



**ESAB INDIA LIMITED
CHENNAI**

CHAIRMAN'S STATEMENT

Ladies and Gentlemen,

I extend my warm welcome to you all to the Twenty Sixth Annual General Meeting of your company.

The year 2012 was an extremely difficult one from a business environment point of view. With inflationary conditions and poor market sentiments persisting, growth was far below expectations. It was negative for some part of the year and in some segments of the industry. Many segments including infrastructure and automobiles continue to experience difficult times even in the year 2013 to date.

The competitive environment got more challenging with the arrival and scaling up by international players. Excess capacities and slow global growth increased price pressures further in 2012. We have strived to retain our position in the market as preferred partner for welding and cutting solutions. We have consciously avoided pursuit of short term gains which in any manner would have resulted in our compromising on core strengths or risk levels. We continue to benchmark with competition to look for avenues to improve.

In all this, we saw significant opportunities to re align our business focus and I am pleased to inform members that we have a leaner and more focused organization ready to ride the next wave of growth when trade winds change for the better. We have taken measures to control costs and improve productivity at all Plants. I would like to take this opportunity to extend my thanks to Jiri Kula, for his leadership, and the whole ESAB India team for their hard work getting the business to this position.

There are some recent positives including softening of commodity prices and forecasts of slight improvements in macro- economic parameters but the impact of these on the shorter term are unlikely to be significant.

We have announced our results for the first quarter a short while ago.

Net sales for the Quarter fell by 10% over the same period of 2012. By segments, Consumables business fell by 9.8%% and Equipments fell by 10.8 %. Focus on realizations and costs helped achieve Profits before Tax of Rs.129 Million, which is about 9% higher than PBT of Q1-2012. We are pursuing multiple initiatives to push growth and sustain profitability in what continues to be a difficult environment.

The outlook for the company in the short term though looks challenging. Steel growth is one of our key business drivers. World Steel Association has forecasted that steel demand is expected to pick up In India and demand expected to grow by 5.9 per cent to 75.8 million tonne (mt) in 2013 following 2.5 per cent growth in 2012.

Our performance, to a large extent, also hinges on overall investment scenario and in the execution of overdue projects in the economy both on infrastructure spending and on private sector outlays on projects. With strong fundamentals and a healthy balance sheet the Company hopes to meet the challenges going forward.

In conclusion I would like to thank our customers for having kept their custom with us in these very difficult times, the Board, the management and in particular the employees. I would also like to thank the suppliers, bankers and other stakeholders for continued support to your Company in all its endeavors. Our association with Colfax is expected to bring in business and operating systems that are world class. The Company would benefit from practices followed by the other group companies across the world.

Finally, I would also like to express my thanks to each one of you for your sustained support over the years.

Thank you,

Chairman
25th April 2013

HELD AT _____ ON _____ TIME _____

PROCEEDINGS OF THE TWENTY SIXTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ESAB INDIA LIMITED HELD ON THURSDAY THE 25 APRIL 2013, AT THE THYAGA BRAHMA GANA SABHA HALL, VANI MAHAL, 103 G N ROAD, T. NAGAR, CHENNAI 600 017 AT 3.00 P.M.

PRESENT :

Mr Daniel A Pryor, Chairman of the Board

Mr Jiri Kula, Managing Director

Mr Ken D Konopa, Director

Mr K Vaidyanathan, Director

Mr P Mallick, Director

Mr V Tandon, Director

Mr S Chand, Director

98 Members in person representing 11378266 equity shares;

And

88 Members by proxies representing 92485 equity shares.

Mr Daniel A Pryor, Chairman of the Board, occupied the chair and conducted the proceedings of the general meeting.

1. Chairman declared that the requisite quorum was present at the meeting and that the meeting was in order to commence the official business.
2. The notice convening the 26th Annual General Meeting together with the explanatory statement was taken as read with the unanimous consent of the Members present.
3. The Chairman introduced the other members of the Board who were present at the meeting to the Members.
4. The Chairman requested Mr S Venkatakrisnan, Company Secretary, to read out the Auditors' report. The Company Secretary read out the Auditor/s Report dated 18 February, 2013 to the Members. The annexure to the auditors' report was taken as read with the unanimous consent of the Members present.
5. Thereafter, the Chairman read out his statement to the Members, copies of which were distributed to the Members present at the Meeting.
6. The Chairman then took up the business mentioned in the notice in seriatim.

CHAIRMAN'S
INITIALS

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HELD AT _____ ON _____ TIME _____

1. ADOPTION OF ACCOUNTS

Mr N V Raman, (DP & Client ID IN 301549 17890771) a member, proposed the following resolution as an ordinary resolution:

RESOLVED THAT the audited balance sheet as at 31 December 2012 and the Profit and Loss account of the company for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting be and the same are hereby approved and adopted.

Mr K S Ganesh (DP & Client ID IN 302902 48956603), a member, seconded the resolution.

Chairman invited the members who desired additional information / clarification on the accounts and operations of the Company, to come forward with their questions. Thereafter, some of the members sought clarifications, raised queries on the financials and spoke on other related issues.

Mr Daniel A Pryor, Chairman of the Board and Mr K Vaidyanathan, Chairman of Audit Committee answered the queries raised by the members.

The resolution was then put to vote on a show of hands. Mr Ramalingam Vidyasankar, (DP & Client ID 1204470005731511) and Mr S Padmanabhan, (DP & Client ID IN301774 10308922), Members voted against the resolution. The Chairman declared the resolution as passed with requisite majority.

2. APPROVING THE DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2012

Mr R S Raghavan (DP & Client ID IN30154919588599) a member proposed the following resolution as an ordinary resolution:

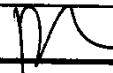
RESOLVED THAT pursuant to the recommendations of the directors, a dividend of 75% for the financial year ended 31 December 2012 amounting to Rs.7.50 per share of Rs.10/- each, absorbing a sum of Rs.134.1 million be and is hereby declared on 1,53,93,020 equity shares of Rs.10/- each fully paid up and that the same be paid to the shareholders, whose name appear in the register of members of the company as on 25 April 2013 (close of business hours) in case of shares held in electronic form and as on 13 April 2009 in respect of shares held in physical form.

Mr R Sanjaya Parida (DP & Client ID IN30290247619194) a member, seconded the resolution.

The resolution was then put to vote on a show of hands. Mr Ramalingam Vidyasankar, (DP & Client ID 1204470005731511) and Mr S Padmanabhan, (DP & Client ID IN301774 10308922), Members, chose to remain neutral to the resolution. The Chairman declared the resolution as passed with requisite majority.

CHAIRMAN'S
INITIALS

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HELD AT _____

ON _____

TIME _____

3. RE-APPOINTMENT OF MR VIKRAM TANDON, AS A DIRECTOR

Mr V Venkateswaran, (DP & Client ID IN301313 21465437) a Member, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr Vikram Tandon, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company.

Mr R Sivaraman, (DP & Client ID IN300484 13847606) a Member, seconded the same.

The resolution was then put to vote on a show of hands. Mr Ramalingam Vidyasankar, (DP & Client ID 1204470005731511) and Mr S Padmanabhan, (DP & Client ID IN301774 10308922), Members voted against the resolution. The Chairman declared the resolution as passed with requisite majority.

4. RE-APPOINTMENT OF MR SUDHIR CHAND, AS A DIRECTOR

Mr R Giridhara Gopalan, (DP & Client ID IN302269 10925610) a Member, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr Sudhir Chand, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company.

Mr R Srinivasa Raghavan, (DP & Client ID IN301549 19588599) a Member, seconded the same.


The resolution was then put to vote on a show of hands. Mr Ramalingam Vidyasankar, (DP & Client ID 1204470005731511) and Mr S Padmanabhan, (DP & Client ID IN301774 10308922), Members voted against the resolution. The Chairman declared the resolution as passed with requisite majority.

5. RE-APPOINTMENT OF STATUTORY AUDITORS

Mr S Venkatakrisnan, representing Exelvia Group India BV (DP & client ID IN 301330 20202153) a Member, proposed the following resolution as an ordinary resolution :

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

Mr N V Raman, (DP & Client ID IN301549 17890771), a Member seconded the same.

CHAIRMAN'S
INITIALSx 

HELD AT _____

ON _____

TIME _____

The resolution was then put to vote on a show of hands. Mr Ramalingam Vidyasankar, (DP & Client ID 1204470005731511) and Mr S Padmanabhan, (DP & Client ID IN301774 10308922), Members voted against the resolution. The Chairman declared the resolution as passed with requisite majority.

Mr Daniel A Pryor, Chairman of the meeting thanked the shareholders for their active participation in the annual general meeting and declared the meeting as closed.

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CHAIRMAN OF THE MEETING

Chennai

25 April, 2013

CHAIRMAN'S INITIALS	
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