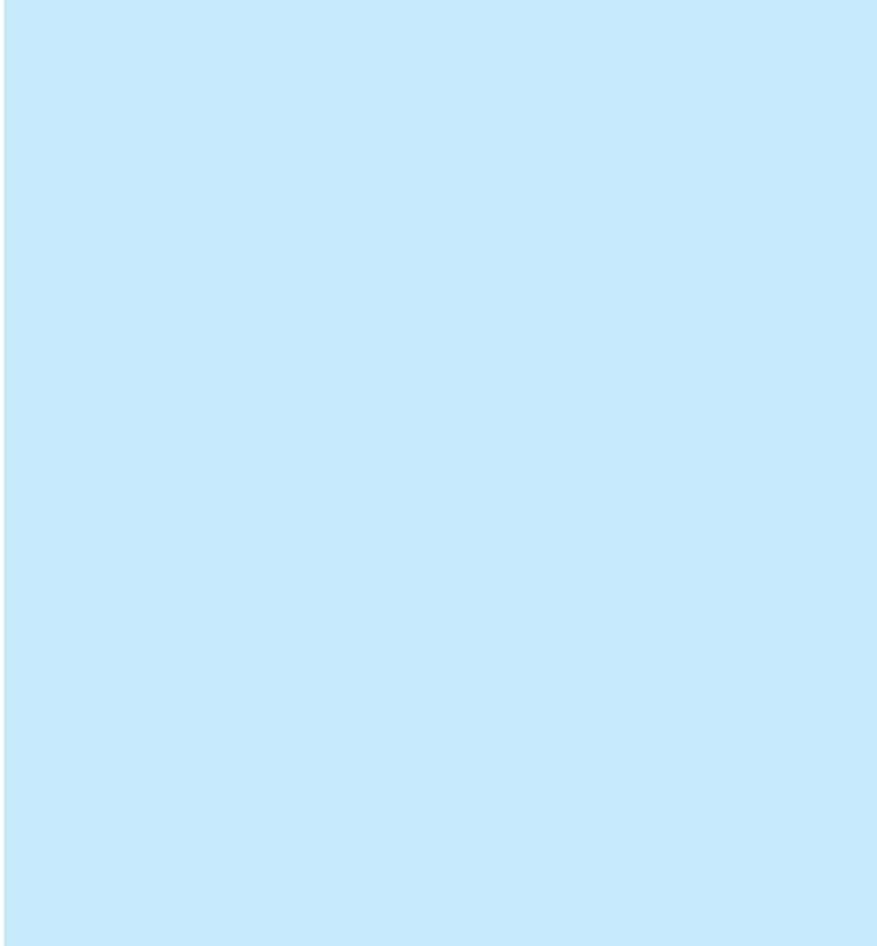




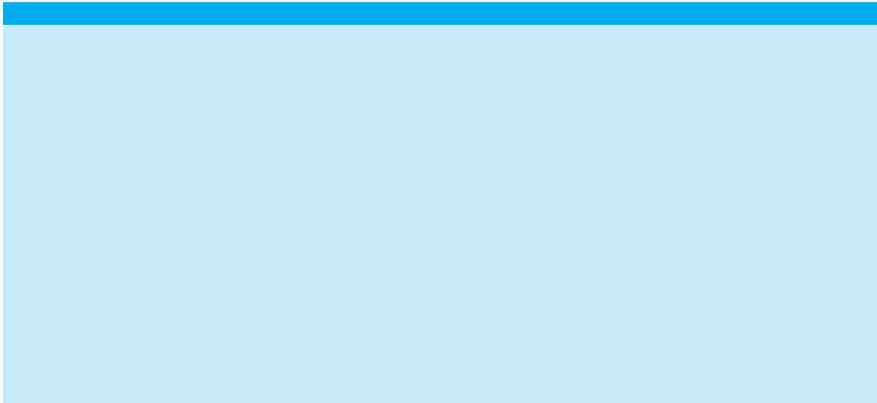
ESAB INDIA LIMITED
STRENGTH THROUGH COOPERATION



ANNUAL REPORT
2012



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Board of Directors

D A Pryor	Chairman
K D Konopa	Director
Jiri Kula	Managing Director
K Vaidyanathan	Independent Director
P Mallick	Independent Director
V Tandon	Independent Director
S Chand	Independent Director
S N Talwar	Independent Director

Vice President - Finance & Chief Financial Officer

B Mohan

Company Secretary

S Venkatakrishnan

Registered Office

Plot No.13, 3rd Main Road, Industrial Estate,
Ambattur, Chennai 600 058.
Tel : 044-4228 1100
Fax : 044-4228 1150
www.esabindia.com

Bankers

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

Auditors

B S R & Co.
Chartered Accountants
No.10, Mahatma Gandhi Road
Nungambakkam, Chennai 600 034.
Tel : 044-3914 5000
Fax : 044-3914 5999

Registrar & Share Transfer Agent

Integrated Enterprises (India) Limited
2nd Floor, 'Kences Towers'
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai 600 017.
Tel : 044-2814 0801 / 02 / 03
Fax : 044-2814 2479 / 3378
E-Mail: corpserv@integratedindia.in

Five year Financial Highlights

Highlights

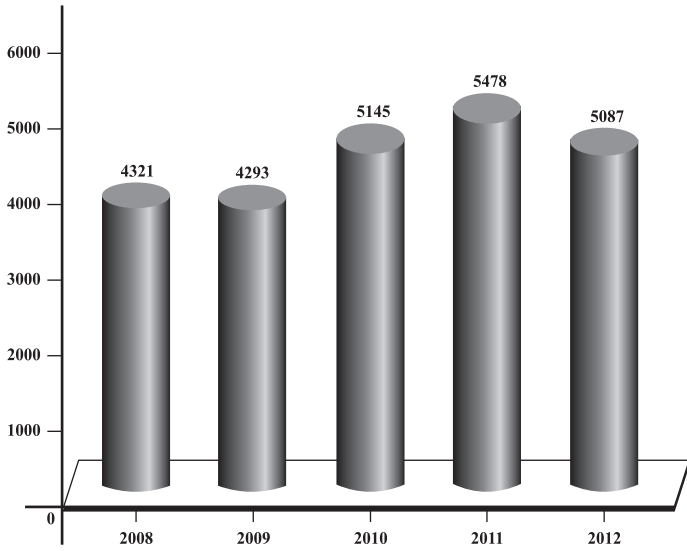
₹. Million

Operating Results	2012	2011	2010	2009	2008
Sales and Other Income	5,087	5,478	5,145	4,293	4,321
Materials	3,221	3,400	3,125	2,419	2,537
Manufacturing, Selling and Administrative Expenses	1,199	1,246	1,024	780	783
Interest and Finance Charges	7	10	8	8	9
Depreciation	118	118	106	77	67
Operating Profit	542	706	882	1,009	925
Exceptional / Extraordinary items	–	–	–	–	–
Profit before Tax	542	706	882	1,009	925
Taxation	(164)	(232)	(292)	(347)	(313)
Profit after Tax	378	474	590	662	612
Dividends	134	268	359	360	279
Retained Earnings	244	206	231	302	333

Financial Position	2012	2011	2010	2009	2008
Sources of Funds					
Capital	154	154	154	154	154
Reserves	2,206	1,962	1,756	1,518	1,216
Net Worth	2,360	2,116	1,910	1,672	1,370
Borrowings	–	–	–	–	–
Deferred Tax Liability	33	46	31	31	5
Total	2,393	2,162	1,941	1,703	1,375
Application of Funds					
Fixed Assets	993	1,066	1,098	959	799
Investments	778	340	335	25	120
Deferred Tax Assets	–	–	–	–	–
Long-term loans and advances	126	202	–	–	–
Current Assets	1,414	1,308	1,520	1,293	1,098
Non Current Liabilities	(54)	(57)	–	–	–
Current Liabilities and Provisions	(864)	(697)	(1,012)	(574)	(642)
Total	2,393	2,162	1,941	1,703	1,375

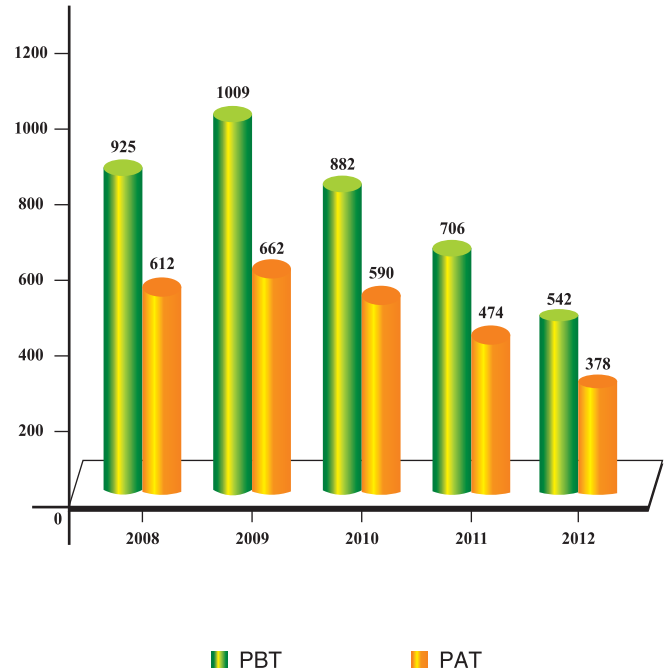
Sales and Other Income

₹ in Million

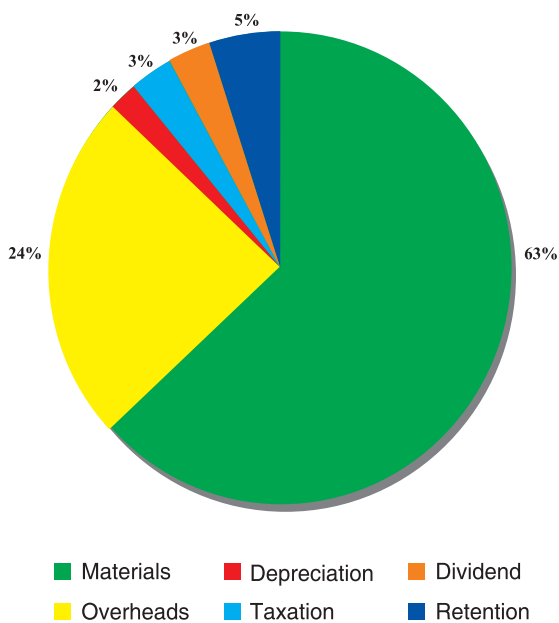


Profit Before & After Tax

₹ in Million

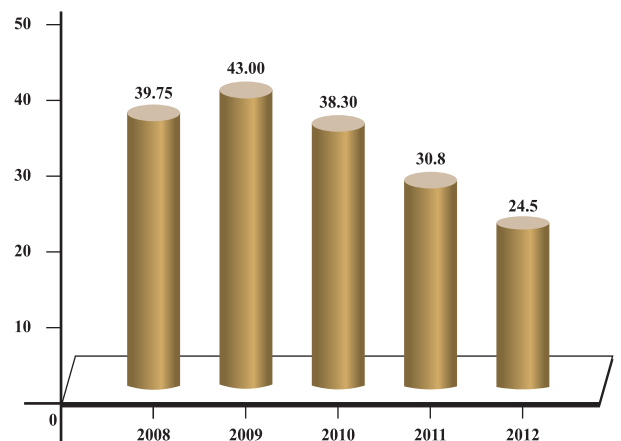


Distribution of Earnings



Earnings Per Share

₹



Notice to Shareholders

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of the Company will be held at Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017, on Thursday the 25 April, 2013 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31 December 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr Vikram Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Sudhir Chand, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and in this regard to pass, with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT the retiring auditors M/s. B S R & Co., Chartered Accountants, Chennai, Registration Number **101248W**, be and are hereby re-appointed as Auditors of this Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed in this behalf by the Board of Directors of the Company.

By Order of the Board of Directors

Chennai
18 February, 2013

S Venkatakrishnan
Company Secretary

NOTES:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself on a poll only and a proxy need not be a Member. Proxies, in order to be effective, must be addressed to the Company Secretary and received at the Registered Office of the Company at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058 not less than forty-eight hours before the scheduled start of the Meeting.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23 April, 2013 to 25 April, 2013 (both days inclusive).
3. Queries on the Accounts and operations of the Company, if any, may be sent to the Company at its Registered Office (and marked for the attention of the Company Secretary) at least seven days in advance of the Meeting.
4. Members holding shares in physical form are requested to advise any change of address immediately to the Registrar and Transfer Agent, viz. M/s. Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 - Attention Mr Suresh Babu, Vice President .
5. Members are requested to bring their copies of the Company's Report and Accounts for the year ended 31 December, 2012 to the Meeting.
6. 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 certificates, to enable consolidation of their holdings into one Folio.
7. Members who hold shares in the 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 of the nomination facility by completing and submitting Form 2B. Blank forms will be supplied by the Company's Registrars & Share Transfer Agent on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their shares.
8. Section 205C of the Companies Act, 1956 mandates that Companies transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members are hereby informed that once such amounts are transferred to IEPF, no claim of the

shareholders shall lie against the Company or IEPF. 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 31.12.2012
2005	Final	26.00	28.04.2006	2.06.2013	22,01,706
2007	1 st Interim	5.50	9.03.2007	13.04.2014	5,07,970
2007	2 nd Interim	10.00	13.12.2007	17.01.2015	9,42,340
2008	Interim	13.00	24.07.2008	28.08.2015	13,08,827
2008	Final	2.50	22.04.2009	27.05.2016	3,53,357
2009	Interim	20.00	9.12.2009	12.02.2017	18,49,700
2010	Interim	10.00	17.05.2010	21.06.2017	11,42,080
2010	2 nd Interim	10.00	30.12.2010	3.02.2018	10,68,260
2011	Interim	15.00	21.07.2011	26.08.2018	14,65,380

Shareholders who have not yet encashed their dividend warrant are requested to send the warrants to the Company immediately for revalidation.

9. As required under Clause 49 (IV) (G) of the Listing Agreement with stock exchanges, a brief resume of Directors who are proposed to be re-appointed / appointed, nature of their expertise in specific functional areas, their other Directorships and Committee memberships and their shareholdings in the Company is given below:

Mr Vikram Tandon

Vikram Tandon (64), 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 Offices in London and Rotterdam, where he worked on Corporate Strategy for Unilever's global chemicals businesses, in close conjunction with Dr Arnoldo Hax, Sloan professor of Management at Sloan School, MIT. He was also a member of Unilever's Technology Management Committee. He returned to India in 1994 as Head of Corporate Strategy for the Unilever Group of companies in India.

In 1995, Mr.Tandon joined the board of Pepsico India as the Executive Director for Operations, with responsibility across South Asia. He was responsible for setting up the infrastructure and building the operating capability for Pepsico's beverages business over six years. The business grew meteorically in volume and share during that period, requiring a fourfold capacity enhancement. He then moved to New York to Pepsico's head office for 6 years, where he ran Pepsico's Worldwide Concentrate business. Mr Tandon retired from Pepsico and returned to India in 2007.

He is a Director in Greaves Cotton Limited. He is the Chairman of the Shareholders & Investor Grievance Committee and is a member of the Audit Committee of ESAB India Limited. He does not hold any equity shares in the company as on 31 December, 2012. Mr Vikram Tandon is not related to any other Director in the Board of the Company.

Mr Sudhir Chand

Sudhir Chand (65) has over 42 years of work experience in various functions of General Management, Marketing, Sales, Manufacturing, HR and Consultancy.

Worked with Crompton Greaves Ltd (7 yrs), Exide Industries Ltd (28yrs) - where he held various leadership positions before being appointed to the main Board (10 yrs) first as Director Automotive (Marketing and Manufacturing) then as Director Corporate Affairs for the Company- including HR, Training and Corporate Social Responsibility. He retired from Exide in 2006.

An Electrical Engineer from BITS Pilani with Dip in Marketing Management, University of Bombay, and Executive Development programmes at IIM Ahmedabad and Cranefield School of Management, UK - Sudhir has been visiting faculty at Management Development Programs at IIM Calcutta and Calcutta Management Association. He is on the academic council of Globsyn Business School (Kolkata).

His areas of experience include Strategic and Corporate planning, Manufacturing, Marketing, Organization Structuring, HR Development, Collaborations and Technology absorption. He has served on various committees of Chambers of Commerce including CII and was Secretary General of Indian Battery Manufacturer's Association and a Past President of Calcutta Management Association.

He is an Associate of Grow Talent Company Ltd, the parent company of SOIL (School of Inspired Leadership) since 2006 and Right Management India (P) Ltd a Manpower group company of US (one of the World's largest talent and career management consulting firms) and handles assignments in areas of Talent Appreciation, Leadership Development and Executive Coaching. He is also an Associate of MART (the country's pioneering organization in rural marketing) and works on some rural, social and marketing projects.

He is a Non Executive Independent Director on the boards of BOI Axa Investment Managers Pvt Ltd, (a joint venture between Bank of India and Axa of France), Exide Industries Ltd the leaders in storage Batteries and ESAB India Ltd, the leaders in the Welding Industry. He is on the Audit Committees of all three companies and on the Investor Grievance Committees of Exide and ESAB.

He does not hold any equity shares in ESAB India Ltd as on 31 December, 2012. Mr Sudhir Chand is not related to any other director on the Board of the Company.

By Order of the Board of Directors

Chennai
18 February, 2013

S Venkatakrisnan
Company Secretary

Directors' Report to Shareholders

Your Directors take pleasure in presenting the Twenty Sixth Annual Report together with the audited accounts of the Company for the year ended 31 December 2012.

FINANCIAL RESULTS

(₹. Million)

Particulars	2012	2011
Sales and other income	5,087	5,478
Earnings before tax and depreciation	660	824
Depreciation	(118)	(118)
Profit before taxation	542	706
Taxation	(164)	(232)
Profit for the year	378	474

DIVIDEND

The Board of Directors have recommended a dividend of Rs.7.50 per equity share of Rs.10/- each (75%) at its meeting held on 18 February, 2013 entailing an estimated outflow of Rs.134.1 Million (dividend and tax thereon) for approval of the shareholders at the Annual General Meeting. The proposed dividend takes into consideration the difficult prevailing market conditions for the company's products and the need to invest in the business for the future.

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC & BUSINESS ENVIRONMENT

The year gone by has been a difficult one in terms of the operating business environment. Persisting inflationary conditions together with poor market sentiments and infrastructure bottlenecks hampered short term growth and profitability. The effects of uncertainties in the rest of the World weighed significantly on investments, exchange rates and commodity prices. Latest estimates indicate a GDP growth of 5% for 2012-13, down from 6.2% in 2011-12. Industry growth rates are estimated at 3.1% with manufacturing growth projected at an even lower 1.9%.

Liquidity conditions were very tight with persistent hardening of interest rates. Outbound investments from

India were reportedly higher than investments in India from abroad.

Inflation together with low growth had a significant effect on input costs and overheads. With continuing rise in prices of fuel, electricity and other input costs and depreciation of the Indian Rupee, margins were under pressure throughout the year.

Input and conversion cost increases were not fully compensated by increase in selling prices in an increasingly competitive and tough market. With low inflows and high interest rates, sentiments in the Capital goods sector continued to be weak. This had a direct impact on our Equipments business and a spin off effect on the Consumables business with rescheduling and cancellation of projects.

The year also witnessed the arrival of international competitors set up operations in India and also the scaling up by those present already in India.

From a sector wise point of view barring a small list of segments like pre fabricated buildings, Gas and pipeline segments, Mining equipments etc., all key segments like Power, Automobiles, Cement, Sugar and Infrastructure witnessed slackening of demand and soaring input costs.

Given the above backdrop, your Company focused on product mix, productivity and costs to compensate for flat or declining volumes across product groups.

To face these challenges, the Company took necessary steps in restructuring business priorities and maintained its position as a preferred partner in welding and cutting solutions. The Company is well positioned as a leaner and focused organization with a strong Balance Sheet to address the downturn and to achieve growth as and when any improvement in the trade cycle starts to kick in. The Company is proud to have been associated with projects of national interest and has already some small but significant breakthrough businesses in emerging segments.

HOLDING COMPANY

Pursuant to an offer for acquiring the entire paid up share capital of Charter International plc. ('Charter') and duly approved by the shareholders of Colfax Corporation ('Colfax') and the shareholders of Charter and confirmed by the Royal Court of Jersey vide its order dated January 12, 2012, Charter has become an indirect subsidiary of Colfax, through Colfax UK Holding Ltd.

As a result of this acquisition, ESAB Holdings Limited, UK and Exelvia Group India BV which were 100% subsidiaries of Charter became indirect subsidiaries of Colfax. The Company, subsequent to the last balance sheet as at December 31, 2011, became a subsidiary of Colfax. During the first quarter of the year ending December 31, 2012, Colfax and a number of other ESAB group companies acting in conjunction with Colfax made an Open Offer to acquire shares in the company. The completion of open offer took place in April 2012. Prior to the transaction, ESAB India was an indirectly owned subsidiary (55.65% stake) of Colfax. This transaction resulted in an increase in Colfax's ownership from 55.65% to 73.72% in the Company.

Colfax is a Delaware, USA based industrial group with existing global business interests in gas and fluid handling and fabrication technology products and services.

MANAGEMENT

It has also been a eventful year in terms of changes in the organizational front. The Company recognized the need for operating efficiencies to control costs and drive growth. Towards this objective, the Company effected organizational changes to move towards a functional structure from a divisional structure. This is expected to achieve greater focus on priority areas. Of particular importance were the changes on our Operations with enhanced focus on Manufacturing, Quality and Supply Chain.

FINANCIAL STATEMENTS

Financials have been compiled in line with the requirements of the revised Schedule VI of the Companies Act, 1956. This has necessitated some regrouping and changes in disclosure requirements.

INCOME AND EXPENDITURE

Net Sales (Including income on Engineering services) were down by about 7.6% in 2012 with a negative growth of about 5% in Consumables. The corresponding decline in sales in Equipments business was about 15% mirroring a slowdown of investments and project spends in the economy

Other income was up by 59% driven by growth in income from investments. Cash flows continued to be healthy with control on working capital and capital expenditure.

Material costs as a percentage to sales increased from 64.1% to 65.5% due to changes in product mix.

Our focus towards greater efficiencies to meet these challenges has resulted in an overall reduction in overheads.

Improvements in maintenance activities helped reduce spends on stores and spares which were lower by 17% over the previous year.

Tight control on costs helped achieve a reduction of 23% in Travel expenditure while negotiated rates and recoveries helped reduce transportation costs by 46% during the year.

Depreciation was at comparable levels as 2011. Charge for the year includes an impairment provisioning of Rs.3 Million for our Flux Cored Wires Plant.

BALANCE SHEET

The Company ended the year with a stronger balance sheet despite multiple challenges. We focused on controlling working capital cycles and optimizing capital expenditure. We remained debt free and recorded good levels of cash generation.

Reserves and Surplus were at Rs.2.2 Billion as against Rs.1.96 Billion at the end of 2011.

Net Fixed Assets were about 7% lower at Rs.993 Million as compared to Rs.1066 Million at the end of 2011. Capital expenditure was largely focused on replacements and productivity improvements.

Current investments grew by Rs.438 Million with internal accruals being deployed in short term debt and liquid funds.

Inventory in value terms were higher by 5.3% over 2011 driven largely by increases in Finished Goods inventory. The growth in value terms was also driven by the mix of items with longer lead times.

Trade Receivables were about 14% higher in value terms at Rs.229 Million. Considering the tough market conditions and the liquidity constraints in the economy, receivables as measured in terms of days sales outstanding compare favourably with competitors and industry in general.

Short term loans and advances fell by 43.2% during the year due to tighter controls on working capital during the year.

COST AUDITORS

The Board of Directors at its meeting held on 18 February 2013 appointed M/s. Geeyes & Co., Cost Accountant within the meaning of Cost & Works Accountants Act and holding a valid certificate of practice no.00044 as the Cost Auditor for conducting the Cost Audit for the financial year 2013. The Audit Committee of Directors 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 from the Cost Auditor stating that the appointment, if made, will be within the prescribed limit under Section 224(1B) of the Act.

OUTLOOK, OPPORTUNITIES AND THREATS

The immediate outlook continues to be challenging as there is no visible change in business sentiment. Order intakes

by Industry are reportedly at low levels. Any change in outlook would hinge a lot on policy shifts and fiscal announcements to encourage savings and investments.

Prices of Steel and other metals have been displaying erratic trends with upward bias driven by power shortages and rising input costs.

The Company has continued to focus on productivity improvements, resourcing, quality including improvements in packaging, costs, indigenization of raw materials and components, range rationalization and enrichment of product mix to enhance our market shares and margins. Our association with Colfax is expected to bring in business systems that are world class and we expect to benefit from practices followed elsewhere in the Group.

Margins are expected to remain under pressure as we continue to focus on products that are of long term relevance for us even if this is at the cost of profitability in the shorter run.

Going forward, we firmly believe that we are well placed to capitalize on any opportunities that may arise.

INTERNAL CONTROLS

Internal controls are continuously evaluated by Management and by the Internal Auditors. Findings from internal audits are reviewed regularly by the Management and by the Audit Committee and corrective actions and controls put in place wherever necessary.

The reviews by Internal Auditors are scheduled and cover the various manufacturing and office locations. The scope of their work includes review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

The Company is also incorporating internal control and accounting requirements under U.S. regulations within its own internal processes and controls, which U.S. regulations are applicable to us by virtue of our being a less than wholly owned subsidiary of Colfax Corporation, a publicly traded U.S. Company.

RELATED PARTIES

Note 32 to the Financial Statements sets out the nature of transactions with related parties. Transactions with Related Parties are carried out at arm's length. The details of such transactions are placed before the Audit Committee.

FINANCE

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

ENVIRONMENT, HEALTH AND SAFETY

The Company continued its commitment to industrial safety and environment protection and all its five factories have obtained its OHSAS 18001 certification. Periodical audits are done by external and internal agencies to assess the continued levels of EHS efficiency of each of these plants and the OHSAS certification given is renewed after every such audit. The Company is also networked with the ESAB group on EHS initiatives and works closely with the group on initiatives and actions concerning EHS.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief, and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956.

1. In the preparation of the annual accounts for the year ended 31 December 2012 the applicable accounting standards have been followed;
2. The accounting policies listed in Notes No. 2 to the Notes to Financial Statements have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year on 31 December 2012 and of the profit of the Company for that year;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts for the year ended 31 December 2012 have been prepared on a going concern basis.

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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure and forms part of this Report.

DIRECTORS

In accordance with the provisions of Article 130 of the Company's Articles of Association, Mr Vikram Tandon and

Mr Sudhir Chand, retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The details as required under Clause 49 of the Listing Agreement regarding the above said Directors are published as part of the Notice calling the Annual General Meeting.

ESAB Holdings Ltd, the Holding Company, in terms of the provisions of the Articles of Association has appointed Mr Daniel A Pryor as its Nominee and non-retiring Director with effect from 21 July 2012 and as Chairman of the Board of Directors with effect from 11 February 2013.

They have also appointed Mr Kenneth D Konopa as its Nominee and Non-retiring Director on the Board of the Company with effect from 11 February, 2013.

They have also withdrawn the nominations Mr. Brendan Colgan and Mr Nazmie Adams with effect from 9 May, 2012 and that of Mr David J Egan, with effect from 7 December, 2012 and consequently they cease to be Directors of the Company.

The Board would like to place on record, its appreciation for the contributions of the above Directors during their tenure of Directorships.

AUDITORS

M/s. B S R & Co., Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting and are eligible for reappointment.

The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

The Directors recommend that B S R & Co., be appointed as the Company's auditors to hold office until the conclusion of the next Annual General Meeting.

PERSONNEL

At the end of December 2012 the Company had 683 employees as against 830 at the end of 2011. The Company believes in providing a conducive and challenging work environment for nurturing potential, encouraging performance and retaining talents at all levels.

There are no employees covered under the disclosure requirements as required by the provisions of Section 217

(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. as amended.

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement with the stock exchanges a Corporate Governance Report is made part of this Annual report. The Company has not adopted the voluntary corporate governance guidelines 2009 issued by the Ministry of Corporate Affairs. However, the Company on its own volition has adopted most of the guidelines issued by the Ministry and has been transparent in its dealings with the shareholders in particular and stake holders in general.

In compliance with Section 292A of the Companies Act, 1956 and with the Listing Agreement, an Audit Committee consisting of four Independent Directors and one non-executive Director has been constituted. The Company also has an Investors' Grievance Committee consisting of two Independent Directors and one non-executive Director.

A certificate from the Statutory Auditors of the Company regarding compliance of the conditions stipulated for Corporate Governance under clause 49 of the Listing Agreement is attached to this report.

The declaration by the Managing Director addressed to the members of the Company pursuant to Clause 49 of the Listing Agreement 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.

ACKNOWLEDGEMENTS

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

Your Board would like to place on record, its sincere appreciation to the employees for having played a very significant part in the Company's operations till date.

For and on behalf of the Board of Directors

Daniel A Pryor
Chairman

Chennai, 18 February 2013

ANNEXURE TO THE DIRECTORS' REPORT

Statement under Section 217(1)(e) of the Companies Act, 1956 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 December 2012.

A. CONSERVATION OF ENERGY

- Optimisation of usage of HT Transformers.
- Replacement of machineries resulting in savings on electrical energy and chemical energy. This also helped achieve reduction in usage of hazardous chemicals.
- Introduction of cut off timers and single motor operation for compressor instead of twin motors resulting in energy savings.
- Installation of Power Factor Controllers in the main power distribution system and power saving lighting inside the shop floor.
- Auto switch off system incorporated in parts of electrode lines to eliminate idle running of pump / motors.
- Process improvements to avoid idle running during stoppage of oven.
- Elimination of certain motors in extruder area resulting in conservation of energy.
- Introduction of double control valve for HT burner.

B. TECHNOLOGY ABSORPTION

- Special version of Equipments with inbuilt power factor improvement (PFC) for energy efficiency at customer sites.
- Newly designed MIG machine with better cooling arrangement focussed on Automobiles sector.

- Increase in productivity of Blowpipe and Regulator Assembly through single piece flow line (Lean Manufacturing).
- Modified chilling system introduced for better paste making.
- Increased durability of consumables through application of coating in extrusion profile dies.
- Introduction of sponge sandwich belts in place of rubber belts resulting in lesser damage to electrodes.
- Introduction of double defluxing machine to deflux green stage electrodes.
- Introduction of Arc Melt Furnace method for testing process of Wires.

C. FOREIGN EXCHANGE

The Company exports its products to South Africa, Singapore, Bangladesh, Sri Lanka, Uganda, Tanzania and the Middle East.

During the year, the total foreign exchange expenditure amounted to Rs.580 million (which includes Rs.470 million for the import of raw materials, components and capital goods and Rs.110 million towards expenditure in foreign currency).

During the year, the Foreign exchange earnings were Rs.162 million resulting in net foreign exchange outflow of Rs.418 million for the year.

For and on behalf of the Board of Directors

Daniel A Pryor
Chairman

Chennai, 18 February 2013

Report on Corporate Governance

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

BOARD OF DIRECTORS

A. Composition of Board

In terms of the Corporate Governance philosophy all statutory and other significant material information is placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

The Board of Directors currently consists of eight members. Mr Daniel A Pryor with effect from 1 July, 2012 and Mr Kenneth D Konopa with effect from 11 February, 2013 were appointed as non-retiring nominee Director of ESAB Holdings Limited. The Board of Directors at present consists of 5 independent Directors and 3 Non-independent Directors. Other than the Managing Director, all the other members of the Board are non-executive Directors, including the five independent Directors.

B. Other Provisions as to Board and Committees

During 2012 four Board Meetings were held on 28 February, 2 May, 24 July, and 30 October; not more than four months elapsed between any two meetings.

The details of the Directors' attendance at the Board Meetings during the year and at the last Annual General Meeting held on 2 May, 2012 and particulars of their other Company Directorships and Committee memberships / Chairmanships are given below:

Director	Category	Attendance		Other Directorships	Membership/Chairmanship of other Committees	
		Board Meetings held in 2012	Last AGM		Membership	Of which Chairmanship
B Colgan * (1)	NE - NI	Nil	No	Nil	Nil	Nil
D J Egan *(2)	NE - NI	4	Yes	Nil	Nil	Nil
N M Adams * (3)	NE - NI	1	No	Nil	Nil	Nil
D A Pryor* (4)	NE - NI	1	No	Nil	Nil	Nil
K D Konopa* (5)	NE- NI	Nil	No	Nil	Nil	Nil
Jiri Kula	Executive	4	Yes	Nil	Nil	Nil
K Vaidyanathan	NEI	4	Yes	1	1	Nil
P Mallick	NEI	3	No	7	8	1
V Tandon	NEI	3	Yes	1	Nil	Nil
S Chand	NEI	4	Yes	1	2	Nil
S N Talwar	NEI	3	Yes	13	8	4

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

NEI - Non-Executive Independent Directors

* Nominees of ESAB Holdings Limited

- (1) Ceased to be Nominee Director of ESAB Holdings Limited with effect from 9 May, 2012
- (2) Ceased to be Nominee Director of ESAB Holdings Limited with effect from 7 December, 2012
- (3) Ceased to be Nominee Director of ESAB Holdings Limited with effect from 9 May, 2012
- (4) Appointed as a Nominee Director of ESAB Holdings Limited with effect from 1 July, 2012
- (5) Appointed as a Nominee Director of ESAB Holdings Limited with effect from 11 February, 2013
 - The details given under the heading other Directorships excludes Alternate Directorships and Directorships of Private Limited Companies and Foreign Companies, wherever applicable.
 - The details given on the membership in Committees takes into account only the memberships in Audit Committee and Investors Grievance Committee as stipulated in the Listing Agreement. 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.

C. Directors' compensation and disclosures

The details of payment of remuneration to Directors during 2012 are as follows:

Name	Salary	Perquisites	Provident Fund	Sitting Free Paid (in ₹)	Commission (in ₹)
B Colgan	–	–	–	Nil	–
D J Egan	–	–	–	Nil	–
N M Adams	–	–	–	Nil	–
D A Pryor	–	–	–	Nil	–
K D Konopa	–	–	–	Nil	–
K Vaidyanathan	–	–	–	112,500	800,000
P Mallick	–	–	–	87,500	700,000
V Tandon	–	–	–	95,000	700,000
S Chand	–	–	–	122,500	700,000
S N Talwar	–	–	–	50,000	700,000
Jiri Kula	21,972,276	3,814,747	2,636,671	–	–

The payment of Commission to Non Executive Directors up to 1% of the profit as calculated under the applicable provisions of the Companies Act, 1956 was approved by the Members at the Annual General Meeting held on 27 April 2011. The approval was based on their roles and responsibilities and their contribution to the Company in their respective capacities. Based on the above principle, Commission has been individually determined for each Non-executive Director based on their varying commitments of time and effort to the Board and to its Committees. Commission to Managing Director is based on performances and contributions to Company's performance.

During the year, the Company paid professional fees amounting to Rs.1,50,000/- to Talwar Thakore & Associates, Advocates & Solicitors, a firm in which Mr. Suresh N. Talwar, Director of the Company, is a partner.

None of the Directors hold any equity shares of the Company except for Mr. Suresh N. Talwar, who holds 1,440 equity shares as on 31 December, 2012.

The Company has not granted any stock options to any of its Directors or employees during the year under review.

D. Code of Conduct & Policy on Anti Bribery and Corruption

The Board of Directors has adopted Codes of Conduct, applicable to Directors and to employees of the Company. The said Codes of Conduct have been posted on the Company's website. The Company has obtained declarations from all its Directors and senior management personnel affirming their compliances with the applicable Codes of Conduct. The declaration by the Managing Director under Clause 49 affirming compliance of the Code of Conduct by all members of the Board and the senior management personnel for the year ended 31 December 2012 is attached to this Corporate Governance Report.

During 2012, being a subsidiary of Colfax Corporation, the Board of Directors of the Company has also adopted a Guideline on Business Conduct to prevent Bribery and Corruption and all the employees of the Company are bound to comply with the provisions of this policy. The details of this policy are also available on the Company's website www.esabindia.com

AUDIT COMMITTEE

The terms of reference of the Committee are governed by a Charter, covering all applicable matters specified under clause 49 of the Listing Agreements dealing with Corporate Governance and Section 292A of the Companies Act, 1956. The members of the Committee are:

K Vaidyanathan	Chairman	Independent Director
P Mallick	Member	Independent Director
V Tandon	Member	Independent Director
S Chand	Member	Independent Director
D A Pryor	Member	Non-executive & Non-independent Director

Mr D J Egan resigned from the audit committee with effect from 7 December, 2012. Mr D A Pryor was appointed as a member of the Audit Committee with effect from 18 February, 2013. More than two-thirds of the members are independent Directors and all the members of the Audit Committee are financially literate. The Company's Managing Director, Chief Financial Officer, its Statutory Auditors and its Internal Auditors are permanent invitees to the Committee's meetings. The Company Secretary is Secretary to the Committee. The quorum for Committee meetings is two members or one third of the total strength of the Committee, whichever is higher, but there should be a minimum of two independent Directors present. Mr K Vaidyanathan the Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 2 May, 2012 to answer the shareholder queries. The text of the Charter which describes the terms of reference of the Audit Committee is available on the Company's website www.esabindia.com.

There were four meetings of the Audit Committee held during 2012 on 28 February, 1 May, 24 July and 30 October and not more than four months elapsed between any two meetings.

The number of meetings attended by each member of the Audit Committee in 2012 is as follows:

	Number of meetings	
	Held during membership	Attended
K Vaidyanathan	4	4
P Mallick	4	3
V Tandon	4	3
S Chand	4	4
D J Egan (1)	4	4
D A Pryor (2)	0	0

- (1) Mr D J Egan resigned from the Committee with effect from 7 December, 2012.
- (2) Mr D A Pryor was appointed as a member of the Audit Committee with effect from 18 February, 2013.

SUBSIDIARY COMPANIES

There were no Subsidiary Companies of the Company as on 31 December, 2012.

REMUNERATION COMMITTEE

The Company has not set up a Remuneration Committee for the year 2012 (which is not mandatory). The remuneration of Directors is determined and approved by the Board of Directors and is subject to the approval of the Company in General Meeting and of other applicable regulatory and statutory authorities. Interested Directors withdraw when their remuneration is being considered by the Board.

INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievance Committee functions under the Chairmanship of Mr. V Tandon, a Non-executive Independent Director. The other members of the Committee are Mr S Chand and Mr D A Pryor. Mr D A Pryor was appointed as a member of the Committee with effect from 18 February, 2013. Mr D J Egan resigned from the Committee with effect from 7 December, 2012.

Mr S Venkatakrisnan, Company Secretary is the Compliance Officer of the Company.

The Directors review the position on all major investors' grievances at meetings of the Board of Directors and the Investors' Grievance Committee. The Committee met four times during 2012, on 28 February, 2 May, 24 July and 30 October and the details of attendance of the Committee members in these meetings in 2012 are given below:

	Number of meetings	
	Held during membership	Attended
V Tandon	4	3
S Chand	4	4
D J Egan (1)	4	4
D A Pryor (2)	0	0

- (1) Mr D J Egan resigned from the Committee with effect from 7 December, 2012.
- (2) Mr D A Pryor was appointed as a member of the Committee with effect from 18 February, 2013.

During the year, the Company received 21 complaints from shareholders. The details of the complaints received from the shareholders are as given below:

Sl.No.	Nature of complaint	No. of Complaints
1.	Non-receipt of dividend warrants	17
2.	Non-receipt of annual report	2
3.	Others	2
Total		21

All the complaints were responded to as per applicable guidelines and regulations. As at 31 December 2012 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 December 2012.

COMMITTEE OF INDEPENDENT DIRECTORS - COLFAX OPEN OFFER

Colfax Corporation, had made an offer in September 2011 to acquire the shares of Charter International plc., UK, the erstwhile holding company of ESAB India Limited. The takeover offer was accepted by the shareholders of Charter International Plc and Colfax at their respective meetings and the takeover process was completed on 13 January, 2012.

As the above transaction falls under the category of an indirect acquisition in terms of the SEBI Substantial Acquisition of Shares & Takeovers Regulations, 2011 Colfax made an open offer to the shareholders of ESAB India Limited to acquire 26% of the shares of the Company.

In terms of the Regulation 26 (6) of the Takeover regulations, a Committee of Independent Directors consisting of Mr K Vaidyanathan, Chairman, Mr P Mallick, Mr S N Talwar, Mr S Chand, and Mr V Tandon was constituted to provide their reasoned recommendations to the shareholders of ESAB India Limited regarding the open offer made by Colfax.

The Committee had at their meeting held on 28 February, 2012 which was attended by all the five Committee members had recommended the offer to the shareholders of the Company.

Pursuant to such offer, Colfax acquired 18.07% of the equity shares from the shareholders of ESAB India Limited, thereby increasing the promoter's shareholding from 55.65% to 73.72%.

Reconciliation of Share Capital Audit

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.

Disclosures

- The Company had obtained legal opinions from Talwar Thakore & Associates, a law firm in which Mr S N Talwar is a partner and paid Rs 1,50,000/- (Rupees One lakh fifty thousand only) as professional fees. Apart from the above transaction, during the year, the Company has not entered into any transaction of material nature with the Directors, their relatives or management which was in conflict with the interests of the Company. The particulars of transactions between the Company and its related parties, as defined in Accounting Standard 18, is set out in Note 32 to the Notes to financial statements. The audit committee reviews, inter alia, the following aspects :
 - Related party transactions undertaken by the Company in the ordinary course of business;
 - Material individual transactions, if any, which were not in the normal course of business; and

- Material individual transactions, if any, with related parties or others, which were not at arm's length basis.
- The Company follows the Accounting Standards as specified in the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Company has not adopted a treatment different from that prescribed in any Accounting Standard, in the preparation of financial statements.
 - The Company has laid down procedures to inform Board members about the risk assessment and mitigation procedures. The Company has a Risk Officer and has identified major and minor risks and these risks are analysed by the Executive Management Team locally and the major risks and their mitigation procedures are reviewed by the Management Team within a properly defined framework.
 - There were no instances of non-compliances by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets during the last three years.
 - There has been no public, rights or preferential issues during the year.
 - The 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.
 - In compliance with the SEBI (Prevention of Insider Trading) Regulations 1992, as amended till date, the Company has a Code of Conduct for prevention of Insider Trading and the same has been strictly adhered to by the directors, and the designated employees. The Company informs the Directors and the designated employees, about the date of the board meeting to consider any price sensitive subjects and advising them not to trade in Company's shares, during the closure of the trading window period. The Company also obtains a declaration from the Directors and the senior management personnel with regard to their compliance with the Code of Conduct under SEBI's (Prevention of Insider Trading) Regulations.
 - According to the Articles of Association, one-third of the Directors retire by rotation and, if eligible, can seek re-appointment at the Annual General Meeting of shareholders. In terms of the said Articles, Mr Vikram Tandon and Mr Sudhir Chand will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring Directors. The detailed profiles of these Directors are provided in the notice calling the forthcoming Annual General Meeting.
 - 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 Clause 49 of the Listing Agreement.

10. The Company has complied with all the mandatory requirements of the clause 49 of the Listing Agreement. To enhance standards of corporate governance and strengthen controls, the Company has setup a whistleblower policy which can be seen on the Company's website www.esabindia.com. In terms of such whistleblower policy, it is affirmed that the employees have been given free access to the Audit Committee. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.
11. In compliance with clause 47 (f) of the listing agreement with the stock exchanges the Company has designated the mail id venkatakrishnan.s@esab.co.in and posted this in the Company's website. The investors can send their grievances, if any, to the designated mail id.
12. The Stock Exchanges have inserted clause 54 to the Listing Agreement which stipulates 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 now has upgraded its website and all the information as envisaged in the said clause are now available in its official website www.esabindia.com
13. 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.
14. In pursuance of the circular no.CIR/ISD/3/2011 dated June 17, 2011, 100% of 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.
15. In line with the circular no.NSE/LIST/C/2011 dated 29 September, 2011 from the National Stock Exchange Limited, the Company now uploads its quarterly shareholding pattern and the Corporate Governance Report through a web based application designed for corporates by NSE called as NEAPS from the quarter ended 30 September, 2011.
16. In line with the notification No G S R 352 (E) dated the 10 May, 2012 from the Ministry of Corporate Affairs, the Company has uploaded in its website the information regarding the unpaid and unclaimed dividends as on the date of the AGM including the name and address, of the shareholders who haven't claimed the dividend, the amount to which the shareholders are entitled and the due date of transfer to IEPF.
17. In terms of the Circular No.28/2011 dated 20.5.2011 issued by the Ministry of Corporate Affairs, the Company had amended its Articles of Association vide a special resolution passed in its Annual General Meeting held on 2 May, 2012 to provide an option to the directors of the company to attend/participate in a meeting of Board / Committee of Directors through electronic mode using Video conference facility.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details given below:

Year	Date	Time	Venue
2010	22 April 2010	3.00 PM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2011	27 April 2011	3.30 PM	P Obul Reddy Hall Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.
2012	2 May 2012	3.00 PM	Sri Thyaga Brahma Gana Sabha Vani Mahal, 103, G.N. Road, T. Nagar, Chennai 600 017.

All the proposed resolutions, including special resolutions, were passed by the shareholders as set out in their respective Notices.

No special resolutions were put through postal ballot during the last year and the Company is not considering the introduction of a postal ballot for any resolution this year as well.

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 amended clause 41 of the listing agreement, are published in leading local and national newspapers. These results are not sent individually to the shareholders.

The results are normally being published in "The Business Standard" in English and in the regional language newspaper "Makkal Kural" in Tamil.

The Company has in place a website viz. www.esabindia.com. The quarterly financial results and shareholding pattern are published in the Company's website. The Company makes use of its website for publishing official news release.

A Management Discussion and Analysis Report, forming part of the Directors' Report, is included in the Annual Report.

GENERAL SHAREHOLDER INFORMATION

AGM : Date, 25 April, 2013 at 3.00 pm
Time & Venue Sri Thyaga Brahma Gana Sabha,
Vani Mahal, 103, G.N. Road,
T. Nagar, Chennai - 600 017.

Financial Year 1 January to 31 December

Approval of financial results proposed	
QE 31 Mar 2013	Within 45 days from the end of the quarter
QE 30 Jun 2013	- Do -
QE 30 Sep 2013	- Do -
YE 31 Dec 2013	Within 60 days from the end of the Financial Year

Dates of Book Closure 23 April 2013 to 25 April 2013 (both days inclusive)

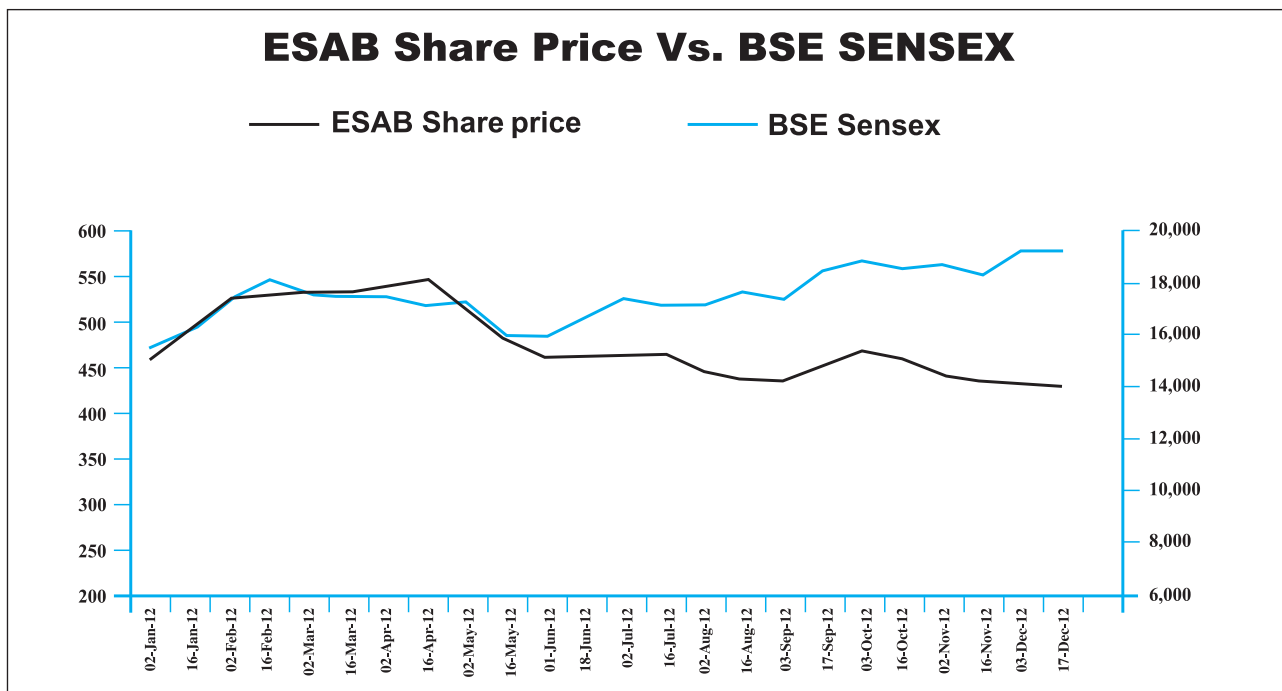
Listing on Stock Exchanges The Bombay Stock Exchange Limited
The National Stock Exchange of India Limited
The listing fees for the financial year 2012-13 were duly paid to the above stock exchanges.

Stock Code	Name of the stock exchange	Stock Code
	The Bombay Stock Exchange Limited	500133
	The National Stock Exchange of India Ltd.	ESABINDIA
	ISIN allotted by depositories	INE284A01012

Stock Market Price* Data & Stock Performance:

2012	Mumbai		National		BSE SENSEX	
	High ₹	Low ₹	High ₹	Low ₹	High ₹	Low ₹
Jan	522	449	528	452	17259	15358
Feb	549	510	539	510	18524	17061
Mar	545	528	544	525	18041	16921
Apr	569	516	588	488	17664	17010
May	526	463	530	462	17432	15810
Jun	475	455	480	451	17448	15749
Jul	482	442	487	442	17631	16598
Aug	479	429	467	430	17972	17027
Sep	470	432	498	431	18870	17251
Oct	475	446	473	442	19137	18393
Nov	454	423	458	424	19373	18256
Dec	448	420	443	354	19612	19149

* Share prices are rounded off to the nearest Rupee.



Registrar and Transfer Agents Integrated Enterprises (India) Ltd
2nd Floor, 'Kences Towers'
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai - 600 017.
Contact Person: Suresh Babu K.,
Vice President
Tel : 044-28140801-03,
Fax : 044-28142479, 28143378
E-mail : corpser@integratedindia.in

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

Share Transfer System

- Integrated Enterprises (India) Limited, Chennai is the Registrar & Transfer Agents for the Company.
- Share transfers are processed and approved, subject to receipt of all requisite documents.
- The Company seeks to ensure that all transfers are approved for registration within the stipulated period. Pursuant to Clause 47 (c) of the Listing Agreement with Stock Exchanges, certificates on half-yearly basis have been issued by a Company Secretary-in-practice for due compliance of share transfer formalities by the Company.
- Pursuant to SEBI (Depositories and Participants) Regulations, 1996, 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 clause 47(f) of the Listing Agreement with Stock Exchanges has designated the mail id venkatakrisnan.s@esab.co.in for the purpose of registration of complaints, if any, by the investors and expeditious redressal of their grievances.
- f. With a view to expediting the approval process, the Board of Directors has severally authorized the Chairman of the Board of Directors, the Chairman of the Investors' Grievance Committee and the Company Secretary to approve the transfer of shares.

- B.T. Road, Khardah, P.O. B.D. Sopan, North 24 Parganas, Kolkata 700 116.
- B-28, MIDC Industrial Area, Kalmeshwar, Nagpur 441 501.
- P-41, Taratala Road, Kolkata 700 088.
- G22 Sipcot Industrial Park, Irungattukottai, Sriperumbudur, Kancheepuram Taluk, Chengalput District, Tamilnadu 602 105.

Distribution of shareholding as on 31 December 2012

Shareholding	Shareholders	Number of Shares	% of total
Up to 500	11352	1206602	7.84
501-1000	403	308485	2.00
1001-2000	157	238591	1.55
2001-3000	54	133486	0.87
3001-4000	20	72114	0.47
4001-5000	5	23040	0.15
5001-10000	11	81179	0.53
10001 and above	22	13329523	86.59
TOTAL	12024	15393020	100.00

Shareholding pattern as on 31 December 2012

Category	Number of Shares	% of total
Esab Holdings Limited	5,743,200	37.31
Exelvia Group India BV	5,604,760	36.41
ESAB Group	11,347,960	73.72
Mutual Funds & UTI	8,301	0.05
Banks and Financial Institutions	3,062	0.02
Foreign Institutional Investors	1,790,922	11.64
Corporate Bodies	198,748	1.29
Directors & Relatives	1,440	0.01
Indian Public	2,042,587	13.27
Total	15,393,020	100.00

Dematerialisation of shares and liquidity

As on 31 December 2012, 97.83% 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 impact on Company's equity.

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

Address for correspondence Company Secretary
Esab India Limited
Plot No.13, 3rd Main Road,
Industrial Estate, Ambattur,
Chennai 600 058.
Tel :044 42281100, Fax:044 42281150
E-mail : venkatakrisnan.s@esab.co.in

NON-MANDATORY DISCLOSURE

The non mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

1. The Chairman's Office / Board

The need for implementing this non mandatory requirement has not arisen. Except the Nominee Directors of the promoter company, the non-executive Directors of the Company are liable to retire by rotation and if eligible, offer themselves for re-appointment. No specific tenure has been fixed for the Independent Directors.

2. Remuneration Committee

The Board has not constituted a Remuneration Committee as the need for the same has not arisen.

3. 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 and on the Company's website www.esabindia.com. These results are not sent to shareholders individually.

4. Audit Qualifications

The Auditors have issued an unqualified opinion on the statutory financial statements of the Company.

5. Training of Board Members / Mechanism for evaluating non-executive Directors

All the Non-Executive Directors have adequate experience and expertise in functional areas and attend various programmes in their personal capacities that keep them abreast of relevant developments. There is no formal system of evaluating individual Directors but the Audit Committee evaluates its performance annually and takes corrective action.

6. Whistle Blower policy

The Company has setup a whistleblower policy which can be viewed on the Company's website www.esabindia.com. In terms of such whistle blower policy, the employees have been given direct access to the Audit Committee.

REQUEST TO INVESTORS

- Investors are requested to communicate change of address, if any, directly to the registrar and share transfer agent of the Company.
- As required by SEBI, investors shall furnish details of their respective bank account number and name and address of the bank for incorporating in the dividend warrants to reduce the risk to them of fraudulent encashment.
- Investors holding shares in electronic form are requested to deal only with their respective depository participant for change of address, nomination facility, bank account number, etc.
- Electronic Clearing Service (ECS) helps in quick remittance of dividend without possible loss / delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the Share Transfer Agent or their respective Depository Participants.
- In terms of SEBI circular no.MRD/DoP/Cir-05/1009 dated 20 May 2009 the shareholders are requested to note that it has now become mandatory to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares in physical mode.
- Shareholders who have multiple folios in identical names, are requested to apply for consolidation of such folios and send the relevant share certificates to the Company.
- Investors are requested to note that National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) have announced the launch of SMS alert facility for demat account holders whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after

the respective transfers. These alerts will be sent to those account holders who have provided their mobile numbers to their Depository Participants (DPs) and made a request for such services. No charge will be levied by NSDL / CDSL on DPs for providing this facility to investors. Further information is available on the website of NSDL and CDSL viz. www.nsdl.co.in and www.cdslindia.com respectively.

- The Ministry of Corporate Affairs has undertaken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that service of notice, annual report, etc., can be sent by email to their members.

Accordingly the annual report for 2012, notice of AGM etc., would be sent by electronic mode only to such members who so desire and whose email addresses are available and registered with the Company / Depository participant and for those who have not opted to receive the same through e-mail, are being sent in physical form.

Members interested in receiving the documents from the Company by email are requested to register their email address, with the Depository Participants (DPs) in case shares are held in dematerialized form and with the share transfer department, in case the shares are held in physical form and also intimate changes, if any, in their registered email addresses to the Company / DPs from time to time.

For and on behalf of the Board of Directors

Daniel A Pryor
Chairman

Chennai, 18 February 2013

Auditors' Report on Corporate Governance

To

The Members of ESAB India Limited

We have examined the compliance of conditions of Corporate Governance of ESAB India Limited (the Company) for the year ended on 31 December 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited and The National Stock Exchange of India Limited.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date : 18 February 2013

To

The Members of ESAB India Limited

Declaration by the Managing Director under Clause 49 of the Listing Agreement

I, Jiri Kula, Managing Director of ESAB India Limited, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 December 2012.

Chennai
18 February 2013

Jiri Kula
Managing Director

Auditors' Report

to the Members of ESAB INDIA LIMITED

- 1 We have audited the attached Balance Sheet of ESAB India Limited ("the Company") as at December 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4 Further to our comments in the Annexure referred to above, we report that:
 - a) we have 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 appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - e) on the basis of written representations received from the directors as at December 31, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at December 31, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Act; and
 - f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

S Sethuraman
Partner

Place : Chennai
Date : February 18, 2013

Membership No. 203491

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year and as explained to us, no material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Thus, paragraph 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that the Company is in the process of further strengthening its controls in respect of purchases of certain inventories and similarly in respect of certain sale of products, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rupees five lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, except for purchase of certain item of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods and rendering of certain services for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacture of welding consumables and equipments, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service tax, Customs duty, Excise Duty and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service tax, Customs duty, Excise Duty and other material statutory dues were in arrears as at December 31, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues set out in Appendix 1 in respect of Sales tax, Excise duty, Service tax and Income tax have not been deposited with the appropriate authorities on account of disputes.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund/nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us by management including independent verification reports, wherever applicable, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : February 18, 2013

Appendix 1 as regards to Paragraph ix (b) of Annexure to the Auditors' Report

Name of the Statute	Nature of Dues	Amount (INR in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending		
Sales Tax	Non Submission of Sales tax Declaration Forms	26	1991-92	Revision Board, Tribunal		
		24	1992-93			
		3	1995-96			
		380	1996-97			
		520	1997-98			
		80	1999-00			
		1	1999-00		Assistant Commissioner	
		153	2007-08			
				40	2002-03, 2003-04, 2004-05	Deputy Commissioner
				135	2008-09	Commissioner (Appeals)
VAT	Irregular availment of VAT	190	2008-09	Commissioner (Appeals)		
Central Excise Act	Determination of Price on which Duty is payable	1008	1997-00	High Court		
		43	2005	High Court		
		457	1997-99	CESTAT		
Finance Act, 1994	Differential service tax payable	31	2006-07	CESTAT		
		20	Jan '08 to Dec '08	Commissioner (Appeals)		
		11	2004-07			
		1	2005-06, 2007-08	Deputy Commissioner		
		18	2009-10			
		14	2006-08			
		14	2006			
		1	2006-10			
		3	2006-10			
		1	2009-10			
		14	2010-11			
		6	2003-2005	Joint Commissioner		
		33	2006-2010	Additional Commissioner		
		Income Tax Act, 1961	Disallowed Expenditure pertaining to various years	12	1988-89	High Court
26	1989-90			Income Tax Appellate Tribunal		
1	1996-97					
87	1997-98					
46	1998-99					
37	2000-01					
50	2003-04			Commissioner of Income Tax (Appeals)		
640	2004-05					
88	2005-06					
46	2006-07					
81	2007-08					

Out of the total disputed dues, an amount of INR 14.39 million has been paid under protest for income tax related matters and INR 3.69 million for sales tax and VAT related matters.

Balance Sheet



ESAB INDIA LIMITED

as at December 31, 2012

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	Note	As at December 31, 2012	As at December 31, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,539	1,539
Reserves and surplus	4	22,056	19,620
		23,595	21,159
Non-current liabilities			
Deferred tax liabilities (net)	5	330	466
Other long term liabilities	6	114	201
Long term provisions	7	428	370
		872	1,037
Current liabilities			
Trade payables	8	4,380	4,235
Other current liabilities	9	1,775	1,497
Short term provisions	7	2,486	1,236
		8,641	6,968
TOTAL		33,108	29,164
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	10	9,594	10,106
Intangible fixed assets	11	278	332
Capital work-in-progress	10	25	211
Intangible fixed assets under development	11	36	12
Long-term loans and advances	12	1,259	1,195
Other non-current assets	13	—	825
		11,192	12,681
Current assets			
Current investments	14	7,777	3,402
Inventories	15	6,742	6,400
Trade receivables	16	2,290	2,012
Cash and bank balances	17	4,073	3,080
Short-term loans and advances	18	845	1,489
Other current assets	19	189	100
		21,916	16,483
TOTAL		33,108	29,164
Significant accounting policies	2		

The notes referred to above form 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 **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Jiri Kula
Managing Director

S Sethuraman
Partner
Membership No. 203491

K Vaidyanathan
Director

B Mohan
Vice President - Finance

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : February 18, 2013

Statement of Profit and Loss



ESAB INDIA LIMITED

for the year ended December 31, 2012

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	Note	For the year ended December 31, 2012	For the year ended December 31, 2011
Revenue from operations			
Sale of products (gross)	20	54,166	57,521
Less: Excise duty		4,974	4,518
Sale of products (net)		49,192	53,003
Sale of services		360	606
Other operating revenues		800	849
Total		50,352	54,458
Other income	21	514	324
Total revenue		50,866	54,782
Expenses			
Cost of materials consumed	22	28,419	30,464
Purchases of stock-in-trade	23	4,403	4,491
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(616)	(959)
Employee benefits	25	4,175	4,258
Depreciation and amortisation	26	1,182	1,175
Other expenses	27	7,887	8,291
Total expenses		45,450	47,720
Profit before tax		5,416	7,062
Income tax expense			
- Current tax		1,775	2,159
- Deferred tax (benefit) / charge		(136)	159
		1,639	2,318
Profit for the year		3,777	4,744
Earnings per equity share (EPS)			
	28		
Basic (in Rs.)		24.54	30.82
Diluted (in Rs.)		24.54	30.82
Par value of equity share (in Rs.)		10.00	10.00
Significant accounting policies	2		

The notes referred to above form 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 **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Jiri Kula
Managing Director

S Sethuraman
Partner
Membership No. 203491

K Vaidyanathan
Director

B Mohan
Vice President - Finance

S Venkatakrishnan
Company Secretary

Place : Chennai
Date : February 18, 2013

Cash Flow Statement



ESAB INDIA LIMITED

for the year ended December 31, 2012

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	Year ended December 31, 2012	Year ended December 31, 2011
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	5,416	7,062
Adjustments:		
Depreciation and amortisation	1,182	1,175
Impairment loss	29	-
Interest income	(169)	(132)
Dividend income	(345)	(191)
Provision for doubtful debts	-	144
Fixed assets written off/Provision for CWIP	5	20
Unrealised gain on foreign exchange differences	(6)	25
Provision/liabilities no longer required written back	(194)	(54)
(Profit)/Loss on sale of fixed assets	2	(1)
Operating cash flow before working capital changes	5,920	8,048
(Increase)/ decrease in trade receivables	(187)	574
(Increase)/ decrease in loans and advances	2,421	(419)
(Increase)/ decrease in inventories	(342)	(1,030)
(Increase)/ decrease in current liabilities and provisions	(1360)	(1,126)
Cash generated from operations	6,452	6,047
Less: Income tax paid	(1,840)	(2,034)
Net cash provided/ (used) by operating activities (a)	4,612	4,013
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase or construction of fixed assets (tangible and intangible fixed assets, capital work in progress, intangible assets under development) and capital advances	(507)	(921)
Proceeds from sales of fixed assets	17	9
Purchase of current investments	(13,445)	(8,741)
Proceeds from sale of investments	9,070	8,690
Bank deposits (having original maturity of more than three months)	(188)	190
Interest received	80	91
Dividend income received	345	191
Net cash used in investing activities (b)	(4,628)	(491)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid on equity shares	(4)	(3,825)
Tax paid on dividends	-	(630)
Net cash provided/ (used) by financing activities (c)	(4)	(4,455)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	(20)	(933)
Cash and cash equivalents at the beginning of the year	2,310	3,243
Cash and cash equivalents at the end of the year	2,290	2,310
Notes to cash flow statement		
1. Components of cash and cash equivalents:		
Cash on hand	7	5
Cheques on hand	1,038	1,507
Balance with banks		
- on current accounts	1,245	798
Total	2,290	2,310

The notes referred to above form 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 **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

Jiri Kula

Managing Director

S Sethuraman

Partner

Membership No. 203491

K Vaidyanathan

Director

Place : Chennai

Date : February 18, 2013

B Mohan

Vice President - Finance

S Venkatakrisnan

Company Secretary

to the Financial Statements for the year ended December 31, 2012

(All amounts are in Indian Rupees lakhs, except share data and as stated)

1. Company Overview

ESAB India Limited (“the Company”) was incorporated on November 10, 1987 and commenced its business operations in July 1988. The Company is engaged in the business of welding consumables i.e. welding electrodes, copper coated wires, flux cored wires and welding fluxes and of welding equipment i.e. welding machines and cutting equipments.

Pursuant to an offer for acquiring the entire paid up share capital of Charter International plc. (Charter) made on September 12, 2011 and duly approved by the shareholders of Colfax Corporation, (Colfax) and the shareholders of Charter and confirmed by the Royal Court of Jersey vide its order dated January 12, 2012, Charter has become an indirect subsidiary of Colfax Corporation, through Colfax UK Holdings Limited. As a result of this acquisition, ESAB Holdings Limited, UK and Exelvia Group India B.V which were 100% subsidiaries of Charter, have now become indirect subsidiaries of Colfax Corporation.

Since 37.31% and 36.41% of the Company’s shares are held by Esab Holdings Limited and Exelvia Group India B.V respectively, being the majority equity shareholders, which are indirect subsidiaries of Colfax Corporation, the Company, during the year, has become a subsidiary of Colfax Corporation. The remaining 26.28% shares are held by institutional investors and the public.

2. Significant Accounting Policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

a) Basis of Preparation of Financial Statements

The financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India and guidelines issued by Securities and Exchange Board of India. to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

This is the first year of application of the revised schedule VI to the Companies Act, 1956 for the preparation of the financial statements of the Company. The revised schedule VI introduces some significant conceptual changes as well as new disclosures. These includes classification of all assets and liabilities into current and non current. The previous year figures have also undergone a major reclassification to comply with the requirements of the revised schedule VI.

b) Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c) Fixed assets and depreciation / amortisation

Tangible fixed assets

Tangible fixed Assets are carried at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non - refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation for the year is provided on the straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except for the following:

- The cost of leasehold land and improvements thereto has been amortized over the lease period.
- Computers and cars are depreciated over their useful lives of 4 and 6 years respectively.
- Freehold land is not depreciated.

Depreciation is charged on pro-rata basis for assets purchased / sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at 100% in the year of purchase.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of revision, the un amortised depreciable amount is charged over the revised remaining useful lives.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Intangible fixed assets

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Intangible assets are amortised on a straight line basis.

Technical Know-how fees and computer software are amortized over a period of 6 years and 4 years respectively.

Advances paid towards acquisition of fixed assets and the cost of assets not ready to be put to use before the year end are disclosed under capital advances.

d) Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset, which is the greater of its value in use and its net selling price. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

e) Operating Lease

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

f) Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non current investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under current assets as "current portion of long term investments" in consonance with the current/ non-current classification scheme of revised schedule VI.

Long term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value.

g) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock in trade, stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, first in first out method and specific identification methods are used wherever relevant and applicable.

In the case of manufactured inventories and work in progress, costs are generally calculated at standards adjusted to actual and include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The excise duty in respect of closing inventory of finished goods is included as part of inventory. The amount of CENVAT credits in respect of materials consumed for sales is deducted from the cost of materials consumed.

h) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly and yearly contributions towards employee provident fund to Government administered provident fund scheme and which is a defined contribution plan. The Company also makes specified yearly contributions towards pension benefits to a fund managed by the Life Insurance Corporation of India ('LIC'). The Company has no obligation, other than the contribution payable to the respective funds. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

For the Company's gratuity benefit scheme and pension benefit scheme which are defined benefit plans, the Company's net obligation in respect of such defined benefit plans are calculated by estimating the amount of future benefit that

employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss.

Compensated absence

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

i) Revenue recognition

Revenue from the sale of goods is recognized on dispatch of goods to customers which generally coincides with the transfer of all significant risks and rewards of ownership to the buyer. Revenue from service is recognized on rendering of services to customers. Sales amounts include excise duty but exclude sales tax and trade discounts.

Dividend income is recognized in the year when the right to receive payment is established. Interest income is recognized on time proportion basis.

j) Foreign exchange transaction

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the relevant transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are transacted at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

k) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised, if as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligations at the balance sheet date. The provisions are measured on an undiscounted basis.

Warranties

Warranty cost are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty costs in the year of sale of goods.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, fines, penalties, etc are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably

Onerous contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on the assets associated with that contract.

l) Income taxes

Income - tax expenses comprises current tax (i.e., amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income for the period). Income tax expense is recognised in profit and loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised of timing differences between taxable income and

accounting income i.e., differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

m) Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that decrease profit per share are included.

n) Cash flow statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

	As at December 31, 2012	As at December 31, 2011
3. Share Capital		
Authorised:		
19,000,000 (December 31, 2011: 19,000,000) equity shares of Rs 10/- each	1,900	1,900
3,000,000 (December 31, 2011: 3,000,000) unclassified shares of Rs.10/- each	300	300
	<u>2,200</u>	<u>2,200</u>
Issued, subscribed and paid up :		
15,393,020 (December 31, 2011: 15,393,020) equity shares of Rs.10 each fully paid up	1,539	1,539
	<u>1,539</u>	<u>1,539</u>

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at December 31, 2012		As at December 31, 2011	
	Number	Amount	Number	Amount
Equity shares				
At the commencement of the year	15,393,020	1,539	15,393,020	1,539
Add: Shares issued	-	-	-	-
At the end of the year	<u>15,393,020</u>	<u>1,539</u>	<u>15,393,020</u>	<u>1,539</u>

b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

c) Shares held by subsidiaries of ultimate holding company/holding and/ or their subsidiaries/associates

	As at December 31, 2012		As at December 31, 2011	
	Number	Amount	Number	Amount
Equity shares of Rs. 10/- each fully paid up held by				
Subsidiary companies of Colfax Corporation, the ultimate holding company:				
ESAB Holdings Limited	5,743,200	574	5,743,200	574
Exelvia Group India B.V	5,604,760	560	2,822,831	282
	<u>11,347,960</u>	<u>1,134</u>	<u>8,566,031</u>	<u>856</u>

d) Particulars of shareholders holding more than 5% shares of a class of shares

Equity shares of Rs. 10/- each fully paid up held by	As at December 31, 2012		As at December 31, 2011	
	Number	% of shares in the class	Number	% of shares in the class
ESAB Holdings Limited	5,743,200	37.31%	5,743,200	37.31%
Exelvia Group India B.V	5,604,760	36.41%	2,822,831	18.34%
Acacia Partners, LP	821,140	5.30%	1,139,440	7.40%

	As at December 31, 2012	As at December 31, 2011
4. Reserves and surplus		
Amalgamation reserve		
At the commencement and at the end of the year	100	100
Securities premium account		
At the commencement and at the end of the year	932	932
Special capital incentive subsidy		
At the commencement and at the end of the year	20	20
General reserve		
At the commencement of the year	3,761	3,287
Add : Amount transferred from Surplus	378	474
	<u>4,139</u>	<u>3,761</u>
Surplus (Profit and loss balance)		
At the commencement of the year	14,807	13,220
Add: Profit for the year	3,777	4,744
<i>Less: Appropriations</i>		
Equity dividend		
- Interim [Nil (Previous year: Rs. 15 per share)]	-	2,308
- Final [Rs.7.50 per share (Previous year Rs. Nil)]	1,154	-
Tax on equity dividend	187	375
Transfer to general reserve	378	474
	<u>1,719</u>	<u>3,157</u>
	<u>16,865</u>	<u>14,807</u>
Total reserves and surplus	<u>22,056</u>	<u>19,620</u>

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at December 31, 2012	As at December 31, 2011
5. Deferred tax liabilities (net)		
Deferred tax liabilities		
Excess of depreciation/amortisation on fixed assets under income tax law over depreciation/amortisation provided in books	885	895
	885	895
Deferred tax assets		
Provision for employee benefits	99	124
Provision for doubtful trade receivables	55	84
Provision for inventories	226	84
Provision for doubtful advances	11	11
Provision for sales tax	164	126
	555	429
Deferred tax liabilities (net)	330	466
6. Other long-term liabilities		
Security deposits from customers	114	201
	114	201

	Long term		Short term	
	As at December 31, 2012	As at December 31, 2011	As at December 31, 2012	As at December 31, 2011
7. Provisions				
Provision for employee benefits				
Gratuity (refer note 29)	213	155	-	-
Pension	-	-	60	60
Compensated absences	215	215	52	184
	428	370	112	244
Other provisions (refer note 41)				
Provision for sales tax	-	-	509	392
Provision for current tax (net of advance tax)	-	-	260	322
Provision for others	-	-	155	139
Provision for dividend	-	-	1,154	-
Provision for dividend distribution tax	-	-	187	-
Provision for warranties	-	-	109	139
	428	370	2,374	992
	428	370	2,486	1,236

	Warranties	Sales tax	Others
Additional disclosures relating to certain provisions (as per AS 29)			
Balances as at January 1, 2011	67	366	139
Add: Provision made during the year	157	26	-
Less: Provision utilised during the year	(85)	-	-
Balances as at December 31, 2011	139	392	139
Balances as at January 1, 2012	139	392	139
Add: Provision made during the year	81	117	16
Less: Provision utilised during the year	(111)	-	-
Balances as at December 31, 2012	109	509	155

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at December 31, 2012	As at December 31, 2011
8. Trade payables		
Trade payables (refer note 34)	4,380	4,235
	<u>4,380</u>	<u>4,235</u>
9. Other current liabilities		
Accrued salaries and benefits	321	324
Advances from customers	125	161
Unclaimed dividend *	108	112
Statutory liabilities	1,221	900
	<u>1,775</u>	<u>1,497</u>

* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.

10. Tangible fixed assets

Description of assets	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Total
Gross block							
Balances as at January 1, 2011	329	141	2,976	11,836	340	103	15,725
Additions	–	–	343	1,653	110	77	2,183
Less: Disposals/ adjustments	–	–	–	(29)	(4)	(38)	(71)
Balance as at December 31, 2011	329	141	3,319	13,460	446	142	17,837
Balances as at January 1, 2012	329	141	3,319	13,460	446	142	17,837
Additions	–	–	90	459	9	14	572
Less: Disposals /adjustments	–	(53)	–	(113)	(0)	(32)	(198)
Balance as at December 31, 2012	329	88	3,409	13,806	455	124	18,211
Depreciation and Impairment losses							
Balances as at January 1, 2011	–	59	726	5,794	122	64	6,765
Depreciation for the year	–	1	95	890	27	17	1,030
Less: Accumulated depreciation on disposals / adjustments	–	–	–	(26)	(3)	(35)	(64)
Balance as at December 31, 2011	–	60	821	6,658	146	46	7,731
Balances as at January 1, 2012	–	60	821	6,658	146	46	7,731
Depreciation for the year	–	1	100	892	25	19	1,037
Impairment loss during the year	–	–	9	18	1	–	28
Less: Accumulated depreciation on disposals / adjustments	–	(53)	–	(105)	(0)	(21)	(179)
Balance as at December 31, 2012	–	8	930	7,463	172	44	8,617
Net block							
As at December 31, 2011	329	81	2,498	6,802	300	96	10,106
As at December 31, 2012	329	80	2,479	6,343	283	80	9,594
Capital work-in progress							
Balances as at December 31, 2012	–	–	–	25	–	–	25
Balances as at December 31, 2011	–	–	–	211	–	–	211

11. Intangible fixed assets

Description of assets	Computer software	Technical know how	Total
Gross block			
Balances as at January 1, 2011	146	488	634
Additions	123	–	123
Disposals	–	–	–
Balances as at December 31, 2011	269	488	757
Balances as at January 1, 2012	269	488	757
Additions	92	–	92
Disposals	–	–	–
Balances as at December 31, 2012	361	488	849
Amortisation and Impairment losses			
Balances as at January 1, 2011	48	232	280
Amortisation for the year	64	81	145
Accumulated depreciation on disposals	–	–	–
Balance as at December 31, 2011	112	313	425
Balances as at January 1, 2012	112	313	425
Amortisation for the year	75	70	145
Impairment loss during the year	–	1	1
Accumulated depreciation on disposals	–	–	–
Balance as at December 31, 2012	187	384	571
Net block			
As at December 31, 2011	157	175	332
As at December 31, 2012	174	104	278
Intangible assets under development			
Balances as at December 31, 2012	36	–	36
Balances as at December 31, 2011	12	–	12

	As at December 31, 2012	As at December 31, 2011
12. Long term loans and advances		
<i>Unsecured and considered good</i>		
Capital advances	3	39
Advance recoverable in cash or in kind or for value to be received	159	181
Pension (<i>refers note. 29</i>)	236	231
Security deposits	289	296
Balance with government authorities	273	191
Advance tax and tax deducted at source (net of provision)	299	257
	<u>1,259</u>	<u>1,195</u>
<i>Unsecured and considered doubtful</i>		
Advances to employees	33	33
Less: Provision for doubtful advances	(33)	(33)
	<u>–</u>	<u>–</u>
	<u>1,259</u>	<u>1,195</u>
13. Other non current assets		
<i>Unsecured and considered good</i>		
Bank deposits (due to mature after 12 months from the reporting date) (Refer note 17)	–	825
	<u>–</u>	<u>825</u>

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December 31, 2012



ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at December 31, 2012	As at December 31, 2011
14. Current investments		
Investment in mutual funds - unquoted, fully paid up		
81,098 (December 31, 2011 - Nil) units in UTI Money Market Fund Institutional Plan - Daily dividend option reinvestment	814	-
40,373 (December 31, 2011 - Nil) units in Tata Liquid Fund - Daily dividend reinvestment	405	-
39,059 (December 31, 2011 - Nil) units in Tata Floater Fund - Daily dividend reinvestment	435	-
7,984,344 (December 31, 2011 - Nil) units in Sundaram Money Fund Super Institutional plan - Daily dividend reinvestment	806	-
624,019 (December 31, 2011 - Nil) units in ICICI Money Market Cash Option - Dividend daily reinvestment	624	-
6,095,564 (December 31, 2011 - Nil) units in Kotak Floater Short term - Daily dividend reinvestment	617	-
1,998,114 (December 31, 2011 - Nil) units in Kotak Floater Long term - Daily dividend reinvestment	201	-
50,023 (December 31, 2011 - Nil) units in IDFC Cash Fund - Plan C - Daily dividend reinvestment	500	-
4,712,342 (December 31, 2011 - Nil) units in HDFC Cash Management Fund Savings Plan	501	-
30,188 (December 31, 2011 - Nil) units in SBI Premier Liquid Fund - Regular - Daily dividend	303	-
4,282,008 (December 31, 2011 - Nil) units in SBI Short term Debt Fund - Regular plan - Weekly dividend	454	-
30,257 (December 31, 2011 - Nil) units in Templeton India Treasury Management Accounts - Super Institutional Fund - Daily dividend reinvestment	303	-
Nil (December 31, 2011 - 2,508,975) units in Sundaram BNP Ultra Short Term Fund - Institutional - Daily dividend reinvestment	-	252
4,057,523 (December 31, 2011 - 4,055,816) units in Templeton India Ultra Short Bond Fund Institutional Plan	406	406
Nil (December 31, 2011 - 4,984,572) units in Sundaram BNP Ultra Short Super Institutional Dividend reinvestment daily	-	500
52,555 (December 31, 2011 - 2,959,912) units Reliance Liquid Fund - Treasury Plan - Institutional Option Daily dividend option)	803	452
190,434 (December 31, 2011 - 444,281) units in ICICI Prudential Flexible Income Premium - Dividend daily reinvestment	201	470
Nil (December 31, 2011 - 40,202) units in Tata Treasury Managership Daily dividend	-	406
Nil (December 31, 2011 - 46,260) units in UTI Treasury Advantage Fund Institutional Plan - Daily dividend option reinvestment	-	463
40,418 (December 31, 2011 - 45,250) units in DSP Blackrock Liquid Fund Institutional Plan - Daily dividend	404	453
	7,777	3,402
Unquoted current investments		
Aggregate book value	7,777	3,402

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	As at December 31, 2012	As at December 31, 2011
15. Inventories *		
<i>(Valued at the lower of cost and net realisable value)</i>		
Raw materials	2,183	2,450
Work-in-Progress	475	654
Finished goods	3,853	3,058
Stores & Spares	231	238
Total	6,742	6,400
* [including goods in transit Rs.537 (December 31, 2011 Rs.438)]		
16. Trade receivables		
<i>Receivables outstanding for a period exceeding six months from the date they became due for payment</i>		
(a) Secured, considered good	1	3
(b) Unsecured, considered good	9	29
(c) Doubtful	151	165
Less: Provision for doubtful receivables	(151)	(165)
	10	32
<i>Other receivables</i>		
(a) Secured, considered good	28	22
(b) Unsecured, considered good	2,252	1,958
(c) Unsecured, considered doubtful	19	95
Less: Provision for doubtful receivables	(19)	(95)
	2,280	1,980
Total	2,290	2,012
17. Cash and bank balances		
Cash and cash equivalents		
Cash on hand	7	5
Cheques on hand	1,038	1,507
Balance with banks		
- on current accounts	1,245	798
Earmarked Balances - Dividend	108	112
Other bank balances	1,675	658
	4,073	3,080
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	1,245	798
Bank deposits to the extent held as margin money or security against guarantees	850	658
Bank deposits due to mature within 12 months of the reporting date included under other bank balances	825	-
Bank deposits due to mature after 12 months of the reporting date included under other non-current assets	-	825
18. Short term loans and advances		
<i>(unsecured, considered good)</i>		
Advance recoverable in cash or in kind or for value to be received	522	1,000
Balance with statutory / government authorities	300	469
Advance to employees	23	20
	845	1,489
19. Other current assets		
Interest accrued on fixed deposits	189	100
	189	100

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended December 31, 2012	For the year ended December 31, 2011
20. Revenue from operations		
Sale of products		
Finished goods	48,366	50,290
Traded goods	5,800	7,231
Sale of products (Gross)	54,166	57,521
Less : Excise duty	4,974	4,518
Sale of products (Net)	49,192	53,003
Sale of Services	360	606
Other operating revenue		
Scrap Sales	492	645
Export benefits	11	20
Misscellaneous income	103	125
Net gain on account of foreign exchange fluctuation	–	5
Provision / liabilities no longer required written back	194	54
	800	849
Revenue from operations	50,352	54,458
Break-up of revenue from sale of products (Gross)		
Manufactured goods		
Consumables	37,258	37,668
Equipments & Cutting	11,108	12,622
Traded goods		
Consumables	2,819	3,770
Equipment & Cutting	2,981	3,461
Total	54,166	57,521
21. Other income		
Interest income	169	132
Dividend income from current investments	345	191
Profit on sale of fixed assets (net)	–	1
	514	324
22. Cost of materials consumed		
Inventory of raw materials at the beginning of the year	2,450	2,476
Add: Purchases during the year	28,152	30,438
Less : Inventory of raw materials at the end of the year	2,183	2,450
	28,419	30,464
Break-up of cost of materials consumed		
Raw materials		
Mild Steel/ M S Wire Rods	11,350	11,204
Non Ferrous Metals	2,154	2,810
Minerals	2,972	3,439
Chemicals	2,543	2,659
Piece Parts	7,091	7,837
Others	2,309	2,515
Total	28,419	30,464

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended December 31, 2012	For the year ended December 31, 2011
Break-up of inventory - Raw material (including packing material and components)		
Mild Steel/ M S Wire Rods	236	383
Non Ferrous Metals	135	385
Minerals	159	167
Chemicals	366	310
Piece Parts	783	729
Others	504	476
Total	<u>2,183</u>	<u>2,450</u>
23. Break up of purchases of stock in trade		
Purchases of finished goods	4,403	4,491
	<u>4,403</u>	<u>4,491</u>
24. Changes in inventory of finished goods and work-in-progress		
Opening stock		
- Manufactured goods	2,254	1,554
- Traded goods	804	750
- Work-in-progress	654	449
	<u>3,712</u>	<u>2,753</u>
Closing stock		
- Manufactured goods	2,925	2,254
- Traded goods	928	804
- Work-in-progress	475	654
	<u>4,328</u>	<u>3,712</u>
	<u>(616)</u>	<u>(959)</u>
25. Employee benefits		
Salaries, wages and bonus	3,537	3,603
Contributions to provident and other funds	192	163
Staff welfare expenses	446	492
	<u>4,175</u>	<u>4,258</u>
26. Depreciation and amortisation		
Depreciation of tangible fixed assets	1,037	1,030
Amortisation of intangible fixed assets	145	145
	<u>1,182</u>	<u>1,175</u>

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended December 31, 2012	For the year ended December 31, 2011
27. Other expenses		
Consumption of stores and spares	597	720
Power and fuel	1,330	1,252
Excise duty related to increase/decrease in inventory of finished goods	380	153
Rent	210	184
Repairs and maintenance		
- Building	41	91
- Plant and machinery	406	319
- Others	92	126
Insurance	55	60
Travelling expenses	660	856
Communication expenses	146	168
Rates and taxes	261	110
Transport and freight	400	740
Sales promotion and selling expenses	176	228
Trademark fees	920	933
Legal and professional charges	117	140
Payment to auditors (Refer note below)	35	35
Printing and stationery	56	53
Sales incentives	370	354
Provision for doubtful debts	-	144
Bank charges	73	99
Loss on sale of fixed assets (net)	2	-
Net loss on account of foreign exchange fluctuation	28	-
External service charges	876	683
Warranty claims	81	157
Royalty	103	43
Impairment loss on fixed assets	29	-
Fixed assets written off / Provision for capital work in progress	5	20
Miscellaneous expenses	438	623
	<u>7,887</u>	<u>8,291</u>
Note: Payment to auditors		
As auditor		
Statutory audit	16	16
Tax accounts and audit	3	3
In other capacity		
Limited review of quarterly results	6	6
Certifications	1	1
Others	7	7
Reimbursement of expenses	2	2
	<u>35</u>	<u>35</u>

Particulars	For the year ended December 31, 2012	For the year ended December 31, 2011
28. Earnings per share (EPS)		
Profit after taxation	3,777	4,744
Weighted average number of equity shares outstanding during the period for calculation of basic / diluted EPS (No's)	15,393,020	15,393,020
Earnings per share		
Basic earnings per share	24.54	30.82
Diluted earnings per share	24.54	30.82
Nominal value of equity shares	10	10
29. Employee benefits		
The following table sets out the disclosure requirements as required under the AS 15 (Revised 2005)		
A. Gratuity plan		
The following table sets out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value of the defined benefit obligation		
Change in present value of obligations		
Obligations at beginning of the year	583	612
Service cost	36	35
Interest cost	43	40
Actuarial (gain) / loss	7	8
Benefits paid	(117)	(112)
Obligations at the end of the year	<u>552</u>	<u>583</u>
Change in plan assets		
Fair value of plan assets at beginning of the year	427	420
Expected return on plan assets	29	27
Actuarial gain / (loss)	(0)	9
Contributions	-	84
Benefits paid	(117)	(113)
Fair value of plan assets at end of the year	<u>339</u>	<u>427</u>
Actual return on plan assets	22	36
Reconciliation of present value of the obligation and the fair value of plan assets		
Present value of the defined benefit obligation at the end of the year	552	583
Fair value of plan assets at the end of the year	339	427
Funded status amount of liability recognized in the balance sheet	<u>213</u>	<u>155</u>
Gratuity cost for the year (included in Contribution to provident and other funds in)		
Service cost	36	35
Interest cost	43	40
Expected return on plan assets	(29)	(27)
Actuarial (gain) / loss	7	(1)
Net gratuity cost	<u>57</u>	<u>47</u>

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ESAB INDIA LIMITED

(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended December 31, 2012	For the year ended December 31, 2011			
Assumptions					
Interest rate	8.20%	8.50%			
Estimated rate of return on plan assets	7.50%	7.50%			
Rate of growth in salary levels	5.00%	5.00%			
Investment details of plan assets					
Government of India securities	27%	22%			
Corporate bonds	16%	20%			
Insurer managed funds	47%	39%			
Others	10%	19%			
Gratuity - Experience adjustments					
Particulars	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008
Experience adjustments:					
- On plan liabilities	(1)	(15)	52	7	27
- On plan assets	1	8	(12)	(2)	(2)
Present value of obligation	552	583	612	488	550
Fair value of plan assets	339	427	420	351	332
Excess of plan assets over obligation	(213)	(155)	(193)	(137)	(218)
	For the year ended December 31, 2012	For the year ended December 31, 2011			
B. Pension plan					
The following table sets out the status of the pension plan and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Change in present value of obligations					
Obligations at beginning of the year		424	488		
Service cost		19	21		
Interest cost		32	34		
Actuarial (gain) / loss		(45)	(24)		
Benefits paid		(76)	(95)		
Obligations at the end of the year		<u>354</u>	<u>424</u>		
Change in plan assets					
Fair value of plan assets at beginning of the year		655	677		
Expected return on plan assets		42	46		
Actuarial gain / (loss)		30	70		
Benefits paid		(76)	(95)		
Refund from Trust / Payment for defined contribution scheme		(61)	(43)		
Fair value of plan assets at end of the year		<u>590</u>	<u>655</u>		
Actual return on plan assets		57	116		
Reconciliation of present value of the obligation and the fair value of plan assets					
Present value of the defined benefit obligation at the end of the year		354	424		
Fair value of plan assets at the end of the year		590	655		
Funded status amount of liability recognized in the balance sheet		<u>(236)</u>	<u>(231)</u>		

Notes to Financial Statements

December 31, 2012



(All amounts are in Indian Rupees lakhs, except share data and as stated)

	For the year ended December 31, 2012	For the year ended December 31, 2011
Pension cost for the year		
Service cost	19	21
Interest cost	32	34
Expected return on plan assets	(42)	(46)
Actuarial (gain) / loss	(74)	(94)
Net pension cost	<u>(65)</u>	<u>(85)</u>
Assumptions		
Interest rate	8.20%	8.50%
Estimated rate of return on plan assets	7.00%	7.50%
Rate of growth in salary levels	5.00%	5.00%
Investment details of plan assets		
Government of India securities	22.00%	23.00%
Corporate bonds	0.00%	37.00%
Insurer managed funds	75.00%	33.00%
Others	3.00%	7.00%

Pension - Experience adjustments

Particulars	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008
Experience adjustments:					
- On plan liabilities	(83)	(14)	37	8	1
- On plan assets	26	72	(17)	24	(10)
Present value of obligation	354	424	488	508	561
Fair value of plan assets	590	655	677	918	926
Excess of plan assets over obligation	236	231	189	410	365

	For the year ended December 31, 2012	For the year ended December 31, 2011
30. Operating leases		
<p>The Company has taken various residential and office premises under operating lease or leave & license agreements. These leases have a term of between 11 months and 3 years, and have no specific obligation for renewal. Lease payments are recognised in the statement of profit and loss in the year incurred.</p> <p>Non - cancellable operating lease rentals payables (minimum lease payments) under these leases are as follows:</p>		
Payable within one year	100	93
Payable between one and five years	254	250
Payable after five years	18	39
Total	<u>372</u>	<u>382</u>

During the year an amount of Rs.210 was recognised as an expense in the statement of profit and loss in respect of operating leases (December 31, 2011: Rs.184)

31. Segment Information

The primary and secondary reportable segments are business segments and geographical segments respectively. These have been identified by the type of their respective products and services, their differing risks and returns, the Company's organisation structure and internal financial reporting systems.

Business Segments

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

Equipment : Welding machines and Cutting equipment

Particulars	Consumables		Equipment		Total	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Revenue						
External sales and services (net)	36,456	38,352	13,096	15,256	49,552	53,608
Segment results	4,595	5,429	1,615	2,372	6,210	7,801
Less: Interest costs (net)					–	–
Other common expenses (net)					794	739
Total profit before tax					5,416	7,062
Capital employed						
Segment assets	16,462	16,674	5,379	5,591	21,841	22,265
Add: Common assets					11,267	6,774
Total assets					33,108	29,039
Segment liabilities	4,232	3,366	1,765	1,892	5,997	5,258
Add: Common liabilities					3,517	2,622
Total liabilities					9,514	7,880
Segment capital employed	12,231	13,308	3,614	3,700	15,845	17,008
Add: Common capital employed					7,750	4,152
Total capital employed					23,595	21,160
Capital expenditure	508	1,805	125	128	633	1,933
Add: Common capital expenditure					100	372
Total capital expenditure					733	2,305
Depreciation / amortisation	828	802	187	214	1,015	1,016
Add: Common depreciation					167	159
Total depreciation					1,182	1,175
Non cash expenses	50	61	2	128	52	189
Add: Common non cash expenditure					–	–
Total non cash expenditure					52	189

Geographical segments

The Company caters mainly to the needs of Indian market and the export turnover being 2.52% (December 31, 2011 - 3.36%) of the total turnover of the Company, there are no reportable geographical segments.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which relate to the enterprise as a whole, and not allocable to segments on a reasonable basis, have been included under the heading "other common expenses".

32. Related Party Disclosure

a) Parties where control exist

- i) ESAB Holdings Limited - Principal Shareholder - Holds 37.31% of the paid up equity share capital of the Company as at December 31, 2012. Colfax UK Holding Limited, Company incorporated under the laws of England and Wales, is an indirect wholly owned subsidiary of Colfax Corporation. Further, Colfax UK, Holdings Limited indirectly holds 100% equity shares of ESAB Holdings Ltd.
- ii) Exelvia Group India B.V. - Holds 36.41% of the paid up equity share capital of the Company as at December 31, 2012. Colfax UK, Holding Limited, Company incorporated under the laws of England and Wales, is an indirect wholly owned subsidiary of Colfax Corporation. Further, Colfax UK Holdings Limited indirectly holds 100% equity shares of Exelvia Group India, B.V.

b) Colfax Corporation - Related parties in the Colfax Corporation, Group where significant influence exists :

ESAB Welding Products (Jiangsu) Co Limited, China	ESAB Middle East LLC, UAE
ESAB Asia/Pacific Pte Limited, Singapore	ESAB Middle East FZE, UAE
ESAB Cutting Systems GmbH, Germany	ESAB SeAH Corporation, Korea
ESAB GmbH, Germany	ESAB Industria e Comercio Ltda, Brazil
ESAB Europe AG, Switzerland	ESAB Saldatura SpA, Italy
ESAB-ATAS GmbH, Germany	OZAS-ESAB Sp. z. o.o, Poland
ESAB AB, Sweden	ESAB Vamberk sro, Czech Republic
PT Karya Yasantara Cakti, Indonesia	ESAB Africa Welding and Cutting (Proprietary) Limited, South Africa
ESAB-Mor Kft, Hungary	ESAB Welding & Cutting Product, USA
Alcotec Wire Corporation, USA	Romar Positioning Equipment International Pte Limited, Singapore
ESAB KK, Japan	ESAB Welding & Cutting Products (Shanghai) Co Limited, China
ESAB Automation Limited, UK	ESAB Group Inc, USA
ESAB (Malaysia) SDN BHD, Malaysia	ESAB Polska Sp.z.o.o, Poland
ESAB Welding Products (Weihai) Co Limited, China	ESAB Equipment & Machinery Manufacturing (Zhangjiagang) Co Limited
ESAB Cutting & Welding Automation (Shangai) Co Limited	ESAB Welding Equipment AB, Sweden

c) Key Management Personnel

Managing Director - Mr.G.Hariharan (upto August 31, 2011)

Managing Director - Mr. Jiri Kula (from September 1, 2011)

d) Transactions and outstanding balances with parties where control exists

Nature of the related party	Description of the nature of transactions	December 31, 2012	December 31, 2011
ESAB Holding Limited, UK	Trademark license fees	920	933
ESAB Holding Limited, UK	Royalty	103	-
ESAB Holding Limited, UK	Income from service	25	92
ESAB Holding Limited, UK	Dividend paid	-	861
ESAB Holding Limited, UK	Payable	486	483
ESAB Holding Limited, UK	Receivable	6	-
ESAB Holding Limited, UK	Purchase of Intangible fixed assets	51	-
Exelvia Group India B.V., Netherlands	Dividend paid	-	423

32. Related Party Disclosure (Continued)

e) Transaction and outstanding balances with related parties having significant influence and key management personnel

Nature of transaction	Significant influence		Key management personnel	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
Purchase of goods	2,259	3,029	–	–
Purchase of Tangible fixed assets	–	5	–	–
Purchase of Intangible fixed assets	51	–	–	–
Sale of goods	156	197	–	–
Sale of services	360	606	–	–
Reimbursement of expenses	8	23	–	–
Commission income	11	–	–	–
Technical / consultancy services	8	–	–	–
Royalty	–	43	–	–
Remuneration	–	–	284	203
Outstanding payables	491	330	–	10
Outstanding receivables	75	85	*	*

The Companies listed above have been identified on the basis of information available with the Company.

* Note : Rs.33 recoverable from Ex-Managing Director is fully provided for.

f) Transaction with parties which form more than 10% of aggregate value of transactions

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		Dec. 31, 2012	Dec. 31, 2011
Fellow subsidiary Companies:			
ESAB Group Inc, USA	Income from service	114	200
ESAB AB, Sweden	Income from service	221	313
ESAB Asia/Pacific Pte Limited, Singapore	Sale of goods	–	88
ESAB Africa Welding and Cutting (Proprietary) Limited, South Africa	Sale of goods	42	–
ESAB Middle East LLC, UAE	Sale of goods	102	87
ESAB SeAH Corporation, Korea	Commission Income	11	–
ESAB Saldatura SpA, Italy	Purchase of Tangible assets	–	5
ESAB SeAH Corporation, Korea	Purchase of goods	292	381
ESAB AB, Sweden	Purchase of goods	–	364
ESAB Group Inc, USA	Purchase of goods	273	585
ESAB Welding & Cutting Products (Shanghai) Co Limited, China	Purchase of goods	–	449
ESAB Europe AG, Switzerland	Purchase of goods	655	638
ESAB Welding Equipment AB, Sweden	Purchase of goods	326	–
ESAB Industria e Comercio Ltda, Brazil	Royalty	–	17
OZAS-ESAB Sp. z. o.o, Poland	Royalty	–	6
ESAB AB, Sweden	Royalty	–	6
ESAB Cutting Systems GmbH, Germany	Royalty	–	14
ESAB AB, Sweden	Technical / consultancy services	8	–
ESAB AB, Sweden	Reimbursement of Expenses	–	3
ESAB Vamberk sro, Czech Republic	Reimbursement of Expenses	8	14
ESAB Cutting Systems GmbH, Germany	Reimbursement of Expenses	–	6

32. Related Party Disclosure (Continued)

g) Transaction with parties which form more than 10% of aggregate value of transactions

Relationship / Name of the related party	Description of the nature of transaction	Value of the transactions	
		Dec. 31, 2012	Dec. 31, 2011
Fellow subsidiary Companies (Continued):			
ESAB Asia/Pacific Pte Limited, Singapore	Receivable	6	–
ESAB Middle East LLC, UAE	Receivable	1	–
ESAB AB, Sweden	Receivable	17	27
ESAB Group Inc, USA	Receivable	26	35
ESAB Africa Welding and Cutting (Proprietary) Limited, South Africa	Receivable	26	22
ESAB Europe AG, Switzerland	Payable	112	86
ESAB Vamberk sro, Czech Republic	Payable	38	–
ESAB AB, Sweden	Payable	2	–
ESAB Group Inc, USA	Payable	149	146
ESAB Cutting Systems GmbH, Germany	Payable	43	16
ESAB Welding & Cutting Products (Shanghai) Co Limited, China	Payable	10	–
ESAB Equipment & Machinery Manufacturing (Zhangjiagang) Co Limited	Payable	19	–
ESAB SeAH Corporation, Korea	Payable	14	65
PT Karya Yasantara Cakti, Indonesia	Payable	21	–
ESAB Industria e Comercio Ltda, Brazil	Payable	1	12
ESAB-ATAS GmbH, Germany	Payable	28	–
OZAS-ESAB Sp. z. o.o, Poland	Payable	–	4
ESAB Asia/Pacific Pte Limited, Singapore	Payable	1	–
ESAB GmbH, Germany	Payable	53	–

33. Contingent liabilities and commitments

(to the extent not provided for)

Particulars	December 31, 2012	December 31, 2011
Contingent liabilities		
Claims against the company not acknowledged as debts	824	824
Tax matters in dispute under appeal	2,610	2,610
Bank guarantees outstanding	394	350
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	436	120
Total	4,264	3,904

34. Dues to micro and small suppliers

The management has identified the enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Such determination / identification has been done on the basis of information received and available with the Company and relied upon by the auditors. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at December 31, 2012 has been made in the financial statements based on information received and available with the Company.

35. Details of imported and indigenous raw materials, components and spare parts consumed during the financial year

Particulars	December 31, 2012		December 31, 2011	
	Rs.	%	Rs.	%
Raw materials (including packing material and components)				
- Imported	2,552	9%	4,123	14%
- Indigenous	25,867	91%	26,341	86%
	28,419	100%	30,464	100%
Spare parts				
- Imported	102	17%	142	20%
- Indigenous	495	83%	578	80%
	597	100%	720	100%

Particulars	December 31, 2012	December 31, 2011
36. Value of imports on CIF basis (accrual basis)		
Raw materials (including packing material)	2,601	2,105
Components and traded goods	1,984	1,827
Capital goods	110	758
Total	4,695	4,690
37. Expenditure in foreign currency		
Trademark fees	920	933
Travelling expenses	41	108
Royalty	103	43
Others	34	13
Total	1,098	1,097
38. Earnings in foreign currency		
FOB value of exports	1,249	1,802
Income from services	360	606
Others	11	–
Total	1,620	2,408
39. Dividend remittances in foreign currency		
Year to which the dividend relates	–	2011
Amount remitted during the year	–	1,284
Number of non-resident shareholders	–	2
Number of shares on which dividend was due	–	8,566,031

40. Derivative instruments

Unhedged foreign currency exposure

Foreign currency exposures on account of trade receivables/ trade payables not hedged by derivative instruments are as follows:

Particulars	December 31, 2012		December 31, 2011	
	Amount in FC	Amount in INR	Amount in FC	Amount in INR
Trade receivables				
USD	4.79	259.69	7.17	381.00
EURO	0.01	0.17	1.34	94.00
Trade payables				
EURO	–	–	6.33	439.00
USD	1.66	91.99	10.62	572.00
SGD	0.09	4.17	0.07	0.50
SEK	0.03	0.28	0.13	0.50
GBP	0.02	1.92	–	–

41. The Company has international transactions with related parties. For the financial year ended March 31, 2012, the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the year ended December 31, 2012, Management confirms that it maintains documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

For and on behalf of the Board of Directors of **ESAB INDIA LIMITED**

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Jiri Kula
Managing Director

S Sethuraman
Partner
Membership No. 203491

K Vaidyanathan
Director

B Mohan
Vice President - Finance

S Venkatakrisnan
Company Secretary

Place : Chennai
Date : February 18, 2013



ESAB INDIA LIMITED

ESAB INDIA LIMITED

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

ATTENDANCE SLIP

26th Annual General Meeting on Thursday, 25 April, 2013

Name of the Shareholder

DP Id/CI.ID/Reg. Folio No.

I Certify that I am a registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, 25 April, 2013 at 3.00 p.m. at Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Road, T. Nagar, Chennai 600 017.

Proxy's Name in Block Letters

Member's/Proxy's Signature

Notes:

1. This Meeting is of Members only; no person who is not a Member (or the duly appointed proxy of a Member) will be admitted.
2. Shareholders/Proxyholders will be required to submit signed attendance slips upon entering the auditorium.
3. If it is intended to appoint a proxy, the form should be completed and deposited at the Registered Office of the Company, at least 48 hours before the Meeting.
4. ATTENDANCE SLIPS OF SHAREHOLDERS NOT ATTENDING THE MEETING WILL NOT BE ACCEPTED.



ESAB INDIA LIMITED

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

PROXY FORM

26th Annual General Meeting on Thursday, 25 April, 2013

DP Id/CI.ID/Reg. Folio No.

Mr/Mrs/Miss

I/We

of in the district of

..... being a member/members of ESAB India Limited hereby appoint

..... of

in the district of or failing him/her of

..... in the district of

as my/our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Thursday, 25 April, 2013 at 3.00 p.m. at Sri Thyaga Brahma Gana Sabha, Vani Mahal, 103, G N Road, T. Nagar, Chennai 600 017 and at any adjournment thereof.

Signed this day of 2013

Signature



Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company, at least 48 hours before the meeting.



ESAB INDIA LIMITED

STRENGTH THROUGH COOPERATION

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

www.esabindia.com