

# DETAILED PUBLIC STATEMENT TO THE SHAREHOLDERS OF ESAB INDIA LIMITED

## IN TERMS OF REGULATION 13(4) READ WITH REGULATIONS 14 AND 15(2) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

**Open Offer for acquisition of 4,002,185 Shares representing 26% of the total Shares of ESAB India Limited ("Target Company") as of the tenth working day from closure of the tendering period of the Open Offer from the shareholders of Target Company by Colfax Corporation ("Colfax" or the "Acquirer") and Colfax UK Holdings Limited ("Colfax UK"), Exelvia Group India B.V. ("Exelvia") and ESAB Holdings Limited ("ESAB Holdings" and together with Colfax UK and Exelvia, the "PACs") in their capacity as persons acting in concert with the Acquirer**

This detailed public statement ("DPS") is being issued by HSB Securities and Capital Markets (India) Private Limited, the Manager to the Open Offer (as defined below) ("Manager"), on behalf of the Acquirer and the PACs, in compliance with Regulation 13(4) read with Regulation 14 and Regulation 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations"), pursuant to the Public Announcement ("PA") filed on January 18, 2012 with the BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE"), and sent to the Securities and Exchange Board of India ("SEBI") and the Target Company at its registered office, in terms of Regulations 3(1) and 4 read with 5(1) of the SEBI (SAST) Regulations.

The Open Offer is being made pursuant to Regulation 3(1) and Regulation 4 read with Regulation 5(1) of the SEBI (SAST) Regulations, as a result of an indirect acquisition of 55.65% of the Shares and voting rights and indirect acquisition of control over the Target Company by the Acquirer, arising as a result of the acquisition by the Acquirer, through its indirect wholly owned subsidiary, Colfax UK, of the entire issued and paid up share capital of Charter International Plc, a company incorporated in Jersey with registration no. 100249 ("Charter") and such acquisition, the "Primary Acquisition"). The Primary Acquisition was implemented pursuant to a scheme of arrangement under Jersey law, after obtaining requisite approvals from the shareholders of Colfax and Charter and after obtaining the sanction of the Royal Court of Jersey on January 12, 2012 ("Court Sanction").

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 acquired 55.65% of the Shares and voting rights of the Target Company and indirectly acquired control of the Target Company. The consideration payable to the shareholders of Charter under the Primary Acquisition was issued and paid by January 27, 2012, and consequently the Primary Acquisition was completed in all respects on January 27, 2012.

### Definitions:

For the purposes of this DPS, the following terms would have the meanings assigned to them below:

- (i) "Open Offer" shall mean the offer made by the Acquirer and the PACs for the acquisition of 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, under the SEBI (SAST) Regulations.
- (ii) "Shares" mean shares in the equity share capital of the Target Company carrying voting rights, and includes any security which entitles the holder thereof to exercise voting rights. For the purpose of this definition, Shares will include all depository receipts carrying an entitlement to exercise voting rights in the Target Company.
- (iii) "NRI" shall mean a non-resident Indian, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000;
- (iv) "OCB" shall mean an overseas corporate body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.

### I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

#### A1. ACQUIRER

##### A1.1 Details of Colfax Corporation

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 its headquarters at 8170 Maple Lawn Blvd., Suite 180 Fulton, Maryland 20759. The Acquirer changed its name from Constellation Plastics Cooperation to Colfax Corporation on May 13, 2008, and has not changed its name since.
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").
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 executed between the Acquirer and Charter on September 12, 2011 to record their respective obligations in relation to the steps to be taken to implement the Primary Acquisition ("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 controls the Target Company, through Colfax UK, Exelvia and ESAB Holdings.
4. The Acquirer has been listed on the New York Stock Exchange ("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, a Delaware limited liability company (the "Investor") and persons connected with the Investor. Mr. Mitchell P. Rales and Mr. Steven M. Rales are brothers and own or control, in aggregate, approximately 25.8% of the ordinary shares 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 ordinary shares 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 (together with its connected persons) beneficially owns 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.
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 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 ESAB Holdings and Exelvia 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 controls the Target Company through Colfax UK, Exelvia and ESAB Holdings. None of the directors or key employees of the Acquirer are on the board of directors of the Target Company.
6. The Acquirer 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 Securities Exchange Board of India Act, 1992 ("SEBI Act").
7. The key financial information 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 as at and for the 9 months ended September 30, 2011 are as follows:-

(Amount in millions except per share data)

Particulars	As at and for the financial year ending December 31, 2010		As at and for financial year ending December 31, 2009		As at and for financial year ending December 31, 2008		As at and for 9 month period ended September 30, 2011	
	USD	INR	USD	INR	USD	INR	USD	INR
Total Revenue	542	26,909	525	26,066	605	30,030	516	25,599
Net Income	16	805	24	1,181	1	26	21	1,024
Earnings Per Share (EPS)	0.37	18	0.55	27	(0.08)	(4)	0.47	23
Total Shareholder Funds	216	10,742	217	10,765	181	9,005	245	12,188

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 statement of income data for the year ended December 31, 2010, 2009 and 2008 and consolidated balance sheet data as of December 31, 2010, 2009 and 2008 presented above have been derived from the Acquirer's audited consolidated financial statements audited by statutory auditors, prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"), included in its Form 10-K for the year ended December 31, 2010 as filed with the SEC on February 25, 2011. The consolidated statement of income data for the 9 months ended September 30, 2011 and the consolidated balance sheet data as of September 30, 2011 presented above have been derived from the Acquirer's unaudited condensed consolidated financial statements, prepared in accordance US GAAP, included in its Form 10-Q as filed with the SEC on October 27, 2011.

#### A2. Persons Acting in Concert (PAC's)

##### A2.1 Colfax UK Holdings Limited

1. Colfax UK, is a private limited company not listed on any stock exchange, 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, UK. Colfax UK's name has not changed since incorporation.
2. Colfax UK is a newly incorporated company established to effect the Primary Acquisition. Colfax UK 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. 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 executed between the Acquirer and Charter on September 12, 2011 to record their respective obligations in relation to the steps to be taken to implement the Primary Acquisition. In addition, the Acquirer acquired the entire issued and paid up share capital of Charter through Colfax UK.
4. The key shareholder in Colfax UK is Colfax UK Finance Limited which owns the entire issued and paid up share capital of Colfax UK. Colfax UK Finance Limited is a wholly owned subsidiary of the Acquirer.
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 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 a subsidiary of Colfax UK, and ESAB Holdings and Exelvia became indirect subsidiaries of Colfax UK. Consequently, Colfax UK indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company, through Exelvia and ESAB Holdings. None of the directors or key employees of Colfax UK are on the board of directors of the Target Company.
6. Colfax UK 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.
7. 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 the certificate from statutory auditors of Acquirer, ultimate holding company of Colfax UK, dated January 11, 2012 Colfax UK as on September 30, 2011, had a net worth/shareholder fund of GBP 10 (INR 778).

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>).

##### A2.2 Exelvia Group India B.V.

1. Exelvia is a private limited company not listed on any stock exchange, 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.
2. 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. 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 this DPS and the Letter of Offer.

4. The key shareholder of Exelvia is Exelvia Netherlands B.V. which owns the entire issued and paid up share capital of Exelvia. Exelvia Netherlands B.V. is a wholly owned subsidiary of ESAB Holdings.
5. Exelvia directly holds 18.34% of the Shares and voting rights of the Target Company. None of the directors or key employees of Exelvia are on the board of directors of the Target Company.
6. Exelvia 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.
7. Under the laws of the Netherlands, the annual accounts prepared by Exelvia are not required to be audited, and under the laws of Netherlands, Exelvia is not required to and does not prepare interim financials statements. The key financial information for Exelvia, based on the unaudited standalone financial statements as at and for the financial years ended December 31, 2010, 2009 and 2008 and as at and for the 9 months ended September 30, 2011 of Exelvia, are as follows:-

(Amount in EUR thousands and INR million except per share data)

Particulars	As at and for the financial year ending December 31, 2010		As at and for financial year ending December 31, 2009		As at and for financial year ending December 31, 2008		As at and for 9 month period ended September 30, 2011	
	Euro	INR	Euro	INR	Euro	INR	Euro	INR
Total Revenue	525	34,151	943	61,341	582	37,859	1,093	71,099
Net Income	510	33,175	(2,489)	(161,907)	562	36,558	1,075	69,928
Earnings Per Share (EPS)	2.83	184	(13.83)	(899)	3.12	203	5.97	388
Total Shareholder Funds	(1,199)	(77,994)	(1,709)	(111,169)	780	50,738	(124)	8,066

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 presented 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. 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 ended September 30, 2011 has been reviewed and certified by PricewaterhouseCoopers LLP, which 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.

##### A2.3 ESAB Holdings Limited

1. ESAB Holdings, is a private limited company not listed on any stock exchange, incorporated on December 17, 1982, under the laws of England and Wales, and has its registered office at 6th Floor, 582 High Holborn, London, WC1V 7PB, UK. ESAB Holdings 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.
2. 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. 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.
4. 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 wholly-owned subsidiary of Charter.
5. ESAB Holdings directly holds 37.31% of the Shares and voting rights of the Target Company, and also indirectly owns an additional 18.34% of the Shares and voting rights in the Target Company through its indirect subsidiary Exelvia. Mr. Brendan Colgan and Mr. David Egan, directors on the board of directors of ESAB Holdings are also directors on the board of directors of the Target Company. Further, ESAB Holdings has certain commercial transactions with the Target Company as set out below:

(Amount in INR in thousands)

Description of the nature of the transaction	Financial Year ending December 31, 2010	Financial Year ending December 31, 2009
Service income for consulting and implementation services rendered by the Target Company to ESAB Holdings	8,265	-
Trademark license fees paid by the Target Company to ESAB Holdings for use of the "ESAB" trademark licensed to the Target Company	39,565	-
Outstanding receivable by Target Company	1,677	-
Outstanding payable by Target Company	34,661	-

Source: Annual Report of the Target Company for the year ended December 31, 2010. Updated information in relation to the transactions mentioned above is not available since the Target Company has not, as on the date of the DPS, publicly made available its annual report for the year ended December 31, 2011. Further, the Target Company has not published detailed schedules for quarterly results and consequently the financial information subjected to limited review and disclosed herein for the 9 months ended September 30, 2011 does not provide details of related party transactions.

6. 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.
7. The key financial information of ESAB Holdings based on the audited standalone financial statements as at and for the financial years ended December 31, 2010, 2009 and 2008 of ESAB Holdings audited by PricewaterhouseCoopers LLP, and the interim unaudited standalone financial statements of ESAB Holdings certified by PricewaterhouseCoopers LLP the statutory auditors of ESAB Holdings as at and for 9 months ended September 30, 2011 are as follows:-

(Amount in GBP thousands and INR million except per share data)

Particulars	As at and for the financial year ending December 31, 2010		As at and for financial year ending December 31, 2009		As at and for financial year ending December 31, 2008		As at and for 9 month period ended September 30, 2011	
	GBP	INR	GBP	INR	GBP	INR	GBP	INR
Total Revenue	21,673	1,686,125	35,469	2,760,987	71,346	5,550,605	5,601	435,749
Net Income	(30,824)	(2,398,058)	4,869	378,800	35,530	2,764,177	(19,555)	(1,521,348)
Earnings Per Share (EPS)	(0.05)	(4)	0.01	1	0.05	4	(0.03)	(2)
Total Shareholder Funds	689,758	53,662,069	1,760,727	136,981,743	1,755,761	136,595,397	697,755	54,294,223

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 presented 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.

\* Due to the operation of Regulation 2(1)(j)(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.

##### (B) Details of selling shareholders, if applicable

1. Not applicable as the Open Offer is being made as a result of an indirect acquisition of Shares, voting rights and control of the Target Company by the Acquirer, and not as a result of any direct acquisition of Shares, voting rights or control of the Target Company by the Acquirer from any equity shareholders of the Target Company.
2. Charter indirectly, through its subsidiaries ESAB Holdings and Exelvia, holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls 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 consequently the Acquirer has indirectly acquired 55.65% of the Shares and voting rights of the Target Company and indirectly acquired control of the Target Company.

##### (C) Target Company- ESAB India Limited

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 Shares of the Target Company are listed on the BSE and NSE. The Target Company has not changed its name in the last three years.
2. The Shares of the Target Company are frequently traded on the NSE within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations for the period commencing on January 3, 2011 and ending on December 31, 2011.
3. The key financial information of the Target Company based on the audited standalone financial statements for the financial years ended December 31, 2010, 2009, and 2008 audited by B S R & Co. Chartered Accountants, and the unaudited standalone interim financial statement (subjected to limited review by B S R & Co. Chartered Accountants) for the 9 months ended September 30, 2011 are as follows:

(Amount in INR in thousands except per share data)

Particulars	As at and for the financial year ending December 31, 2010		As at and for financial year ending December 31, 2009		As at and for financial year ending December 31, 2008		As at and for 9 month period ended September 30, 2011	
	INR	USD	INR	USD	INR	USD	INR	USD
Total Revenue	5,144,642	104,518	4,293,200	87,450	4,226,210	86,611	1,294,700	
Net Income	589,575	11,889	661,828	13,453	611,818	12,518	118,000	
Earnings Per Share (EPS)	38.30	7.78	43.00	8.81	39.75	8.10	7.67	
Net Worth/Shareholder Fund	1,909,889	38,513	1,671,893	34,000	1,370,246	28,027,600		

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. The interim 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. Chartered Accountants as confirmed in its report dated October 20, 2011.

##### (D) Details of the Offer

1. This Open Offer is for acquisition of 4,002,185 Shares representing 26% of the total Shares of the Target Company, as of tenth working day from closure of the tendering period of the Open Offer.
2. This Open Offer is being made to all holders of Shares of the Target Company other than the Acquirer and the PACs. As on the date of this DPS there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Shares of the Target Company.
3. All Shares validly tendered in the Open Offer will be acquired by Exelvia, in accordance with the terms and conditions set forth in this DPS and the Letter of Offer.

4. The price being offered under this Open Offer is INR 550 per Share (the "Open Offer Price") comprising of an amount of INR 529 per Share of the Target Company ("Base Open Offer Price") and an additional amount of INR 21 per Share, being equal to a sum determined at the rate of 10% p.a. on INR 529 for the period between the earlier of the date on which the Primary Acquisition was contracted or 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 in each case) and the date of this DPS, in accordance with Regulation 8(12) of the SEBI (SAST) Regulations.
5. The Open Offer Price will be paid in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
6. As of the date of this DPS, to the best of the knowledge of the Acquirer and the PACs, 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. NRI and OCB holders of Shares, 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 documents required to accept the Open Offer. Further, if holders of Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB in respect of the Shares held by them in the Target Company, they will be required to submit the previous RBI/FIPB 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 documents required to be tendered to accept the Open Offer. The statutory approvals which were required for effecting the Primary Acquisition have been procured by the Acquirer and/or Colfax UK prior to the date of this DPS.
7. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations, and is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
8. Pursuant to the Open Offer (assuming full acceptances), the Acquirer, through the PACs, will indirectly hold, in aggregate 12,568,216 Shares of the Target Company, representing a total of 81.65% of the Shares of the Target Company.
9. 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.

- (E) This Open Offer is 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. 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"). After 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, the Acquirer and PACs do not currently have any intention to alienate any material assets of the Target Company or 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 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 special ballot *inter alia* contains reasons as to why such alienation is necessary, in accordance with Regulation 25(2) of SEBI (SAST) Regulations to the extent applicable.
- (F) 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,



In accordance with Regulation 8(12) of SEBI (SAST) Regulations, the Base Open Offer Price is required to be enhanced by INR 21 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 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) and the date of this DPS.

Therefore, the Open Offer Price of INR 550 per Share is justified in terms of Regulation 8(3) and 8(12) of the SEBI (SAST) Regulations.

- The Acquirer and the PACs are permitted to make upward revisions in the number of Shares of the Target Company sought to be acquired under the Open Offer and/or the Open Offer Price, at any time prior to the last three (3) working days before the commencement of tendering period of the Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs are required to (i) make corresponding increases to the amounts kept in the escrow account, as more particularly set out in paragraph V of this DPS and (ii) make a public announcement in the newspapers where this DPS is published and (iii) simultaneously with the issue of such announcement, inform SEBI, NSE and BSE and the Target Company at its registered office of such revision.

**V. FINANCIAL ARRANGEMENTS**

- The total funds required for implementation of the Open Offer (assuming full acceptance), for the acquisition of 4,002,185 Shares at the Open Offer Price of INR 550 per Share, is INR 2,201,621,114.
- 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 Acquirer's unaudited condensed consolidated financial statements, prepared in accordance US GAAP, included in its 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>).

- By way of security for performance of the Acquirer and the PACs' obligations under the SEBI (SAST) Regulations, an unconditional, irrevocable and on demand bank guarantee dated January 24, 2012 ("Bank Guarantee") has been issued by The Bank of Nova Scotia, 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 494,067,009 (Rupees forty nine crore forty lac sixty seven thousand and nine only). In accordance with Regulation 17(6) of the SEBI (SAST) Regulations, the Bank Guarantee is valid throughout the offer period and for an additional period of thirty days after completion of payment of consideration to holders of Shares who tender their Shares in acceptance of the Open Offer. In addition, Exelvia has created an Escrow Account ("Escrow Account - Cash") with The Hongkong and Shanghai Banking Corporation Limited (Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai - 400 057), and has deposited a sum of INR 78,354,481 (Rupees seven crore eighty three lac fifty four thousand four hundred eighty one only) in the said Escrow Account - Cash. The Bank Guarantee and Escrow Account - Cash are together referred to as "Escrow Accounts". The Bank Guarantee and the Escrow Account - Cash 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 SEBI (SAST) Regulations.

- Acquirer and/or PACs have authorized the Manager to the Open Offer to realize the value of the Escrow Account in terms of Regulation 17 of SEBI (SAST) Regulations.

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

**VI. STATUTORY AND OTHER APPROVALS**

- As of the date of this DPS, to the best of the knowledge of the Acquirer and the PACs, 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. NRI and OCB holders of Shares, 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 documents required to accept the Open Offer. The statutory approvals which were required for effecting the Primary Acquisition have been procured by the Acquirer and Colfax UK prior to the date of this DPS.
- 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. 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 this DPS is published.
- 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, of the Open Offer, as per Regulation 18(11) of the SEBI (SAST) Regulations, 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 holders of Shares, the Acquirer/PACs have the option to make payment to such holders of Shares in respect of whom no statutory approvals are required in order to complete the Open Offer.

- NRI and OCB holders of Shares, 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 documents required to accept the Open Offer. Further, if holder of Shares who are not persons resident in India (including NRIs, OCBs and FIs) had required any approval from the RBI or the FIPB in respect of the Shares held by them in the Target Company, they will be required to submit the previous RBI/FIPB 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 documents required to be tendered to accept the 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.

**VII. TENTATIVE SCHEDULE OF ACTIVITY**

S. No.	Nature of the Activity	Day and Date
a.	Date of the PA (*)	Wednesday, January 18, 2012
b.	Opening of Escrow Account	Wednesday, February 1, 2012
c.	Date of publication of the DPS in newspapers in accordance with Regulation 14(3) of SEBI (SAST) Regulations	Friday, February 3, 2012
d.	Submission of DPS to SEBI, BSE, NSE and Target Company, simultaneously with the publication of the DPS in the newspapers, in accordance with Regulation 14(3) of SEBI (SAST) Regulations.	Friday, February 3, 2012
e.	Filing of draft Letter of Offer with SEBI along with soft copies of the PA and the DPS	Friday, February 10, 2012
f.	Last date for public announcement of a competing open offer being made	Monday, February 27, 2012
g.	Last date for receipt of comments from SEBI on draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager)	Friday, March 02, 2012
h.	Identified Date **	Monday, March 05, 2012
i.	Last date by which the Letter of Offer is required to be dispatched to the shareholders	Friday, March 09, 2012
j.	Last date for upward revision of Open Offer Price and/or the number of Shares proposed to be acquired pursuant to the Open Offer	Wednesday, March 14, 2012
k.	Last date by which an independent committee of the board of directors of the Target Company is required to give its recommendation	Thursday, March 15, 2012
l.	Publication of advertisement containing announcement of the schedule of activities of Open Offer, status of statutory and other approvals, if any, and procedure for tendering acceptances, in the newspapers where the DPS was published and notification to the SEBI, BSE, NSE and Target Company.	Friday, March 16, 2012
m.	Date of commencement of tendering period	Monday, March 19, 2012
n.	Date of closing of tendering period	Monday, April 2, 2012
o.	Issue of post-Open Offer advertisement	Friday, April 06, 2012
p.	Last date of payment of consideration to the shareholders of the Target Company tendering their shares pursuant to the Open Offer	Friday, April 16, 2012
q.	Last date by which all requirements under SEBI (SAST) Regulations and other applicable law relating to the Open Offer are required to be completed	Friday, April 16, 2012
r.	Filing of final report by the Manager with SEBI	Friday, April 20, 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 in each case. However, since on September 12, 2011 the SEBI (SAST) Regulations had not come into force, the Acquirer vide its letter dated October 21, 2011 sought no action relief from SEBI relating to the date on which the PA is required to be made. In accordance with the no action letter of 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 holders of Shares (other than the Acquirer and PACs) to whom the Letter of Offer shall be sent.

**VIII. PROCEDURE OF TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER**

- Every person holding Shares 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.
- Persons who have acquired the Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may participate in this Open Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Open Offer as per the terms and conditions of the Open Offer as set out in this DPS and in the Letter of Offer, or in the alternate such holders of Shares may apply on the form of acceptance-cum acknowledgement in relation to the Open Offer annexed to the Letter of Offer which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or from Link Intime India Private Limited ("Registrar to the Offer"). The application is to be sent to the Registrar to the Offer at the address mentioned below so as to reach the Registrar to the Offer on or before Monday, April 2, 2012 (i.e. the date of closing of the tendering period), together with:
  - In the case of Shares held in physical form, the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number together with the original Share certificate/s and valid transfer deeds. Persons who have acquired Shares of the Target Company should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified; or
  - In the case of Shares held in dematerialized form, Depository Participant ("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 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

- Such shareholders may download (a) the Letter of Offer from the SEBI website (<http://www.sebi.gov.in/>) or (b) obtain a copy of the Letter of Offer by writing to the Registrar to the Offer or Manager superscribing the envelope "ESAB India Limited Open Offer" with suitable documentary evidence of ownership of said shares.

**IX. DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER**

**X. OTHER INFORMATION**

- The Acquirer and the PACs along with their directors accept the responsibility for the information contained in the PA and this DPS and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations.
- Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed HSBC Securities and Capital Markets (India) Private Limited as Manager to the Open Offer and details of the Manager are set out below:



**Name: HSBC Securities and Capital Markets (India) Private Limited**  
 Address: 52 / 60 MG Road, Fort, Mumbai 400 001  
 Telephone: +91 22 2268 1558 Fax.: +91 22 2263 1984  
 Email: [esabindiaopenoffer@hsbc.co.in](mailto:esabindiaopenoffer@hsbc.co.in) Contact Person: Mayank Jain  
 SEBI Registration Number: INM000010353

- Link Intime India Private Limited has been appointed as the Registrar to the Open Offer and details of the Registrar are set out below:



**Name: Link Intime India Private Limited**  
 Address: C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078  
 Telephone: +91 22 2596 0320 Email: [esab.off@linkintime.co.in](mailto:esab.off@linkintime.co.in)  
 Contact Person: Mr. Pravin Kasare  
 SEBI Registration Number: INR000004058  
 This DPS will also be available on the SEBI website (<http://www.sebi.gov.in/>).

- Issued by:  
 Manager to the Open Offer on behalf of Colfax Corporation  
 Place: Mumbai  
 Date: February 3, 2012