



ESAB INDIA LIMITED

Global Solutions for Local Customers - Everywhere

Annual Report 2008

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Board of Directors

M G Foster Chairman
G Hariharan Managing Director
N H Mirza
P Mallick
S Tandon
J Templeman
S N Talwar
David J Egan

Chief Financial Officer

B Mohan

Company Secretary

S Venkatakrishnan

Registered Office

Plot No.13, 3rd Main Road, Industrial Estate,
Ambattur, Chennai – 600 058.
Tel: 044-42281100
Fax:044-42281150
www.esabindia.com

Bankers

State Bank of India
AXIS Bank Limited

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 Agents

Integrated Enterprises (India) Ltd.
IInd Floor, 'Kences Towers',
No. 1, Ramakrishna Street,
North Usman Road,
T.Nagar, Chennai – 600 017.
Tel : 044- 28140801 / 02 / 03
Fax : 044- 28142479 / 3378
E Mail : sureshbabu@iepindia.com

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held at the Narada Gana Sabha Trust Complex, No.314, TTK Road, Chennai 600 018, on Wednesday the 22 April 2009 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31 December 2008 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 Satish Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Jon Templeman, 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, 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.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
RESOLVED THAT Mr Suresh N Talwar who was appointed as an additional director and holds office upto the date of this Annual General Meeting as per the provisions of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.
7. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution the following:
RESOLVED THAT in supersession of the earlier Resolution passed by the shareholders at the Annual General Meeting held on 27 April 2007 and subject to the provisions of Section 198, 269, 309 and 310, read with Part A of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company

be and is hereby accorded to pay such remuneration and to provide such benefits with effect from 1 January 2009 to Mr G Hariharan, Managing Director as may be determined by the Board of Directors from time to time not exceeding the applicable ceiling on remuneration as prescribed under the Companies Act, 1956 with respect to Managing Director and within the maximum limits specified below:

Remuneration

1. By way of Salary, allowances (excluding HRA), special allowances, etc., hereinafter referred to as Remuneration subject to a ceiling of Rs.75,00,000/- per annum or such other amount as the Board may determine.
2. By way of Performance Linked Variable Pay / Long Term Incentive Compensation / Bonus / Commission on profits etc., subject to a ceiling of Rs.20,00,000/- per annum or such other amount as the Board may determine.

Perquisites

3. By way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain the actual cost, such perquisites shall be evaluated as per Income-tax Rules, 1962, and as per details given below subject to a ceiling of Rs.20,00,000/- per annum or such other amount as the Board may determine.
 - (i) (a) The Company may provide, rent free furnished accommodation and also pay all rents, rates, and taxes.
 - (b) The Company shall reimburse expenditure incurred towards electricity, fuel charges, water charges and all other expenses for the upkeep and maintenance of his residence.
 - (ii) Leave Travel Expenses : For self and family (which shall include spouse, dependent children and parents) in accordance with the rules applicable to the Company.
 - (iii) Reimbursement of expenditure incurred towards car driver's salary.
 - (iv) Provision of assets / furnishings at the residence of the Managing Director, the valuation of which will be as per Income Tax Rules. The Company shall maintain these assets, the expenses towards which shall not be included in the computation of the limits for remuneration or perquisites as aforesaid.
 - (v) Other allowances/benefits/perquisites : Any other allowances, benefits and perquisites as per the rules / policies framed, as may be applicable to the Senior Executives of the Company and / or which may become applicable in the future and / or any other allowances, perquisites as the Board may from time to time decide.

The following benefits which shall be provided to Mr G Hariharan, Managing Director shall not be included in the computation of the limits for remuneration or perquisites as aforesaid.

Company's contribution to provident fund not exceeding such percentage of the salary as may be fixed by the Central Government from time to time and contribution to gratuity and superannuation funds as per the rules of the Company.

The company shall provide and maintain a car and telephone at office and residence for official use. Payment of club fees for two clubs and all actual entertainment expenses at the club reasonably incurred in or about the business of the Company shall be reimbursed. Medical expenses for self and family, which shall include spouse, dependent children and parents, shall be reimbursed at actuals.

Mr G Hariharan, Managing Director may also avail leave in accordance with the policies applicable to Management Staff of the Company. He shall be entitled to encashment of leave standing to his credit as per applicable policies for Management Staff.

The Managing Director shall be a beneficiary of the Group Medical Insurance and the Personal Accident Insurance Policies taken by the Company for the Management Staff of the Company.

The Managing Director shall not be eligible to receive sitting fees for attending meetings of the Board of Directors or any Committee thereof.

The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limits prescribed from time to time under Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII to the said Act or any statutory modifications or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, Mr G Hariharan, Managing Director subject to the approval of a Remuneration Committee of the Directors of the Company shall be paid such remuneration not exceeding the ceiling limits specified under Part A of Schedule XIII of the Companies Act, 1956.

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

8. To consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

RESOLVED THAT in pursuant to Section 31 of the Companies Act, 1956, the existing Article 25 of the Articles of Association of the Company be deleted and substituted by the following new clauses:

<p>Funds of the Company may not be applied in purchase of shares of the company</p>	<p>25A. The Company shall not give whether directly or indirectly and whether by means of loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or any</p>
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shares in the company or in its holding Company:

Buy back of shares and other specified securities

- B. (1) Notwithstanding anything contained in the Act, but subject to the provision of Section 77A and Section 77B, the Company may purchase its own shares or other specified securities (hereinafter referred as buyback) out of-
- (i) its free reserves; or
 - (ii) the securities premium account; or
 - (iii) the proceeds of any shares or other specified securities;

Provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Provided further that the buyback of equity shares in any financial year shall not exceed twenty five percent, of its paid up equity capital in that financial year or such other percentage as may be permissible pursuant to any amendment to the Act.

- (2) The ratio of the debt owed by the company is not more than twice the capital and its free reserves after such buyback or at such ratio as may be fixed by the Central Government from time to time in this regard;

Explanation: For the purpose of this article, the expression 'debt' includes all amounts of unsecured and secured debts.

- (3) All the shares or other specified securities for buyback shall be fully paid-up;
- (4) The buyback of shares or other specified securities shall be made in accordance with the guidelines issued from time to time by SEBI in this behalf.

By Order of the Board of Directors

Mumbai
19 February 2009

S Venkatakrishnan
Company Secretary

NOTES:

1. The explanatory statements required pursuant to Section 173(2) of the Companies Act, 1956 in relation to Items 6, 7 & 8 above are annexed hereto.
2. **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.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14 April 2009 to 22 April 2009 (both days inclusive).
4. Dividend on Equity shares as recommended by the Directors for the financial year ended 31 December 2008, when declared at the meeting will be paid:
 - a. to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 13 April 2009, and
 - b. in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CSDL) as at the end of business hours on 13 April 2009.
5. 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.
6. 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, II Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017 - Attention Mr Suresh Babu, General Manager.
7. Members are requested to bring their copies of the Company's Report and Accounts for the year ended 31 December 2008 to the Meeting.
8. 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.

9. 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 Agents on request. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their shares.
10. 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 (Rs.)	Date of declaration	Due date for transfer	Unpaid / Unclaimed amount as on 31.12.2008
2005	Final	26.00	28.04.2006	02.06.2013	26,13,676
2007	1st Interim	5.50	09.03.2007	13.04.2014	6,21,302
2007	2nd Interim	10.00	13.12.2007	17.01.2015	10,12,870
2008	Interim	13.00	24.07.2008	28.08.2015	14,84,132

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

11. 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 are given below :

Mr Satish Tandon

Mr Satish Tandon is a Chemical Engineer having graduated from I.I.T. New Delhi. He did his Post Graduate Diploma in Marketing & Sales Management from Delhi University. He has 39 years' experience in Alfa Laval (India) Limited having worked in various capacities. From January, 1998 till October, 2005 he had overall

responsibility as Managing Director of Alfa Laval (India) Limited. His directorships and committee memberships in other companies are :

Name of the Company	Position held	Committee Membership / Chairmanship
Modern Diaries Limited	Director	Member of Investor Grievance Committee
Precision Pipes & Profiles Company Limited	Director	Member of Investor Grievance Committee and Audit Committee
Kolte Patil Developers Limited	Director	Member of Investor Grievance Committee and Audit Committee

Mr J Templeman

Mr J Templeman is a Bachelor of Arts (Oxford University) and Master of Arts (Oxford University). He is an Associate Member of the Institute of Chartered Accountants in England & Wales.

He worked for 17 years with Price Waterhouse, London, in various capacities rising to Salaried Partner. He also worked for a time at Charter plc., as Director of Investor Relations. At present he is the Chief Executive Officer of Esab Holdings Limited. His directorships in other companies are as given below :

Name of the Company	Position held	Committee Membership / Chairmanship
ESAB Holdings Limited	Chairman, Director	Nil
ESAB Group Russia Limited	Chairman, Director	Nil
ESAB Russia Limited	Director	Nil
ESAB Hungary Limited	Director	Nil
Electrodes SA	Director	Nil
Conarco AlambasY Soladiades SA	Director	Nil
ESAB Holdings SRO	Director	Nil
Fortunate Gestao E Servicos SA	Director	Nil
ESAB Industrial E Commercio	Director	Nil
ESAB Shanghai China Trading Ltd.	Director	Nil
ESAB SeAH	Chairman	Nil
ESAB SVEL	Director	Nil

Mr Suresh N Talwar

Mr Suresh N Talwar, aged 70 years is a Bachelor of Commerce and Bachelor of Law. He is a solicitor and advocate by profession. Mr Suresh Talwar was a partner in Crawford Bayley & Co., till 31 March 2006 and was a special advisor till 31 December, 2006. He is now a partner in Talwar Thakore & Associates, Mumbai with effect from 1 January 2007. Mr Suresh Talwar has been an Alternate Director in the Company's Board since 1989.

Mr Suresh Talwar specializes in various facets of Corporate Law, Corporate Tax, Foreign Exchange Laws, Monopolies and Restrictive Trade Practices Act, International Issue of Securities by Indian Companies, Commercial documents and Contracts, Power Projects etc.

His directorships and committee membership in other companies are :

Name of the Company	Position held	Committee Membership / Chairmanship
PZ Cussons India Private Limited	Chairman & Alternate Director	Nil
FCI OEN Connectors Ltd.	Chairman & Alternate Director	Chairman of Audit Committee
Transwarranty Finance Limited	Chairman & Alternate Director	Nil
Armstrong World Industries (India) Pvt. Ltd.	Chairman	Nil
Merck Ltd.	Chairman	Chairman of Audit Committee
Collins Stewart Inga Pvt. Ltd.	Chairman	Nil
Romil Finance & Investments Pvt. Ltd.	Chairman	Nil
Sidham Finance & Investments Pvt. Ltd.	Chairman	Nil
20th Century Fox Corpn (I) Ltd.	Chairman	Nil
Aon Global Insurance Services Private Limited	Director	Nil
Biocon Limited	Director	Member of Audit Committee
Birla Sun Life Insurance Co. Ltd.	Director	Nil
Birla Sun Life Trustee Co. Pvt. Ltd.	Director	Nil
Blue Star Limited	Director	Chairman of Audit Committee
Blue Star Infotech Limited	Director	Member of Audit Committee

Name of the Company	Position held	Committee Membership / Chairmanship
Cadbury India Limited	Director	Member of Audit Committee
Chowgule & Company Private Limited	Director	Nil
Decagon Investments Pvt. Ltd.	Director	Nil
Emerson Process Management (India) Pvt. Ltd.	Director	Nil
Epitome Global Services Pvt. Ltd.	Director	Nil
Greaves Cotton Limited	Director	Member of Audit Committee
India Debt Management Pvt. Ltd.	Director	Nil
India Value Fund Trustee Co. Pvt. Ltd.	Director	Nil
IVF Trustee Company Private Limited	Director	Nil
IVF (Mauritius) PCC	Director	Nil
IVF (Mauritius) Limited	Director	Nil
John Fowler (India) Limited	Director	Nil
Larsen & Toubro Ltd.	Director	Nil
MF Global (India) Pvt. Ltd.	Director	Nil
Morgan Stanley India Capital Pvt. Ltd.	Director	Nil
Rediffusion-Dentsu, Young & Rubicam Pvt. Ltd.	Director	Nil
Rakeen Development PJSc	Director	Nil
Rakindo Developers Private Limited	Director	Nil
Reva Electric Car Co. Pvt. Ltd.	Director	Nil
Sandvik Asia Ltd.	Director	Chairman of Audit Committee
Shrenuj & Co. Ltd.	Director	Nil
Solvay Pharma India Ltd.	Director	Member of Audit Committee
Snowcem Paints Pvt. Ltd.	Director	Nil
Showdiff Worldwide Pvt. Ltd.	Director	Nil
Sonata Software Limited	Director	Nil

Name of the Company	Position held	Committee Membership / Chairmanship
Swiss Re Shared Services (India) Pvt. Ltd.	Director	Nil
Swiss Re Healthcare Services Pvt. Ltd.	Director	Nil
TTK Healthcare TPA Private Limited	Director	Nil
Warner Bros Pictures (India) Pvt. Ltd.	Director	Nil
WAVE Suspension Systems India Ltd.	Director	Nil
Albright & Wilson Chemicals India Ltd.	Alternate Director	Nil
ELANTAS Beck India Limited	Alternate Director	Member of Audit Committee
Garware-Wall Ropes Ltd.	Alternate Director	Nil
Hindustan Gum & Chemicals Ltd.	Alternate Director	Nil
Johnson & Johnson Ltd.	Alternate Director	Nil
Schenectady (India) Holdings Pvt. Ltd.	Alternate Director	Nil
SI Group-India Ltd.	Alternate Director	Nil
Uhde India Pvt. Ltd.	Alternate Director	Nil

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.6

Mr Suresh N Talwar was appointed as an additional Director of the Company effective 30 April 2008 and holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956.

Notice has been received from a member of the Company under Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- signifying his intention to propose the candidature of Mr Suresh N Talwar for the office of Director and to move the resolution as set out in item no.6 of this notice.

The Directors recommend the resolution as set out in item no.6 of the notice to be approved as an ordinary resolution by the shareholders.

None of the Directors except Mr Suresh N Talwar is deemed to be interested or concerned in the resolution.

Item No.7

The appointment of Mr G Hariharan, as Managing Director of the Company and the limits of his remuneration and perquisites

were approved by the shareholders at the Annual General Meeting of the Company held on 27 April 2007.

During the tenure of Mr G Hariharan, as Managing Director the Company has achieved significant growth in sales and profitability and has maintained its leadership position in the industry at the end of 2008. The remuneration payable to Mr G Hariharan, is commensurate with his abilities and experience.

Further taking into account the future prospects of the Company and in line with the remuneration packages to the Managing Directors of similar such manufacturing industries, the Resolution envisages fixing an overall ceiling limits of remuneration, perquisites and incentives payable to Mr G Hariharan, subject to the approval of the shareholders. Further the power to fix the salary, perquisites and incentives payable to the Managing Director from 1 January 2009 till the end of his tenure is sought to be delegated to the Board within the overall limits. This may be treated as an abstract under Section 302 of the Companies Act, 1956.

Your Board recommends the passing of this ordinary resolution.

None of the Directors barring Mr G Hariharan, shall be deemed to be interested or concerned in these resolutions.

Item No.8

The Companies (Amendment) Act, 1999 provides for buy-back of shares or other specified securities by the company pursuant to Section 77A. The relevant provisions of the Articles of Association of the Company are proposed to be amended in line with the said section of the Companies Act, 1956, bestowing powers to the Company to buy-back its shares or securities subject to compliance with the relevant provisions of Section 77A and Section 77B of the Companies Act, 1956.

The Board of Directors recommends passing the special resolution as set out in item no.8 in terms of Section 31 of the Companies Act, 1956, to the shareholders for amending the Articles of Association of the Company.

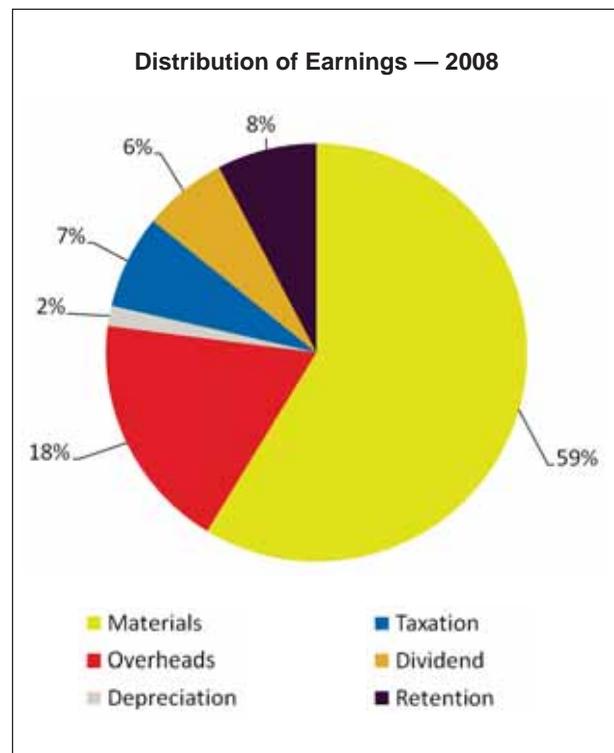
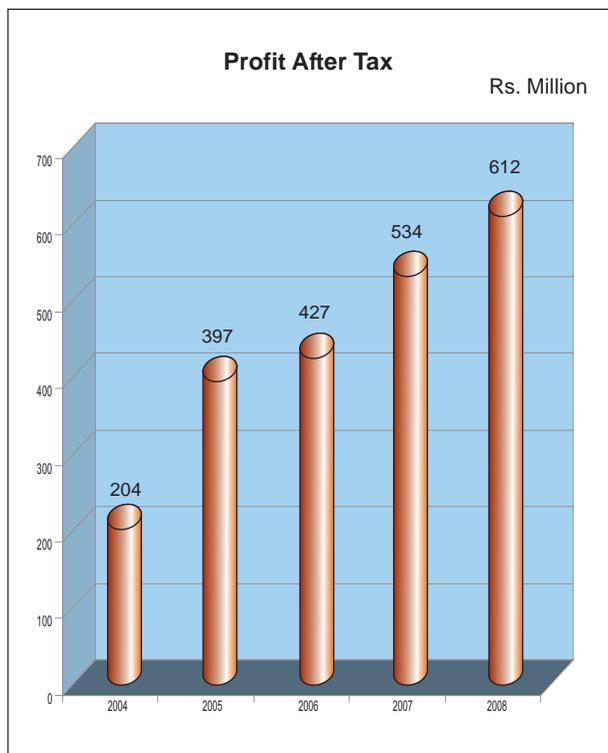
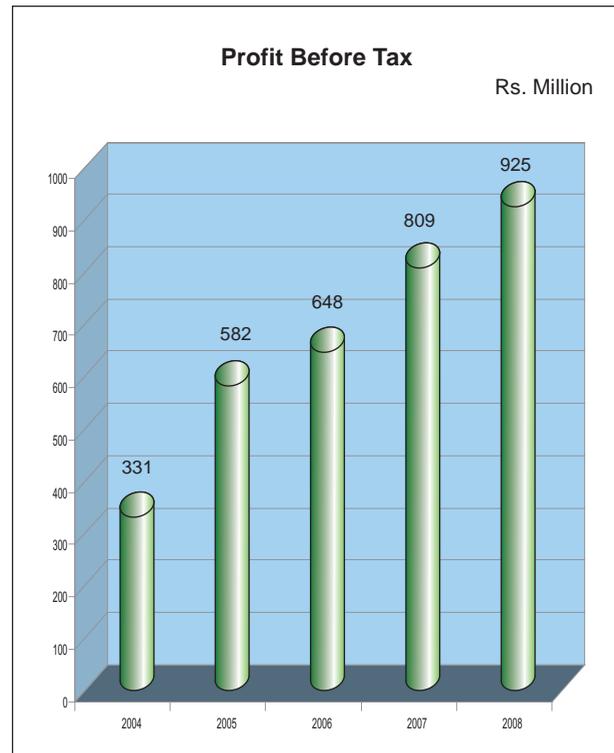
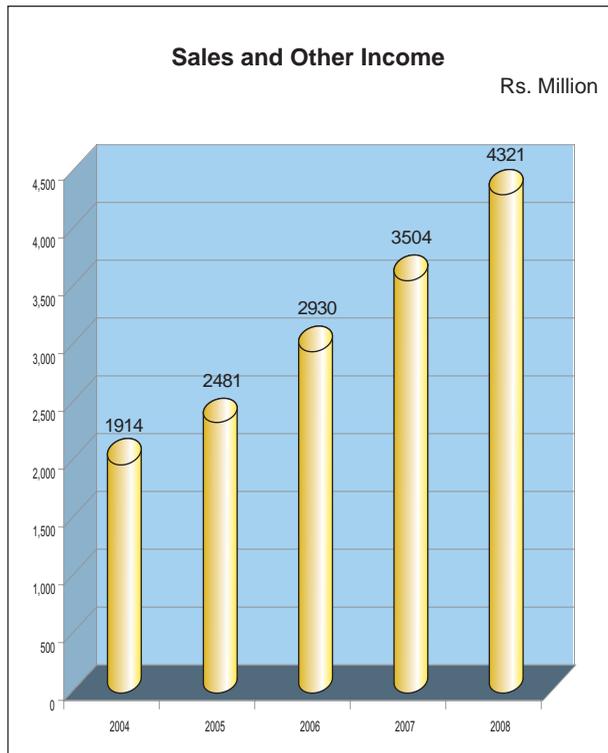
None of the Directors of the Company is concerned or interested in this resolution.

By Order of the Board of Directors

Mumbai, 19 February 2009

S Venkatakrisnan
Company Secretary

Five year Financial Highlights



Five year Financial Highlights



Highlights

Rs. Million

Operating Results	2008	2007	2006	2005	2004
Sales and Other Income	4,321	3,504	2,930	2,481	1,914
Materials	2,537	1,993	1,693	1,332	1,034
Manufacturing, Selling and Administrative Expenses	783	637	529	518	488
Interest and Finance Charges	9	9	13	5	4
Depreciation	67	56	47	44	53
Operating Profit	925	809	648	582	335
Exceptional/Extraordinary items	–	–	–	–	(4)
Profit before Tax	925	809	648	582	331
Taxation	(313)	(275)	(221)	(185)	(127)
Profit after Tax	612	534	427	397	204
Dividends	279	277	–	456	–
Retained Earnings	333	257	427	(59)	204

Financial Position	2008	2007	2006	2005	2004
Sources of Funds					
Capital	154	154	154	154	154
Reserves	1,216	884	614	187	247
Net Worth	1,370	1,038	768	341	401
Borrowings	–	–	–	113	110
Deferred Tax Liability	5	15	5	3	–
Total	1,375	1,053	773	457	511
Application of Funds					
Fixed Assets	799	674	560	412	380
Investments	120	167	77	2	2
Deferred Tax Asset	–	–	–	–	8
Current Assets	1,098	779	662	935	541
Current Liabilities and Provisions	(642)	(567)	(526)	(892)	(420)
Total	1,375	1,053	773	457	511

Your Directors take pleasure in presenting the Twenty Second Annual Report together with the audited accounts of the Company for the year ended 31 December 2008.

FINANCIAL RESULTS

(Rs. Million)

Particulars	2008	2007
Sales and other income	4,321	3,504
Earnings before interest, tax and depreciation	1,001	874
Interest / Finance charges	(9)	(9)
Depreciation	(67)	(56)
Profit before taxation	925	809
Taxation	(313)	(275)
Profit for the year	612	534

DIVIDEND

The Board of Directors had declared an interim dividend of 130% in July, 2008 entailing a total outflow of Rs.234 million including dividend distribution tax. Your Board has also proposed a final dividend of 25% entailing an outflow of Rs.45 million. This is subject to the approval of the members at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

In its twentieth full year of operations, your Company maintained its market leadership position. This was in a year which witnessed high levels of volatility in the business environment. Buoyant economic conditions and soaring commodity prices prevailed for the most part of the year followed by a sudden and drastic reversal of trends towards the last quarter. Recession in several customer segments together with tight liquidity conditions had an adverse impact on the performance of the Company in the second half of the year.

In line with long term plans, your Company continued to invest in capacity expansions and also completed commissioning of its new Flux Cored Wires [FCW] facility at its Irungattukottai Plant. The Company's Wearplate manufacturing facility is scheduled to go on stream during the first half of 2009. The Company is embarking on a significant expansion at its Nagpur Plant to eventually achieve an installed capacity of 20,000 tonnes per annum. The Company is also in the process of implementing expansions at Taratala Plant for Gas Equipments with potential business opportunities coming up in markets outside India. Modernization and capacity additions are also in progress at the Khardah Plant which manufactures Electrodes and Wires.

The Board is pleased to inform the members that the Company has internally funded all its expansions till date and continued to remain debt free at the end of 2008.

ESAB Engineering Services Limited, in which your Company has invested Rs.4.9 million till date is primarily into the business

of design, development, testing and manufacturing support services for ESAB group Companies outside India. This Company employs close to 50 people and recorded a turnover of around Rs.68 Million and PBT of Rs.6.2 Million in 2008.

During the year, the erstwhile subsidiary of the Company, Esab Welding and Cutting Systems Limited merged with the Company with effect from 1 July 2008 and with the Appointed Date as 1 January 2008. All the assets and liabilities of this Subsidiary Company vested on the Company with effect from 1 January 2008. Since this Company was a 100% subsidiary the merger did not involve any increase in the equity of the Company. The results for 2008 include those of the Subsidiary and the amounts involved are not significant.

INCOME STATEMENT

Mirroring the volatile trends in the economy, the Company recorded a robust growth during the first three quarters of the year followed by a downturn in volumes and price realisations in the last quarter. Overall the Company posted a strong growth of 23% in 2008 in Net Sales. Consumables business grew by over 25.6% over 2007 which growth was largely driven by better price realisations and favourable product mix. The Equipments business recorded a growth of over 17.2% with key contributions to the growth coming from Automation and Cutting systems businesses.

Other income grew by 27% during the year with better realizations on scrap sales and growth in income from investments arising from better cash accruals. The Company has also concluded certain long pending assessments on indirect taxation matters resulting in reversals of provisions made with respect to these assessments. These are reflected under Miscellaneous Income.

Pricing pressures, higher input costs and product mix contributed to higher materials consumption as a percentage of Net Sales at 60% as against 58.1% in the previous year. The Company continues to focus on localization of Raw Materials and Components.

Manufacturing, Selling and Administrative Expenses for the year were in line with sales growth and comparable with the previous year in percentage terms at 18.5% of Net Sales.

Personnel costs inclusive of staff welfare expenses were at 7.6% of Net Sales as compared to 7.4% in 2007. Payroll revisions were effected in 2008 towards maintaining parity with Industry standards. A decline in Interest rates towards the last quarter of the year resulted in higher provisioning for retirement benefits compared to 2007. The Company also celebrated 20 years of operations in India and a part of the expenses relating to the same is reflected under Staff welfare expenses.

Sales incentives increased by Rs.27.7 million primarily on account of changes in schemes to adapt to changes in pricing parameters and product mix.

Transportation charges increased only marginally due to recoveries from trade.

Higher expenditure commensurate with growth on outsourced non manufacturing support services, testing charges, royalties

and miscellaneous administrative expenses contributed to an increase in miscellaneous expenses from Rs.50.8 Million to Rs.73.2 Million.

BALANCE SHEET

The Company continued to incur significant amounts on capital expenditure on upgrading its facilities and on long term capacity expansions. Gross Block including Capital Work in Progress increased by over 15% to Rs.1.32 Billion. Key investments were at Khardah and Irungattukottai on additional / new capacities. The Company has also initiated civil works and ordering of key equipment for its project involving substantial expansion at Nagpur.

Trade and non trade Investments fell by over Rs.47 Million during the year primarily due to the deployment of surplus cash predominantly in Bank deposits during the latter half of the year as compared to deployment of such surpluses in liquid / debt Mutual funds in 2007.

Your Company has acquired about 1.1% stake in Ador Welding Limited during the year. This investment is viewed as strategic and in the long term interests of the Company.

Tight control over Inventories in the wake of decline in volumes and volatility in commodity cycles resulted in Inventory holdings declining by 4 days in terms of Gross sales.

Sundry Debtors were marginally higher at 13 days of Gross Sales as compared to 9 days in 2007 due to higher direct sales at the end of the year especially in the Equipments segment.

Cash and Bank balances increased by over Rs.212 Million with higher short term deposits of short term surpluses with Banks. Your Company has placed safety ahead of short term considerations in deploying funds and the Management believes that these values would help in uncertain times.

Provisions increased by over Rs.108 Million due to current taxation provisions and increase in provisions for dividends and compensated absence and Gratuity. As indicated elsewhere in the Report, the provisioning need relating to retirement benefits were higher due to reduction in Interest rates towards the end of the year.

Other components of working capital are comparable with previous year after considering the business growth in 2008. Working capital at the end of 2008 was at 7 days of Gross Sales as compared to 5 at the end of 2007 primarily due to increase in Sundry Debtors.

CASH FLOW

Net cash generated from operations grew by 26.3% to Rs.591 million. After capital expenditure and dividend payout including taxes thereon aggregating to Rs.234 Million, overall cash and cash equivalents increased by Rs.213 million to Rs.368 Million at the end of the year. Strong cash flows have enabled the Company remain debt free throughout the year.

OUTLOOK, OPPORTUNITIES AND THREATS

The outlook for 2009 is extremely unclear as interwoven macroeconomic parameters across the world are involved. The commodity cycle still does not appear to have bottomed out and the fiscal stimulus measures could take time to generate positive sentiments. Select customer segments have been more affected and liquidity conditions continue to be tight. Your Company has initiated steps to manage the downturn by way of strong and sustainable cost reduction initiatives across all its areas of operations. It is expected that a clearer picture on reversal of downtrend could take time to ascertain and materialize.

A prolonged downturn could have an adverse impact on the Company's short and medium term performance. A stronger Balance Sheet together with a technology leadership position is of significant advantage in the event of an extended period of downturn.

INTERNAL CONTROLS

Internal controls are reviewed on an ongoing basis by the Management and evaluated by Internal Auditors. Findings and corrective actions are reviewed regularly by the Management and by the Audit Committee. The reviews by Internal Auditors cover the various manufacturing and office locations. The scope of their work includes review of controls on accounting and operational areas in addition to reviews relating to efficiency and economy in operations. The suggestions given are being implemented with requisite commitment and intent.

The company during the year engaged an outsourced consultant to study its sourcing patterns and also the status on statutory compliances of all its plants.

RELATED PARTIES

Note 20 of Schedule O to the Accounts sets out the nature of transactions with related parties. Transactions with Related Parties are carried out at arm's length. Their details are placed before the Audit Committee at regular periodic intervals.

FINANCE

The Company's relationships with its consortium bankers viz. State Bank of India and AXIS Bank Limited have remained cordial throughout the year. Surplus funds were placed in debt / liquid schemes of mutual funds and bank deposits pending deployment for operational and capital servicing needs.

CORPORATE SOCIAL RESPONSIBILITY

The Company during the year earmarked a sum of Rs.2.00 million towards its Corporate Social Responsibility (CSR) initiatives. The Company has made a small beginning in this initiative and during the year had expended an amount of Rs.0.21 million for a few worthy causes. The Company would strive to enhance its contribution to such causes in the years to come.

SUBSIDIARY

Esab Welding and Cutting Systems Limited (EWCS) the 100% subsidiary of the Company merged with the Company with effect from 1 July 2008. All the assets and liabilities of the subsidiary Company vested on the Company with effect from the appointed date i.e. 1 January, 2008.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to industrial safety and environment protection. Four of its manufacturing units are continued to be ISO 14001 : 1996 certified. In line with ESAB Global standards, the Company has also adopted the Environmental, Health and Safety policy and is taking adequate steps to get the OHSAS 18001 certification. Efforts are on to get the factory units of the Company certified for OHSAS 18001. In this connection, the consumables factory at Ambattur, Chennai and the equipment factory at Taratala, Kolkata, have been audited by DNV for OHSAS certification and no major non-conformities have been reported.

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 2008 the applicable accounting standards have been followed;
2. The accounting policies listed in Schedule O to the Notes to Accounts 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 2008 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 2008 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 Satish Tandon and Mr Jon Templeman, retire by rotation at the forthcoming Annual General Meeting and, being eligible, have offered themselves for re-appointment. Mr Suresh N Talwar was appointed as an additional Director with effect from 30 April 2008. In terms of Section 260 of the Companies Act, 1956 Mr Suresh Talwar holds office till the conclusion of this Annual General Meeting. Mr Suresh Talwar being eligible for re-appointment has offered himself for being elected as a Director of the Company liable to retire by rotation. The details as required under Clause 49 of the Listing Agreement regarding the above said Directors are part of the Notice calling the Annual General Meeting.

Mr S Sundar Ram, resigned from the Board with effect from 28 August 2008. Your Board of Directors would like to place on record their appreciation for the services rendered by Mr S Sundar Ram during his tenure as Director of the Company. Mr David John Egan was appointed as the nominee Director of ESAB Holdings Limited with effect from 28 November, 2008.

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 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. 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.

PERSONNEL

At the end of December 2008 the Company had 756 employees as against 758 at the end of 2007. The Company strives in its HR initiatives to create an environment conducive for high performance work culture and has a culture for retention of its must retain talents.

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees are set out in the Annexure to the Director's Report.

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.

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

Your Directors also place on record their appreciation of the efforts and contribution during 2008 of the Company's employees.

For and on behalf of the Board of Directors

Mumbai, 19 February 2009

M G Foster
Chairman

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 2008.

A. CONSERVATION OF ENERGY

- Development of Thyristorized 400 AMPS MMA Rectifier with reduced power consumption.
- Introduction of alternate baking method, resulting in reduction in energy requirement per M.T. of electrodes for baking by more than 50% in all electrode factories.
- At Nagpur, for solid wire, the dry drawing and coppering machine has been converted to wet drawing and coppering process resulting in saving in energy by about 15% on a continuous basis.
- Introduction of skylite strips on the roofing to avoid usage of electrical lights at Irungattukottai FCW plant.

B. TECHNOLOGY ABSORPTION

- Development of products with modified features against customer-specific requirements.
- Development of 1200 AMPS Thyristorized SAW Rectifier for Welding Automation Application.
- Development of Computerized Test Panels for Arc Equipments — for de-skilling the final testing process and enhancing productivity.
- Development of Synergic control system as a value addition for existing 600 AMPS MIG Rectifier.
- Initial development of Microprocessor based control for TIG Machine with enhanced features like Pulsing controls.

- Upgradation of existing Multi Channel Data Acquisition and Report Generation System (Data Logger) for Multi-station Pipe Mill Application (Welding Automation).
- Design modification in certain range of welding transformers to standardize on conductor size, reduce number of inventory items and increase current control range.
- Product Lifecycle Approach in the Product Development Stages.
- Technology transfers for two submerged arc welding fluxes viz. basic and high basic and one flux cored wire has been completed in all respects.

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.362.60 million (which includes Rs.350.73 million for the import of raw materials, components and capital goods and Rs.11.87 million towards expenditure in foreign currency).

Foreign exchange earnings during the year were Rs.120.73 million resulting in net foreign exchange outflow of Rs.241.87 million for the year.

For and on behalf of the Board of Directors

M G Foster
Chairman

Mumbai, 19 February 2009

Particulars of employees as per Section 217 (2A) of the Companies Act, 1956

Sl.No.	Name	Age (Years)	Designation	Date of employment	Remuneration Rs.	Qualification	Experience (Years)	Previous Employment
1	B Mohan	43	Chief Financial Officer	1.2.2005	31,94,635	B. Com., ACA., ACS.	22	GM - Finance and Company Secretary Amalgamations Valeo Clutch (P) Ltd.
2	Gautam Banerjee	48	General Manager - Equipment Division	7.2.1991	25,53,208	B.E. Electrical Engineering	26	Asst. Manager Electronics - Indian Oxygen Limited

Notes :

1. Years of experience also include experience prior to joining the Company.
2. Remuneration comprises salary, house rent allowance, contribution to provident fund and superannuation fund, medical reimbursement, medical insurance premium, leave travel assistance, production incentive/ bonus and other benefits evaluation under Income-tax Rules.
3. The above said employees are also entitled to gratuity as per rules.
4. The above said employees are not related to any of the Directors of the Company.
5. Terms of employment of the above said employees are contractual.
6. The above said employees either individually or together with the spouse or children do not hold more than two per cent of the equity shares of the Company.

Your Company is committed to good Corporate Governance in all its activities and processes. The Board of Directors shall endeavour 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

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 David J Egan has been nominated by ESAB Holdings Limited with effect from 28 November 2008. 50% of the Board of Directors now consists of independent Directors. Other than the Managing Director, all the other members of the Board are non-executive Directors, including four who are independent Directors.

During 2008, four Board Meetings were held on 4 March, 29 April, 24 July, 30 October and not more than four months elapsed between any two meetings.

Particulars of the Directors' attendance to the Board Meetings and the last Annual General Meeting and particulars of their other Company Directorships and Committee memberships are given below:

Director	Directorship	Attendance		Other Directorships \$	Membership of other Committees #	
		Board	AGM		Membership	Chairmanship
Mr M G Foster	Non-Executive Nominee, Esab Holdings Limited	3	No	Nil	Nil	Nil
Mr G Hariharan	Executive	4	Yes	1	Nil	Nil
Mr P Mallick	Independent & Non-Executive	3	No	6	8	3
Mr N H Mirza	Independent & Non-Executive	4	Yes	4	3	1
Mr S Tandon	Independent & Non-Executive	4	Yes	4	5	Nil
Mr J Templeman	Non-Executive	3	Yes	Nil	Nil	Nil
Mr S N Talwar	Independent & Non-Executive	1	Yes	14	10	4
Mr S Sundar Ram*	Non-Executive Nominee, Esab Holdings Limited	2	Yes	-	-	-
Mr David J Egan@	Non-Executive Nominee, Esab Holdings Limited	-	-	Nil	Nil	Nil

* Resigned as Director of the Company with effect from 28 August 2008.

@Appointed as a Nominee Director with effect from 28 November, 2008 only.

\$ Excluding Alternate Directorships and Directorships of Private Limited Companies and Foreign Companies, wherever applicable

Only the Audit and Investor Grievance Committees are considered for this purpose.

Director's compensation and disclosures

The details of payment of remuneration to Directors during 2008 are as follows:

Non-Executive Directors	Salary	Perquisites	Provident Fund	Sitting Fees Paid (in Rs.)	Commission (in Rs.)	Total (in Rs.)
Mr M G Foster	–	–	–	30,000	–	30,000
Mr J Templeman	–	–	–	30,000	–	30,000
Mr S Sundar Ram	–	–	–	–	–	–
Mr N H Mirza	–	–	–	1,48,000	10,42,000	11,90,000
Mr P Mallick	–	–	–	76,000	7,75,000	8,51,000
Mr S Tandon	–	–	–	1,06,000	7,45,000	8,51,000
Mr S N Talwar	–	–	–	10,000	5,18,000	5,28,000
Mr G Hariharan	39,87,088	3,22,342	4,68,000	–	12,25,000	60,02,430

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 28 April 2006. 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 his performance and contributions to Company's performance.

During the year, the Company paid professional fees (including advances) amounting to Rs.45,000/- to Talwar Thakore & Associates, Advocates and Solicitors, a firm in which Mr S N Talwar, Director of the Company, is a partner.

None of the Directors holds any equity shares of the Company, except for Mr. S. N. Talwar who holds 1440 equity shares as on 31 December 2008.

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

Code of Conduct

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 code 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 2008 is attached to this corporate governance report.

AUDIT COMMITTEE

The terms of reference of the Committee are governed by a Charter, cover 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:

Mr N H Mirza	Chairman	Independent director
Mr P Mallick	Member	Independent director
Mr S Tandon	Member	Independent director
Mr J Templeman	Member	Non-executive & Non-Independent director

More than two-thirds of the members are independent Directors and all the members of the Audit Committee are financially literate. The Company's Managing Director, Chief Financial Officer, its Statutory Auditors and its Internal Auditors are permanent invitees to the Committee's meetings. 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. The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 29 April 2008 to answer the shareholder queries. The brief description of the terms of reference to the Audit Committee is governed by a Charter. The text of the charter of the Audit Committee is available in the Company's website www.esabindia.com. The Audit Committee strictly adheres to the terms of reference which is prepared in compliance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

As required under Clause 49 of the Listing Agreement, there were five meetings of the Audit Committee held during 2008 on 3 and 4 March, 29 April, 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 is as follows:

	Number of meetings	
	Held	Attended
Mr N H Mirza	5	5
Mr P Mallick	5	4
Mr S Tandon	5	5
Mr J Templeman	5	3

REMUNERATION COMMITTEE

The Company has not set up a Remuneration Committee (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 from the discussions, when their remuneration is being considered by the Board.

INVESTORS' GRIEVANCE COMMITTEE

The Investors' Grievance Committee functions under the Chairmanship of Mr S Tandon, a Non-executive Independent Director. The other members of the Committee are Mr N H Mirza, Mr P Mallick and Mr J Templeman.

Mr S Venkatakrishnan, 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' Grievances Committee. The Committee met four times during the year on 4 March, 29 April, 24 July and 30 October, 2008 and the details of attendance of the Committee members in these meetings are given below :

	Number of meetings	
	Held	Attended
Mr S Tandon	4	4
Mr N H Mirza	4	4
Mr P Mallick	4	3
Mr J Templeman	4	3

During the year, the Company received 70 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 share certificates	10
2	Non-receipt of dividend warrants	58
3	Non-receipt of annual report	2
4	Others	—

All the complaints were responded to as per applicable guidelines and regulations. As at 31 December 2008 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 2008.

Disclosures

1. 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 20 to Schedule O to the financial statements.
2. 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.
3. There have been no instances of non-compliance by the Company. During the last three years no penalties or strictures have been imposed on the Company on any matter related to the capital markets by stock exchanges or SEBI or any statutory authority.
4. The Company has laid down procedures to inform Board members about the risk assessment and minimization 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 its minimization procedures are reviewed by the ESAB Global Management with a properly defined framework.
5. There has been no public, rights or preferential issues during the year.
6. 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 Satish Tandon and Mr Jon Templeman will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring Directors. Mr Suresh N Talwar was appointed as an additional Director by the Board of Directors effective 30 April 2008. He holds office till the conclusion of this Annual General Meeting. A letter has been received from a member proposing the candidature of Mr Suresh N Talwar for the post of Director liable to retire by rotation. The detailed profiles of all these Directors are provided in the notice calling the forthcoming Annual General Meeting.
7. The Managing Director and the Chief Financial Officer of the Company certify to the Board every quarter on the financial statements and other matters in accordance with Clause 49 of the Listing Agreement.

8. The Company has complied with the requirements of the revised clause 49 of the Listing Agreement. To enhance standards on corporate governance and strengthen controls, the Company has setup a whistleblower policy which is available for viewing on the Company's website www.esabindia.com and in terms of such whistleblower policy, it is affirmed that the employees have been given free access to the Audit Committee. In compliance with the clause 47 (f) of the listing agreement with the stock exchanges the Company has designated the mail id svk@esabindia.com and posted this in the Company's website. The investors can send their grievances, if any, to the designated mail id.

GENERAL BODY MEETINGS

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

Year	Date	Time	Venue
2006	28 April 2006	4.00 PM	Mini Hall, The Music Academy No. 168, T.T.K. Road, Chennai - 600014.
2007	27 April 2007	4.00 PM	Mini Hall, The Music Academy No. 168, T.T.K. Road, Chennai - 600014.
2008	29 April 2008	4.00 PM	Mini Hall, The Music Academy No. 168, T.T.K. Road, Chennai - 600014.

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.

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; viz. "The Business Standard" in English and in "Makkal Kural" in Tamil and are also posted on the Company's website www.esabindia.com and also on the Electronic Data Information Filing and Retrieval System at www.sebidifar.nic.in

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

GENERAL SHAREHOLDER INFORMATION

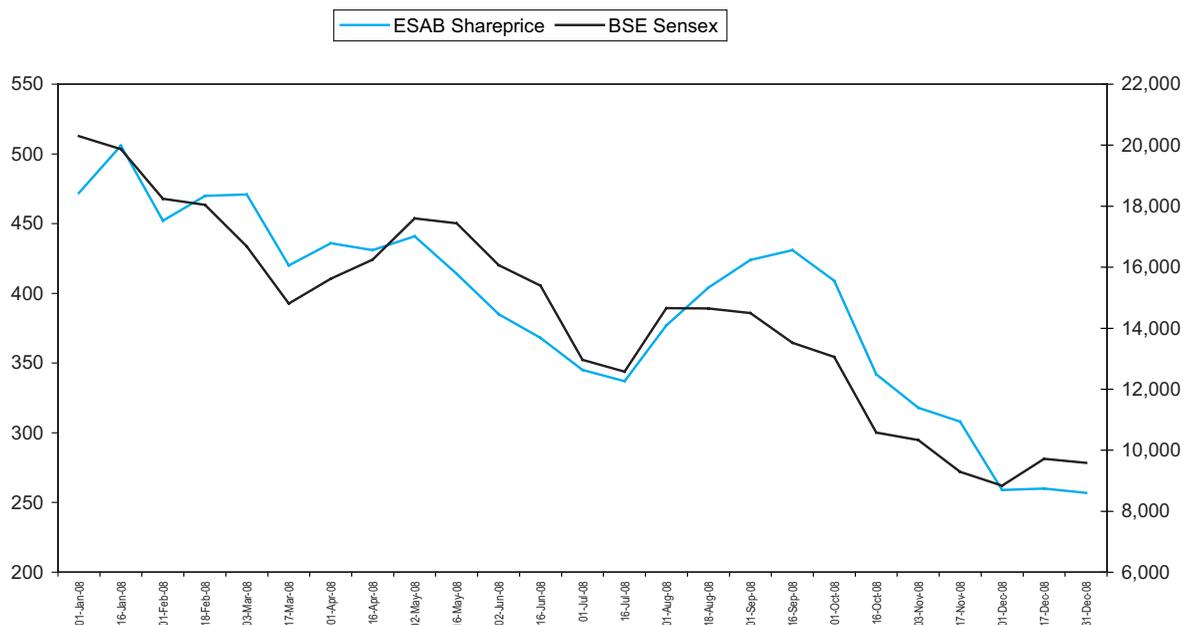
AGM : Date,	22 April 2009 at 3.00 pm
Time & Venue	Narada Gana Sabha Trust Complex, 314, T.T.K. Road, Chennai - 600018.
Financial Year	1 January to 31 December
Approval of financial results proposed	QE 31 Mar 2009 : Last week, April 2009 QE 30 Jun 2009 : Last week, July 2009 QE 30 Sep 2009 : Last week, Oct 2009 YE 31 Dec 2009 : Last week, March 2010
Dates of Book Closure	14 April 2009 to 22 April 2009 (both days inclusive)
Dividend Payment Date	30 April 2009
Listing on Stock Exchanges	The Bombay Stock Exchange Limited. The National Stock Exchange of India Limited. The listing fees for the financial year 2008-09 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

2008	Mumbai		National		BSE Sensex	
	High Rs.	Low Rs.	High Rs.	Low Rs.	High Rs.	Low Rs.
Jan	544	359	548	362	21207	15332
Feb	495	442	490	445	18895	16457
Mar	475	375	546	371	17228	14677
Apr	469	387	504	367	17481	15298
May	450	387	449	361	17736	16196
Jun	407	340	398	337	16633	13732
Jul	405	318	403	318	15130	12514
Aug	436	350	444	363	15580	14002
Sep	447	400	448	390	15107	12154
Oct	425	290	427	292	13204	7697
Nov	339	250	342	252	10945	8316
Dec	274	239	275	239	10189	8467

Share prices are rounded off to the nearest rupee.

ESAB Share Price Vs.BSE SENSEX



Registrar and Transfer Agents

Integrated Enterprises (India) Ltd.
 11nd Floor, 'Kences Towers'
 No.1, Ramakrishna Street,
 North Usman Road,
 T.Nagar, Chennai - 600 017.
 Contact Person:Suresh Babu K.,
 General Manager
 Tel: 044-28140801-03,
 Fax: 044-28142479, 28143378
 Email:sureshbabu@jepindia.com

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

- The Company has appointed M/s. Integrated Enterprises (India) Limited as its Registrar & Transfer Agents.
- 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.

- 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.

Distribution of shareholding as on 31 December 2008

Shareholding	Shareholders	Number of Shares	% of total
Up to 500	10,428	1,305,133	8.48
501-1000	513	395,827	2.57
1001-2000	203	316,360	2.06
2001-3000	70	177,916	1.16
3001-4000	30	109,131	0.71
4001-5000	20	93,873	0.61
5001-10000	39	299,389	1.94
10001 and above	50	12,695,391	82.47
Total	11,353	15,393,020	100.00

Shareholding pattern as on 31 December 2008

Category	Number of Shares	% of total
Esab Holdings Limited	5,743,200	37.31
Exelvia Group India BV	2,809,089	18.25
Promoter Group	8,552,289	55.56
Mutual Funds & UTI	1,518,040	9.86
Banks and Financial Institutions	2,062	0.01
Foreign Institutional Investors	1,560,021	10.14
Corporate Bodies	646,815	4.20
NRIs	167,966	1.09
Directors & Relatives	1,440	0.01
Indian Public	2,944,387	19.13
Total	15,393,020	100.00

Dematerialisation As on 31 December 2008, 97.04% 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

None

Plant Locations

- Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.
- B.T. Road, Khardah, P.O. B.D. Sopan, North 24 Parganas, Kolkata 743 121.
- 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.

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: svk@esabindia.com

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:

- Chairman's Office**
The need for implementing this non mandatory requirement has not arisen.
- Remuneration Committee**
The Board has not set up a Remuneration Committee as the need for the same has not arisen.
- 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 and also on the Electronic Data Information Filing and Retrieval System at www.sebidifar.nic.in. These results are not sent to shareholders individually.
- Audit Qualifications**
The auditors have issued an unqualified opinion on the statutory financial statements of the Company.
- Training of Board Members/Mechanism for evaluating non-executive directors**
All the Non-Executive Directors have rich 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.
- 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.

For and on behalf of the Board of Directors

Mumbai, 19 February 2009

M G Foster
Chairman

Auditor's Certificate on Compliance with Conditions of Corporate Governance under Clause 49 of the Listing Agreement

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 2008 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

S Sethuraman
Partner
Membership No. 203491

Chennai, 19 February, 2009

To

The Members of Esab India Limited

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

I, G Hariharan, 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 2008.

Mumbai, 19 February, 2009

G Hariharan
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 31 December 2008, the Profit and Loss Account and also 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 referred to in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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;

- (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and 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;
- (v) On the basis of written representations received from the directors, as on 31 December 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 December 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act,
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
 - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2008;
 - b. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - c. 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

S Sethuraman
Partner

Chennai, February 19, 2009

Membership No. 203491

Annexure to the Auditors' Report

(Referred to in our report of even date)

- (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 annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an 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 with regard to the 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 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 electric motors 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, Service Tax, Customs Duty, Excise Duty and other material statutory dues have been generally 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. There were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues were in arrears as at 31 December 2008 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are dues in respect of Sales Tax, Excise Duty and Income-tax as listed below that have not been deposited with the appropriate authorities on account of disputes.

Name of the Statute	Nature of Dues	Amount (INR in Millions) (Net of amount paid under dispute)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Sales Tax	Non submission of Sales tax Declaration Forms	2.63	1991-92	Revision Board, Tribunal
		2.35	1992-93	
		0.65	1993-94	
		0.82	1994-95	
		0.32	1995-96	
		40.16	1996-97	
		49.67	1997-98	
		7.71	1999-00	
		0.14	1999-00	Assistant Commissioner
		0.29	2000-01	
3.11	2001-02			
3.38	2003-04			
Central Excise Act	Determination of Price on which Duty is Payable	7.11	2000-02	CESTAT
		100.97	1997-00	High Court
		2.16	2003-06	Commissioner Appeals
Income Tax Act	Disallowed Expenditure pertaining to Various years	1.17	1988-89	High Court
		2.56	1989-90	Income Tax Appellate Tribunal
		0.12	1996-97	
		8.60	1997-98	
		4.60	1998-99	
		3.73	2000-01	Commissioner Appeals
		2.54	2003-04	
64.00	2004-05	Commissioner Appeals (Appeal filed on 28 January 2009)		
GRAND TOTAL		309.71		

- (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 or to any financial institutions. The Company did not have any outstanding debentures 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 or a 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) During the current year, the Company has not raised any money by public issues.

- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Co.
Chartered Accountants

S Sethuraman
Partner

Chennai, February 19, 2009

Membership No. 203491

Balance Sheet
as at 31 December 2008



	Schedule	2008 Rs.'000	2007 Rs.'000
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	153,930	153,930
Reserves and Surplus	B	1,216,316	883,639
		<u>1,370,246</u>	<u>1,037,569</u>
DEFERRED TAX LIABILITY (Net) (Refer Note 15 of Schedule O)		4,286	15,327
		<u>1,374,532</u>	<u>1,052,896</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	C	1,194,166	1,075,662
Less: Depreciation/Amortization		517,191	464,956
Net Block		<u>676,975</u>	<u>610,706</u>
Capital Work-in-progress including Advances		122,156	62,939
		<u>799,131</u>	<u>673,645</u>
INVESTMENTS	D	119,790	167,044
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	E	396,047	367,269
Sundry Debtors	F	168,144	97,469
Cash and Bank Balances	G	368,426	155,568
Other Current Assets and Loans and Advances	H	165,009	158,306
		<u>1,097,626</u>	<u>778,612</u>
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	I	466,491	498,966
Provisions	J	175,524	67,439
		<u>642,015</u>	<u>566,405</u>
NET CURRENT ASSETS		455,611	212,207
		<u>1,374,532</u>	<u>1,052,896</u>
Notes to the Accounts	O		

The Schedules referred to above form an integral part of the financial statements

As per our report attached

For B S R & Co.
Chartered Accountants

S Sethuraman
Partner
Membership No. 203491

Chennai, 19 February 2009

For and on behalf of the Board of Directors

N H Mirza
Director

G Hariharan
Managing Director

S Venkatakrishnan
Company Secretary

B Mohan
Chief Financial Officer

Mumbai, 19 February 2009

Profit and Loss Account
for the year ended 31 December 2008



	Schedule	2008 Rs. '000	2007 Rs.'000
INCOME			
Sales (Gross)		4,759,458	3,920,032
Less: Excise Duty		533,248	490,488
Sales (Net)		4,226,210	3,429,544
Other Income	K	94,901	74,608
		<u>4,321,111</u>	<u>3,504,152</u>
EXPENDITURE			
Materials	L	2,537,052	1,993,266
Manufacturing, Selling and Administrative Expenses	M	782,928	636,626
Interest and Finance Charges	N	9,216	8,792
Depreciation/Amortization		66,707	56,123
		<u>3,395,903</u>	<u>2,694,807</u>
PROFIT BEFORE TAXATION		925,208	809,345
Taxation (Refer Note 16 of Schedule O)		<u>(313,390)</u>	<u>(275,328)</u>
PROFIT AFTER TAXATION		611,818	534,017
Balance brought forward from Previous Year		631,154	427,164
PROFIT AVAILABLE FOR APPROPRIATION		<u>1,242,972</u>	<u>961,181</u>
APPROPRIATIONS			
Dividend			
Interim		200,109	238,592
Final		38,483	—
Total Dividend		<u>238,592</u>	<u>238,592</u>
Dividend Tax		40,549	38,033
Amount transferred to General Reserve		61,182	53,402
Balance in Profit and Loss Account		902,649	631,154
		<u>1,242,972</u>	<u>961,181</u>
Earnings per share (Refer Note 17 of Schedule O)			
Basic and Diluted		Rs.39.75	Rs.34.69
Notes to the Accounts	O		

The Schedules referred to above form an integral part of the financial statements

As per our report attached

For B S R & Co.

Chartered Accountants

S Sethuraman

Partner

Membership No. 203491

N H Mirza

Director

S Venkatakrishnan

Company Secretary

For and on behalf of the Board of Directors

G Hariharan

Managing Director

B Mohan

Chief Financial Officer

Chennai, 19 February 2009

Mumbai, 19 February 2009

	2008 Rs.'000	2007 Rs.'000
A. SHARE CAPITAL		
Authorised:		
17,000,000 Equity Shares of Rs.10 each	170,000	170,000
3,000,000 Unclassified Shares of Rs.10 each	30,000	30,000
	<u>200,000</u>	<u>200,000</u>
Issued, Subscribed and Paid up :		
15,393,020 Equity Shares of Rs.10 each fully paid up (Of the above, 999,000 shares were allotted as fully paid up pursuant to a Scheme of Amalgamation)	153,930	153,930
B. RESERVES AND SURPLUS		
Amalgamation Reserve	10,000	10,000
Securities Premium Account	93,190	93,190
Special Capital Incentive Subsidy	2,000	2,000
General Reserve		
As per last Balance Sheet	147,295	81,777
Add: Reversal of pension liability at the beginning of the year, arising on adoption of Accounting Standard 15 (Revised 2005) (Refer Note 22 of Schedule O)	-	18,354
Less: Tax adjustment on reversal of pension liability	-	6,238
Transferred from Profit and Loss Account	<u>61,182</u>	<u>53,402</u>
	<u>208,477</u>	<u>147,295</u>
Profit and Loss Account	902,649	631,154
	<u>1,216,316</u>	<u>883,639</u>

C. FIXED ASSETS

Particulars								Rs.'000	
	Freehold Land	Leasehold Land	Building	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Intangible Assets	Total	Previous Year
GROSS BLOCK AT COST									
As at 1 January, 2008	34,820	14,078	213,390	757,132	19,694	9,229	27,319	1,075,662	910,200
Additions	-	-	8,086	122,803	6,496	-	-	137,385	173,838
Deletions	1,881	-	-	16,727	273	-	-	18,881	8,376
As at 31 December, 2008	32,939	14,078	221,476	863,208	25,917	9,229	27,319	1,194,166	1,075,662
DEPRECIATION / AMORTIZATION									
As at 1 January, 2008	-	5,633	50,597	391,821	7,383	3,881	5,641	464,956	415,684
Additions	-	89	6,323	52,942	1,431	1,371	4,551	66,707	56,123
Deletions	-	-	-	14,239	233	-	-	14,472	6,851
As at 31 December, 2008	-	5,722	56,920	430,524	8,581	5,252	10,192	517,191	464,956
NET BLOCK									
As at 31 December, 2008	32,939	8,356	164,556	432,684	17,336	3,977	17,127	676,975	
As at 31 December, 2007	34,820	8,445	162,793	365,311	12,311	5,348	21,678	610,706	
Capital Work in Progress including Advances								122,156	62,939

Notes :

Intangible assets represents technical know how from ESAB Group Companies.

	2008 Rs.'000	2007 Rs.'000
D. INVESTMENTS		
(LONG TERM, UNQUOTED, NON-TRADE AT COST)		
(a) In a Subsidiary Company -		
Esab Welding and Cutting Systems Limited Nil (31 December 2007 - 1,400,000) Equity Shares of Rs.10 each fully paid up. (Refer Note 26 of Schedule O)	-	13,735
Less: Provision for diminution other than temporary, in the value of investment	-	(11,424)
	-	2,311
(b) Investment, in an Associate Company -		
Esab Engineering Services Limited 497,980 (31 December 2007 - 497,980) Equity Shares of Rs.10 each fully paid up.	4,980	4,980
(c) Investment, in Ador Welding Limited - *		
145,285 (31 December 2007 - Nil) Equity shares of Rs.10 each fully paid up	15,460	-
(d) Other Investments		
Rural Electrification Corporation Bonds	29,350	29,350
(* credited in the company's account subsequent to the Balance Sheet date)		
(CURRENT, UNQUOTED, NON-TRADE LOWER OF COST AND FAIR VALUE)		
Investment in Mutual Funds (Refer Note 21 of Schedule O for details of mutual funds purchased and sold during the year)		
ING Quarterly FMP 91 - Series A3 Institutional Dividend 3,500,000 units (31 December 2007 - Nil units)	35,000	-
DSP Black Rock FMP - 3M Series 16 Institutional Dividend 3,500,000 units (31 December 2007 - Nil units)	35,000	-
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment Nil units (31 December 2007 - 2,003,140.65 units)	-	20,095
ING Liquid Plus Fund - Savings Plan - Daily Dividend Reinvestment Nil units (31 December 2007 - 4,502,329.61 units)	-	45,038
Reliance Liquid Plus Fund - Retail Option - Daily Dividend Plan Nil units (31 December 2007 - 19,994.92 units)	-	20,012
ICICI Flexible Income Plan - Dividend - Daily Reinvestment Nil units (31 December 2007 - 4,280,398 units)	-	45,258
Aggregate fair value of Company's investments in Mutual Funds Rs. 70,000 (31 December 2007 - Rs. 130,403)	70,000	130,403
	119,790	167,044
E. INVENTORIES*		
Raw & Packing Materials	161,665	173,186
Work-in-Progress	44,840	28,057
Finished Goods	177,914	159,045
Stores and Spare Parts	11,628	6,981
	396,047	367,269
* Includes Goods in transit of Rs. 13,596 (31 December 2007 - Rs. 32,488)		

	2008 Rs.'000	2007 Rs.'000
F. SUNDRY DEBTORS (UNSECURED)		
Over six months -		
Considered Good	4,432	2,457
Considered Doubtful	18,725	16,094
Others, Considered Good	163,712	95,012
	<u>186,869</u>	<u>113,563</u>
Less: Provision for Doubtful Debts	18,725	16,094
	<u>168,144</u>	<u>97,469</u>
Debtors include amount due from Companies under the same Management		
Esab Asia Pacific Pte Ltd., Singapore	1,772	4,930
Esab Middle East LLC, Dubai	5,942	1,461
Esab Middle East FZE, Dubai	7,807	-
Esab Welding and Cutting Products, USA	-	146
G. CASH AND BANK BALANCES		
Cash on hand	910	731
Cheques on hand and remittances in transit	74,220	99,572
Balances with Scheduled Banks :		
Current Account	10,175	41,034
Deposit Account	282,890	14,000
Margin Money	231	231
	<u>368,426</u>	<u>155,568</u>
H. OTHER CURRENT ASSETS, LOANS AND ADVANCES		
Interest accrued on Investments	1,221	1,221
Secured, considered good		
Vehicle Loans to employees (Secured against hypothecation of vehicles)	19	44
Unsecured, considered good		
Advances to Esab Engineering Services Ltd., an associate company (maximum amount outstanding during the current year Rs. 4,487, previous year Rs. 7,279)	3,362	2,906
Advances to Esab Welding and Cutting Products, USA, (maximum amount outstanding during the current year Rs. 185, previous year Rs. 185)	-	185
Advances recoverable in cash or in kind or for value to be received		
Considered Good	132,098	126,016
Considered Doubtful	3,251	3,251
	<u>135,349</u>	<u>129,267</u>
Less: Provision for doubtful advances	3,251	3,251
Balances with Customs, Port Trust, Excise, etc.	28,309	27,934
	<u>165,009</u>	<u>158,306</u>

	2008 Rs.'000	2007 Rs.'000
I. CURRENT LIABILITIES		
Sundry Creditors (Refer Note 23 of Schedule O)		
(i) total outstanding dues of micro enterprises and small enterprises; and	4,071	5,680
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	<u>372,958</u>	<u>377,100</u>
Deposits from Dealers	21,584	21,809
Advance from Customers	14,013	14,389
Other Liabilities	48,133	66,039
Unclaimed Dividends *	5,732	13,949
	<u>466,491</u>	<u>498,966</u>
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.		
J. PROVISIONS		
Provision for Income-tax (Net of advance tax and Tax Deducted at Source)	39,305	11,861
Provision for retirement benefits :		
Gratuity	21,756	10,035
Leave Encashment	69,440	45,543
Proposed Dividend	38,483	-
Tax on Dividend	6,540	-
	<u>175,524</u>	<u>67,439</u>
K. OTHER INCOME		
Interest income (Gross Tax deducted at Source - Rs. 236 (31 December 2007 - Rs. 672))	5,835	1,357
Income from Investments	13,235	12,363
Income from Sale of Scrap	37,492	25,195
Commission Income	227	990
Provision/Liabilities no longer required written back	5,556	16,821
Profit on sale of fixed assets (Net)	4,186	-
Miscellaneous	28,370	17,882
	<u>94,901</u>	<u>74,608</u>
L. MATERIALS		
Raw & Packing Materials Consumed	2,196,959	1,752,649
Purchases of Finished Goods	375,745	284,550
Increase in Finished Goods & Work-in-Progress		
Opening Stock		
Finished Goods	159,045	124,014
Work-in-Progress	28,057	19,155
	<u>187,102</u>	<u>143,169</u>
Closing Stock		
Finished Goods	177,914	159,045
Work-in-Progress	44,840	28,057
	<u>222,754</u>	<u>187,102</u>
	<u>(35,652)</u>	<u>(43,933)</u>
	<u>2,537,052</u>	<u>1,993,266</u>

	2008 Rs.'000	2007 Rs.'000
M. MANUFACTURING, SELLING AND ADMINISTRATIVE EXPENSES		
Salaries, Wages and Bonus	254,250	219,083
Contributions to Provident and Other Funds*	30,061	9,987
Workmen and Staff Welfare Expenses	35,410	23,875
Consumption of Stores and Spare parts	36,877	28,460
Power and Fuel	74,702	66,035
Repairs : Buildings	9,599	8,753
Plant and Machinery	13,189	9,805
Others	6,998	5,024
Rent	12,993	12,086
Rates and Taxes	5,280	2,731
Excise Duty	(6,044)	5,690
Insurance	3,466	3,657
Transport and Freight	49,220	48,186
Communication Costs	14,540	13,720
Travelling and Conveyance	56,728	52,157
Legal and Professional Charges	10,765	12,496
Printing and Stationery	6,042	4,586
Commission	3,384	4,447
Sales Incentives	66,331	38,637
Advertising	3,159	1,418
Sales Promotion and Selling Expenses	16,052	9,342
Provision for Doubtful Debts	2,631	3,842
Loss on sale of fixed assets (Net)	-	627
Fixed Assets written off	65	110
Exchange loss (Net)	4,018	1,053
Miscellaneous Expenses	73,212	50,819
	782,928	636,626

* Net of reversals of contributions made in earlier years to the Company's Pension Funds of Rs.Nil (Previous year Rs. 2,831)

N. INTEREST AND FINANCE CHARGES

Interest :

On Others	25	4
Bank Charges	9,191	8,788
	9,216	8,792

O. NOTES TO THE ACCOUNTS

1. Background

Esab India Limited ("the Company") was incorporated on 10 November 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 and welding fluxes and of welding equipment i.e. welding machines and cutting equipment.

37.31% and 18.25% of the Company's shares are held by Esab Holdings Limited and Exelvia Group India BV respectively, being the significant shareholders, which are indirect subsidiaries of Charter International Plc. The remaining shares are held by institutional investors and the public. Accordingly the Company is a subsidiary of Charter International Plc.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The Financial Statements have been prepared and presented under the historical cost convention using the accrual basis of accounting and comply with all the mandatory Accounting Standards as specified in the Companies (Accounting Standard) Rules 2006, pronouncements of ICAI as applicable and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Fixed assets, Intangible assets, Depreciation and Amortization

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of the asset. Borrowing costs related to the acquisition or construction of the qualifying fixed assets for the period up to the completion of their acquisition or constructions are capitalized.

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.
- Lease rentals on assets taken on finance lease prior to 1 April 2001 are charged to the Profit and Loss Account.

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%.

Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

Technical Know-how fees are amortised over a period of 6 years.

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 work in progress.

d) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that 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 depreciable historical cost.

e) Operating Lease

Operating lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

f) Investments

Trade investments are investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on the management's intention. Current investments are carried at the lower of cost and fair value. Long-term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

g) Inventories

Inventories of raw and packing materials are valued at the lower of cost on a first in first out basis and net realizable value. Work-in-process, stores and spare parts and finished goods are valued at the lower of cost and net realizable value.

In the case of manufactured inventories, 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) Retirement benefits

Gratuity and pension costs with respect to defined benefit schemes are accrued based on actuarial valuations, carried out by an independent actuary as at the balance sheet date. These contributions are made to registered trusts.

Provision is made for compensated absence based on actuarial valuation, carried out by an independent actuary as at the balance sheet date.

The Company's contribution to Provident Fund, Employees' State Insurance Scheme, and defined contribution plans are charged to the Profit and Loss Account when incurred.

i) Revenue recognition

Revenue from the sale of goods is recognized on despatch 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) Transactions in Foreign Currency

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 recognized in the Profit and Loss Account of the year. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date. The resultant exchange differences are recognized in the Profit and Loss Account.

k) Taxation

Income tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law), fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of the timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets.

Deferred tax assets are reviewed 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 realized.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off.

Company provides for and discloses the Fringe Benefits Tax ("FBT") in accordance with the provisions of the Income Tax Act, 1961 and guidance note on FBT issued by the ICAI.

l) 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.

m) Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

n) Cash Flows

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.

	2008 Rs.'000	2007 Rs.'000
3. Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	158,610	96,223
4. Contingent Liabilities		
For Disputed Taxes and Duties	190,430	168,644
Claims Against the Company not acknowledged as debts	70,164	64,056
5. Auditor's Remuneration		
Audit Fees	1,200	1,200
Tax Audit & Tax accounts	300	300
Other Professional Services	1,000	1,000
Reimbursement of out of pocket expenses	170	108
	2,670	2,608

6. Particulars of Licensed, Installed Capacity and Actual Production

Products	Unit	2008			2007		
		Licensed Capacity	Installed Capacity*	Actual Production	Licensed Capacity	Installed Capacity*	Actual Production
Welding Electrodes	'000 mtrs	318,988	218,025	183,718	318,988	218,025	200,885
	Tonnes	3,480	3,000	1,113	3,480	3,000	151
Continuous Electrodes/Copper Coated Wires	Tonnes	15,240	10,500	7,340	15,240	10,500	7,520
Welding Fluxes	Tonnes	4,061	2,440	1,579	4,061	2,440	2,136
Gas & Electric, Welding & Cutting Equipment & Accessories	Nos.	233,540	651,756	127,208	233,540	305,837	114,454

*As Certified by the Management and relied upon by the auditors

7. Particulars of Closing Stock of Finished Goods

Products	Unit	2008		2007		2006	
		Qty.	Value Rs. '000	Qty.	Value Rs. '000	Qty.	Value Rs. '000
Welding Electrodes	PCs ('000s)	4,731	16,990	3,575	10,614	2,528	7,751
	Tonnes	211	41,689	118	28,898	219	38,692
Continuous Electrodes/ Copper Coated Wires	Tonnes	184	23,578	324	18,753	115	9,741
Welding Fluxes	Tonnes	45	2,916	61	3,303	02	638
Gas & Electric Welding & Cutting Equipment & Accessories		#	90,881	#	95,883	#	65,638
Others		#	1,860	#	1,594	#	1,554
			<u>177,914</u>		<u>159,045</u>		<u>124,014</u>

Quantity details have not been disclosed because the products are heterogenous in nature.

8. Particulars of Sales

Products	Unit	2008		2007	
		Quantity	Value Rs. '000	Quantity	Value Rs. '000
Welding Electrodes	PCs ('000s)	453,095	2,071,095	474,923	1,642,992
	Tonnes	1,611	540,352	1,429	448,098
Continuous Electrodes/ Copper Coated Wires	Tonnes	7,241	673,577	7,302	553,214
Welding Fluxes	Tonnes	1,569	120,881	2,019	131,874
Gas & Electric Welding & Cutting Equipment & Accessories			1,265,846		1,087,016
Others			87,707		56,838
Grand Total			<u>4,759,458</u>		<u>3,920,032</u>

Notes:

- Since the company is engaged in both manufacture and trading activities the details pertaining to trading activity have been included in the above quantitative particulars.
- Of the total traded purchases of Rs. 376 million (previous year Rs. 285 million), an amount of Rs.161 million (previous year Rs. 154 million) pertains to equipment and the balance pertains to consumables. Quantitative particulars pertaining to purchases of traded equipment are not disclosed because these are not measurable in homogeneous units. With respect to purchases of traded consumables, quantitative particulars are not conveniently available.
- Quantitative data for spares have not been given as it pertains to a large variety of individually insignificant items.
- Special electrodes, for which separate licenses were issued for some plants, are included with Welding Electrodes.

9. Details of Raw & Packing Materials consumed

Description	2008		2007	
	Quantity (Tonnes)	Value Rs. '000	Quantity (Tonnes)	Value Rs. '000
Mild Steel / M S Wire Rods	19,914	919,559	21,025	678,789
Non Ferrous Metals	407	136,463	368	172,360
Minerals	8,141	191,526	8,391	173,071
Chemicals	4,144	310,227	2,553	196,780
Piece Parts		507,103		410,802
Others		132,081		120,847
		<u>2,196,959</u>		<u>1,752,649</u>

10. Value of Imported and Indigenous Raw & Packing Materials, Components and Stores & Spares consumed

	2008	2007	2008	2007
	Value Rs.'000	Value Rs.'000	% age of Total Consumption	% age of Total Consumption
Raw & Packing Materials				
Imported	358,726	378,243	16	22
Indigenous	1,838,233	1,374,406	84	78
Total	2,196,959	1,752,649	100	100
Stores and Spares				
Imported	3,404	2,866	9	10
Indigenous	33,473	25,594	91	90
Total	36,877	28,460	100	100

	2008 Rs.'000	2007 Rs.'000
11. CIF value of Imports		
Raw materials	277,902	281,120
Components	69,322	68,082
Capital goods	3,508	43,802
	350,732	393,004
12. Expenditure in Foreign Currency		
Travelling	1,935	1,127
Technical Knowhow	3,744	–
Royalty	4,714	2,093
Others	1,475	38
	11,868	3,258
13. Earnings in Foreign Exchange		
FOB Value of Exports	120,502	75,635
Commission	227	990
	120,729	76,625

	2008		2007	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
A) Computation of net profit in accordance with Section 198 of the Companies Act, 1956:				
Profit before Tax as per Profit & Loss Account		925,208		809,345
Add: Directors' remuneration	9,482		8,437	
Provision for Bad & Doubtful Debts/advances	2,631		3,842	
Loss on sale of Fixed Assets (net)	–		627	
Fixed Assets written off	65		110	
		12,178		13,016
Less: Profit on sale of Fixed Assets (net)		4,186		–
		933,200		822,361
Maximum commission allowed as per the Companies Act, 1956 at 1%		9,332		8,223
Commission to non wholetime Directors proposed		3,080		2,632

	2008		2007	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
B)				
i) Wholetime Directors				
Salary		3,987		3,453
Contribution to Provident and Superannuation Fund		468		373
Perquisites		322		226
Incentive Bonus		1,225		1,225
		<u>6,002</u>		<u>5,277</u>
ii) Non wholetime Directors				
Sitting fees		400		528
Commission		3,080		2,632
		<u>3,480</u>		<u>3,160</u>

Notes:

- The above remuneration excludes provision for pension, gratuity and leave encashment costs, since these are based on actuarial valuations done on an overall company basis.
- In respect of certain fixed assets, the Company depreciates such fixed assets based on estimated useful lives which are lower or equal to the implicit estimated useful lives prescribed by Schedule XIV of the Companies Act, 1956. Thus the rate of depreciation in the books is higher than that prescribed as the minimum by the Companies Act, 1956 and this value has been considered as a deduction for the computation of managerial remuneration above.

15. Deferred taxation

Deferred Tax Asset

Current assets	14,194	11,191	
Current liabilities	45,568	27,209	
Investments	— 59,762	2,589	40,989

Deferred Tax Liability

Fixed Assets	(64,048)	(56,316)	
	<u>(4,286)</u>	<u>(15,327)</u>	

16. Taxation

Tax provision for current year	318,484	267,414	
Fringe Benefits Tax	5,947	3,690	
Deferred Tax charge	(11,041)	4,224	
	<u>313,390</u>	<u>275,328</u>	

17. Earnings per Share

Basic and Diluted Earnings per share	Rs. 39.75	Rs. 34.69	
Nominal value per share	Rs. 10.00	Rs. 10.00	

Earnings per share are calculated by dividing the Profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Profit/(Loss) after taxation	Rs.'000 611,818	Rs.'000 534,017	
Weighted average number of shares outstanding during the year	Nos. '000 15,393	Nos. '000 15,393	

	2008		2007	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000

18. The Company has taken various residential and office premises under operating lease or leave & license agreements. These are cancellable; have a term of between 11 months and 3 years, and have no specific obligation for renewal. Lease payments are recognized as an expense in the profit and loss account on a straight line basis over the lease term.

19. **Segmental 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.

(i) **Business Segments**

Consumables

: Welding electrodes, Copper coated wires, Welding fluxes

Equipment

: Welding machines and Cutting equipment

Particulars	Rs. '000					
	Consumables		Equipment		Total	
	2008	2007	2008	2007	2008	2007
Revenue						
External sales (Net)	3,074,312	2,447,009	1,151,898	982,535	4,226,210	3,429,544
Segment results	783,187	661,396	187,355	190,427	970,542	851,823
Less: Interest (Net)					9,216	8,792
Other common expenses (Net)					36,118	33,686
Total profit before tax					925,208	809,345
Capital employed						
Segment assets	1,049,789	911,420	485,262	427,055	1,535,051	1,338,475
Add: Common Assets					481,496	280,826
Total Assets					2,016,547	1,619,301
Segment liabilities	175,828	197,060	172,541	175,719	348,369	372,779
Add: Common liabilities					297,932	208,953
Total Liabilities					646,301	581,732
Segment capital employed	873,961	714,360	312,721	251,336	1,186,682	965,696
Add: Common capital employed					183,564	71,873
Total capital employed					1,370,246	1,037,569
Capital expenditure	115,756	155,344	19,722	15,258	135,478	170,602
Add: Common capital expenditure					1,907	3,236
Total capital expenditure					137,385	173,838
Depreciation / Amortization	47,600	40,507	14,671	13,668	62,271	54,175
Add: Common depreciation					4,436	1,948
Total depreciation					66,707	56,123
Non cash expenses	1,454	1,564	1,560	2,317	3,014	3,881
Add: Common non cash expenditure					66	110
Total non cash expenditure					3,080	3,991

Geographical Segments

The Company caters mainly to the needs of Indian market and the export turnover being 2.53% (previous year 1.93%) of the total turnover of the Company and segment assets are 1.50% (previous year 0.58%) of the total assets.

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".

20. Related Party Disclosure

(a) Parties where Control exists

- i) Esab Holdings Limited - Principal Shareholder - Holds 37.31 % of the paid up equity share capital of the Company as at 31 December 2008. Charter Overseas Holdings Limited, the holding company of Esab Holdings Limited is a subsidiary of Charter International Plc.
- ii) Exelvia Group India BV - Holds 18.25 % of the paid up equity share capital of the Company as at 31 December 2008. Charter Overseas Holdings Limited, the holding company of Esab Holdings Limited is a subsidiary of Charter International Plc.,

(b) Charter International Plc Group - Related parties in the Charter International Plc Group where significant influence exists :

Esab Engineering Services Limited, India	Esab Middle East LLC., Dubai
Esab Asia Pacific Pte. Ltd., Singapore	Esab Middle East FZE., Dubai
Esab Cutting Systems GmbH (Karben), Germany	Esab SeAH Corporation, Korea
OZAS-ESAB Sp. Z.o.o., Poland	ESAB S.A. Industria e Comercio, Brazil
Esab Cutting & Welding Automation (Shanghai) Ltd	Esab Saldatura S.p.a, Italy
Esab AB, Sweden	Esab Sp. Z.o.o., Poland
P.T. Karya Ysantara Cakti, Indonesia	Esab Vamberk S.r.o., Czech Republic
Esab-Mor Kft, Hungary	Esab Group (UK) Ltd.
Alcotec Wire Corporation-USA	Esab Welding and Cutting Product USA
Conorco Alambres y Soldaduras SA, Argentina	Esab Automation Limited, England and Wales
Esab International AB, Sweden	

(c) Key Management Personnel

Mr G Hariharan, Managing Director (appointed on 1 September 2006 for a period of five years).

20. Related Party Disclosure
(d) Transaction and outstanding balances with Related Parties.

Rs. '000

Nature of Transaction	Control Exists [a]		Significant Influence Exists [b]		Key Management Personnel [c]		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
Purchase of goods	-	-	251,467	161,217	-	-	251,467	161,217
Purchase of Fixed Assets	-	-	1,927	13,846	-	-	1,927	13,846
Sale of goods	-	-	29,654	26,093	-	-	29,654	26,093
Reimbursement of Expenses	2,833	-	5,112	4,591	-	-	7,945	4,591
Payment of Technical Knowhow	-	-	3,566	-	-	-	3,566	-
Commission Income	-	-	227	990	-	-	227	990
Royalty	-	-	4,714	2,338	-	-	4,714	2,338
Remuneration	-	-	-	-	6,002	5,277	6,002	5,277
Outstanding payables (net)	483	-	39,584	28,001	1,225	1,225	41,292	29,226
Outstanding receivables (net)	-	-	18,897	10,241	*	*	18,897	10,241

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

* Note : Rs. 3.251 million recoverable from a former Managing Director is fully provided for.

20. Related Party Disclosure

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

Rs. '000

Relationship/Name of the related party	Description of the nature of transaction	Value of the transactions	
		2008	2007
Fellow Subsidiary Companies:			
Esab Welding and Cutting Product, USA	Purchase of fixed assets	268	–
Esab AB, Sweden	Purchase of fixed assets	1,659	–
Esab Zoo, Poland	Purchase of fixed assets	–	12,256
Esab AB, Sweden	Commission Income	227	–
Esab Cutting Systems GmbH (Karben), Germany	Commission Income	–	710
Esab Asia Pacific Pte Ltd., Singapore	Sale of goods	5,123	15,932
Esab Middle East LLC, Dubai	Sale of goods	7,319	9,953
Esab Middle East Fze, Dubai	Sale of goods	13,958	–
Esab SeaH Corporation, Korea	Purchase of goods	49,017	27,770
Esab AB, Sweden	Purchase of goods	113,257	70,879
Esab S.A. Industria e Commerico, Brazil	Royalty	2,691	1,522
Ozas Esab Sp Zoo, Poland	Royalty	921	212
Esab AB, Sweden	Royalty	1,101	359
Esab Engineering Services Ltd., India	Reimbursement of Expenses	5,112	4,591
Esab Engineering Services Ltd., India	Outstanding Receivable	3,362	2,906
Esab Asia Pacific Pte Ltd, Singapore	Outstanding Receivable	1,786	4,930
Esab Middle East LLC, Dubai	Outstanding Receivable	5,942	1,461
Esab Middle East Fze, Dubai	Outstanding Receivable	7,807	–
Esab AB, Sweden	Outstanding Payable	9,542	3,842
Esab SeaH Corporation, Korea	Outstanding Payable	5,550	–
Esab Cutting & Welding Automation (Shanghai) Co. Ltd.	Outstanding Payable	11,559	3,864
Esab S.A. Industria e Commerico, Brazil	Outstanding Payable	852	–
Ozas Esab Sp Zoo, Poland	Outstanding Payable	452	3,987
Esab Welding and Cutting Product, USA	Outstanding Payable	4,568	–
Esab Cutting Systems GmbH (Karben), Germany	Outstanding Payable	–	11,992

21. Details of units in Mutual Funds purchased and sold during the year

Rs. '000

Name of the fund	Face Value	2008				2007			
		No. of units purchased during the year	Purchase Value	No. of units sold during the year	Sale Value	No. of units purchased during the year	Purchase Value	No. of units Sold during the year	Sale Value
HDFC Cash Management fund - Savings Plus plan - Wholesale Daily Dividend Reinvestment	10	11,692,378	117,292	13,695,519	137,387	1,993,720	20,000	2,351,384	25,016
Tata - Liquidity Management fund - Daily Dividend	1000	-	-	-	-	5,284	5,295	25,251	25,308
HDFC Quarterly Interval Fund - Plan A Wholesale Dividend	10	-	-	-	-	2,500,000	26,422	2,500,000	26,422
ICIICI - Institutional Liquid Plan - Daily Dividend Option	10	-	-	-	-	1,701,650	20,165	1,701,650	20,165
Tata Treasury Managership Daily Dividend	1000	-	-	-	-	45,034	45,169	45,034	45,169
Tata Fixed Horizon fund - Series 10 Periodic Dividend	10	-	-	-	-	2,500,000	25,466	2,500,000	25,466
ING Liquid Plus fund - Institutional Daily Dividend	10	4,592,709	45,942	9,095,038	90,980	9,496,866	95,000	4,994,536	49,962
ING-Fixed Maturity Fund - 42 Institutional Dividend	10	4,546,851	45,469	4,546,851	45,469	-	-	-	-
ING-Quarterly FMP 91 Series A1 - Institutional Dividend	10	1,000,000	10,000	1,000,000	10,000	-	-	-	-
Reliance Liquid Plus Fund - Retail Option Daily Dividend Plan	1000	25,529	25,553	45,524	45,564	69,941	70,000	49,946	49,988
Reliance Liquid Plus Fund-Institutional Option-Daily Dividend Plan	1000	80,377	80,468	80,377	80,468	-	-	-	-
ING-Quarterly FMP 91- Series A3 Institutional Dividend	10	3,500,000	35,000	-	-	-	-	-	-
LIC Mutual Fund - Liquid Plus Fund Daily Dividend Plan	10	4,718,232	47,182	4,718,232	47,182	5,128,539	51,285	5,128,539	51,285
Fidelity Liquid Plus Fund-Institutional Daily Dividend	10	4,516,832	45,180	4,516,832	45,180	-	-	-	-
Sundaram BNP Paribas Fixed Term Plan - Series XXVI - Dividend	10	-	-	-	-	2,551,870	25,519	2,551,870	25,519
Sundaram BNP Paribas - Liquid Plus Institutional Dividend Reinvestment Daily	10	4,597,497	46,090	4,597,497	46,090	-	-	-	-
DSP Black Rock FMP-1M-Series 2 - Institutional Dividend	10	1,006,960	10,073	1,006,960	10,073	-	-	-	-
DSP Black Rock FMP-3M Series 16 Institutional Dividend	10	3,500,000	35,000	-	-	-	-	-	-
HSEC Liquid Plus Fund - Institutional Daily Dividend	10	-	-	-	-	5,137,917	51,443	5,137,917	51,443
UTI Fixed Maturity Plan Quarterly Series	10	-	-	-	-	5,001,000	50,830	5,001,000	50,830
UTI Liquid Plus Fund Institutional Plan - Daily Dividend Option	1000	136,724	136,753	136,724	136,753	25,198	25,198	25,198	25,198
SBI Magnum Insta Cash Fund - Dividend Option*	10	14,866	181	496,958	5,329	-	-	-	-
ICIICI FMP - Series 38 - Three Months Plan A - Retail Dividend	10	-	-	-	-	2,500,000	25,520	2,500,000	25,520
ICIICI Prudential Flexible Income Plan - Dividend Daily Reinvest Dividend	10	4,329,305	45,776	8,609,703	91,035	6,620,324	70,000	2,339,926	24,741
Total		48,258,260	725,959	52,546,215	791,510	45,277,343	607,312	36,852,251	522,032

*-Out of 496,958 Units of SBI Magnum Insta Cash fund 482,092 units were purchased by Esab Weiding and Cutting Systems Ltd. which has been merged with Esab India Ltd. with effect from 1 January 2008 as more fully explained in Note 25 of Schedule O.

22. Retirement Benefits

Effective 1 January 2007, the company adopted Accounting Standard ('AS') 15 (Revised 2005) - "Employee Benefits" issued under the Companies Accounting Standard Rules (2006). As per the transitional provision specified in the Standard, the difference in the liability as per the existing policy followed by the company and that arising on adoption of this Standard is required to be charged to opening reserves and surplus account.

Gratuity Plan

The following table sets out the status of the gratuity plan as required under AS 15 (Revised 2005) and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

Particulars	2008 Rs.'000	2007 Rs.'000
Change in present value of obligations		
Obligations at beginning of the year	48,488	49,919
Current Service cost	2,125	2,291
Interest Cost	3,361	3,388
Actuarial (gain) / loss	11,014	1,032
Benefits paid	(10,012)	(8,142)
Obligations at the end of the year	<u>54,976</u>	<u>48,488</u>
Change in Plan assets		
Fair value of Plan assets at beginning of the year	38,453	41,490
Expected return on plan assets	2,552	2,694
Actuarial gain / (loss)	(273)	(489)
Contributions	2,500	2,900
Benefits paid	(10,012)	(8,142)
Fair value of plan assets at end of the year	<u>33,220</u>	<u>38,453</u>
Actual return on plan assets	2,279	2,205
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	54,976	48,488
Fair value of plan assets at the end of the year	33,220	38,453
Amount of liability recognized in the balance sheet	<u>21,756</u>	<u>10,035</u>
Gratuity cost for the year		
Current Service cost	2,125	2,291
Interest cost	3,361	3,388
Expected return on plan assets	(2,552)	(2,694)
Actuarial (gain) / loss	11,287	1,521
Net gratuity cost (included in contribution to Provident and other funds of Schedule M)	<u>14,221</u>	<u>4,506</u>
Assumptions		
Interest rate	5.50%	7.75%
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	32.00%	19.00%
Corporate Bonds	41.00%	53.00%
Special Deposit Scheme	16.00%	14.00%
Insurer Managed Funds	1.00%	8.00%
Others	10.00%	6.00%

Particulars	2008	2007
	Rs.'000	Rs.'000
Pension Plan		
The following table sets out the status of the pension plan as required under AS 15 (Revised 2005) 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	52,247	85,621
Current Service cost	2,300	2,485
Interest Cost	3,745	4,349
Actuarial (gain) / loss	6,204	(13,254)
Benefits paid	(8,415)	(8,600)
Reduction in the obligation, pursuant to change in the actuarial method	–	(18,354)
Obligations at the end of the year	<u>56,081</u>	<u>52,247</u>
Fair value of Plan assets at beginning of the year	95,583	105,773
Expected return on plan assets	6,696	7,318
Actuarial gain / (loss)	(1,263)	(8,908)
Benefits paid	(8,415)	(8,600)
Fair value of Plan assets at end of the year	<u>92,601</u>	<u>95,583</u>
Actual return on plan assets	5,433	(1,590)
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	56,081	52,247
Fair value of plan assets at the end of the year	92,601	95,583
Funded status amount of liability recognized in the balance sheet	<u>(36,520)</u>	<u>(43,336)</u>
Pension cost for the year		
Current Service cost	2,300	2,485
Interest cost	3,745	4,349
Expected return on plan assets	(6,696)	(7,318)
Actuarial (gain) / loss	7,467	(4,346)
Net Pension cost (included in contribution to Provident and other funds of Schedule M)	<u>6,816</u>	<u>(4,830)</u>
Assumptions		
Interest rate	5.50%	7.75%
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	16.00%	17.00%
Corporate Bonds	38.00%	38.00%
Special Deposit Scheme	25.00%	24.00%
Insurer Managed Funds	11.00%	17.00%
Others	10.00%	4.00%

23. Micro, Small and Medium Enterprises

The management identified 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 December 2008 has been made in the financial statements based on information received and available with the Company and relied upon by auditors. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

24. Outstanding forward contracts

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company does not use forward contracts for speculative purposes.

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Amounts receivable in foreign currency		Amounts payables in foreign currency	
	2008	2007	2008	2007
Euro ('000)	–	3	182	345
USD ('000)	627	81	535	639
SEK ('000)	–	–	7	254
SGD ('000)	–	–	10	–
DKK ('000)	–	–	47	–
GBP ('000)	–	–	2	7
Rs ('000)	30,310	3,342	39,488	47,516

The above disclosures have been consequent to the announcement by the Institute of Chartered Accountants of India on 2 December 2005.

25. Amalgamation with ESAB Welding and Cutting and Systems Limited

- a) A Scheme of Amalgamation ('the Scheme') between ESAB Welding and Cutting Systems Limited ('transferor company') and ESAB India Limited ('transferee company') and their respective shareholders was sanctioned by the Honourable High Court of Madras on 23 June 2008 and certified copies of the orders filed with the Registrar of Companies on 1 July 2008. Pursuant to this Scheme, the assets and liabilities of the transferor company were transferred to and vested in the transferee company with effect from 1 January 2008. Accordingly, the scheme has been given effect to in these financial statements.
- b) Since the amalgamation meets all the conditions specified in para 3(e) of Accounting Standard 14 ('AS 14') on 'Accounting for amalgamations' as specified in the Companies (Accounting Standard) Rules 2006, the amalgamation is 'in the nature of merger' and have been recorded under the 'pooling of interests' method. The Scheme has also prescribed that the transferee company shall account for the merger in its books as per the "pooling of interest method".
- c) Accordingly as per the Scheme, the assets and liabilities of the transferor company as at 1 January 2008 have been taken over by the transferee company at their respective book values.
- d) Further, in accordance with the Scheme, the shortfall of assets over liabilities of the transferor company (represented by debit balance in Profit and loss account of the transferor company), transferred to the transferee company has been adjusted against the profit and loss account of the transferee company.
- e) The entire share capital of the transferor company is held by the transferee company, i.e. the transferor company, ESAB Welding and Cutting Systems Limited is a 100% subsidiary of the transferee company, ESAB India Limited. Hence, upon the Scheme becoming effective, the entire share capital of the transferee company has been cancelled against the investment of the transferor company.

26. On account of Scheme of arrangement and amalgamation with ESAB Welding and Cutting Systems Ltd., in the current year previous year figures are not strictly comparable. Previous year figures have been regrouped and reclassified wherever necessary.

For and on behalf of the Board of Directors

N H Mirza
Director

G Hariharan
Managing Director

S Venkatakrishnan
Company Secretary

B Mohan
Chief Financial Officer

Mumbai, 19 February 2009

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956:

Balance Sheet Abstract and Company's General Business Profile:

I. Registration Details

Registration No.	5	8	7	3	8	State Code	1	8
Balance Sheet Date	3	1	1	2	0	8		
	Date	Month	Year					

II. Capital raised during the year (Rs. '000)

Public Issue	N	I	L	Rights Issue	N	I	L
Bonus Issue	N	I	L	Private Placement	N	I	L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities*	1	3	7	4	5	3	2	Total Assets*	1	3	7	4	5	3	2
* Includes Deferred Tax Liabilities (Net of Deferred Tax Asset)								* Net of Current Liabilities & Provisions							

Sources of funds

Paid-up Capital	1	5	3	9	3	0	Reserves & Surplus	1	2	1	6	3	1	6
Secured Loans	N	I	L	Unsecured Loans	N	I	L							
Deferred Tax Liability*	4	2	8	6										
* Net of Deferred Tax Asset														

Application of funds

Net Fixed Assets	7	9	9	1	3	1	Investments	1	1	9	7	9	0
Net Current Assets	4	5	5	6	1	1	Misc. Expenditure	N	I	L			
Accumulated Losses	N	I	L										

IV. Performance of Company (Rs. '000)

	Turnover *		Total Expenditure
	4 3 2 1 1 1 1		3 3 9 5 9 0 3
	* includes other/extra ordinary Income		
+/-	Profit/Loss Before Tax	+/-	Profit/Loss After Tax
+	9 2 5 2 0 8	+	6 1 1 8 1 8
	Earnings per Share		Dividend Rate %
	3 9 . 7 5		1 5 5

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code (ITC Code)	8 3 1 1 1 0 . 0 0
Product Description	W E L D I N G E L E C T R O D E S
Item Code (ITC Code)	8 5 . 1 5
Product Description	A R C W E L D I N G M A C H I N E S
Item Code (ITC Code)	7 2 2 9 9 0 . 0 6
Product Description	C O P P E R C O A T E D W I R E S

Schedules A to O form an integral part of the Accounts.

For and on behalf of the Board of Directors

N H Mirza
Director

G Hariharan
Managing Director

Mumbai, 19 February 2009

S Venkatakrishnan
Company Secretary

B Mohan
Chief Financial Officer

Cash Flow Statement
for the year ended 31 December 2008



Schedule	2008 Rs.'000	2007 Rs.'000
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	925,208	809,345
(Profit)/Loss on sale of Assets	(4,186)	627
Interest Income	(5,835)	(1,357)
Investment Income	(13,235)	(12,363)
Fixed Assets written off	65	110
Unrealised Exchange Differences	(260)	39
Depreciation/Amortization	66,707	56,123
Provision no longer required written back	(5,556)	(16,821)
Interest and Finance Charges	9,216	8,792
Provision for Doubtful Debts	2,631	3,842
Operating Profit before Working Capital Changes	<u>974,755</u>	<u>848,337</u>
Increase in Sundry Debtors	(73,141)	(7,565)
Increase in Other Current Assets and Loans and Advances	(4,254)	(39,211)
Decrease / (Increase) in Inventories	(28,778)	(109,145)
Increase in Current Liabilities and Provisions	20,275	54,282
Cash Generated from Operations	<u>888,857</u>	<u>746,698</u>
Voluntary Separation Compensation and Related Payments	(444)	(800)
Taxes Paid - Net	(296,988)	(277,980)
Net Cash from Operating Activities	<u>591,425</u>	<u>467,918</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(196,602)	(171,177)
Sale of Fixed Assets	3,099	788
Purchase of Investments	(741,247)	(607,312)
Sale of Investments	791,510	522,032
Investment in Subsidiary / Associate	-	(4,475)
Interest received	2,914	2,971
Investment income received	13,235	12,362
Net Cash used in Investing Activities	<u>(127,091)</u>	<u>(244,811)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(208,327)	(228,590)
Dividend Distribution Tax Paid	(34,009)	(38,003)
Interest and Finance Charges Paid	(9,216)	(8,807)
Net Cash used in Financing Activities	<u>(251,552)</u>	<u>(275,400)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	212,782	(52,293)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR**	155,644	207,861
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR*	<u>368,426</u>	<u>155,568</u>

Notes:

*Cash and Cash Equivalents include:

(a) Cash and Bank balances other than those mentioned in (b) below.

(b) Cash and Bank balances not available for use by the Company

Cash and Bank balances not available for use by the Company include margin money, unclaimed dividend and debenture interest.

362,463	141,387
5,963	14,181
<u>368,426</u>	<u>155,568</u>

**Includes Rs. 76 ('000) of opening cash balance of Esab Welding and Cutting Systems Limited which has been merged with Esab India Limited with effect from 1 January 2008 (as fully explained in Note 25 of Schedule O).

Notes to the Accounts

O

The schedules referred to above form an integral part of the financial statements.

As per our report attached

For and on behalf of the Board of Directors

For B S R & Co.

Chartered Accountants

N H Mirza

Director

G Hariharan

Managing Director

S Sethuraman

Partner

Membership No. 203491

Chennai, 19 February, 2009

S Venkatakrishnan

Company Secretary

B Mohan

Chief Financial Officer

Mumbai, 19 February, 2009



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

ATTENDANCE SLIP

22nd Annual General Meeting on Wednesday 22 April 2009.

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 Wednesday 22 April 2009 at The Narada Gana Sabha Trust Complex, No. 314, T.T.K. Road, Chennai - 600 018.

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.



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

PROXY FORM

22nd Annual General Meeting on Wednesday 22 April 2009.

Mr./Mrs./Miss

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

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 22nd Annual General Meeting of the Company to be held on
Wednesday 22 April 2009 at 3.00 p.m. at The Narada Gana Sabha Trust Complex, No. 314, T.T.K. Road, Chennai - 600 018 and
at any adjournment thereof.

Signed this..... day of2009

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

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