



LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder of ESAB INDIA LIMITED. If you require any clarifications about the action to be taken you may consult your stock broker or investment consultant or the Manager to the Open Offer or the Registrar to the Open Offer. In case you have recently sold your shares in ESAB INDIA LIMITED, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

OPEN OFFER BY
COLFAX CORPORATION (“Colfax”) with its registered office at 2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware 19808, in the County of New Castle, USA. Telephone +1 (301) 323 9000; Facsimile: +1 (303) 323 9001
ALONG WITH
COLFAX UK HOLDINGS LIMITED (“Colfax UK”) with its registered office at 40 Bank Street, Canary Wharf, London E14 5D, United Kingdom. Telephone +1 (301) 323 9000; Facsimile: +1 (303) 323 9001
EXELVIA GROUP INDIA B.V. (“Exelvia”) with its registered office at Lansinkesweg 4, 7553 AE Hengelo, The Netherlands Telephone +31 742 55 6003; Facsimile: +31 742 50 4002
ESAB HOLDINGS LIMITED (“ESAB Holdings”) with its registered office at 6th Floor, 322 High Holborn, London, WC1V 7PB, United Kingdom Telephone: +44 (020) 7092 6200 Facsimile: +44 (020) 7242 4736
(Colfax is hereinafter referred to as the “Acquirer” and Colfax UK, Exelvia and ESAB Holdings being the persons acting in concert with Colfax for the purposes of the Open Offer are jointly referred to hereinafter as the “PACs” for the purposes of the Open Offer)
to acquire 40,02,185 fully paid up Shares of face value INR 10 each representing 26% of the total Shares as of tenth Working Day (as defined hereinafter) from Closure of the Tendering Period (as defined hereinafter)
of
ESAB INDIA LIMITED (“Target Company”)
Registered Office: No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058; Telephone +91 44 4228 1100; Facsimile: +91 44 4228 1150
At a price of INR 550.10 per Share (“Open Offer Price”) payable in cash
pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and subsequent amendments thereof. (“SEBI (SAST) Regulations, 2011”)
Note:
1. This Open Offer is being made by the Acquirer and the PACs pursuant to Regulation 3(1) and Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, 2011 and subsequent amendments thereof.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations, 2011.
3. As of the date of this Letter of Offer, no statutory approvals are required by the Acquirer and/or PACs to complete the Open Offer. If any statutory approvals become applicable at a later date before the Closure of the Tendering Period, the Open Offer will be subject to such other statutory approvals. NRI and OCB Shareholders, if any, must obtain all requisite approvals required for tendering Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance cum Acknowledgement and other documents required to accept this Open Offer.
4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
5. If there is any upward revision in the Open Offer Price or the number of Shares sought to be acquired under the Open Offer by the Acquirer and the PACs, up to three (3) working days prior to the commencement of the tendering period i.e. up to Wednesday, March 14, 2012, the same would be informed by way of a public announcement in the same newspapers where the original DPS appeared. Such revision in the Open Offer Price would be payable by the Acquirer and the PACs for all the shares validly tendered anytime during Tendering Period of the Open Offer.
6. There has been no competing offer as on the date of this Letter of Offer
7. A copy of the PA, the DPS, Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on SEBI’s website: www.sebi.gov.in .

Manager to the Open Offer	Registrar to the Open Offer
 <p>HSBC Securities and Capital Markets (India) Private Limited 52 / 60 M.G.Road, Fort Mumbai 400 001 Telephone: +91-22- 22681558 Facsimile: +91-22- 2263 1984 Contact Person: Mayank Jain Email: esabindiaopenoffer@hsbc.co.in SEBI Regn. No. INM000010353</p>	 <p>Link Intime India Private Limited Unit: ESAB Open Offer C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078 Telephone: +91 22 2596 7878 Facsimile: +91 22 2596 0329 Contact Person: Mr. Pravin Kasare Email: esab.offer@linkintime.co.in SEBI Regn. No.: INR000004058</p>

OPEN OFFER OPENS ON : Monday, March 19, 2012	OPEN OFFER CLOSES ON : Monday, April 02, 2012
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SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OPEN OFFER	
Activity	Day and Date
Public Announcement (PA) Date*	Friday, January 18, 2012
Detailed Public Statement (DPS) Date	Friday, February 3, 2012
Last date for a competing offer	Monday, February 27, 2012
Identified Date **	Monday, March 05, 2012
Date by which the Letter of Offer will be dispatched to the Shareholders	Friday, March 09, 2012
Last date by which the committee of independent directors constituted by Board of Target Company shall give its recommendation	Thursday, March 15, 2012
Issue Opening PA Date	Friday, March 16, 2012
Date of commencement of Tendering Period (Open Offer opening date)	Monday, March 19, 2012
Date of expiry of Tendering Period (Open Offer closing date)	Monday, April 02, 2012
Date by which all requirements including payment of consideration would be completed	Friday, April 16, 2012

* In terms of Regulation 13(2)(e) of SEBI (SAST) Regulations, 2011, the PA was required to have been made within four working days from the earlier of, the date on which the Primary Acquisition was contracted, and the date on which the intention or decision to make the Primary Acquisition was announced in the public domain i.e. September 12, 2011. However, since on September 12, 2011 the SEBI (SAST) Regulations, 2011 had not come into force, the Acquirer vide its letter dated October 21, 2011 sought no action relief from SEBI as to when the PA was required to be made. In accordance with the no action letter from SEBI dated January 16, 2012, the PA was made on January 18, 2012.

** Date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent. All Shareholders (as defined hereinafter) (whether registered or unregistered) of the Target Company are eligible to participate in the Open Offer anytime before the Closure of the Tendering Period (as defined hereinafter).

RISK FACTORS

Given below are the risks related to the Open Offer and the probable risk involved in associating with the Acquirer and the PACs:

A. Relating to the Open Offer

1. While, as of the date of this Letter of Offer, no statutory approvals are required by the Acquirer and/or the PACs to complete the Open Offer, if any statutory approvals are required by the Acquirer and/or the PACs at a later date before the Closure of the Tendering Period, the Open Offer will be subject to such statutory approval(s). In case of delay in the Open Offer due to non-receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer / PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer/ PACs agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer/PACs have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer. NRI and OCB Shareholders, if any, must obtain all requisite approvals required for tendering Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance cum Acknowledgement and other documents required to accept this Open Offer.
2. In the event that either (a) there is any litigation leading to a stay on the Open Offer or (b) SEBI instructing the Acquirer/PACs not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders of the Target Company whose Shares are accepted under this Open Offer as well as the return of Shares not accepted under this Open Offer by the Acquirer / PACs may be delayed.
3. Shareholders should note that Shareholders who have lodged their acceptance to the Open Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of Shares under the Open Offer and dispatch of consideration are delayed. The tendered Shares and documents would be held by the Registrar to the Open Offer till such time as the process of acceptance of tenders and the payment of consideration is completed.
4. The Shares tendered in the Open Offer will be held in trust for the Acquirer and the PACs, by the Registrar to the Open Offer till the completion of the Open Offer formalities and the Shareholders will not be able to trade in such Shares. During such period there may be fluctuations in the market price of the Shares. The Acquirer / PACs make no assurance with respect to the market price of the Shares that would prevail both during the Open Offer period and after completion of the Open Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Open Offer.
5. In the event that the Shares tendered in the Open Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer. Therefore, there is no certainty that all Shares tendered in the Open Offer will be accepted.
6. The Acquirer, PACs and the Manager to the Open Offer accept no responsibility for statements made otherwise than in the Public Announcement, the Detailed Public Statement, this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the PACs, and any person placing reliance on any other source of information would be doing so at its own risk.

B. Relating to the Acquirer and the PACs

1. The Acquirer and PACs make no assurance with respect to the financial performance of the Target Company and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Open Offer.
2. The Acquirer and PACs make no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirer and PACs do not provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Open Offer.
4. The Acquirer and PACs do not accept the responsibility with respect to the information contained in the PA, the DPS, or the Letter of Offer that pertains to the Target Company.

The risk factors set forth above, pertain to the Open Offer and are not intended to be a complete analysis of all risks in relation to the Open Offer or in association with the Acquirer or the PACs, but are only indicative. The risk factors set forth above, do not relate to the present of future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Open Offer. Shareholders are advised to consult their stockbrokers, tax or investment consultants, if any, for analyzing all the risks with respect to their participating in the Open Offer.

C. CURRENCY OF PRESENTATION

1. In this Letter of Offer, all references to “INR” or “Rs.” are references to the Indian National Rupee(s) (“INR”). At some places USD, GBP and Euro have been used which represent the national currencies of United States of America, United Kingdom and European Union respectively. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.
2. All the data presented in USD, GBP, Euro, in this Letter of Offer has been converted into INR for purpose of convenience translation. The conversion has been assumed at the following rate as on January 27, 2012 (unless otherwise stated in this Letter of Offer):
1 USD = INR 49.6480
1 GBP = INR 77.7984
1 Euro = INR 65.0492
(Source: Reserve Bank of India- <http://www.rbi.org.in>).

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KEY DEFINITIONS

Term	Definition
Acquirer	Colfax.
Base Open Offer Price	INR 529.23 per Share (rounded off to INR 529 in the DPS, for ease of presentation).
BDT CP	BDT Capital Partners, LLC, a Delaware limited liability company.
BDTCP GP I	BDTCP GP I, LLC, a Delaware limited liability company.
BDTP	BDTP GP, LLC, a Delaware limited liability company.
BSE	BSE Limited.
Board of Directors	Board of Directors of the Target Company.
CDSL	Central Depository Services (India) Limited.
CSE	The Calcutta Stock Exchange Limited.
Certificate for Deduction of Tax at Lower Rate	Certificate issued by the income tax department for deduction of tax at a lower rate.
Charter	Charter International Plc, a company incorporated under the laws of Jersey, with its registered office at 22 Grenville Street, St Helier, Jersey, JE4 8PX.
Closure of the Tendering Period	Monday, April 02, 2012.
Colfax	Colfax Corporation, a company incorporated under the laws of Delaware, USA, with its registered office at 2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware 19808, USA.
Colfax UK	Colfax UK Holdings Ltd., a company incorporated under the laws of England and Wales , with its registered office at 40 Bank Street, Canary Wharf, London E14 5D, United Kingdom.
Colfax Group	Has the meaning given to it in paragraph 3.2 of this Letter of Offer.
Court Sanction	Has the meaning given to it in paragraph 2.1.3 of this Letter of Offer.
DTAA	Double Taxation Avoidance Agreement.
Draft Letter of Offer	The draft of the Letter of Offer filed with SEBI in accordance with Regulation 16 (1) of SEBI (SAST) Regulations, 2011 on February 10, 2012.
Depository Escrow Account	LIPL ESAB INDIA OPEN OFFER ESCROW DEMAT ACCOUNT opened by Link Intime India Private Limited, Registrar to the Open Offer with Ventura Securitites Limited at NSDL.
DP	Depository Participant.
DPS	Detailed public statement in relation to the Open Offer, dated February 3, 2012, issued by the Manager to the Open Offer, on behalf of the Acquirer

	and the PACs, in accordance with Regulations 13(4), 14 and 15(2) of the SEBI (SAST) Regulations, 2011.
ECS	Electronic Clearing Services.
ESAB Holdings	ESAB Holdings Limited, a company incorporated under the laws of England and Wales, with its registered office at 6th Floor, 322 High Holborn, London, WC1V 7PB, UK.
Escrow Bank	The Hongkong and Shanghai Banking Corporation Limited acting through its branch situated at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai- 100 057.
Eur	Euro.
Exelvia	Exelvia Group India B.V., a company incorporated under the laws of the Netherlands, with its registered office at Lansinkesweg 4, 7553 AE Hengelo, The Netherlands.
FEMA	Foreign Exchange Management Act, 1999.
FII(s)	Foreign Institutional Investors.
FIPB	Foreign Investment Promotion Board constituted by the Government of India.
Form of Acceptance-cum-Acknowledgement	The Form of Acceptance-cum-Acknowledgement which is part of this Letter of Offer.
FY	Financial Year.
GBP	Pound Sterling.
GAAP	Generally Accepted Accounting Principles.
Identified Date	Monday, March 05, 2012 <i>i.e.</i> date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purposes of determining the shareholders to whom the Letter of Offer shall be sent.
Implementation Agreement	The agreement among Charter, Colfax and Colfax UK dated September 12, 2011, in relation to the Primary Acquisition, which recorded their respective obligations in relation to steps to be taken to implement the Primary Acquisition.
INR	Indian Rupees.
Indian GAAP	GAAP, as applicable to Indian companies.
Income Tax Act	Income-Tax Act, 1961.
Investor	BDT CF Acquisition Vehicle, LLC.
Investor SEC Filing	The public filing made with the SEC on January 23, 2012 (in Schedule 13D form) by the Investor and its connected persons.
Letter of Offer	This Letter of Offer including the Form of Acceptance-cum-Acknowledgement.
Listing Agreement	Listing Agreement with the stock exchanges in India, as amended from time to time.
Manager / Manager to the Open Offer	HSBC Securities and Capital Markets (India) Private Limited.
Maximum Consideration	Total consideration of INR 220,16,21,114 payable by the Acquirer to acquire 40,02,185 Shares under the Open Offer at the Open Offer Price per Share.
NOC	No objection certificate issued by the income tax department indicating the amount of tax to be deducted by the Acquirer/ PAC before remitting the consideration.
NRI	Non Resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NSDL	National Securities Depositories Ltd.
NSE	National Stock Exchange of India Limited.

NYSE	The New York Stock Exchange.
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
Open Offer	This open offer being made by the Acquirer and the PACs, to the Shareholders to acquire 40,02,185 Shares, representing 26% of the total Shares of the Target Company at the Open Offer Price as of the tenth Working Day from the Closure of the Tendering Period, payable in cash and subject to the terms and conditions mentioned in this Letter of Offer, the PA and the DPS in terms of Regulations 3(1) and 4 read with 5(1) of SEBI (SAST) Regulations, 2011.
Open Offer Escrow Account	Escrow account maintained by Exelvia with the Escrow Bank in accordance with Open Offer Escrow Agreement.
Open Offer Escrow Agreement	The escrow agreement between Exelvia, the Acquirer, the Manager to the Open Offer and the Escrow Bank, dated January 30, 2012.
Open Offer Price	INR 550.10 per Share (rounded off to INR 550 per Share in the DPS, for ease of presentation).
Open Offer Size	40,02,185 Shares, representing 26% of the total Shares of the Target Company as of the tenth working day from the Closure of the Tendering Period of the Open Offer.
PA	Public Announcement of the Open Offer made by the Manager to the Open Offer on behalf of the Acquirer and the PACs on January 18, 2012 in accordance with Regulations 3(1), 4, 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, 2011.
PACs	Colfax UK, Exelvia and ESAB Holdings.
PAN	Permanent Account Number.
Primary Acquisition	Has the meaning given to it in paragraph 2.1.2 of this Letter of Offer.
RBI	The Reserve Bank of India.
Registrar/Registrar to the Open Offer	Link Intime India Private Limited.
SCRR	Securities Contract (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEC	U.S. Securities and Exchange Commission.
SEBI (SAST) Regulations, 1997	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto.
SEBI (SAST) Regulations, 2011	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto.
Shareholders	Persons holding Share(s) excluding the Acquirer and the PACs.
Share(s)	Fully paid-up equity share(s) of the Target Company, having a face value of INR 10 each.
Special Depository Account	The special depository account opened by the Registrar to the Open Offer with the NSDL for receiving Shares tendered during the Open Offer.
Stock Exchange(s)	BSE and NSE
Target Company	ESAB India Limited, a company incorporated in 1987 with its registered office at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058.
Tax Clearance Certificate	Certificate to be furnished by the NRIs/OCBs/FIIs and other non-resident Shareholders indicating the amount to be deducted by the Acquirer/ PACs under the Income Tax Act, before remitting the consideration.

Tendering Period	Monday, March 19, 2012 to Monday, April 02, 2012.
Working Day	A working day of SEBI.

1. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER “HSBC SECURITIES AND CAPITAL MARKETS (INDIA) PRIVATE LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

2. THE OPEN OFFER

2.1. Background to the Open Offer

- 2.1.1. The Open Offer is being made by the Acquirer and the PACs to the Shareholders of the Target Company, pursuant to Regulation 3(1) and Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, 2011. This is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations, 2011 and is being made as a result of the indirect acquisition of substantial shares and voting rights accompanied with acquisition of control in the Target Company, by the Acquirer, through Colfax UK.
- 2.1.2. On September 12, 2011, the Acquirer, through its indirect wholly owned subsidiary Colfax UK, announced its firm intention to make an offer to acquire the entire issued and paid up share capital of Charter International Plc, (“**Charter**”), a company incorporated in Jersey with its registered office situated at 22 Grenville Street, St Helier, Jersey, JE4 8PX, (such acquisition, the “**Primary Acquisition**”), which offer was recommended by the board of directors of Charter. Further, on September 12, 2011, the Acquirer, Charter and Colfax UK entered into an implementation agreement to record their respective obligations relating to the steps required to be taken to implement the Primary Acquisition (“**Implementation Agreement**”).
- 2.1.3. The Primary Acquisition was implemented pursuant to a scheme of arrangement under Jersey law, which was approved by the requisite majority of shareholders of Charter on November 14, 2011, and was sanctioned by the Royal Court of Jersey on January 12, 2012 (“**Court Sanction**”). In addition, on January 5, 2012 the requisite majority of shareholders of the Acquirer approved the issuance of new shares of common stock of the Acquirer to the previous shareholders of Charter (as part consideration under the Primary Acquisition) and to certain other investors in connection with the financing of the Primary Acquisition. Following the Court Sanction, on January 13, 2012, Charter became an indirect subsidiary of the Acquirer, through Colfax UK. The consideration payable under the Primary Acquisition was issued and paid to the shareholders of Charter by January 27, 2012 and the Primary Acquisition was completed in all respects on January 27, 2012.
- 2.1.4. The shareholders of Charter have received the following consideration from the Acquirer/Colfax UK in relation to the Primary Acquisition: (i) GBP 730 pence per share of Charter in cash and (ii) 0.1241 new shares of common stock in the share capital of the Acquirer issued as fully paid up. In addition, subject

to certain conditions, certain shareholders of Charter (other than certain overseas shareholders) also utilised a mix and match facility, which allowed them to elect to vary the proportions in which they received Colfax shares and cash consideration (subject to other shareholders of Charter making equivalent off-setting elections, such that the aggregate cash consideration and total number of Colfax shares issued were not altered). The total consideration paid under the Primary Acquisition was GBP 1,645 million (INR 12,796 Crores) (*).

Note (*) The total consideration paid under the Primary Acquisition has been calculated based on (i) a closing price of USD 32.24 (INR 1,601) per share of common stock of Colfax as traded on the New York Stock Exchange (“NYSE”); and (ii) an exchange rate of GBP 1: USD 1.573 (Source: Bloomberg rate as at 4:00pm New York time), each as of January 27, 2012. The total consideration under the Primary Acquisition has been converted into Indian rupees at an exchange rate of USD 1: Indian Rupees 49.648; GBP 1: Indian Rupees 77.7984, as on January 27, 2012 (Source: Reserve Bank of India- <http://www.rbi.org.in>). In the Public Announcement the total consideration payable under the Primary Acquisition was disclosed as GBP 1,521 million (INR 11,252.34 crores) which was calculated based on (i) a closing price of USD 23.04 per share of common stock of Colfax as traded on the NYSE; and (ii) an exchange rate of GBP 1: USD 1.5881 (Source: Bloomberg rate as at 4:00pm New York time), each as of September 9, 2011, being the last business day prior to September 12, 2011 (the date on which the Primary Acquisition was announced in the public domain and the date on which the Implementation Agreement was executed). The change in value of the total Consideration is as a result of the change in the closing price of shares of common stock of Colfax as traded on the NYSE.

- 2.1.5. Charter, indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company through its indirect subsidiaries, ESAB Holdings and Exelvia. Exelvia holds 28,22,831 Shares of the Target Company representing 18.34% of the issued and paid up share capital of the Target Company and ESAB Holdings holds 57,43,200 Shares of the Target Company representing 37.31% of the issued and paid up share capital of the Target Company.
- 2.1.6. On January 13, 2012, subsequent to the receipt of the Court Sanction, the entire issued and paid up share capital of Charter was acquired by the Acquirer, acting through its indirect subsidiary, Colfax UK and ESAB Holdings and Exelvia became indirect subsidiaries of the Acquirer, through Colfax UK. Consequently, the Acquirer, through Colfax UK, has indirectly acquired 55.65% of the Shares and voting rights of the Target Company and has indirectly acquired control of the Target Company.
- 2.1.7. As detailed above, the Primary Acquisition was contracted, by way of the Acquirer, Charter and Colfax UK entering into the Implementation Agreement on September 12, 2011, and the intention or decision to make the Primary Acquisition was announced in the public domain, on September 12, 2011, which triggered Regulations 3(1) and 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, 2011. However, on September 12, 2011 the SEBI (SAST) Regulations, 2011 were not in effect and had not been notified. The Acquirer *vide* its letter dated October 21, 2011 (“**No Action Request Letter**”) sought no action relief from SEBI in relation to the Open Offer, including for the Acquirer to make the Open Offer in accordance with the provisions of SEBI (SAST) Regulations, 2011. SEBI *vide* its letter dated January 16, 2012 (“**SEBI No Action Letter**”) issued no action relief to the Acquirer on this issue provided it followed all the provisions of SEBI (SAST) Regulations, 2011 for the Open Offer including publication of DPS within the specified time limit, offer size, offer price and other related parameters in relation to the Open Offer. Consequently, this Open Offer is being made under the SEBI (SAST) Regulations, 2011.
- 2.1.8. Further, since the Implementation Agreement was entered into, and the Primary Acquisition was announced in the public domain on September 12, 2011, in terms of Regulation 13(2)(e) of SEBI (SAST) Regulations, 2011, the Acquirer was required to have made the PA within four working days from September 12, 2011. Since, the SEBI (SAST) Regulations, 2011 were not in effect or notified on September 12, 2011, the Acquirer could not have made the PA within four working days of September 12, 2011 in accordance with SEBI (SAST) Regulations, 2011. Therefore, the Acquirer in its No Action Request Letter also sought no action relief from SEBI relating to the date on which the PA was required to be made. SEBI in its SEBI No Action Letter issued no action relief on this issue provided that the Acquirer made the PA in accordance with Regulation 15(1) of SEBI (SAST) Regulations, 2011 within one working day from receipt of the SEBI No Action Letter, which would be considered deemed compliance of Regulation 13(2)(e) of SEBI (SAST) Regulations, 2011. In accordance with the SEBI No Action Letter the PA was made on January 18, 2012.
- 2.1.9. In addition, the Acquirer in its No Action Request Letter sought no action relief from SEBI on the reference date for computation of the Base Open Offer Price under Regulation 8(3) of SEBI (SAST) Regulations, 2011 and the reference date for computation of the enhancement to the Base Open Offer

Price in accordance with Regulation 8(12) of SEBI (SAST) Regulations, 2011. SEBI in the SEBI No Action Letter issued no action relief on this issue provided the Acquirer took the earlier of, the date on which the Primary Acquisition was contracted and the date on which the intention or decision to make the Primary Acquisition was announced in the public domain, as reference date for computation of the Base Open Offer Price and enhancement to the Base Open Offer Price under Regulations 8(3) and 8(12) of SEBI (SAST) Regulations, 2011. Since, the Primary Acquisition was contracted on (that is, the Implementation Agreement was entered into on), and the intention or decision to make the Primary Acquisition was announced in the public domain on, September 12, 2011, the Acquirer has taken September 12, 2011 as the reference date for computing the Base Open Offer Price and the enhancement to the Base Open Offer Price, in accordance with Regulations 8(3) and 8(12) of SEBI (SAST) Regulations, 2011.

- 2.1.10. The Acquirer and PACs have not been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.
- 2.1.11. The Acquirer, Colfax UK and Exelvia do not have any representation on the Board of Directors of the Target Company, as on the date of this Letter of Offer. As on the date of this Letter of Offer, ESAB Holdings has appointed three directors, Mr. Brendan Colgan, Mr. Nazmie Adams and Mr. David Egan, to the Board of Directors of the Target Company. The Acquirer and the PACs reserve the right to seek reconstitution of the Board of Directors of the Target Company after/upon completion of the Open Offer, in accordance with the provisions contained in the SEBI (SAST) Regulations, 2011 and the Companies Act, 1956. However, as on the date of the Letter of Offer, the Acquirer and PACs have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.
- 2.1.12. As per Regulation 26(6) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company upon receipt of the DPS is required to constitute a committee of independent directors to provide its reasoned recommendations on the Open Offer to the Shareholders.
- 2.1.13. As per Regulation 26(7) read with Regulation 26(6) of SEBI (SAST) Regulations, 2011, the written reasoned recommendations of the committee of independent directors is required to be published by the Target Company at least two Working Days before the commencement of the Tendering Period in the same newspapers where the DPS was published and simultaneously a copy of such recommendations is required to be sent to SEBI, the BSE, the NSE, and to the Manager to the Open Offer.

2.2. Details of the Open Offer

- 2.2.1. The PA announcing the Open Offer, under Regulations 3(1), 4, 5(1) read with Regulations 13(2)(e) and 15(1) of the SEBI (SAST) Regulations, 2011, was made on January 18, 2012^(*) to the BSE and the NSE and a copy thereof was also filed with the SEBI and the Target Company at its registered office.

() In accordance with the SEBI No Action Letter dated January 16, 2012, the PA was made on January 18, 2012. (See paragraph 2.1.7 of this Letter of Offer)*

- 2.2.2. The DPS in respect of the Open Offer was published on February 3, 2012, in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai edition
Makkal Kural	Tamil	Chennai edition

(The PA and the DPS are available at the SEBI website: www.sebi.gov.in)

- 2.2.3. The Open Offer is being made by the Acquirer and the PACs to all Shareholders of the Target Company in terms of Regulation 3(1) and Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, 2011. The date of opening of the Tendering Period for the Open Offer is Monday, March 19, 2012.
- 2.2.4. The Open Offer is being made to all Shareholders of the Target Company, for the acquisition of 40,02,185 Shares (“**Open Offer Size**”) representing 26% (twenty six percent) of the total Shares of the Target Company (the “**Open Offer**”), as of the tenth Working Day from the Closure of the Tendering Period of the Open Offer. The price being offered under this Open Offer is INR 550.10 per Share

("Open Offer Price") comprising of an amount of INR 529.23 per Share of the Target Company ("Base Open Offer Price") and an additional amount of INR 20.87 per Share of the Target Company being equal to a sum determined at the rate of 10% p.a. on the Base Open Offer Price for the period between the September 12, 2011 (being the date on which the Primary Acquisition was contracted by way of the Acquirer, Charter and Colfax UK entering into the Implementation Agreement, as well as the date on which the intention or decision to make the Primary Acquisition was announced in the public domain) and the date of the DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, 2011. The Open Offer Price will be paid in cash in accordance with Regulation 9(1) (a) of the SEBI (SAST) Regulations, 2011, and subject to the terms and conditions mentioned in the PA, the DPS and this Letter of Offer.

Note: The Open Offer Price of INR 550.10 per Share was rounded off to INR 550 per Share, in the DPS, for ease of presentation. Similarly, the Base Open Offer Price of INR 529.23 per Share was rounded off to INR 529 per share and the additional amount of INR 20.87 per Share (calculated in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, 2011) was rounded off to INR 21 per Share, in the DPS, for ease of presentation only. The Shareholders who validly tender their Shares under the Open Offer will receive the Open Offer Price of INR 550.10 per Share.

- 2.2.5. There are no partly paid-up Shares in the Target Company. (Source: Annual report of the Target Company for the year 2010 and Stock Exchange filings.)
- 2.2.6. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011. All Shares validly tendered by the Shareholders pursuant to the Open Offer will be accepted at the Open Offer Price by Exelvia, in accordance with the terms and conditions contained in the DPS and this Letter of Offer. In the event that the Shares tendered in the Open Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer.
- 2.2.7. This Open Offer is not a competing offer under Regulation 20 of the SEBI (SAST) Regulations, 2011. There has been no competing offer as on date of this Letter of Offer.
- 2.2.8. The Acquirer and PACs may withdraw the Open Offer in accordance with the conditions specified in paragraph 6.16.1 and 6.16.2 of this Letter of Offer.. In the event of such withdrawal, the same would be notified in accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011 by way of a public announcement in the same newspapers in which the DPS had appeared and simultaneously inform, in writing, the SEBI, the NSE and the BSE and the Target Company at its registered office.
- 2.2.9. The Acquirer and the PACs have not acquired any Shares of the Target Company after the date of the PA and up to the date of this Letter of Offer.
- 2.2.10. The Shares of the Target Company are listed on NSE and BSE. As per Clause 40A of the listing agreement read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. equity shares of the Target Company held by the public excluding the shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. If, pursuant to this Open Offer, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with NSE and BSE read with Rule 19A of the SCRR, the Acquirer and the PACs hereby undertake to reduce the shareholding of the Acquirer and/or the PACs in the Target Company, within the period specified in the SCRR, such that the Target Company complies with the minimum public shareholding requirement prescribed in the listing agreement entered into between the Target Company and the BSE and NSE, read with Rule 19A of the SCRR.

2.3. Object of the Open Offer

- 2.3.1. This Open Offer is being made as a result of the indirect acquisition of 55.65% of Shares, voting rights and control of the Target Company by the Acquirer in terms of Regulations 3(1) and 4 read with 5(1) of the SEBI (SAST) Regulations, 2011. Following the completion of the Open Offer, the Acquirer intends to work with the management and employees of the Target Company to grow the business of the Target Company, utilizing the existing brand of "ESAB". In this regard, following the completion of the Open Offer, the Acquirer intends to carry out a strategic review of the business and operations of the Target Company and its subsidiaries within an approximate period of four months ("Strategic

Review”).

- 2.3.2. As a result of the Strategic Review, the Acquirer and PACs may, as permitted by applicable law and in accordance with the procedures of the Target Company, rationalise or restructure the existing lines of business, assets, investments, liabilities or otherwise of the Target Company or any of its subsidiaries. In terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011, the Acquirer and PACs do not currently have any intention to alienate any material assets of the Target Company or of any of its subsidiaries outside the ordinary course of business for a period of two years after completion of the Open Offer, other than those already disclosed and/or publicly announced by the Target Company, and other than as may be required as a result of the Strategic Review. The Acquirer and the PACs are debarred from causing any alienation of material assets of the Target Company or of any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise outside the ordinary course of business for a period of two years after completion of the Open Offer, unless such alienation of assets is approved by a special resolution passed by the shareholders of the Target Company by way of postal ballot and the notice for such postal ballot inter alia contains reasons as to why such alienation is necessary, in accordance with Regulation 25(2) of SEBI (SAST) Regulations, 2011 to the extent applicable.
- 2.3.3. Further, until the Strategic Review is completed, the Acquirer cannot be certain what, if any, repercussions there will be on employment of the management and employees of the enlarged Colfax Group, the location of the Target Company's places of business or any redeployment of the Target Company's fixed assets and currently has no firm intentions with regard to any of the foregoing (other than those already publicly announced by Charter).
- 2.3.4. The Acquirer and the PACs reserve the right to seek reconstitution of the Board of Directors of the Target Company after/upon completion of the Offer, in accordance with the provisions contained in the SEBI (SAST) Regulations, 2011 and the Companies Act, 1956. However, as on the date of the Letter of Offer, the Acquirer and PACs have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination.

3. BACKGROUND OF THE ACQUIRER AND PERSONS ACTING IN CONCERT

A. ACQUIRER

A1. COLFAX

- 3.1. The Acquirer is a public limited company, incorporated in 1998, under the laws of Delaware, United States of America, with its registered office at 2711 Centerville Road, Suite 400, in the City of Wilmington, Delaware 19808, in the County of New Castle, USA, and has its headquarters at 8170 Maple Lawn Blvd., Suite 180 Fulton, MD 20759.
- 3.2. The Acquirer is a holding company of a global group of diversified global industrial manufacturing and engineering companies that provide gas and fluid handling and fabrication technology products and services to commercial and governmental customers around the world ("**Colfax Group**"). The Colfax Group currently serves markets that have a need for engineered, fluid handling solutions and are global in scope. Its strategic markets include commercial marine, oil and gas, power generation, global defense and the global industrial markets. The Colfax Group has production facilities in Europe, North America and Asia.
- 3.3. Colfax UK, Exelvia and ESAB Holdings are persons acting in concert with the Acquirer for purposes of the Open Offer. Colfax UK is an indirect wholly owned subsidiary of the Acquirer and is party to the Implementation Agreement. In addition, the Acquirer acquired the entire issued and paid up share capital of Charter through Colfax UK. Charter indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company, through Exelvia (holding 18.34% of the Shares of the Target Company) and ESAB Holdings (holding 37.31% of the Shares of the Target Company). On January 13, 2012, following the receipt of the Court Sanction, Charter became an indirect subsidiary of the Acquirer, through Colfax UK, and Exelvia and ESAB Holdings became indirect subsidiaries of the Acquirer, through Colfax UK. Consequently, the Acquirer indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly exercises control over the Target Company, through Colfax UK, Exelvia and ESAB Holdings.

- 3.4. The Acquirer has been listed on the NYSE since May 8, 2008, and has a diverse public share holding. The key shareholders of the Acquirer are Mr. Mitchell P. Rales, Mr. Steven M. Rales and BDT CF Acquisition Vehicle, LLC (the “**Investor**”) and persons connected with the Investor. Mr. Mitchell P. Rales and Mr. Steven P. Rales are brothers and own or control, in aggregate, approximately 26.8% of the shares of common stock of the Acquirer. Mr. Mitchell P. Rales is chairman of the board of directors of the Acquirer. Notwithstanding the shareholding and/or positions held by Mr. Steven M. Rales and Mr. Mitchell P. Rales, given the diverse public shareholding of the Acquirer, they are not the promoters of the Acquirer and are not persons in control of the Acquirer. Please note that in connection with the Primary Acquisition, the Acquirer issued new shares of common stock of the Acquirer to the previous shareholders of Charter (as part consideration under the Primary Acquisition) and to certain other investors in connection with the financing of the Primary Acquisition. Accordingly, the shareholdings of Mr. Steven M. Rales and Mr Mitchell P. Rales were diluted following such issuances from 42% as disclosed in the PA on January 18, 2012 to 26.8% as disclosed herein above, The Investor and certain persons connected with it, made equity investments into the Acquirer in connection with the financing of the Primary Acquisition. The Investor (and its connected persons) beneficially own approximately 27.8% of the aggregate shares of common stock of the Acquirer. The Investor together with persons connected with it are not persons in control of the Acquirer.

Source: The beneficial ownership of the Investor, and the other information contained herein in connection with the Investor and its connected persons, has been sourced from the public filings made with the US Securities Exchange Commission (“**SEC**”) on January 23, 2012 by the Investor and it’s connected persons (“**Investor SEC Filing**”). As disclosed pursuant to the Investor SEC Filing, the following are persons connected with the investor: (i) BDT Capital Partners, LLC, a Delaware limited liability company (“**BDT CP**”), (ii) BDTCP GP I, LLC, a Delaware limited liability company (“**BDTCP GP I**”), (iv) Byron D. Trott, and (v) BDTP GP, LLC, a Delaware limited liability company (“**BDTP**”). Byron D. Trott is the sole member of BDTP, which is the managing member of BDT CP. BDT CP is the manager of BDTCP GP I, which is the manager of the Investor.

- 3.5. The applicable provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to the Acquirer with respect to the Target Company since the Acquirer has not directly acquired or sold any Shares of the Target Company.
- 3.6. The shares of common stock of the Acquirer are widely held and publicly traded on the NYSE. The key shareholders of the Acquirer (as has been disclosed to the Acquirer), are as follows:

<u>Key Shareholder</u>	<u>Stock beneficially held</u>		<u>Percentage beneficial holding in shares of common stock</u>
	Shares of common stock	Preferred Stock	
Mitchell P Rales	11,340,749	-	13.4%
Steven M Rales	11,315,749	-	13.4%
Investor and its connected persons*	14,756,945	13,877,532**	27.8%**

As at Wednesday, February 8, 2012, the Acquirer had issued a total of 84,709,879 shares of common stock.

* Please see the source in paragraph 3.4 above for disclosure as to the persons who constitute the Investor and its connected persons.

** *Note* The beneficial shareholding of the Investor and its connected persons includes 14,756,945 shares of common stock in the Acquirer, and 13,877,532 of the Acquirer’s Series A Perpetual Convertible Preferred Stock (the “**Preferred Stock**”), which are as disclosed in the Investor SEC Filing, convertible into 12,173,291 shares of common stock of the Acquirer. The percentage beneficial holding of the Investor and its connected persons is calculated based on the expanded issued share capital of the Acquirer, assuming the conversion of the Preferred Stock. The full terms of, and rights (including conversion rights) attaching to, the Preferred Stock are available in the Investor SEC Filing.

Note: The term ‘shares of common stock’ is similar to equity shares, in the context of Indian companies.

- 3.7. Names, details of experience, qualification, and date of appointment of the directors on the board of directors of the Acquirer, are as follows:

<u>S. No.</u>	<u>Name</u>	<u>Date of Appointment</u>	<u>Qualifications and Experience</u>
1.	Mitchell P.	February 25, 1998	Mr. Rales is the Chairman of the board of

<u>S. No.</u>	<u>Name</u>	<u>Date of Appointment</u>	<u>Qualifications and Experience</u>
	Rales		directors of Colfax. He has served as a member of the board of directors of Danaher Corporation since 1983 and as Chairman of Danaher's executive committee since 1984. He has been a principal in a number of private business entities with interests in manufacturing companies and publicly traded securities for over 25 years. Mr. Rales was instrumental in the founding of Colfax. He helped create the Danaher Business System, on which the Colfax Business System is modeled, and he has provided critical strategic guidance in Colfax's growth.
2.	Clay Kiefaber	May 13, 2008	Mr. Kiefaber is the President and Chief Executive Officer of Colfax. Prior to joining Colfax as an executive in January 2010, he spent nearly 20 years in increasingly senior executive positions at Masco Corporation. Most recently, he was the Group President of Masco Corporation from 2006 to 2007, where he was responsible for a \$2.8 billion group of building construction components. Prior to becoming a Group President at Masco Corporation, he was Group Vice President of Masco Builder Cabinet Group. He previously spent 14 years in increasingly senior positions in Masco's Merillat Industries subsidiary.
3.	Patrick W. Allender	May 13, 2008	Mr. Allender is the former Executive Vice President and Chief Financial Officer of Danaher Corporation, where he served from 1987 until 2006. Prior to joining Danaher, he was an audit partner with a large national accounting firm in the United States of America. He is a director of the Brady Corporation, where he is a member of the audit and compensation committees and the chairman of their finance committee. His prior experience as the Chief Financial Officer of a publicly traded company provides him with substantial expertise in financial reporting and risk management.
4.	Joseph O. Bunting III	May 13, 2008	From 1997 until consummation of the initial public offering by Colfax in 2008, Mr. Bunting served as Vice President of Colfax. Over the course of his career, Mr. Bunting has been an officer, member or director in a number of private business entities with interests in manufacturing companies and publicly traded securities and which are affiliated with Mitchell Rales and Steven Rales.
5.	Thomas S. Gayner	May 13, 2008	Mr. Gayner is the President and Chief Investment Officer of Markel Corporation. Since 1990, he has served as President of Markel Gayner Asset Management, Inc. He served as a director of Markel Corporation from 1998 to 2003. He currently serves on the board of directors of The Washington Post Company and The Davis Funds.
6.	Rhonda L.	February 17, 2009	Ms. Jordan is the President, Global Health &

<u>S. No.</u>	<u>Name</u>	<u>Date of Appointment</u>	<u>Qualifications and Experience</u>
	Jordan		Wellness for Kraft Foods Inc. and leads the development of Kraft's health & wellness and sustainability strategies and plans for the company, including marketing, product development, technology, alliances and acquisitions. Prior to being named President, Health & Wellness in 2010, she was the President of the Cheese and Dairy business unit of Kraft Foods Inc. From 2006 to 2008 she served as the President of the Grocery business unit of Kraft and from 2004 to 2005 she was the Senior Vice President, Global Marketing of Kraft.
7.	A. Clayton Perfall	September 21, 2010	Mr. Perfall is the Chief Executive Officer of Archway Marketing Services, Inc., a provider of marketing fulfillment and supply chain management services. From 2001 until 2008 he served as the Chief Executive Officer and as a member of the Board of Directors of AHL Services, Inc. He also served as the Chief Executive Officer of Union Street Acquisition Corp. from 2006 until 2008. He served as the Chief Financial Officer of Snyder Communications, Inc. from 1996 until 2000. He currently serves on the Boards of Directors of Archway Holdings and Comstock Homebuilding Companies, Inc., and previously served on the Boards of Directors of inVentiv Health, Inc. from 1999 to 2010, AHL Services, Inc. from 2001 to 2008 and Union Street Acquisition from 2006 to 2008. He is currently the Audit Committee chairman for Comstock Homebuilding Companies, Inc. and served as the chair of the Audit Committee during his time on the board of inVentiv.
8.	Rajiv Vinnakota	May 13, 2008	Mr. Vinnakota has been Managing Director and President of The SEED Foundation, a non-profit educational organization, since 1997 and served as the Chairman of The SEED Foundation board from 1997 until 2006. Prior to co-founding SEED, he was an associate at Mercer Management Consulting. He was also a trustee of Princeton University from 2004 until 2007 and served as the National Chairman of Annual Giving at Princeton from 2007 until 2009.
9.	Steve Simms	July 27, 2011	Mr. Simms is Chairman of the Board of Directors of Apex Tools and former Executive Vice President of Danaher Corporation. He held a variety of leadership roles during his 11-year career at Danaher. He became Executive Vice President in 2000 and served in that role through his retirement in 2007, during which time he was instrumental in Danaher's international growth and success. He previously served as Vice President–Group Executive from 1998 to 2000 and as an executive in Danaher's tools and components business from 1996 to 1998. Prior to joining Danaher, he held roles of increasing authority at

<u>S. No.</u>	<u>Name</u>	<u>Date of Appointment</u>	<u>Qualifications and Experience</u>
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Black & Decker Corporation, most notably President– European Operations and President– Worldwide Accessories. He started his career at Quaker Oats Company where he held a number of brand management roles. He is a member of the Board of Trustees of The Boys' Latin School of Maryland and is actively involved in a number of other educational and charitable organizations in the Baltimore area.

3.8. None of the directors of the Acquirer are directors on the Board of Directors of the Target Company.

3.9. Brief financial details of the Acquirer based on the audited consolidated financial statements as at and for the financial years ended December 31, 2010, 2009 and 2008 of the Acquirer, and the unaudited consolidated interim financial statement of the Acquirer for the 9 months ended September 30, 2011 are as follows:

(Amounts in millions)

<u>Profit and Loss Statement</u>	<u>As at and for the 12 month period ending December 31,</u>						<u>As at and for the 9 month period ending</u>	
	<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>September 2011</u>	
	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>
Income from Operations	605	30,030	525	26,066	542	26,909	516	25,599
Other Income	-	-	-	-	-	-	-	-
Total Income	605	30,030	525	26,066	542	26,909	516	25,599
Total Expenditure	572	28,411	470	23,350	491	24,401	465	23,062
Profit before Depreciation Interest and Tax	33	1,619	55	2,716	51	2,507	51	2,537
Depreciation and amortization	15	734	15	748	16	801	18	875
Interest	12	587	7	358	7	332	5	224
Profit Before Tax	6	298	32	1,609	28	1,375	29	1,438
Provision for Tax	5	271	9	428	11	570	8	414
Profit After tax	1	26	24	1,181	16	805	21	1,024

(Amounts in millions)

<u>Balance Sheet Statement</u>	<u>As at and for the 12 month period ending December 31,</u>						<u>As at and for the 9 month period ending</u>	
	<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>September 2011</u>	
	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>	<i>USD</i>	<i>INR</i>
<u>Sources of Funds</u>								
Paid up Share Capital	0	2	0	2	0	2	0	2
Reserves and Surplus (excluding revaluation reserves)	181	9,003	217	10,763	216	10,740	245	12,186
Net Worth	181	9,005	217	10,765	216	10,742	245	12,188
Secured Loans	143	7,092	117	5,789	118	5,874	114	5,651
Unsecured Loans	137	6,811	132	6,575	138	6,809	130	6,473
Total	461	22,908	466	23,128	472	23,425	490	24,312
<u>Uses of funds</u>								
Net Fixed Assets	92	4,572	92	4,572	89	4,431	91	4,538
Investments	-	-	-	-	-	-	-	-

	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
Balance Sheet Statement	USD	INR	USD	INR	USD	INR	USD	INR
Net Current Assets	141	6,987	147	7,276	130	6,432	133	6,600
Total Miscellaneous Expenditure not written off	229	11,349	227	11,280	253	12,562	265	13,174
Total	461	22,908	466	23,128	472	23,425	490	24,312

	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
Other financial data	USD	INR	USD	INR	USD	INR	USD	INR
Dividend (%)	-	-	-	-	-	-	-	-
Earnings per share (ix)	(0.08)	(3.97)	0.55	27.21	0.37	18.54	0.47	23.33

Notes to extract of financial statements

- (i) The above financial information has been extracted from the financial statements prepared in accordance with US GAAP.
- (ii) **Profit Before Depreciation Interest and Tax** has been calculated as Income from Operations plus Depreciation as per the cashflow statement for the relevant period.
- (iii) **Reserves and Surplus** include Additional paid-in capital, Accumulated deficit, accumulated other comprehensive losses.
- (iv) **Secured loans** include Long-term debt less Current portion; and Long-term asbestos liability less Long-term asbestos insurance receivables and Long-term asbestos insurance asset.
- (v) **Unsecured loans** include Pension and Accrued post-retirement benefits, Deferred income tax liability and other liabilities less Deferred loan costs and Other assets.
- (vi) **Net fixed assets** include Property, Plant and equipment (net).
- (vii) **Total miscellaneous expenditure not written off** includes Goodwill, Intangible assets (net) and Deferred income taxes, net.
- (viii) No dividend was paid in any of the periods above.
- (ix) **Earnings Per Share** has been calculated as profit/(loss) after tax for the relevant period divided by the number of equity shares outstanding at the date of the balance sheet for the relevant period.

Note: Since the financials for the Acquirer are presented in US Dollars (USD) they have been converted into Indian Rupees (INR) for purpose of convenience translation. INR to USD conversion has been assumed at the rate of 1 USD = INR 49.6480 as on January 27, 2012. (Source: Reserve Bank of India- <http://www.rbi.org.in>).

Source: The consolidated financial information for the Acquirer set forth above has been extracted from the audited consolidated financial statements as represented in the annual reports of the Acquirer for the years ended December 31, 2010, 2009 and 2008 of the Acquirer audited by statutory auditors. The interim consolidated financial information set forth above has been derived from the unaudited condensed consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), included in the Acquirer's quarterly report in Form 10-Q as filed with the SEC on October 27, 2011.

- 3.10. The major commitments and contingencies of the Acquirer are in relation to certain lawsuits against certain subsidiaries of the Acquirer. The Acquirer has established reserves of USD 413.3 million as of September 30, 2011 for the probable and reasonably estimable asbestos-related liability cost it believes the subsidiaries will pay through the next 15 years. It has also established recoverables of USD 353.6 million as of September 30, 2011 for the insurance recoveries that are deemed probable during the same time period. Net of these recoverables, the expected cash outlay on a non-discounted basis for asbestos-related bodily injury claims over the next 15 years was USD 59.7 million as of September 30, 2011.

- 3.11. The Acquirer has been listed on the NYSE since May 8, 2008. The market price per share of common stock of Colfax was as follows:

<u>Date</u>	<u>Market Price per share of common stock of Colfax</u>
September 12, 2011	USD 21.91
January 13, 2012	USD 32.72
January 18, 2012	USD 33.31
January 27, 2012	USD 32.24
February 3, 2012	USD 33.26

The Preferred Stock is not listed on the NYSE or any other stock exchange.

- 3.12. The Acquirer is in compliance with all corporate governance rules and regulations to which it is subject to under applicable laws. The Acquirer is not required to appoint a compliance officer under applicable laws. The Acquirer has appointed Ms. Lynne Puckett as its company secretary.

B. PERSONS ACTING IN CONCERT (*)

() Due to the operation of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011, there may be persons who may be deemed to be acting in concert with the Acquirer and the PACs. However please note that such persons are not acting in concert with the Acquirer and the PACs for the purposes of this Open Offer.*

B1. COLFAX UK

- 3.13. Colfax UK, is a private limited company not listed on any stock exchange, and was incorporated on September 7, 2011 under the laws of England and Wales, with its registered office at 40 Bank Street, Canary Wharf, London E14 5DS, United Kingdom (with effect from February 3, 2012). Colfax UK's name has not changed since incorporation.
- 3.14. Colfax UK is a newly incorporated company established to effect the Primary Acquisition and has not engaged in any business activity prior to the date of the Primary Acquisition, except for entering into transactions relating to the Primary Acquisition.
- 3.15. Colfax UK, Exelvia and ESAB Holdings are persons acting in concert with the Acquirer for purposes of the Open Offer. Colfax UK is an indirect wholly owned subsidiary of the Acquirer and is party to the Implementation Agreement. In addition, the Acquirer acquired the entire issued and paid up share capital of Charter through Colfax UK.
- 3.16. Colfax UK Finance holds the entire issued and paid up share capital of Colfax UK. Consequently, Colfax UK is a wholly owned subsidiary of Colfax UK Finance Limited. Colfax UK Finance Limited is a wholly owned subsidiary of the Acquirer. Therefore, Colfax UK belongs to the Colfax Group.
- 3.17. The applicable provisions of Chapter II of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to Colfax UK with respect to the Target Company since Colfax UK has not directly acquired or sold any Shares of the Target Company.
- 3.18. Names, details of experience, qualification, and date of appointment of the directors on the board of directors of Colfax UK are as follows:

<u>S. No.</u>	<u>Name</u>	<u>Date of Appointment</u>	<u>Qualifications and Experience</u>
1.	C. Scott Brannan	September 7, 2011	Mr. Brannan is the Senior Vice President, Finance, Chief Financial Officer and Treasurer of Colfax Corporation. He served on the Colfax Board of Directors and was Chairman of the Audit Committee from 2008 to September 2010. Prior to joining Colfax in his current role, he was a partner at Aronson & Company, a public accounting firm, from 2003 to 2010. He was also previously employed at Danaher

Corporation for 12 years in roles of increasing responsibility, including Chief Accounting Officer, Controller and Vice President of Administration. Prior to Danaher, he spent 8 years with Arthur Andersen & Co. He holds bachelors and masters degrees in accounting from Loyola University Maryland and is a certified public accountant.

2. Clay Kiefaber September 7, 2011 Mr. Kiefaber is the President and Chief Executive Officer of Colfax Corporation. Prior to joining Colfax as an executive in January 2010, he spent nearly 20 years in increasingly senior executive positions at Masco Corporation. Most recently, he was a Group President from 2006 to 2007, where he was responsible for a \$2.8 billion group of building construction components. Prior to becoming a Group President at Masco Corporation, he was Group Vice President of Masco Builder Cabinet Group. He previously spent 14 years in increasingly senior positions in Masco's Merillat Industries subsidiary.
3. A. Lynne Puckett September 7, 2011 Ms. Puckett is the Senior Vice President, General Counsel and Secretary of Colfax Corporation since September 2010. Prior to joining Colfax, she was a Partner with the law firm of Hogan Lovells U.S. LLP from 1999 to 2010. Her experience includes a broad range of corporate and transactional matters, including mergers and acquisitions, venture capital financings, debt and equity offerings, and general corporate and securities law matters. Before entering the practice of law, she worked for the U.S. Central Intelligence Agency and a major U.S. defense contractor. Ms. Puckett holds a J.D. from the University of Maryland School of Law and a B.S. degree from James Madison University.

3.19. None of the directors of Colfax UK are directors on the Board of Directors of the Target Company.

3.20. Since, Colfax UK is a newly incorporated company; no financial statements have been prepared in respect of Colfax UK. Further Colfax UK has, by notice to the UK Registrar of Companies, altered its accounting reference date such that its accounting reference period ends on December 31, 2012. Based on a certificate dated January 11, 2012 from statutory auditors of the Acquirer (ultimate parent company of Colfax UK), Colfax UK as on September 30, 2011, had a net worth/shareholder fund of GBP 10 (INR 778). Colfax UK has not appointed a statutory auditor.

Note: Since the financials are presented in GBP they have been converted into INR for purpose of convenience translation. INR to GBP conversion has been assumed at the rate of 1 GBP = INR 77.7984 as on January 27, 2012 (Source: Reserve Bank of India- <http://www.rbi.org.in>).

3.21. Colfax UK had no major contingent liabilities as on September 30, 2011.

3.22. The shares of Colfax UK are not listed on any stock exchange.

B2. ESAB HOLDINGS

- 3.23. ESAB Holdings, is a private limited company not listed on any stock exchange, and was incorporated on December 17, 1982, under the laws of England and Wales, with its registered office at 6th floor, 322 High Holborn, London WC1V7PB, United Kingdom. ESAB Holding was incorporated as ESAB Holdings Limited. Thereafter ESAB Holdings changed its name to ESAB Group Limited on September 5, 2002, and subsequently changed its name to ESAB Holdings Limited on September 19, 2002.
- 3.24. ESAB Holdings is a holding company with shareholding in a number of companies engaged in the manufacture and supply of welding consumables and equipment, and cutting and automation solutions, and also provides management, administrative and technical services to certain subsidiaries of Charter. ESAB Holdings also occasionally enters into certain global framework agreements with customers and suppliers which allows its subsidiary companies to place supply orders or otherwise contract with such suppliers or customers.
- 3.25. ESAB Holdings, Exelvia and Colfax UK are persons acting in concert with the Acquirer for purposes of the Open Offer. Charter indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company through Exelvia (holding 18.34% of the Shares of the Target Company) and ESAB Holdings (holding 37.31% of the Shares of the Target Company). On January 13, 2012, following the receipt of the Court Sanction, Charter became an indirect subsidiary of the Acquirer, through Colfax UK, and Exelvia and ESAB Holdings became indirect subsidiaries of the Acquirer, through Colfax UK. Consequently, the Acquirer indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly exercises control over the Target Company, through Colfax UK, Exelvia and ESAB Holdings.
- 3.26. ESAB Holdings is a wholly owned subsidiary of Weldcure Limited, which is a subsidiary of Charter Overseas Holdings Limited, which in turn is an indirect subsidiary of Charter.
- 3.27. ESAB Holdings directly holds 57,43,200 (fifty seven lacs forty three thousand two hundred) Shares constituting 37.31% (thirty seven point three-one percent) of the Shares and voting rights of the Target Company.
- 3.28. ESAB Holdings has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company, within the time specified in the regulations, except to the extent of a 427 day delay in making the yearly disclosure to the Target Company in respect of its holdings under Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 1997 for the financial year ended March 31, 2006. This delay, was settled on consent terms *vide* SEBI's order dated January 4, 2008. (*Source: SEBI order bearing reference number CO/CFD DCR/1063/10/2008 (available on the SEBI website, <http://www.sebi.gov.in>).* Certain details of such compliances are set forth herein below:

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance ESAB Holdings	Delay, if any (in No. of days)	Status Of compliance with Takeover Regulations	Remarks
1	8(1)	21.04.2001	20.04.2001	-	Complied	
2	8(2)	21.04.2001	20.04.2001	-	Complied	
3	8(1)	21.04.2002	17.04.2002	-	Complied	
4	8(2)	21.04.2002	17.04.2002	-	Complied	
5	8(1)	21.04.2003	18.04.2003	-	Complied	
6	8(2)	21.04.2003	18.04.2003	-	Complied	
7	8(1)	21.04.2004	16.04.2004	-	Complied	
8	8(2)	21.04.2004	16.04.2004	-	Complied	
9	8(1)	21.04.2005	11.04.2005	-	Complied	
10	8(2)	21.04.2005	11.04.2005	-	Complied	
11	8(1)	21.04.2006	22.06.2007	427	Complied (Delay)	Settled on consent terms <i>vide</i> SEBI order dated January 4, 2008
12	8(2)	21.04.2006	22.06.2007	427	Complied (Delay)	Settled on consent terms <i>vide</i> SEBI order dated January 4, 2008

13	8(1)	21.04.2007	06.04.2007	-	Complied
14	8(2)	21.04.2007	06.04.2007	-	Complied
15	8(1)	21.04.2008	31.03.2008	-	Complied
16	8(2)	21.04.2008	31.03.2008	-	Complied
21	8(1)	21.04.2009	7.04.2009	-	Complied
22	8(2)	21.04.2009	7.04.2009	-	Complied
23	8(1)	21.04.2010	1.04.2010	-	Complied
24	8(2)	21.04.2010	1.04.2010	-	Complied
25	8(1)	21.04.2011	1.04.2011	-	Complied
26	8(2)	21.04.2011	1.04.2011	-	Complied
27	7(1) & (2)		-	-	Complied
28	7(1A) & (2)		-	-	Complied
29	29(2)		NIL		Complied
30	30(2)		NA		
31	31(1)		NA		
33	31(2)		NA		

Note: References to 8(1), 8(2), 7(1), 7(1A) and 7(2) are references to Regulations 8(1), 8(2), 7(1), 7(1A) and 7(2) of SEBI (SAST) Regulations, 1997, and references to 29(2), 30(2), 31(1) and 31(2) are references to Regulations 29(2), 30(2), 31(1) and 31(2) of SEBI (SAST) Regulations, 2011.

3.29. The details of the board of directors of ESAB Holdings, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience
1.	Mr. Brendan Colgan	July 21, 2011	Mr. Colgan has Degree in Accounting at University of Ulster. He also is a Harvard Accelerated Management Program (AMP) Graduate and a Fellow of the Chartered Institute of Management Accountants. He is presently Chief Executive of ESAB India Limited; before that he was Managing Director of Strategy & Development for ESAB Global with executive responsibility for China, North & South East Asia, Sub-Saharan Africa, the Middle East and North America. Prior to that he was the Chief Executive of ESAB North America, where he rehabilitated the consumables manufacturing operations. He focused the organisation on securing growth, margin improvement as well as end to end supply chain improvements to customer service and working capital. He spent ten years at Howden, with management roles globally, including UK (contract execution & margin management); Mexico (power market contract execution); Australia and Asia and North America (restructuring and turnarounds to improve margins, financial integrity and performance).
2.	Mr. James Deeley	May 11, 2009	Mr. Deeley began his career with Slaughter and May before moving to Charter as Group Legal Adviser and has subsequently held positions as Director of Legal Services at Regus plc, Head of Group Legal at DS Smith plc and was Corporate Services Director and Company Secretary of Numerica Group plc. He is a qualified solicitor.
3.	Mr. David Egan	August 4, 2008	Mr. Egan holds a Degree in Finance and Accounting -Griffith Univ, Aus. David Egan was appointed as Non-Executive Nominee for ESAB Holdings Limited on 28 November 2008. He is the Chief Financial Officer of ESAB Holdings Limited,

S. No.	Name	Date of Appointment	Qualifications and Experience
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having joined ESAB in August 2008 and is also a director of several ESAB legal entities across the globe. He is a Certified Practicing Accountant of Australia and has more than 20 years experience in the fields of financial management. Before joining ESAB, he held the position of Group Financial controller of Hanson plc.

- 3.30. Mr. Brendan Colgan and Mr. David Egan are directors on the board of directors of ESAB Holdings and are also directors on the Board of Directors of the Target Company.
- 3.31. ESAB Holdings has not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B or any other regulations made under the SEBI Act.
- 3.32. Based on the audited standalone financial statements as at and for the years ended December 31, 2010, 2009 and 2008, audited by PricewaterhouseCoopers LLP, and the interim unaudited standalone financial information as at and for the nine months ended September 30, 2011 certified by PricewaterhouseCoopers LLP the statutory auditors of ESAB Holdings, the financial information of ESAB Holdings is as follows:

(Amounts in GBP, thousands and INR, lacs)

Profit and Loss Statement	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>
Income from Operations	18,355	14,280	24,230	18,851	20,183	15,702	28,915	22,495
Other Income	52,991	41,226	11,259	8,759	1,490	1,159	1,936	1,506
Total Income	71,346	55,506	35,489	27,610	21,673	16,861	30,851	24,002
Total Expenditure	(25,119)	(19,542)	(27,249)	(21,199)	(47,434)	(36,903)	(36,611)	(28,483)
Profit before Depreciation Interest and Tax	46,227	35,964	8,240	6,411	(25,761)	(20,042)	(5,760)	(4,481)
Depreciation and amortization	(365)	(284)	(722)	(562)	(974)	(758)	(114)	(89)
Interest	(77)	(60)	(75)	(58)	(4,885)	(3,800)	(4,646)	(3,615)
Profit Before Tax	45,785	35,620	7,443	5,791	(31,620)	(24,600)	(10,520)	(8,184)
Provision for Tax	(10,255)	(7,978)	(2,574)	(2,003)	796	619	-	-
Profit After tax	35,530	27,642	4,869	3,788	(30,824)	(23,981)	(10,520)	(8,184)

(Amounts in GBP, thousands and INR, lacs)

Balance Sheet Statement	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>	<i>GBP</i>	<i>INR</i>
Sources of Funds								
Paid up Share Capital	1,686,819	1,312,318	1,686,819	1,312,318	646,639	503,075	646,639	503,075
Reserves and Surplus (excluding revaluation reserves)	68,942	53,636	73,908	57,499	43,119	33,546	37,607	29,258
Net Worth	1,755,761	1,365,954	1,760,727	1,369,817	689,758	536,621	684,246	532,332
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	12,134	9,440	23,330	18,150	221,747	172,516	152,648	118,758

Balance Sheet Statement	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Total	1,767,895	1,375,394	1,784,057	1,387,968	911,505	709,136	836,894	651,090
Uses of funds								
Net Fixed Assets	6,679	5,196	7,198	5,600	8,332	6,482	3,357	2,612
Investments	350,468	272,658	353,821	275,267	355,027	276,205	355,027	276,205
Net Current Assets	1,410,748	1,097,539	1,423,038	1,107,101	548,146	426,449	478,510	372,273
Total Miscellaneous Expenditure not written off	-	-	-	-	-	-	-	-
Total	1,767,895	1,375,394	1,784,057	1,387,968	911,505	709,136	836,894	651,090

Other financial data	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Dividend (%)	-	-	-	-	-	-	-	-
Earnings per share (ii)	0.05	4.27	0.01	0.59	(0.05)	(3.71)	(0.02)	(1.27)

Notes to extracts of financial statements

- (i) No dividend was paid in any of the periods above.
- (ii) **Earnings Per Share** has been calculated as profit/(loss) after tax for the relevant period divided by the number of equity shares outstanding at the date of the balance sheet for the relevant period.

Note: Since the financials for ESAB Holdings are presented in GBP they have been converted into INR for purpose of convenience translation. INR to GBP conversion has been assumed at rate of 1 GBP = INR 77.7984 as on January 27, 2012 (Source: Reserve Bank of India - <http://www.rbi.org.in>).

Source: The standalone financial information set forth above has been extracted from the audited standalone financial statements of ESAB Holdings as represented in the annual report of ESAB Holdings as at and for the years ended December 31, 2010, 2009 and 2008 audited by PricewaterhouseCoopers LLP. The interim standalone financial information set forth above for the 9 months ended September 30, 2011 has been extracted from the unaudited condensed financial statements prepared in accordance with United Kingdom General Accepted Accounting Principles and certified by PricewaterhouseCoopers LLP, the statutory auditors of ESAB Holdings.

- 3.33. The major contingent liabilities of ESAB Holdings as per the audited standalone financial statements of ESAB Holdings as at and for the period ending December 31, 2010 are unsecured bank guarantees of GBP 873,000 issued by ESAB Holdings on behalf of certain of its subsidiaries. Further during the 9 month period ending September 30, 2011 ESAB Holdings issued bank guarantees of GBP 715,000 on behalf of its subsidiary undertakings, and has also provided guarantees of GBP 285,000,000 to the committed lenders of Charter, in addition to a guarantee to SEB Bank of GBP 1,850,000 in respect of a project underway in Ukraine.
- 3.34. The shares of ESAB Holdings are not listed on any stock exchange.

B3. EXELVIA

- 3.35. Exelvia, is a private limited company not listed on any stock exchange, and was incorporated on August 31, 2006, under the laws of The Netherlands, with its registered office at Lansinkesweg 4, 7553 AE Hengelo, The Netherlands. Exelvia's name has not changed since incorporation.
- 3.36. Exelvia was incorporated for the purpose of holding shares of the Target Company and has not carried on any business activity since its incorporation.
- 3.37. Exelvia, Colfax UK and ESAB Holdings are persons acting in concert with the Acquirer for purposes of the Open Offer. Charter indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company, through Exelvia (holding 18.34% of the Shares of the Target Company) and ESAB Holdings (holding 37.31% of the Shares of the Target Company). On January 13, 2012, following the receipt of the Court Sanction, Charter became an indirect subsidiary of the Acquirer, through Colfax UK, and Exelvia and ESAB Holdings became indirect subsidiaries of the Acquirer, through Colfax UK. Consequently, the Acquirer indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly exercises control over the Target Company, through Colfax UK, Exelvia and ESAB Holdings. All Shares validly tendered in the Open Offer will be acquired by Exelvia, in accordance with the terms and conditions set forth in the DPS and this Letter of Offer.
- 3.38. Exelvia is a wholly owned subsidiary of Exelvia Netherlands B.V., which in turn is a wholly owned subsidiary of ESAB Holdings.
- 3.39. Exelvia directly holds 28,22,831 (twenty eight lacs twenty two thousand eight hundred and thirty one) Shares constituting 18.34% (eighteen point three-four percent) of the Shares and voting rights of the Target Company.
- 3.40. Exelvia has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company within the time specified in the regulations.

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance Exelvia	Delay, if any (in No. of days)	Status Of compliance with Takeover Regulations	Remarks
1	8(1)	21.04.2001	-	-	-	NA
2	8(2)	21.04.2001	-	-	-	NA
3	8(1)	21.04.2002	-	-	-	NA
4	8(2)	21.04.2002	-	-	-	NA
5	8(1)	21.04.2003	-	-	-	NA
6	8(2)	21.04.2003	-	-	-	NA
7	8(1)	21.04.2004	-	-	-	NA
8	8(2)	21.04.2004	-	-	-	NA
9	8(1)	21.04.2005	-	-	-	NA
10	8(2)	21.04.2005	-	-	-	NA
11	8(1)	21.04.2006	-	-	-	NA
12	8(2)	21.04.2006	-	-	-	NA
13	8(1)	21.04.2007	-	-	-	NA
14	8(2)	21.04.2007	-	-	-	NA
15	8(1)	21.04.2008	1.04.2008	-	Complied	
16	8(2)	21.04.2008	1.04.2008	-	Complied	
21	8(1)	21.04.2009	7.04.2009	-	Complied	
22	8(2)	21.04.2009	7.04.2009	-	Complied	
23	8(1)	21.04.2010	1.04.2010	-	Complied	
24	8(2)	21.04.2010	1.04.2010	-	Complied	
25	8(1)	21.04.2011	1.04.2011	-	Complied	
26	8(2)	21.04.2011	1.04.2011	-	Complied	
27	7(1) & (2)		17.10.2007	-	Complied	

28	7(1A) & (2)	17.10.2007	-	Complied
29	29(2)	NIL		Complied
30	30(2)	NA		
31	31(1)	NA		
33	31(2)	NA		

Note: References to 8(1), 8(2), 7(1), 7(1A) and 7(2) are references to Regulations 8(1), 8(2), 7(1), 7(1A) and 7(2) of SEBI (SAST) Regulations, 1997, and references to 29(2), 30(2), 31(1) and 31(2) are references to Regulations 29(2), 30(2), 31(1) and 31(2) of SEBI (SAST) Regulations, 2011.

3.41. The details of the board of directors of Exelvia, are set forth below:

S. No.	Name	Date of Appointment	Qualifications and Experience
1.	Nicolaas Johannes Kottink	August 15, 2011	Mr. Kottink is the managing director and member of the management board of Exelvia. He joined Charter in 2009 as Manager Finance and Control of Howden Netherlands BV. He is an HBO Nivra graduate (Dutch accountant's association).
2.	Normann Ernst Gustav Ackthun	August 31, 2006	Mr. Ackthun is the managing director and member of the management board of Exelvia. He joined Charter in 1986. Prior to his appointment on the board of Exelvia he had been appointed to various directorships of Charter, Howden, ESAB and Exelvia companies in Europe.
3.	Marcel Stemvers	August 15, 2011	Mr. Stemvers is a director and member of the supervisory board of Exelvia. He was previously managing director of Exelvia. He joined Charter in 1997. He was appointed as Manager of ESAB Global Energy Segment in 2008. He holds a B.Sc. in Metallurgy and an MBA.
4.	Kevin Francis Atkins	August 15, 2011	Mr. Atkins is a director and member of the supervisory board of Exelvia. He joined Charter in 2009. He was appointed as ESAB Group Finance Manager in 2011. He holds BA (Hons.) PGCE and is a member of Institute of Chartered Accountants.
5.	Robin Hurst Clark	August 15, 2011	Mr. Clark is a director and member of the supervisory board of Exelvia. He joined Charter in 2006. He was appointed as International Tax Manager in 2007. He is a qualified Chartered Tax Accountant and a member of Association of Tax Technicians.

None of the directors of Exelvia are on the Board of Directors of the Target Company.

3.42. Under the laws of the Netherlands, the annual accounts prepared by Exelvia are not required to be audited and under the laws of the Netherlands, Exelvia is not required to and does not prepare interim financial statements. Based on the unaudited standalone financial information for Exelvia as at and for the years ended December 31, 2010, 2009 and 2008, and the unaudited interim standalone financial information as at and for the 9 month period ending September 30, 2011, the financial information for Exelvia is as follows:

(Amounts in Euro, thousands and INR, lacs)

Profit and Loss Statement	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Income from Operations	582	379	943	613	485	315	1,093	711
Other Income	-	-	14	-	40	26	-	-
Total Income	582	379	957	613	525	342	1,093	711
Total Expenditure	(20)	(13)	(3,446)	(2,227)	(15)	(10)	(18)	(12)
Profit before Depreciation Interest and Tax	562	366	(2,489)	(1,619)	510	332	1,075	699
Depreciation and amortization	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Profit Before Tax	562	366	(2,489)	(1,619)	510	332	1,075	699
Provision for Tax	-	-	-	-	-	-	-	-
Profit After tax	562	366	(2,489)	(1,619)	510	332	1,075	699

(Amounts in Euro, thousands and INR, lacs)

Balance Sheet Statement	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
<u>Sources of Funds</u>								
Paid up Share Capital	18	12	18	12	18	12	18	12
Reserves and Surplus (excluding revaluation reserves)	762	496	(1,727)	(1,123)	(1,217)	(792)	(142)	(94)
Net Worth	780	507	(1,709)	(1,112)	(1,199)	(780)	(124)	(81)
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	25,120	16,340	24,764	16,109	23,782	15,470	22,713	14,764
Total	25,900	16,848	23,055	14,997	22,583	14,690	22,589	14,683
<u>Uses of funds</u>								
Net Fixed Assets	-	-	-	-	-	-	-	-
Investments	25,890	16,841	22,580	14,688	22,580	14,688	22,580	14,688
Net Current Assets	10	7	475	309	3	2	9	(5)
Total Miscellaneous Expenditure not written off	-	-	-	-	-	-	-	-
Total	25,900	16,848	23,055	14,997	22,583	14,690	22,589	14,683

Other financial data	As at and for the 12 month period ending December 31,						As at and for the 9 month period ending	
	2008		2009		2010		September 2011	
	Euro.	INR	Euro.	INR	Euro.	INR	Euro.	INR
Dividend (%)	-	-	-	-	-	-	-	-
Earnings per share (ii)	3,122	2,031	(13,828)	(8,995)	2,833	1,843	5,972	3,885

Notes to extracts of financial statements

(i) No dividend was paid in any of the periods above.

- (ii) Earnings Per Share has been calculated as profit/(loss) after tax for the period divided by the number of equity shares outstanding at the date of the balance sheet for the relevant period.

Note: Since the financials for Exelvia are presented in Euro they have been converted into INR for purpose of convenience translation. INR to Euro conversion has been assumed at rate of 1 Euro = INR 65.0492 as on January 27, 2012 (Source: Reserve Bank of India - <http://www.rbi.org.in>).

Source: The financial information for the financial years ended December 31, 2010, 2009 and 2008 set forth above has been extracted from the unaudited financial statements as represented in the annual report for Exelvia for the years ended December 31, 2010, 2009 and 2008. These accounts have been prepared in accordance with the provision of Title 9, Book 2 of the Dutch Civil Code and have accordingly been deposited with the Dutch Chamber of Commerce. Under the laws of Netherlands, the annual accounts of Exelvia are not required to be audited. Further the interim unaudited financial information for the nine months ending September 30, 2011 has been reviewed and certified by PricewaterhouseCoopers LLP (the statutory auditors of ESAB Holdings) vide letter dated January 26, 2012 in accordance with the International Standards for Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board for use in the United Kingdom, solely for the purpose of disclosure in the documents in relation to the Open Offer. .

- 3.43. The major contingent liabilities of Exelvia as per the unaudited standalone financial information for the 9 month period ending September 30, 2011 were as follows: Exelvia forms a fiscal unity with its group companies Exelvia Netherlands B.V., Exelvia Holdings B.V., Exelvia South America B.V., Exelvia Group South America B.V., Esab Finance B.V., Exelvia International Holdings B.V. and all Dutch subsidiaries of Exelvia International Holdings B.V. In accordance with Dutch fiscal regulations, the company and the group companies that are part of the fiscal unity are severally liable for taxation payable by other entities in the fiscal unity.
- 3.44. The shares of Exelvia are not listed on any stock exchange.

4. BACKGROUND OF THE TARGET COMPANY

- 4.1 ESAB India Limited, is a public company, incorporated in 1987, under the Companies Act, 1956 with its registered office at Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai 600 058. The Company was incorporated as Esweld Private Limited. The Target Company's name was subsequently changed to ESAB India Private Limited on May 13, 1988 and subsequently to ESAB India Limited on September 20, 1988. The Shares of the Target Company are listed on the BSE and have been listed on the BSE since November 1, 1989. Further, the Shares of the Target Company are also listed on the NSE and have been listed on the NSE since February 16, 1995.
- 4.2 The Target Company is a manufacturer and supplier of welding and cutting products. It supplies its products to *inter alia* the shipbuilding, petrochemical, construction, transport, offshore, energy and repair and maintenance industries.
- 4.3 The issued share capital of the Target Company is INR 15,39,30,200 (Rupees fifteen crores thirty nine lacs thirty thousand and two hundred only) consisting of 1,53,93,020 fully paid up Shares. Details of the subscribed and paid-up share capital of the Target Company as of December 31, 2011 are set forth below:

Paid-up Shares	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully paid-up equity shares	1,53,93,020	100%
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	1,53,93,020	100%
Total voting rights	1,53,93,020	100%

- 4.4 Trading on the Shares of the Target Company is not currently suspended on the NSE and the BSE. As on the date of this Letter of Offer, there are no outstanding convertible instruments, fully or partially convertible debentures, depository receipts, warrants or instruments, issued by the Target Company, convertible into Shares of the Target Company. The Target Company has not issued any partly paid up shares. There are no Shares of the Target Company which are not listed on either the BSE or the NSE.
- 4.5 The 2005 Annual Report of the Target Company stated that the Shares of the Target Company are listed on the CSE, the BSE and the NSE. The corrigendum issued by the Target Company dated August 14, 2007 in relation to the open offer made for the Target Company by, amongst others, Exelvia, stated that the Shares were traded on the BSE, the NSE and the CSE. However, the 2008, 2009 and 2010 Annual Reports of the Target Company state that the Shares are only listed on the BSE and the NSE.
- 4.6 The details of the Board of Directors of the Target Company are set forth below:

S. No.	Name	Date of Appointment	Designation	Director Identification Number
1.	Mr. Brendan Colgan	October 20, 2011	Chairman	03639464
2.	Mr. Jiri Kula	July 21, 2011	Managing Director	03568598
3.	Mr. David John Egan	November 28, 2008	Non-Executive Nominee for ESAB Holdings	02395770
4.	Mr. Nazmie Adams	July 21, 2011	Non Executive Non Retiring Nominee Director of ESAB Holdings	03570445
5.	Mr. Sudhir Chand	April 24, 2010	Non Executive Director	01385201
6.	Mr Pradeep Mallick	October 23, 2003	Non Executive Director	00061256
7.	Mr Suresh N Talwar	April 30, 2008	Non Executive Director	00001456
8.	Mr. Vikram Tandon	April 24, 2010	Non Executive Director	01727251
9.	Mr. . K. Vaidyanathan	July 21, 2011	Non-Executive Additional Director	00063692

- 4.7 The Acquirer, Colfax UK and Exelvia do not have any representation on the Board of Directors of the Target Company, as on the date of this Letter of Offer. As on the date of this Letter of Offer, ESAB Holdings has appointed three directors, Mr. Brendan Colgan, Mr. Nazmie Adams and Mr. David Egan, to the Board of Directors of the Target Company. Mr. Brendan Colgan was appointed to the Board of Directors of the Target Company on October 20, 2011, Mr. Nazmie Adams was appointed to the Board of Directors of the Target Company on July 21, 2011 and Mr. David Egan was appointed to the Board of Directors of the Target Company on November 28, 2008.
- 4.8 The Honorable High Court of Judicature at Madras *vide* its order dated December 9, 2010, sanctioned a scheme of arrangement among the Target Company, its wholly owned subsidiary ESAB Engineering Services Limited (“EESL”) and their respective shareholders and creditors (“Scheme”). Pursuant to the Scheme, EESL was amalgamated into the Target Company, with effect from April 1, 2010.
- 4.9 Based on the audited standalone financial statements for the years ended December 31, 2010, 2009 and 2008 audited by statutory auditors of the Target Company, and prepared in accordance with Indian GAAP, and the unaudited standalone financial information for the nine months ended September 30, 2011 (subject to limited review by the statutory auditors of the Target Company) the financial information of the Target Company is as follows:

(Amounts in INR, lacs)

	As at and for the 12 month period ending December 31,			As at and for the 9 month period ending
	2008	2009	2010	September 30, 2011
<u>Profit and Loss Statement</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>September 30, 2011</u>
	<i>INR</i>	<i>INR</i>	<i>INR</i>	<i>INR</i>
Income from Operations	42,262	42,063	50,035	39,935
Other Income	949	869	1,411	699
Total Income	43,211	42,932	51,446	40,634
Total Expenditure	(33,200)	(31,985)	(41,487)	(33,874)
Profit before Depreciation Interest and Tax	10,011	10,947	9,959	6,760
Depreciation	(667)	(775)	(1,055)	(869)
Interest	(92)	(83)	(82)	(73)
Profit Before Tax	9,252	10,089	8,822	5,818
Provision for Tax	(3,134)	(3,471)	(2,926)	(1,957)
Profit After tax	6,118	6,618	5,896	3,861

(Amounts in INR, lacs)

	As at and for the 12 month period ending December 31,			As at and for the 9 month period ending
	2008	2009	2010	September 30, 2011
<u>Balance Sheet Statement</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>September 30, 2011</u>
	<i>INR</i>	<i>INR</i>	<i>INR</i>	<i>INR</i>
<u>Sources of Funds</u>				
Paid up Share Capital	1,539	1,539	1,539	1,539
Reserves and Surplus (excluding revaluation reserves)	12,163	15,180	17,560	18,737
Net Worth	13,702	16,719	19,099	20,276
Secured Loans	-	-	-	-
Unsecured Loans	43	313	307	476
Total	13,745	17,032	19,406	20,752
<u>Uses of funds</u>				
Net Fixed Assets	7,991	9,594	10,982	10,865
Investments	1,198	247	3,350	1,323
Net Current Assets	4,556	7,191	5,074	8,564

	As at and for the 12 month period ending December 31,			As at and for the 9 month period ending
	2008	2009	2010	September 30, 2011
Balance Sheet Statement				
	INR	INR	INR	INR
Total Miscellaneous Expenditure not written off	-	-	-	-
Total	13,745	17,032	19,406	20,752

	As at and for the 12 month period ending December 31,			As at and for the 9 month period ending
	2008	2009	2010	September 2011
Other financial data				
Dividend (%)	155.00%	200.00%	200.00%	150.00%
Earnings per share (INR) (i)	39.75	43.00	38.30	25.08
Return on Net worth (%) (ii)	44.65%	39.59%	30.87%	19.04%
Book Value per share (INR) (iii)	89.02	108.61	124.08	131.72

Notes to extract of financial statements

- (i) **Earnings Per Share** has been calculated as profit/(loss) after tax for the period divided by the number of equity shares outstanding at the date of the balance sheet for the relevant period.
- (ii) **Return on Net worth** has been calculated as profit/(loss) after tax divided by Networth/shareholders equity.
- (iii) **Book Value Per Share** calculated as Networth divided by the number of equity shares outstanding at the date of the balance sheet for the relevant period.

Source: The standalone financial information has been extracted from the audited standalone financial statements of the Target Company as at and for the years ended December 31, 2010, 2009 and 2008 of the Target Company audited by B S R & Co. Chartered Accountants, Firm Registration Number 101248W, statutory auditors of the Target Company. The interim standalone financial information of the Target Company has been extracted from the interim unaudited standalone financial information of the Target Company as at and for the nine months ended September 30, 2011, and has been subjected to limited review by B S R & Co., statutory auditors of the Target Company as confirmed in its report dated October 20, 2011.

4.10 The shareholding pattern of the Target Company before and after the Open Offer, calculated as on the date of this Letter of Offer is as follows:

S. No.	Shareholder Category	Shareholding & Voting Rights prior to the acquisition and offer		Shareholding and Voting rights agreed to be acquired which triggered off the Regulations		Shares and Voting rights to be acquired in the Open Offer (Assuming full acceptance)		Shareholding/ Voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No.	%	No.	%	No.	%	No.	%
1.	Promoter Group including Acquirers and the PACs								
a.	Acquirer – Colfax	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b.	PAC 1- Colfax UK	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c.	PAC 2 – Exelvia	28,22,831	18.34	NIL	NIL	40,02,185	26.00	68,25,016	44.34
d.	PAC 3 - ESAB Holdings	57,43,200	37.31	NIL	NIL	NIL	NIL	57,43,200	37.31
	Total 1 (a+b+c+d)	85,66,031	55.65	NIL	NIL	40,02,185	26.00	1,25,68,216	81.65

S. No.	Shareholder Category	Shareholding & Voting Rights prior to the acquisition and offer		Shareholding and Voting rights agreed to be acquired which triggered off the Regulations		Shares and Voting rights to be acquired in the Open Offer (Assuming full acceptance)		Shareholding/ Voting rights after the acquisition and offer		
		(A)		(B)		(C)		(A)+(B)+(C) = (D)		
		No.	%	No.	%	No.	%	No.	%	
2.	Parties to the agreement other than (1) (a)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
3.	Public (other than parties to agreement, Acquirer & PACs)									
	a. FIs / MFs / FIIs / Banks, SFIs	32,24,314	20.95	NIL	NIL	NIL	NIL	28,24,804	18.35	
	b. Non-Institutions	36,02,675	23.41							
	Total 3 (a+b)	68,26,989	44.35	NIL	NIL	NIL	NIL	28,24,804	18.35	
GRAND TOTAL 1+2+3		1,53,93,020	100	NIL	NIL	40,02,185	26.00	1,53,93,020	100	

4.11 The information above under this section on the Target Company has been sourced from information published by the Target Company or publicly available sources.

4.12 Target Company has been in compliance with the applicable provisions of chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 within the time specified and certain details of such compliance has been provided herein under:

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status Of compliance with Takeover Regulations	Remarks
1	8(3)	30.04.2001	20.04.2001	-	Complied	
2	8(3)	30.04.2002	28.03.2003	335	Complied (Delay)	The said return was filed under SEBI Regularisation scheme 2002
3	8(3)	30.04.2003	21.04.2003	-	Complied	
4	8(3)	30.04.2004	22.04.2004	-	Complied	
5	8(3)	30.04.2005	25.04.2005	-	Complied	
6	8(3)	30.04.2006	10.04.2006	-	Complied	
7	8(3)	30.04.2007	12.04.2007	-	Complied	
8	8(3)	30.04.2008	07.04.2008	-	Complied	
9	8(3)	30.04.2009	09.04.2009	-	Complied	
10	8(3)	30.04.2010	07.04.2010	-	Complied	
11	8(3)	30.04.2011	07.04.2011	-	Complied	
12	7(3)	-	-	-	NA	

Note: References to 8(3) are references to Regulation 8(3) of SEBI (SAST) Regulations, 1997, and reference to 7(3) and references to Regulation 7(3) of SEBI (SAST) Regulations, 2011.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification for Offer Price

5.1 As detailed above on January 13, 2012, following the receipt of the Court Sanction, the Acquirer indirectly acquired 55.65% of the Shares and voting rights of the Target Company, through Colfax UK, ESAB Holdings and Exelvia and indirectly acquired control of the Target Company. The indirect acquisition of 55.65% of the Shares and voting rights of the Target Company and acquisition of control of the Target Company does not meet any of the parameters set forth in Regulation 5(2) or 8(5) of the SEBI (SAST) Regulations, 2011.

5.2 The Open Offer Price is INR 550.10 per Share comprising of an amount of INR 529.23 per Share of the Target Company (being the Base Open Offer Price) and an additional amount of INR 20.87 per Share of the Target Company being equal to a sum determined at the rate of 10% p.a. on the Base Open Offer Price for the period between September 12, 2011 (being the date on which the intention or decision to make the Primary Acquisition was announced in the public domain as well as the date on which the Primary Acquisition was contracted by way of Charter, the Acquirer and Colfax UK entering into the Implementation Agreement) and the date of the DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, 2011. The Open Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011, and subject to the terms and conditions mentioned in the PA, the DPS and this Letter of Offer.

Note: The Open Offer Price of INR 550.10 per Share was rounded off to INR 550 per Share, in the DPS, for ease of presentation. Similarly, the Base Open Offer Price of INR 529.23 per Share was rounded off to INR 529 per Share and the additional amount of INR 20.87 per Share (calculated in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, 2011) was rounded off to INR 21 per Share, in the DPS, for ease of presentation only. The Shareholders who validly tender their Shares under the Open Offer will receive the Open Offer Price of INR 550.10 per Share.

5.3 The Shares of the Target Company are listed on the BSE and NSE, and are frequently traded on the NSE for the period commencing on January 3, 2011 and ending on December 31, 2011 within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

Name of the Stock Exchange	Total No. of Shares traded during twelve calendar months prior to the month of the PA	Total Shares	Trading Turnover (in terms of % of Total Shares)
NSE	29,97,121	1,53,93,020	19.47%
BSE	14,21,190	1,53,93,020	9.23%

5.4 The Base Open Offer Price of INR 529.23 per Share of the Target Company is justified in terms of Regulation 8(3) of SEBI (SAST) Regulations, 2011, in view of the following:

A	the highest negotiated price per Share, if any, of the Target Company for any acquisition under the agreement attracting the obligations to make a public announcement of an Open Offer;	Not Applicable
B	the volume-weighted average price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain;	Not Applicable
C	the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain;	Not Applicable
D	the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, between the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public	Not Applicable

	domain, and the date of the Public Announcement of the Open Offer for Shares of the Target Company made under SEBI (SAST) Regulations, 2011;	
E	the volume-weighted average market price of the Shares of the Target Company for a period of sixty trading days immediately preceding the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain, as traded on the NSE, being the stock exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period; and	INR 529.23 per Share of the Target Company
F	the per share value computed under Sub-regulation (5) of Regulation 8 of SEBI (SAST) Regulations, 2011	Not Applicable

5.5 As detailed above, on September 12, 2011 the Acquirer, acting through its indirect wholly owned subsidiary, Colfax UK, announced its firm intention and decision to make an offer to acquire the entire issued and paid up share capital of Charter, and on such date the Acquirer, Colfax UK and Charter entered into the Implementation Agreement to record their respective obligations in relation to the steps to be taken to implement the transaction. There is no negotiated price per Share of the Target Company under the agreement for the acquisition of Charter. Further, the Acquirer has not acquired any Shares of the Target Company during the fifty-two weeks immediately preceding September 12, 2011, and during the period between September 12, 2011 and January 18, 2012, the date of the PA, and during the period between January 18, 2012 and February 3, 2012, the date of the DPS. Furthermore, this indirect acquisition of Shares, voting rights and control of the Target Company does not meet any of the parameters referred to in Regulation 8(5) of the SEBI (SAST) Regulations, 2011, and consequently, there is no requirement to compute a per Share value of the Target Company.

5.6 The Base Open Offer Price is the highest of 5.4 (A) to (F) above, as required under SEBI (SAST) Regulations, 2011.

5.7 In accordance with Regulation 8(12) of SEBI (SAST) Regulations, 2011, the Base Open Offer Price is enhanced by INR 20.87 per Share of the Target Company, such enhanced amount being an amount equal to 10% p.a. calculated on the Base Open Offer Price for the period of 144 days between the date on which the intention or the decision to make the Primary Acquisition was announced in the public domain (i.e. September 12, 2011, being also the date on which the Primary Acquisition was contracted) and the date of the DPS (being February 3, 2012). Therefore, the Open Offer Price of INR 550.10 (which includes this enhancement) is justified in terms of Regulation 8(3) and 8(12) of the SEBI (SAST) Regulations, 2011.

Note: The Open Offer Price of INR 550.10 per Share was rounded off to INR 550 per Share, in the DPS, for ease of presentation. Similarly, the additional amount of INR 20.87 per Share (calculated in accordance with Regulation 8(12) of the SEBI (SAST) Regulations, 2011) was rounded off to INR 21 per Share, in the DPS, for ease of presentation.

5.8 The price and volume data of the Shares on the NSE, where the Shares are most frequently traded, for a period of 60 trading days immediately preceding the date on which the Implementation Agreement was contracted and the date on which the intention or the decision to make the Primary Acquisition was announced in the public domain (i.e. September 12, 2011), are set forth below:

No.	Date	Net Turnover (NSE) (INR)	Total Volume (NSE) (Number of Shares)
1	Wednesday, June 15, 2011	2,438,347	4,733
2	Thursday, June 16, 2011	351,959	707
3	Friday, June 17, 2011	5,701,111	11,516
4	Monday, June 20, 2011	1,209,525	2,535
5	Tuesday, June 21, 2011	1,400,012	2,866
6	Wednesday, June 22, 2011	747,547	1,549
7	Thursday, June 23, 2011	568,391	1,186
8	Friday, June 24, 2011	888,310	1,844
9	Monday, June 27, 2011	667,453	1,375
10	Tuesday, June 28, 2011	206,830	423

11	Wednesday, June 29, 2011	3,874,998	7,889
12	Thursday, June 30, 2011	2,661,303	5,439
13	Friday, July 01, 2011	10,204,103	20,823
14	Monday, July 04, 2011	5,272,376	10,756
15	Tuesday, July 05, 2011	3,160,470	6,456
16	Wednesday, July 06, 2011	1,132,521	2,315
17	Thursday, July 07, 2011	149,004,052	283,774
18	Friday, July 08, 2011	57,602,650	109,440
19	Monday, July 11, 2011	14,171,745	26,517
20	Tuesday, July 12, 2011	8,048,309	15,338
21	Wednesday, July 13, 2011	10,352,045	19,458
22	Thursday, July 14, 2011	18,027,584	33,721
23	Friday, July 15, 2011	4,839,130	9,077
24	Monday, July 18, 2011	24,623,453	45,858
25	Tuesday, July 19, 2011	63,656,770	113,454
26	Wednesday, July 20, 2011	23,406,858	40,792
27	Thursday, July 21, 2011	6,162,684	10,854
28	Friday, July 22, 2011	10,124,860	18,094
29	Monday, July 25, 2011	6,251,253	11,281
30	Tuesday, July 26, 2011	6,956,419	12,663
31	Wednesday, July 27, 2011	3,365,082	6,120
32	Thursday, July 28, 2011	2,509,760	4,683
33	Friday, July 29, 2011	1,263,079	2,367
34	Monday, August 01, 2011	4,985,618	9,510
35	Tuesday, August 02, 2011	10,659,087	20,172
36	Wednesday, August 03, 2011	4,499,720	8,604
37	Thursday, August 04, 2011	3,939,553	7,476
38	Friday, August 05, 2011	5,769,510	11,307
39	Monday, August 08, 2011	3,544,315	6,970
40	Tuesday, August 09, 2011	6,378,455	12,508
41	Wednesday, August 10, 2011	2,874,271	5,497
42	Thursday, August 11, 2011	1,155,424	2,211
43	Friday, August 12, 2011	4,534,433	8,890
44	Tuesday, August 16, 2011	2,942,287	5,771
45	Wednesday, August 17, 2011	1,226,115	2,421
46	Thursday, August 18, 2011	3,082,958	6,169
47	Friday, August 19, 2011	2,713,073	5,554
48	Monday, August 22, 2011	2,002,654	4,114
49	Tuesday, August 23, 2011	2,665,435	5,417
50	Wednesday, August 24, 2011	2,225,497	4,419
51	Thursday, August 25, 2011	1,368,589	2,777
52	Friday, August 26, 2011	1,807,380	3,757
53	Monday, August 29, 2011	681,089	1,399
54	Tuesday, August 30, 2011	1,595,252	3,220
55	Friday, September 02, 2011	583,931	1,163
56	Monday, September 05, 2011	1,670,736	3,336
57	Tuesday, September 06, 2011	2,897,656	5,847
58	Wednesday, September 07, 2011	2,513,368	5,012
59	Thursday, September 08, 2011	3,603,762	7,138
60	Friday, September 09, 2011	1,397,025	2,777
	Total	534,168,182	1,009,339
	Volume Weighted Average Market Price (Net Turnover divided by Total Volume)		INR 529.23

B. FINANCIAL ARRANGEMENTS

- 5.9 The total funds required for implementation of the Open Offer (assuming full acceptance), for the acquisition of 40,02,185 Shares at the Open Offer Price of INR 550.10 per Share, is INR 2,201,621,114.

Note: The Open Offer Price of INR 550.10 per Share was rounded off to INR 550 per Share, in the DPS, for ease of presentation.

- 5.10 The Acquirer and the PACs have made firm financial arrangements for fulfilling the payment obligations under the Open Offer, and the Acquirer and the PACs are able to implement this Open Offer. The Acquirer and the PACs have adequate resources to meet the financial requirements of this Open Offer in the form of cash and cash equivalents, since the Acquirer has USD 64.4 million (equivalent to INR 3,197 million), in internal accruals, as on September 30, 2011 as disclosed in its unaudited interim consolidated financial information for the nine months ended September 30, 2011. The interim consolidated financial information has been derived from the unaudited condensed consolidated financial statements prepared in accordance with US GAAP, included in the Acquirer's quarterly report in Form 10-Q as filed with the SEC on October 27, 2011.

Note: Since the financials for the Acquirer are presented in US Dollars (USD) they have been converted into Indian Rupees (INR) for purpose of convenience translation. INR to USD conversion has been assumed at the rate of 1 USD = INR 49.6480 as on January 27, 2012 (Source: Reserve Bank of India-<http://www.rbi.org.in>).

- 5.11 By way of security for performance of the Acquirer's and the PACs' obligations under the SEBI (SAST) Regulations, 2011, an unconditional, irrevocable and on demand bank guarantee dated January 24, 2012 ("**Bank Guarantee**") has been issued by The Bank of Nova Scotia, located at Mittal Tower, B Wing, P.O. Box 11507, Nariman Point, Mumbai- 400 021 on behalf of the Acquirer and the PACs in favour of the Manager to the Open Offer which is valid up to and including May 15, 2012 for an amount of INR 49,40,67,009 (Rupees Forty nine crore forty lac sixty seven thousand and nine only). In accordance with Regulation 17(6) of the SEBI (SAST) Regulations, 2011, the Bank Guarantee is valid throughout the offer period and for an additional period of thirty days after completion of payment of consideration to Shareholders who tender their Shares in acceptance of the Open Offer. The Bank of Nova Scotia is not an associate of or group of the Acquirer, the PACs or the Target Company.

- 5.12 In addition, the Acquirer, Exelvia, the Manager to the Open Offer and the Escrow Bank, located at Shiv Building, Plot No. 139- 140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai- 400 057 have entered into an open offer escrow agreement dated January 30, 2012 ("**Open Offer Escrow Agreement**") in accordance with Regulation 17 of the SEBI (SAST) Regulations, 2011. Pursuant to the Open Offer Escrow Agreement, Exelvia has made a cash deposit of INR 7,83,54,481 (Rupees seven crore eighty three lacs fifty four thousand four hundred eighty one only) , in an escrow account with the Escrow Bank ("**Open Offer Escrow Account**"). The Bank Guarantee and the Open Offer Escrow Account together represent 26% of the total consideration payable under the Open Offer (assuming full acceptance) and comply with the requirements of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations, 2011. The Manager to the Open Offer has been duly authorized to realize the monies lying to the credit of the aforesaid Open Offer Escrow Account in terms of the SEBI (SAST) Regulations, 2011 under the Open Offer Escrow Agreement, and has been empowered to operate the Open Offer Escrow Account in accordance with the SEBI (SAST) Regulations, 2011.

- 5.13 In terms of Reserve Bank of India's A.P. (DIR Series) Circular No. 62 dated May 24, 2007, persons resident outside India are permitted to open escrow accounts and special accounts for open offers under the SEBI (SAST) Regulations, 2011, without the prior approval of the RBI.

- 5.14 S.V. Ghatalia & Associates, Chartered Accountant, Telephone Number + 91- 124- 464 4000, Fax Number +91- 124 464 4050, Registration Number 103162W has, *vide* its certificate dated February 2, 2012 certified that the Acquirer has adequate financial resources for fulfilling its obligations under the Open Offer.

- 5.15 Based on the above, the Manager to the Open Offer is satisfied of the ability of the Acquirer and the PACs to implement the Open Offer in accordance with the SEBI (SAST) Regulations, 2011 and that firm financial arrangements through verifiable means have been made by the Acquirer and the PACs to meet the payment obligations under the Open Offer.

6. TERMS AND CONDITIONS OF THE OFFER

- 6.1. The Open Offer is being made by the Acquirer and the PACs to (i) all Shareholders of the Target Company, whose names appeared in the register of members of the Target Company as on Monday, March 05, 2012 i.e. the Identified Date (ii) beneficial owners of the Shares of the Target Company whose names appeared as beneficiaries on the records of the respective Depositories, at the close of business hours as on Monday, March 05, 2012 i.e. the Identified Date and (iii) to those persons who acquire Shares of the Target Company any time prior to the date of the closure of the Tendering Period for the Open Offer i.e. Monday, April 02, 2012, but who are not the registered Shareholders of the Target Company, except the Acquirer and the PACs.
- 6.2. The Open Offer is not conditional and is not subject to any minimum level of acceptance and the Acquirer and the PACs will be obliged to acquire 40,02,185 Shares representing 26% of the total Shares of the Target Company as of the tenth Working Day from the Closure of the Tendering Period for the Open Offer, that are tendered in the valid form in terms of this Open Offer subject to the terms and conditions mentioned in the PA, DPS and this Letter of Offer. The Shares of the Target Company that are tendered in the valid form in terms of this Open Offer will be transferred in favour of Exelvia upon the closure of the Open Offer.
- 6.3. The Acquirer and PACs reserve the right of upward revision to the Open Offer Price or to the number of Shares sought to be acquired under the Open Offer at any time prior to the commencement of the last three (3) Working Days before the commencement of Tendering Period in terms of Regulation 18(4) of the SEBI (SAST) Regulations, 2011. The Open Offer Price, if and as revised, would be paid by the Acquirer and PACs for all the Shares tendered any time during the Tendering Period and accepted under the Open Offer. In the event of any such revision, the Acquirer and/or the PACs will (i) make corresponding increases to the amount kept in escrow pursuant to Regulation 17 of SEBI (SAST) Regulations, 2011 (refer to paragraph 5.12 of this Letter of Offer); (ii) make an announcement in respect of such revision in all the newspapers in which the DPS was published; and (iii) simultaneously with the issue of such announcement in (ii) above, inform SEBI, all the stock exchanges on which Shares of the Target Company are listed, and the Target Company at its registered office.
- 6.4. The Tendering Period of the Open Offer will open on Monday, March 19, 2012 and close on Monday, April 02, 2012.
- 6.5. Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the PA, DPS and this Letter of Offer are **not** entitled to withdraw such acceptance during the Tendering Period for the Open Offer.
- 6.6. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment constitute an integral part of the terms of this Open Offer.
- 6.7. Each Shareholder of the Target Company to whom this Open Offer is being made is free to offer his Shares in the Target Company in whole or in part while accepting the Open Offer. However, the Acquirer and the PACs are not eligible to tender their Shares under the Open Offer.
- 6.8. The Shareholders who tender their Shares under this Open Offer shall ensure that the Shares are free and clear from all liens, charges and encumbrances and shall ensure that such Shares when acquired by Exelvia will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights declared thereafter.
- 6.9. In the event that the Shares tendered in the Open Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in paragraph 7.16 of this Letter of Offer.
- 6.10. The Acquirer and PACs shall, within a period of ten Working Days from the last date of the Tendering Period of the Open Offer, complete all requirements under the SEBI (SAST) Regulations, 2011 and other applicable law relating to the Open Offer including payment of consideration to the Shareholders who have validly tendered their acceptance to the Open Offer and for that purpose open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations, 2011.

- 6.11. In accordance with Regulation 27(7) of SEBI (SAST) Regulations, 2011, the Manager to the Open Offer shall file a final report with SEBI within fifteen Working Days from the Closure of the Tendering Period of the Open Offer confirming status of completion of various Open Offer requirements.
- 6.12. The acceptance of the Open Offer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer and PACs will not be responsible for any loss of share certificate(s) and Open Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interests in this regard.
- 6.13. Accidental omission to dispatch this Letter of Offer to any person to whom this Open Offer has been made to or non-receipt of this Letter of Offer by any such person shall not invalidate the Open Offer in any way.
- 6.14. The acceptance of this Open Offer must be unconditional and should be sent with the attached Form of Acceptance-cum Acknowledgement duly filled in, signed by the applicant Shareholder(s) which should be received by the Registrar to the Open Offer at the address mentioned in paragraph 7.4 of this Letter of Offer on or before Monday, April 02, 2012. In the event any change or modification is made to Form of Acceptance-cum Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager, the Acquirer and the PACs reserve the right to reject the acceptance of the Open Offer by the Shareholder.
- 6.15. As of December 31, 2011, the Target Company had no Shares which were locked in. (Source: BSE website)
- 6.16. **Statutory & Other Approvals**
- 6.16.1. As of the date of this Letter of Offer, there are no statutory approvals required by the Acquirer and/or the PACs to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer and/or the PACs at a later date before the Closure of the Tendering Period, the Open Offer shall be subject to all such approvals and the Acquirer and/or the PACs shall make the necessary applications for such approvals.
- 6.16.2. The Acquirer and the PACs, will have the right not to proceed with the Open Offer in the event the statutory approvals indicated above are refused, in accordance with Regulation 23 of the SEBI (SAST) Regulations, 2011. In the event of withdrawal of the Open Offer, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS was published.
- 6.16.3. In case of delay in receipt of any statutory approvals which may be required at a later date before the Closure of the Tendering Period, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer / PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer/ PACs agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer/PACs have the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer.
- 6.16.4. NRI and OCB Shareholders, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance cum Acknowledgement and other documents required to accept this Open Offer. Further, if Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered in the Open Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

- 7.1. This Letter of Offer with the Form of Acceptance cum Acknowledgement will be mailed to the Shareholders, whose names appear on the register of members of the Target Company, as on the close of business on the Identified Date and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories as on the close of business on the Identified Date.
- 7.2. Every Shareholder in the Target Company, regardless of whether she/he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Open Offer.
- 7.3. Shareholders can also download this Letter of Offer and the Form of Acceptance cum Acknowledgement from the SEBI website at www.sebi.gov.in and send in their acceptances by filling the same.
- 7.4. The following collection centre would be accepting the documents by hand delivery /registered post/courier as set out below, both in case of Shares in physical and dematerialized form:

Name & Address of the entities (Registrar) to whom the Shares should be sent	Working days and timings	Mode of delivery
Link Intime India Pvt. Ltd Address: C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078 Contact Person: Pravin Kasare Email: pravin.kasare@linkintime.co.in Telephone: +91 22 2596 7878 Facsimile: +91 22 2596 0329	10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)	Hand Delivery & Registered Post
Link Intime India Pvt. Ltd Address: 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001 Contact Person: Vivek Limaye Email: vivek.limaye@linkintime.co.in Telephone: +91 22 22694127 Facsimile: +91 22 25960329	10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)	Hand Delivery
Link Intime India Pvt. Ltd, Address: 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 Contact Person: Hitesh Patel Email: ahmedabad@linkintime.co.in Telephone: +91 79 2646 5179 Facsimile: +91 79 2646 5179 (Telefax)	10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)	Hand Delivery
Link Intime India Pvt. Ltd., Address: 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019 Contact Person: Prashant D. Shedbal Email: bangalore@linkintime.co.in Telephone: +91 80 26509004 Facsimile: +91 80 26509004 (Telefax)	10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)	Hand Delivery

Name & Address of the entities (Registrar) to whom the Shares should be sent	Working days and timings	Mode of delivery
<p>Link Intime India Pvt. Ltd. Address: B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara – 390020 Contact Person: Alpesh Gandhi Email: vadodara@linkintime.co.in Telephone: +91 265 2356573/ 2356796 Facsimile: +91 265 2356791</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>
<p>Link Intime India Pvt. Ltd Address: Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028 Contact Person: S. Dhanalakshmi Email: coimbatore@linkintime.co.in Telephone: +91 422 2314792/ 2315792 Facsimile: +91 422 2314792</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>
<p>Link Intime India Pvt. Ltd Address: 59C,Chowringhee Road,3rd Floor, Kolkata -700020 Contact Person: S.P. Guha Email: kolkatta@linkintime.co.in Telephone: +91 33 22890539/ 40 Facsimile: +91 33 22890539/ 40</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>
<p>Link Intime India Pvt. Ltd. Address: A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028 Contact Person: Swapan Naskar Email: delhi@linkintime.co.in Telephone: +91 11 41410592/93/94 Facsimile: +91 11 41410591</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>
<p>Link Intime India Pvt. Ltd, Address: Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001 Contact Person: P.N. Albal Email: pune@linkintime.co.in Telephone: +91 20 26160084/ 1629 Facsimile: +91 20 26163503 (Telefax)</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>
<p>C/o SGS Corporate Solutions India Pvt. Ltd. Address: Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pandy Bazaar, T. Nagar, Chennai - 600 017 Contact Person: Mrs. Solly Roy Email: chennai@saspartners.com Telephone:+91 44 28152672/ 42070906 Facsimile: +91 44 28152672 (Telefax)</p>	<p>10 AM to 1 PM , 2 PM to 5 PM (Monday to Friday, except Public Holidays)</p>	<p>Hand Delivery</p>

- 7.5. Shareholders who hold Shares of the Target Company in physical form and wish to tender their Shares under the Open Offer will be required to submit the duly completed Form of Acceptance cum Acknowledgement, original Share certificate(s), blank transfer deed(s) duly signed, stamped and witnessed to the Registrar to the Open Offer either by registered post/courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of closure of the Tendering Period of the Open Offer i.e. Monday, April 02, 2012.
- 7.6. In case of registered Shareholders, non-receipt of the Form of Acceptance-cum-Acknowledgement, but receipt of the Share certificates and the duly completed transfer deed, by the Registrar, may be deemed to be acceptance of the Open Offer by such Shareholders.
- 7.7. The Registrar to the Open Offer, Link Intime India Private Limited has opened a special depository account (“**Special Depository Account**”) with National Securities Depository Limited (“**NSDL**”) for receiving Shares during the Open Offer from eligible Shareholders who hold Shares in dematerialized form.
- 7.8. Shareholders holding Shares of the Target Company in dematerialized form and who wish to tender their Shares under the Open Offer will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Open Offer either by registered post/courier or by hand delivery so as to reach on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. Monday, April 02, 2012. along with a photocopy of the delivery instructions in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the Depository Participant (“**DP**”), in favour of **LIPL ESAB INDIA OPEN OFFER ESCROW DEMAT ACCOUNT (“Depository Escrow Account”)** filled in as per the instructions given below:

Depository Participant Name	VENTURA SECURITIES LTD
DP ID	IN303116
Client ID	10926302
Account Name	LIPL ESAB INDIA OPEN OFFER ESCROW DEMAT ACCOUNT
Depository	National Securities Depository Limited

- 7.9. Shareholders having their beneficiary account in Central Depository Services (India) Limited (“**CDSL**”) shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the Special Depository Account with NSDL. In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Account by the Registrar, the Shareholder may be deemed to have accepted the Open Offer.
- 7.10. **THE SHARES, SHARE CERTIFICATES, TRANSFER DEED, FORM OF ACCEPTANCE- CUM-ACKNOWLEDGEMENT OR/ AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE PACS, THE TARGET COMPANY OR THE MANAGER.**
- 7.11. In case of (a) Shareholders who have not received the Letter of Offer, (b) unregistered shareholders, (c) owner of the Shares who have sent the Shares to the Target Company for transfer, may send their consent to the Registrar to the Open Offer on plain paper, stating the name and addresses together with the information requested below so as to reach the Registrar to the Open Offer on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. Monday, April 02, 2012. Alternatively, such Shareholders, if they so desire, may apply on the Form of Acceptance-cum Acknowledgement together with the information requested below. Such shareholders can obtain the Letter of Offer and the Form of Acceptance-cum Acknowledgement from the Registrar to the Open Offer by making an application in writing to that effect or from the SEBI website (www.sebi.gov.in). In the case of Shares held in physical form such Shareholders are required to submit the number of Shares held, distinctive numbers, folio numbers, number of Shares offered along with the documents to prove their title to such Shares such as broker note, succession certificate, original Share certificate / original letter of allotment and Share transfer deeds (one per folio), duly signed by such Shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with ESAB India), and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be. In the case of Shares held in dematerialized form such Shareholders are required to submit the DP name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP for

transferring the Shares in favour of **LIPL ESAB INDIA OPEN OFFER ESCROW DEMAT ACCOUNT** as per the details given in the table under paragraph 7.8:

- 7.12. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of Closure of the Tendering Period i.e. Monday, April 02, 2012, else the application would be rejected.
- 7.13. No indemnity is needed from unregistered Shareholders.
- 7.14. Applications in respect of Shares of the Target Company that are the subject of litigation, wherein the Shareholders of the Target Company may be prohibited from transferring their Shares during the pendency of the said litigation, are liable to be rejected if the directions / orders regarding these Shares are not received together with the Shares tendered under the Open Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 7.15. If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI, the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, or in the case of NRI and OCB Shareholders, require any approvals to tender Shares held by them pursuant to the Open Offer, they will be required to submit such approvals along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Shares tendered in the Open Offer.
- 7.16. If the aggregate valid responses to the Open Offer by the Shareholders are more than the Shares agreed to be acquired under the Open Offer, then Exelvia will accept the offers received from the Shareholders on a proportionate basis, in consultation with the Manager to the Open Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of ESAB India Limited is 1 (one) Share.
- 7.17. The consideration to the Shareholders whose Shares have been accepted will be paid by crossed account payee cheques/ demand drafts/NEFT/ RTGS/ Direct Credit/ National Electronic Clearance Service where applicable net of applicable taxes. Such payments through account payee cheques/demand drafts will be returned by registered post
- * Dispatches involving payment of any value will be made by registered post/ speed post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk.*
- 7.18. Unaccepted Share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post, at the Shareholders' registered / unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. Shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective DP's when transferred by the Registrar to the Open Offer.
- 7.19. The Registrars to the Open Offer will hold in trust the Shares and Share certificate(s), Shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, and the transfer deed(s) on behalf of the Shareholders of Target Company who have accepted the Open Offer, until the cheques/ drafts for the consideration and/ or the unaccepted Shares/ Share certificates are dispatched/ returned.
- 7.20. Compliance with Tax requirements:

I. General

- (a) As per the provisions of Section 195(1) of the Income Tax Act, 1961 ("**Income Tax Act**") any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source

(including surcharge and education cess as applicable). The consideration received by the non-resident Shareholders for Shares accepted in the Open Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirer/ PACs are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such capital gains/ business profits. Further, the payment of any interest (paid for delay in payment of Open Offer Price) by Acquirer/PACs to a non-resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer/ PACs are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest.

- (b) As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by Acquirer/ PACs to a resident Shareholder may be chargeable to tax, as income from other sources under Section 56 of the Income Tax Act. The Acquirer/ PACs is required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of Open Offer Price).
- (c) All Shareholders whether resident or non-resident (including FIIs) are required to submit their Permanent Account Number (“**PAN**”) for income-tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer/PACs will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable, to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (d) Each Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/ body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer/PACs, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted treating the Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Shareholder belongs, on the entire consideration and interest if any, payable to such Shareholder.
- (e) Any Shareholder claiming benefit under any Double Taxation Avoidance Agreement (“**DTAA**”) between India and any other foreign country should furnish the ‘Tax Residence Certificate’ provided to him / it by the Income Tax Authority of such other foreign country of which he / it claims to be a tax resident.
- (f) The Acquirer/ PACs will not accept any request from any Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower rate, on the basis of any self computation/computation by any tax consultant, of capital gain and/or interest, if any and tax payable thereon.
- (g) Securities transaction tax will not be applicable to the Shares accepted in the Open Offer.
- (h) The provisions contained in clause (c) to (e) above are subject to anything contrary contained in paragraphs II to V below.

II. Tax Implications in case of Non-resident Shareholders (other than FII)

- (a) Remittance of consideration: While tendering Shares under the Open Offer, NRI, OCBs, and other non-resident Shareholders (excluding FIIs) will be required to submit a no objection certificate’ (“**NOC**”) or a certificate for deduction of tax at a lower rate (“**Certificate for Deduction of Tax at Lower Rate**”) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by Acquirer/ PACs before remitting the consideration. The Acquirer/ PACs will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (b) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer/ PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, under the Income Tax Act on the entire consideration amount payable to such Shareholder.

- (c) Interest Payments: For interest payments by the Acquirer/ PACs for delay in payment of Open Offer Price, if any, NRIs, OCBs, and other non-resident Shareholders (excluding FII) will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer/ PACs before remitting the consideration. The Acquirer/ PACs will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (d) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer/ PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.
- (e) All NRIs, OCBs and other non-resident Shareholders (excluding FIIs) are required to submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer/PACs will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (f) Treaty Benefits: Any NRIs, OCBs and other non-resident Shareholders (excluding FIIs) claiming benefit under any Double Taxation Avoidance Agreement (“DTAA”) between India and any other foreign country should furnish the ‘Tax Residence Certificate’ provided to him / it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer/ PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA.

III. Tax Implications in case of FII

- (a) Tax Benefits for FIIs in respect of the consideration paid by the Acquirer/PACs: As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act, subject to the following conditions:
 - i. FIIs are required certify the nature of their holding (*i.e.* whether held on Capital Account as Investment or on Trade Account) of the shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the Shares are held on Capital Account;
 - ii. FIIs shall also certify the nature of its income (*i.e.* whether capital gains or business income) on the sale of shares in the Target Company by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. The benefits under Section 196D(2) are applicable in case the nature of the FII’s income is capital gains.
- (b) The absence of certificates/ declarations as contemplated in clause (a) above (as applicable), notwithstanding anything contained in clause (a) above, the Acquirer/ PACs shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (*i.e.* FII).
- (c) In case it is certified by the FII that shares held by such FII in the Target Company are held on Trade Account no deduction of tax at source shall be made if such FII furnishes a Tax Residence Certificate and furnishes a self declaration stating that such FII does not have a permanent establishment in India, in terms of the DTAA entered between India and the country of tax residence of such FII. In the absence of such certificates/declarations, the Acquirers/PACs shall deduct tax at the maximum marginal rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder (*i.e.* FII).
- (d) Notwithstanding anything contained in clause (a) to (c) above, in case an FII furnishes a NOC or Certificate for Deduction of Tax at Lower Rate, the Acquirer/ PACs will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (e) Interest Payments: For interest payments by the Acquirer/ PACs for delay in payment of Open Offer Price, if any, FIIs will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act indicating the amount of tax to be deducted

by the Acquirer/ PACs before remitting the consideration. The Acquirer/ PACs will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.

- (f) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer/ PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.
- (g) All FIIs shall submit their PAN for income tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer/PACs will arrange to deduct tax at the rate of 20% (as provided in section 206-AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (h) Treaty Benefits: Any FII claiming benefit under any DTAA between India and any other foreign country should furnish a "Tax Residence Certificate" provided to it by the income tax authority of such other foreign country of which it claims to be a tax resident. In the absence of such Tax Residence Certificate, the Acquirer/ PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to provisions of any DTAA.

IV. Tax Implications in case of resident shareholders

- (a) For interest payments by the Acquirer/ PACs for delay in payment of Open Offer Price, if any, all resident shareholders will be required to submit a NOC or Certificate for Deduction of Tax at Lower Rate from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer/ PACs before remitting the consideration. The Acquirer/PACs will arrange to deduct taxes at source in accordance with such NOC or Certificate for Deduction of Tax at Lower Rate.
- (b) In case the NOC or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer/ PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act on the entire consideration payable as interest to such Shareholder.
- (c) All resident Shareholders shall submit their PAN for income tax purposes. In case the PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirer/PACs will arrange to deduct tax at the rate of 20% (as provided in section 206-AA of the Income Tax Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.
- (d) Notwithstanding anything contained in clause (a) to (c) above, no deduction of tax shall be made at source by the Acquirer/ PACs where the total amount of interest payable to a resident Shareholder does not exceed INR 5,000 or where a self declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, has been furnished by a resident Shareholder. The self declaration in Form 15G and Form 15H will not be regarded as valid unless the resident Shareholder furnished its PAN in such declaration.

V. Tax Implications in foreign jurisdictions

- (a) Apart from the above, the Acquirer/ PACs are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Shareholder is a resident for tax purposes ("**Overseas Tax**"). For this purpose, the non-resident Shareholder shall furnish a self declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer/ PACs will be entitled to rely on this representation at their sole discretion.
- (b) Notwithstanding the details given above, all payments will be made to Shareholders subject to compliance with prevailing tax laws.
- (c) The tax deducted by the Acquirer/ PACs while making payment to a Shareholder may not be the final tax liability of such Shareholder and shall in no way discharge the obligation of the Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.

- (d) Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Open Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.
- (e) The Acquirer, the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

8. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection to the Shareholders at the office of the Manager to the Open Offer at HSBC Securities and Capital Markets (India) Private Limited, 52 / 60 M.G.Road, Fort, Mumbai 400 001, between 10:30 a.m. and 3:00 p.m. on all working days (except Saturdays, Sundays and bank holidays) till the Closure of the Open Offer, *i.e.*, Monday, April 02, 2012:

- (i) Copy of the certificate of incorporation, memorandum of association and articles of association, or equivalent constitutional documents of the Acquirer and the PACs;
- (ii) Copy of the certificate issued by S.V. Ghatalia & Associates, Chartered Accountant, Telephone Number + 91- 124- 464 4000, Fax Number +91- 124 464 4050, Registration Number 103162W dated February 2, 2012, certifying the adequacy of financial resources with the Acquirer to fulfill its obligations under the Open Offer;
- (iii) Copy of the audited annual report of the Target Company for the financial years ended on December 31, 2010; December 31, 2009 and December 31, 2008;
- (iv) Copy of the audited annual report of the Acquirer for the financial years ended on December 31, 2010, December 31, 2009, December 31, 2008;
- (v) Copy of the unaudited annual report of Exelvia for the financial years ended on December 31, 2010, December 31, 2009, December 31, 2008
- (vi) Copy of the audited annual report of ESAB Holdings for the financial years ended on December 31, 2010, December 31, 2009, December 31, 2008;
- (vii) Copy of the letter dated February 1, 2012, issued by the Escrow Bank, confirming the amounts kept in the Escrow Account and a lien in favour of the Manager to the Open Offer;
- (viii) Copy of the Implementation Agreement;
- (ix) Copy of the public announcement dated September 12, 2011, made outside India by the Acquirer in relation to the Primary Acquisition;
- (x) Copy of the scheme of arrangement between the shareholders of Charter, approving the Primary Acquisition;
- (xi) Copy of the PA dated January 18, 2012, the DPS dated February 3, 2012, Issue Opening PA dated March 16, 2012;
- (xii) Copy of the recommendation of the committee of independent directors of the Board of Directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations, 2011;
- (xiii) Copy of the Open Offer Escrow Agreement dated January 30, 2012 entered into amongst Exelvia, the Acquirer, the Manager to the Offer and the Escrow Bank;
- (xiv) Copy of the letter number CFD/DCR/TO/SS/OW/5130/12 from SEBI dated February 29, 2012 containing its comments on the Draft Letter of Offer;
- (xv) Copy of the agreement dated January 30, 2012 between the Acquirer and the Registrar to the Open Offer;
- (xvi) Copy of the agreement dated January 24, 2012 between the Registrar to the Open Offer and Ventura Securities Limited as DP for opening the Special Depository Account for the purposes of the Open Offer; and
- (xvii) Copy of the bank guarantee for INR 49,40,67,009 (Rupees forty nine crore forty lac sixty seven thousand and nine only) issued by The Bank of Nova Scotia. located at Mittal Tower, B

Wing, P.O. Box 11507, Nariman Point, Mumbai- 400 021 in favour of the Manager to the Open Offer.

9. DECLARATION BY THE ACQUIRER AND PERSONS ACTING IN CONCERT

- 9.1. The Acquirer and the PACs accept full responsibility for the information contained in this Letter of Offer except the information pertaining to the Target Company which has been obtained from publicly available sources.
- 9.2. Each of the Acquirer and the PACs shall be, severally and jointly, responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations, 2011 and for their obligations laid down in the SEBI (SAST) Regulations, 2011.
- 9.3. All information contained in this Letter of Offer is as on the date of this Letter of Offer, unless expressly stated otherwise.

On behalf of

Colfax Corporation
Date: March 2, 2012
Place: Delaware, USA

On behalf of

Colfax UK Holdings Ltd.
Date: March 2, 2012
Place: London, UK

On behalf of

ESAB Holdings Ltd.
Date: March 2, 2012
Place: London, UK

On behalf of

Exelvia Group India B.V.
Date: March 2, 2012
Place: Hengelo, The Netherlands

Enclosed:

- (1) Form of Acceptance-cum-Acknowledgement
- (2) Transfer deed for Shareholders holding Shares in physical form

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