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 should consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

VOLUNTARY CASH OFFER AT Rs. 426/- (RUPEES FOUR HUNDRED AND TWENTY SIX ONLY) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10 (RUPEES TEN ONLY)

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("Takeover Regulations" / "SEBI (SAST) Regulations")

TO ACQUIRE UP TO

3,078,604 fully paid-up Equity Shares of face value Rs. 10/- each,
representing 20% of total voting share capital **(the "OFFER")**

OF

ESAB India Limited

having its registered office at

Plot No.13, 3rd Main Road, Industrial Estate, Ambattur, Chennai – 600 058

Tel: +91 44-4228 1100 Fax: +91 44-4428 1150

BY

Exelvia Group India B.V.

having its registered office at

Lansinkesweg 4, 7553 AE Hengelo, The Netherlands

Tel: +31 74 255 6003; Fax: +31 74 250 4002

ALONG WITH PERSONS ACTING IN CONCERT

Charter plc	**ESAB Holdings Limited**
having its registered office at	having its registered office at
52 Grosvenor Gardens, London SW1W 0AU, United Kingdom	50 Curzon Street, London W1J 7UW, United Kingdom
Tel: +44 20 7881 7800 Fax: +44 20 7259 9338	Tel: +44 20 7491 6800 Fax: +44 20 7629 8484

SBI Capital Markets Limited	MANAGER TO THE OFFER	INTIME SPECTRUM REGISTRY LIMITED	REGISTRAR TO THE OFFER
	SBI Capital Markets Limited 202 Maker Tower 'E', Cuffe Parade, Mumbai – 400 005 Tel: (91) – 22- 2218 4704 Fax: (91) – 22 - 2218 8332 E-mail: eil.openoffer@sbicaps.com Contact Person: Ms. Kavita Nachnani		**Intime Spectrum Registry Limited** C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078. Tel: (91) – 22 – 2596 0320 Fax : (91) – 22 – 2596 0328/29 Email: eil.openoffer@intimespectrum.com Contact Person: Ms. Awani Thakkar

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original day/date	Revised day/ date
Public Announcement date	Monday, June 25, 2007	Monday, June 25, 2007
Specified date *	Friday, July 13, 2007	Friday, July 13, 2007
Last date for a competitive bid	Monday, July 16, 2007	Monday, July 16, 2007
Date by which Letter of Offer will be dispatched to the Shareholders	Wednesday, August 08, 2007	Monday, August 13, 2007
Date of opening of the Offer	Friday, August 17, 2007	Friday, August 17, 2007
Last date for revising the Offer Price	Monday, August 27, 2007	Monday, August 27, 2007
Last date for withdrawing acceptance from the Offer	Friday, August 31, 2007	Friday, August 31, 2007
Last date of closure of the Offer	Wednesday, September 05, 2007	Wednesday, September 05, 2007
Date of communicating rejection/ acceptance and payment of consideration for accepted Shares	Wednesday, September 19, 2007	Wednesday, September 19, 2007

*Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be mailed and all owners (registered or unregistered) of the shares of EIL (except the Acquirer and PACs) are eligible to participate in the Offer anytime before the close of the Offer.

NOTES:

a) The Offer is being made pursuant to and in accordance with the provisions of Regulation 11(1) of the Takeover Regulations and subsequent amendments thereof.

b) The Offer is subject to receipt by the Acquirers of approval from the RBI under the Foreign Exchange Management Act, 1999, and/or the regulations made thereunder (‘FEMA’), for acquiring shares validly tendered under this Offer. The Acquirer made an application for the RBI approval on June 27, 2007. RBI by its letter No. FE/CO/FID/1217/10.21.072/2007-08 dated 12 July 2007 has accorded the approval to the Acquirer to acquire shares tendered under the Offer.

c) As of the date hereof, other than the above, no statutory approvals are required by the Acquirer and the PACs (together “the Acquirers”) to acquire the Equity Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to receipt of such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirers will not proceed with the Offer in the event that such statutory approvals that are required are not obtained.

d) In case of delay in the receipt of any statutory approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders who have validly tendered their shares, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

e) If there is any upward revision in the Offer Price by the Acquirer up to the last date for revising the Offer Price i.e. Monday, 27 August 2007, or if the Offer is withdrawn, you will be informed by way of another public announcement in the same newspapers where the Public Announcement had appeared. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer.

f) Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw the acceptance tendered by them up to Friday, 31 August 2007 i.e., three (3) working days prior to the date of closure of the Offer viz. Wednesday, 5 September, 2007.

g) There has been no competitive bid.

h) This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.

i) The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal will also be available on SEBI’s website (www.sebi.gov.in) from the date of the Offer, being Friday, 17, August, 2007.

j) The Form of Acceptance cum Acknowledgement and Form of Withdrawal are enclosed with this Letter of Offer.

RISK FACTORS

A. Relating to the Offer

1) In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed.

2) If the number of EIL Shares assented to the Offer exceeds the Offer size, then the Acquirer shall accept EIL Shares assented to the Offer on a proportionate basis in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations.

3) The Shares tendered in the Offer will lie to the credit of the Escrow account until the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

B. Relating to the Acquirer

The Acquirer is an investment company and has not had active business operations since its incorporation.

The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative. They do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "GBP" are to the Great British Pound. Certain financial details contained herein are denominated in GBP and in Euros. Unless otherwise stated, the Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rates as on June 21, 2007 being 1 GBP = Rs. 81.17 and 1 Euro = Rs.54.59 (Source: www.rbi.org.in).

TABLE OF CONTENTS

1. DEFINITIONS

Acquirer	Exelvia Group India B.V.
Acquirers	Exelvia, Charter and ESAB Holdings
Bn	Billion or 100 Crores or 1,000 mn or 10,000 lacs
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Charter	Charter plc
Charter Group	Charter and its subsidiaries and associates, in each case from time to time
CSE	Calcutta Stock Exchange Association Limited
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered) of EIL Shares (other than the Acquirer, Charter and ESAB Holdings) at any time before the closure of the Offer
ESAB Holdings	ESAB Holdings Limited
Exelvia	Exelvia Group India B.V., a company incorporated in the Netherlands
Form of Acceptance	Form of Acceptance cum Acknowledgement
GBP	The Great British Pound, the legal currency of the United Kingdom
Letter of Offer / LoO	This Letter of Offer dated August 08, 2007
Manager/ Manager to the Offer	SBI Capital Markets Limited
Mn	Million or 10 Lacs
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer or Open Offer	The offer for the acquisition by Exelvia up to 3,078,604 EIL Shares (representing 20% of fully Paid up Equity Capital of EIL) at a price of Rs. 426/- per EIL Share, as set out in this document
Offer Price	Rs. 426/- (Rupees Four hundred and twenty six only) per EIL Share
PAC / PACs	Person/persons acting in concert with Exelvia
EIL /Target Company/Company	ESAB India Limited
Paid up Equity Capital	Voting share capital of 15,393,020 Shares, being the total share capital of EIL
Public Announcement/ PA	Announcement of the Offer made by the Acquirer on June 25, 2007
RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Share(s) or EIL Share(s)	Fully paid-up equity shares of face value of Rs. 10/- each of EIL
Shareholders or EIL Shareholders	Holders of EIL Shares
Specified Date	Friday, July 13, 2007
Takeover Regulations/SEBI (SAST) Regulations/Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ESAB INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES / CONTROL ARE 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, SBI CAPITAL MARKETS LIMITED, HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED JULY 06, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3. DETAILS OF THE OFFER

3.1 Background

a) This offer is being made by Exelvia Group India B.V., having its registered office at Lansinkesweg 4, 7553 AE Hengelo, The Netherlands (Tel: +31 74 255 6003; Fax: +31 74 250 4002), along with the PACs namely, Charter plc, having its registered office at 52 Grosvenor Gardens, London SW1W 0AU, United Kingdom (Tel: +44 20 7881 7800; Fax: +44 20 7259 9338) and ESAB Holdings Limited, having its registered office at 50 Curzon Street, London W1J 7UW, United Kingdom (Tel: +44 20 7491 6800; Fax: +44 20 7629 8484), (hereinafter collectively referred to as the "Acquirers"), to the equity shareholders of ESAB India Limited. Charter plc is the ultimate parent company of Exelvia and ESAB Holdings.

b) The Acquirers form part of the promoter group of the Target Company with ESAB Holdings owning 5,743,200 EIL Shares representing 37.31% of the fully paid up equity capital of EIL as at the date of the Public Announcement. The Acquirers are desirous of consolidating their holding in the Target Company, while ensuring that the public shareholding in the Target Company does not fall below the minimum level of shareholding required to be maintained under the Listing Agreements entered into by the Target Company with the Bombay Stock Exchange Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Therefore, the committee of the Board of Directors of Charter in its meeting held on June 20, 2007 approved of Exelvia, along with Charter and ESAB Holdings as persons acting in concert, making an open offer to the equity shareholders of EIL. On the same day, the Board of Directors of Exelvia decided to make an open offer to the shareholders of EIL to acquire up to 3,078,604 fully paid up equity shares of Rs.10/- each of EIL ("Share"), representing 20% of the total paid-up voting equity share capital of EIL under Regulation 11(1) and other applicable provisions of the Regulations (the "Offer"/ "Open Offer").

c) The Offer is being made at a price of Rs. 426/- (Rupees Four hundred and twenty six only) for each Share (hereinafter referred to as the "Offer Price"), to be paid in cash in accordance with the provisions of the regulations and subject to the terms and conditions mentioned in this Letter of Offer in relation to the Offer.

d) The Offer is voluntary and in accordance with Regulation 11(1) of the Takeover Regulations and has not been triggered by any agreement of the Acquirers with any person for the purpose of the acquisition of Shares in the Target Company.

e) The Acquirers and the Target Company have not been prohibited by SEBI from dealing in securities in terms of a direction issued under Section 11B or any other regulations made under the SEBI Act and no action has been taken by SEBI against the Acquirers, Target Company, its promoters or directors.

f) The Acquirers do not propose to make any change in the Board of Directors of the Target Company after the Offer except in the ordinary course of business.

g) The Acquirer has confirmed and undertaken that it does not have any present intention to delist the equity shares of the Target Company from the stock exchanges where they are currently listed (namely, the Bombay Stock Exchange and the National Stock Exchange of India).

3.2 The Offer

a) The Public Announcement dated June 25, 2007 was made in the following newspapers, in accordance with Regulation 15(1) of the SEBI (SAST) Regulations:

Publication	Editions
The Financial Express	All editions
Jansatta	All editions
Makkal Kural	Chennai

(The Public Announcement is also available at the SEBI website, www.sebi.gov.in)

b) This Offer to the Shareholders of the Target Company is to acquire up to 3,078,604 fully paid up equity shares of Rs 10/- each of the Target Company representing up to 20% of the present fully paid up equity share capital of the Target Company at the Offer Price of Rs. 426/- (Rupees Four hundred and twenty six only) per Share, to all shareholders of the Target Company who tender their equity shares and whose equity shares are acquired by the Acquirer. There are no partly paid-up Shares in the Target Company.

c) The Offer Price will be payable in cash, subject to the terms and conditions mentioned in this Letter of Offer.

d) The Offer is not conditional upon any minimum level of acceptance.

3.3. Object of the Offer and Acquirer's Future Plans for EIL

a) The Acquirers are making the Offer to the shareholders of EIL in order to increase their existing shareholding in EIL. It is a voluntary open offer and is not triggered by any causative event under the provisions of the Regulations. The Offer is in accordance with Regulation 11(1) of the Regulations. As of the date of the Public Announcement, the Acquirers have no plans to change the Board of Directors of EIL except in the normal course of business.

b) ESAB Holdings expects the Indian market for welding and cutting equipment and consumables to be subject to increasing competitive pressures from Indian domestic producers and from overseas producers seeking to import welding consumables and other welding products into India. ESAB Holdings also expects recent upward pressure on EIL's costs to continue. EIL is a small constituent of the worldwide welding industry with limited financial, managerial and technical resources. In the light of these pressures, there is no certainty that EIL's profitability can continue at recent levels and ESAB Holdings believes that EIL will be better placed to respond to them as part of a large group.

c) The Acquirers do not have any plans to dispose of or otherwise encumber any assets of EIL in the next two (2) years, except in the ordinary course of business of EIL and except to the extent required for the purpose of restructuring and/or rationalisation of assets, investments, liabilities or otherwise of EIL. The Acquirers will not dispose of, sell or otherwise encumber any substantial assets of EIL except with the prior approval of the shareholders of EIL.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 EXELVIA GROUP INDIA B.V.

a) Exelvia is an investment company and is an indirect wholly-owned subsidiary of Charter. It was incorporated on 31 August, 2006 under the laws of The Netherlands with its registered office located at Lansinkesweg 4, 7553 AE Hengelo, The Netherlands.

b) Exelvia has had no business activity since its incorporation and has not made investments in any listed company in India. According to Dutch local laws, the annual accounts prepared by Exelvia are not required to be audited. As at 31 December 2006, the paid up capital of Exelvia is 18,000 Euros (equivalent to Rs. 1 million) and Exelvia held cash deposits of 18,000 Euros (equivalent to Rs. 1 million).

c) The board of directors of Exelvia comprised of four directors as on the date of the Public Announcement. Their details are as under:

Name	Designation, appointment date as director and Telephone No.	Experience and qualifications	Residential address
Andrew James Stockwell	Director – member of the supervisory board Appointed on 31 August 2006 Tel: +31 74 255 6003	He joined Charter on 18 February 2000 and he was appointed Head of Taxation in April 2001. He is a Chartered Management Accountant and an associate of the institute of Chartered Tax Advisors	15 Shootersway Park Berkhamsted Herts. HP4 3NX United Kingdom
Normann Ernst Gustav Ackthun	Managing Director – member of the management board Appointed on 31 August 2006 Tel: +31 74 255 6003	He joined Charter in 1986. He became managing director of Exelvia Netherlands B.V. in 2001	Blikweg 1 7161 XN Neede The Netherlands
Richard Alan Beadle	Director – member of the supervisory board Appointed on 31 January 2007 Tel: +31 74 255 6003	He joined Charter on 4 January 2005 as Financial Controller, ESAB Group. He is a UK chartered accountant and a member of the Institute of Chartered Accountants of England and Wales.	127 Charmouth Road St. Albans Herts. AL1 4SG United Kingdom
Marcel Stemvers	Managing Director – member of the management board Appointed on 31 January 2007 Tel: +31 74 255 6003	He joined Charter in 1986 and was appointed European Marketing Manager of ESAB Group in 2004. He has a BSc in Metallurgy and an MBA.	Toermalijn 10 3831 DC Leusden The Netherlands

d) None of the Directors of Exelvia has acquired any EIL Shares during the preceding 12 months.

e) None of the Directors of Exelvia is on the board of EIL.

f) As at the date of the Public Announcement, Exelvia did not hold any EIL Shares. There has been no acquisition of shares of the Target Company by Exelvia after the date of PA and up to the date of this Letter of Offer.

g) Exelvia is in compliance with all corporate governance rules and regulations which it is subject to under the laws of the Netherlands.

h) Exelvia has not undertaken any merger, acquisition or disposal since its incorporation.

i) Exelvia has not promoted any company in India.

j) The provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to Exelvia.

4.2 CHARTER PLC

a) Charter is a company incorporated in the year 1993 under the laws of England, United Kingdom with its principal executive office and registered office at 52 Grosvenor Gardens, London SW1W OAU, United Kingdom. Charter is the ultimate parent company of Exelvia. At its incorporation, the company was called Issuebid Limited. It changed its name to Charter on 17 June 1993. Charter plc is a widely held listed company and does not belong to any promoter group.

b) Charter, through its subsidiaries, owns two international engineering businesses, being 'ESAB', engaged in welding, cutting and automation, and 'Howden', engaged in air and gas handling.

c) Charter has 166,688,855 ordinary equity shares of par value GBP 0.02 (equivalent to Rs. 1.60) each listed on the London Stock Exchange (LSE). The closing price of the shares on the LSE on June 21, 2007 was GBP 983 pence (equivalent to Rs. 798) per share amounting to a market capitalization of GBP 1,638.6 million (equivalent to Rs. 138.5 billion). The Price-to-Earnings ratio as on 21 June 2007 was 13.4 times (Source: London Stock Exchange website.).

d) Charter is a professionally managed company and a constituent of the FTSE 250 with its shares being widely held by institutions and the public at large. Charter's ordinary shares are listed on the London Stock Exchange. The closing price of Charter ordinary shares on the London Stock Exchange on June 21, 2007 was GBP 983 pence per share (equivalent to Rs. 798). Charter's market capitalisation on June 21, 2007 was GBP 1,638.6 mn. (equivalent to Rs. 138.5 billion).

e) The particulars of shareholders holding 5% or more of the equity share capital of Charter as on June 21, 2007 are given below:

Entity	No. of Shares	Percentage Shareholding
Jupiter Asset Management	11,886,749	7.1%
Barclays Global Investors	9,507,125	5.7%
Standard Life Insurance	8,702,200	5.2%

f) The details of the significant mergers, acquisitions and disposals during last three years involving Charter are as follows:

- On 22 December 2006, Howden acquired from Carrier Corporation the remaining 51 per cent shareholding in Howden Compressors Limited, and its affiliated US sales company, that it did not own for GBP12.5 mn (including GBP2.3 mn in respect of Carrier Corporation's share of the estimated cash in these companies at completion).
- On 13 September 2005, ESAB acquired the remaining 49% shareholding in the South American welding and cutting businesses from the Acevedo family for a total cost of GBP 26.4 mn. This followed the increase in its equity shareholding from 41.7% to 51% in September 2004.

g) The Board of Directors of Charter comprised nine members as at the date of the Public Announcement. Their details are as below:

Name	**Designation, appointment date as director and Telephone No.**	***Experience and qualification***	***Residential address***
Mr David Gawler	Chairman December 2000 Tel: +44 20 7881 7800	He joined Charter as a Non-Executive Director in December 2000, became an Executive Director on 15 March 2001 and Chairman and Chief Executive on 25 April 2001. He stood down as Chief Executive on 30 June, 2006. He was formerly chief executive of Semara Holdings Plc. He qualified as a chartered accountant in South Africa.	76 Park Road Hampton Hill Twickenham TW12 1HP United Kingdom
Mr Michael George Foster	Chief Executive December 2001 Tel: +44 20 7881 7800	He joined Charter as a Non-Executive Director in December 2001. He became an Executive Director on 1 January 2005 and Chief Executive on 1 July 2006. He was formerly executive director, responsible for UK, USA and Ireland at RMC Group p.l.c. He gained an Honours Degree in Engineering and Electrical Sciences at Cambridge University. He is a qualified solicitor.	'Foxcote' Blackhorse Road Woking Surrey GU22 0QT
Mr Robert Arthur Careless	Finance Director April 2004 Tel: +44 20 7881 7800	He joined Charter in 2002 and was appointed Finance Director on 22 April 2004. He qualified as a chartered accountant with KPMG and was formerly finance director and company secretary of Semara Holdings Plc. He has an Honours Degree in Physics from Oxford University.	Flat 6, George Street Mansions 147 George Street London W1H 5LB

Name	Designation, appointment date as director and Telephone No.	Experience and qualification	Residential address
Mr James Richard Deeley	Legal Director and Company Secretary July 2006 Tel: +44 20 7881 7800	He began his career with Slaughter and May before moving to Charter plc 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.	Sussex Cottage 49 The Mount Fetcham Surrey KT22 9EG
The Hon. James Henry Moray Bruce	Non-executive director December 2001 Tel: +44 20 7881 7800	He joined Charter as a Director in December 2001. He is a non-executive director of Yes Television plc and Cadogan Group Limited. He is a chartered accountant and was formerly an investment banker with Robert Fleming and Jardine Fleming.	1 St Peter's Square London W6 9AB United Kingdom
Mr John Anthony Biles	Non-executive director April 2005 Tel: +44 20 7881 7800	He joined Charter as a Non-Executive Director on 1 April 2005. He is a chartered accountant and was finance director of international engineering group FKI plc for six years until 2004. Mr Biles currently serves on the boards of AmorGroup International plc, Viridian Group Plc and Hermes Pensions Management Limited as a non-executive director and chairman of the Audit Committee.	25 Buckingham Gate London SW1E 6LD United Kingdom
Mr John Mitchell Neill	Non-executive director February 1994 Tel: +44 20 7881 7800	He joined Charter as a Director in 1994. He is group chief executive of the Unipart Group of Companies Limited and a non-executive director of Royal Mail Group plc. He was formerly a director of the Bank of England.	'Baddiant' Alleyns Lane Cookham Dean Berkshire SL6 9AE
Mr Grey Denham	Non-executive director February 2005 Tel: +44 20 7881 7800	He joined Charter as a Director in February 2005. He is group secretary of GKN plc and a director of GKN Holdings plc and GKN (United Kingdom) plc. He is also president of GKN America Corp and chairman of the GKN plc board sub-committee on governance and risk. He is a barrister.	Meres Farm Heronfield Knowle Solihull West Midlands B93 0AU
Mr Andrew Simon Charles Osbourne	Non-executive director February 2005 Tel: +44 20 7881 7800	He joined Charter as a Director in February 2005. He is a chartered accountant and Finance and Business Development Director of Geoffrey Osborne Limited. He has a degree in Engineering Science from Oxford University.	Osborne House Stockbridge Road Chichester PO19 8LL

h) None of the Directors of Charter have acquired any shares of EIL during the preceding 12 months.

i) None of Charter's Directors, other than Mr Michael Foster, are Directors on the board of EIL, and the said director has recused himself and not participated in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in terms of Regulation 22(9) of the Regulations.

j) Charter's financials

Charter's audited consolidated financial statements for the years ended 31 December 2006, 2005 and 2004 are as set out below.

Consolidated Income Statement	31 December 2006 Audited		31 December 2005 Audited		31 December 2004 Audited	
	GBP mn	Rs lacs	GBP mn	Rs Lacs	GBP mn	Rs Lacs
Income from operations	1,257.9	1,021,037.0	1,065.7	865,028.7	870.4	706,503.7
Other Income	5.8	4,707.0	4.5	3,652.6	3.6	2,922.1
Total Income	1,263.7	1,025,745.0	1,070.2	868,681.3	874.0	709,425.8
Total Expenditure	1,099.7	892,626.5	948.5	769,897.5	802.8	651,632.8
Profit Before Depreciation, Interest and Tax	164.0	133,118.8	121.7	98,783.9	71.2	57,793.0
Depreciation	15.0	12,175.5	15.5	12,581.4	15.7	12,743.7
Net financing charge	4.4	3,571.5	2.7	2,191.6	14.5	11,769.7
Profit Before Tax	144.6	117,371.8	103.5	84,011.0	41.0	33,279.7
Provision for Tax	16.9	13,717.7	20.0	162,344.0	4.4	3,571.5
Profit After Tax	127.7	103,654.1	83.5	67,777.0	36.6	29,708.2

Balance Sheet Statement	31 December 2006 Audited		31 December 2005 Audited		31 December 2004 Audited	
	GBP mn	Rs lacs	GBP mn	Rs lacs	GBP mn	Rs lacs
Sources of Funds						
Paid up Share Capital	3.3	2,678.6	3.3	2,678.6	3.0	2,435.1
Reserves & Surplus (Excluding revaluation reserves)	247.4	200,814.6	131.8*	106,982.1	8.5	6,899.5
Minority Interests	10.3	8,360.5	13.5	10,958.0	22.2	18,019.7
Net worth*	261.0	211,853.7	148.6	120,618.6	33.7	27,354.3
Secured loans (repayable after more than one year)	-	-	-	-	-	-
Unsecured loans (repayable after more than one year)	7.8	6,331.3	71.8	58280.1	65.4	53,085.2
Other Liabilities	159.0	129,060.3	165.1	134,011.7	175.5	142,453.4
Total Sources of Funds	**427.8**	**347,245.3**	**385.5**	**312,910.4**	**274.6**	**222,892.8**
Uses of Funds						
Net Fixed Assets	165.3	134,174.0	150.7	122,323.2	133.0	107,956.1
Other assets	57.6	46,753.9	33.0	26,786.1	15.2	12,337.8
Investments	19.6	15,909.3	24.7	20,049.0	22.1	17,938.6
Net Current assets	185.3	150,408.0	177.1	143,752.1	104.3	84,660.3
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total Uses of Funds	**427.8**	**347,245.3**	**385.5**	**312,910.4**	**274.6**	**222,892.8**

* During the year ended 31 December 2006 and 2005, net worth increased on account of substantially increased retained profits, the net proceeds from the placing of the new ordinary shares in April 2005 and the shares issued to the vendors of the South American welding and cutting businesses.

Other financial data	31 December 2006 Audited	31 December 2005 Audited	31 December 2004 Audited
Dividend (%)	-	-	-
Earnings Per Share *Note (i)*	73.5 pence (equivalent to Rs.59.7)	46.9 pence (equivalent to Rs. 38.1)	20.9 pence (equivalent to Rs.16.9)
Return on Net worth *Note (ii)*	48.9%	56.2%	108.6%
Book Value Per Share *Note (iii)*	156.6 pence (equivalent to Rs. 127.1)	89.9 pence (equivalent to Rs.73)	22.4 pence (equivalent to Rs.18.2)

Notes: (i) Profit/(loss) for the year attributable to equity shareholders divided by the average number of equity shares outstanding during the year (ii) Profit/(loss) after tax divided by Charter's total equity; (iii) Total equity divided by the number of equity shares outstanding at the date of the balance sheet.

k) Reasons for rise and/or fall in the Income and Profitability

Year ended 31 December 2006 compared to year ended 31 December 2005

Operating profits increased by 41 per cent to GBP 143.2 mn, pre tax profits by 40 per cent to GBP 144.6 mn and adjusted earnings per share by 56 per cent to 67.2 pence per share.

The results achieved in 2006 reflect that both of Charter's businesses, ESAB and Howden, have successfully built upon the reconstruction efforts of recent years and made the most of opportunities presented by strong markets. In doing so, both businesses have achieved significant volume growth and improvements in operating margins. In 2006, ESAB's and Howden's operating margins were 11.9 per cent (2005: 10.3 per cent) and 11.5 per cent (2005: 9.7 per cent), respectively.

The substantial increase in operating profit achieved in 2006 reflects the continued strong underlying demand for ESAB and Howden products.

Year ended 31 December 2005 compared to year ended 31 December 2004

In the financial year 2005, the company achieved substantially improved results with adjusted operating profits having increased by 78 per cent to GBP 97.5 mn, pre tax profits increased by 152 per cent to GBP 103.5 mn and adjusted earnings per share by 117 per cent to GBP 0.43 per share.

The results achieved in 2005 reflect the strength of the key markets in which ESAB and Howden have traded and the significant benefits that have arisen from the programme of restructurings, plant and business closures and cost reduction and other initiatives implemented in recent years. These two factors contributed to the substantial improvements in ESAB's and Howden's 2005 adjusted operating margins of 10.3 per cent (2004: 7.9 per cent) and 9.7 per cent (2004: 5.9 per cent) respectively.

l) **Significant Accounting policies of Charter as per the audited financial statements for the period ended 31 December 2006.**

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

(i) Basis of preparation

The financial information in relation to 2006, 2005 and 2004 has been prepared on the basis of accounting policies summarized below (and set out in full in the company's annual report and accounts) in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union and implemented in the UK as well as those parts of the United Kingdom Companies Act 1985 applicable to companies reporting under IFRS. In relation to 2003, the financial information has been prepared using accounting principles generally accepted in the UK (UK GAAP).

To help provide a better indication of the Group's underlying business performance, items which are both material and non-recurring are presented as exceptional items and excluded from adjusted earnings per share. Adjusted earnings per share also exclude foreign currency exchange differences on the retranslation of inter-company loans, which are determined by reference to movements in exchange rates. These amounts are likely to be volatile and are unrelated to underlying performance.

(ii) Basis of consolidation

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies of the entity. A shareholding of more than one-half of the voting rights will normally be the basis of such control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired, including all separately identifiable intangible assets, is goodwill which has been recorded as an intangible asset since 1 January 1998 (see Goodwill below). Where additional shareholdings in associate entities are acquired any fair value adjustments related to the shareholdings prior to the increase are taken directly to equity.

Associates are entities over which the Group has significant influence but not control, normally on the basis of a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recorded at cost.

The Group's share of its associates' post acquisition profits or losses, net of interest and tax, is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intercompany balances and transactions, and any unrealised gains arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

The Group has taken advantage of the business combinations exemption in IFRS 1 and has not restated business combinations that took place before 1 January 2004.

(iii) Foreign currencies

Items included in the financial statements for each of the Charter Group's entities are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The consolidated financial statements are presented in GBP. The results and net assets of all group companies that have non-Sterling functional currency are included in the consolidated financial statements as follows:-

(a) Assets and liabilities are translated at the exchange rate at the balance sheet date; and

(b) Income and expenses are translated at average exchange rates for the relevant period.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences arising since 1 January 2004 are recognised in the income statement as part of the gain or loss on sale.

(iv) Property, plant and equipment

The Charter Group's policy is to carry property, plant and equipment at historic cost less accumulated depreciation and impairment losses except that certain properties were revalued on transition to IFRS at 1 January 2004. Land is not depreciated. Depreciation on other assets is calculated using the straight line method spreading the difference between cost and residual value over their estimated useful lives.

(v) Intangibles arising on acquisitions

In establishing the fair value of assets and liabilities arising on acquisitions the Group identifies the fair values attributable to intangible assets. The intangible assets recognised include the value in respect of brands and trademarks, intellectual property rights, customer contracts and relationships and proprietary technology rights and know-how. All intangibles recognised on business combinations are amortised over the expected useful economic lives, usually between 3 and 10 years.

(vi) Inventory

Inventory is valued at the lower of cost and net realisable value. Cost is determined using the first-in first-out (FIFO) basis or the average cost basis. Cost includes expenditure which is incurred in the normal course of business in bringing the product to its present location and condition.

(vii) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is recognised in the income statement. Trade receivables are discounted when the time value of money is considered material. Amounts due after more than 12 months from the balance sheet date are classified in the balance sheet as 'non-current'.

(viii) Employee benefits

The Group accounts for pensions and similar post-employment benefits (principally healthcare) under IAS 19 'Employee benefits'.

In respect of defined benefit pension plans, where the amount of pension benefit that an employee will receive on retirement is defined by the plan, the liability recorded in the balance sheet is the present value of the defined obligation at that date less the fair value of the plan assets, together with an adjustment for any unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

As permitted under IFRS 1 all actuarial gains and losses as at 1 January 2004, the date of transition to IFRS, were recognised for each plan. To the extent that cumulative actuarial gains and losses arising subsequent to 1 January 2004 exceed 10 per cent of the higher of plan assets or liabilities as at the end of the previous year, this excess is normally amortised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the accumulated actuarial gains and losses are not recognised.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period, in which case the past service costs are spread over that period.

For defined benefit schemes, the amount charged to operating profit in the income statement comprises the current service cost, interest on plan liabilities, the expected return on plan assets, past service cost, the impact of any settlements or curtailments and actuarial gains or losses to the extent they are recognised.

For defined contribution plans, where the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions irrespective of whether or not the fund has sufficient assets to pay all employees the benefits relating to service in the current and prior periods, the contributions are recognised as an expense when they are due.

For other defined benefit post-employment obligations, principally post-employment medical arrangements in the US, a similar accounting methodology to that for defined benefit pension plans is used.

(ix) Provisions

Provisions for disposal and restructuring costs, warranty and product liability, and legal and environmental liability are recognised when the Charter Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If all these conditions are not met then no provision is recognised.

(x) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for goods and services and the value of work executed during the year in respect of construction contracts. Revenue, which is recorded net of value-added tax, rebates and discounts, and after eliminating intra-group sales, is recognised as follows:

(a) Sales of goods and services

The majority of the Group's revenues relate to the sale of goods and services which are recognised when a Group entity has fulfilled its contractual obligations to a customer and has obtained the right to receive consideration. In respect of the sale of goods this is usually on despatch but is dependent upon the contractual terms that have been agreed with a customer.

(b) Construction contracts

Revenue is recognised by a Group entity in accordance with the stage of completion of its contractual obligations to the customer. The stage of completion is usually based on the proportion of costs incurred compared to the total expected costs to complete the contract, where this also represents a right to receive consideration, and provided the outcome of the contract can be assessed with reasonable certainty. Losses on contracts are recognised in the period in which the loss first becomes foreseeable. Contract losses are determined to be the amount by which estimated direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract.

(xi) Taxation

Taxation is that chargeable on the profits for the period, together with deferred taxation. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity including share-based payments (see (xvii) Share-based payment s below), in which case it is recognised in equity.

m) Major contingent liabilities and litigations against Charter

Central operations

Since about 1985, Charter, its principal subsidiary Charter Consolidated Plc, and certain of their wholly owned subsidiaries have been named as defendants in asbestos-related actions in the United States. These lawsuits have alleged that the Charter defendants were liable for the acts of Cape Plc, a former partly owned subsidiary of Charter. Between 1985 and 1987, the issue was tried in several matters, each of which was resolved in Charter's favour either at trial or on appeal. In subsequent years, Charter and its subsidiaries have continued to be named in asbestos-related lawsuits. Charter has contested these actions and, in most cases, has obtained dismissals. Charter has settled some of the cases brought in Mississippi. Currently, the only pending cases against Charter are in Mississippi, which cases are dormant and are not actively being pursued by plaintiffs. The Directors have received legal advice that Charter and its wholly owned subsidiaries should be able to continue to defend successfully the actions brought against them, but that uncertainty must exist as to the eventual outcome of the trial of any particular action. It is not practicable to estimate in any particular case the amount of damages, which might ensue if liability were imposed on Charter or any of its wholly owned subsidiaries. The defence costs and other expenses charged against Charter's operating profits in 2006 were negligible. The litigation is reviewed each year and, based on that review and legal advice, the Directors believe that the aggregate of any such liability is unlikely to have a material effect on Charter's financial position. In these circumstances, the Directors have concluded that it is not appropriate to make any provision in respect of such actions.

Air and gas handling

Howden Buffalo Inc., an indirect subsidiary of Charter, has been named as a defendant in a number of asbestos-related actions in the United States. On the advice of counsel, Howden Buffalo is vigorously defending all the cases that have been filed against it. Over the past few years, Howden Buffalo has sought and received dismissals in 7,781 cases and has, on the advice of counsel, settled 228 cases. These cases were all settled for nuisance value amounts, much less than the cost of defending the cases at trial. Howden Buffalo has received legal advice indicating that it should be able to continue to defend successfully the actions that are brought. At this time, it is not practical to estimate the amount of any potential damages or to provide details of the current stage of proceedings in particular cases, as the majority of cases do not specify the amount of damages sought and the cases are at varying stages in the litigation process. However, legal fees associated with the defence of these claims and the cost of the settlements have been covered by applicable insurance. The Directors believe, based on legal advice, that the majority of asbestos-related lawsuits against Howden Buffalo, including those resulting from the historical operations of a predecessor of Howden Buffalo known as Buffalo Forge Company, will continue to be covered, in substantial part, by applicable insurance. The situation is reviewed regularly and based on the most recent review and legal advice obtained by Howden Buffalo, the Directors believe that the aggregate of any potential liability is unlikely to have a material effect on Charter's financial position.

Welding

The Esab Group Inc, ('EGI'), an indirect subsidiary of Charter, has been named as a defendant in a number of lawsuits in state and federal courts in the United States alleging personal injuries from exposure to manganese in the fumes of welding consumables. Other current and former manufacturers of welding consumables have also been named as defendants as well as various trade associations, including the American Welding Society, the National Electrical Manufacturers Association, the Ferroalloys Association, and others. The claimants seek compensatory and, in some cases, punitive damages for unspecified amounts. A multi-district litigation proceeding has been established to consolidate and co-ordinate pre-trial proceedings in the federal court cases. Last year, EGI was a defendant in two trials in the federal court involving three claimants. The juries found for the defence and against each claimant. EGI was also a defendant in three state trials, each involving one claimant. All of these trials resulted in defence verdicts. Over 15 state court trials, most involving EGI, are scheduled for 2007, but it is not anticipated that they will all begin as scheduled. Whilst litigation is notoriously uncertain and the risk of an adverse jury verdict in any trial exists, having considered the advice of EGI's counsel in the United States, the Directors believe that EGI has meritorious defences to these claims, most of which should be covered in whole or in part by insurance. EGI, in conjunction with other current and former US manufacturers of welding consumables, is defending these claims vigorously. The defence costs, net of insurance recoveries are estimated to be of the order of US$16 mn, which is reflected in EGI's balance sheet at 31 December 2006. In view of the foregoing and, in particular, the legal advice received in the United States, the Directors do not consider that such claims will have a material adverse effect on Charter's financial position. EGI has also been named as a defendant in a small number of lawsuits in Massachusetts and Pennsylvania in which claimants allege asbestos-induced personal injuries. The claimants seek compensatory and, in some cases, punitive damages for unspecified amounts from EGI, other welding consumable manufacturers and other defendants who manufactured a variety of asbestos products. Several cases are listed for trial this year; however, EGI has been dismissed prior to trial in the previous cases in which it was named as a defendant. Upon the advice of counsel, the Directors believe that EGI has meritorious defences to these claims and EGI intends vigorously to defend these lawsuits, which should be covered in whole or in part by insurance. In addition, the majority of defence costs are being borne by EGI's insurers.

n) Charter is in compliance with all corporate governance rules and regulations which it is subject to under the laws of England.

o) As at the date of the PA, Charter did not hold any EIL shares. There has been no acquisition of shares of the Target Company by Charter after the date of the PA and up to the date of this Letter of Offer.

p) Charter has not promoted any company in India.

q) The provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to Charter plc.

r) Name and contact details of the compliance officer

Mr. James Richard Deeley
Legal Director and Company Secretary
52 Grosvenor Gardens,
London SW1W 0AU,
United Kingdom
Tel: +44 20 7881 7800
Fax: +44 20 7259 9338

4.3 ESAB HOLDINGS LIMITED

a) ESAB Holdings is a company incorporated in 1982 under the laws of England, United Kingdom having its registered office at 50 Curzon Street, London W1J 7UW, United Kingdom.

b) ESAB Holdings is a wholly-owned subsidiary of Weldcure Limited, which is a subsidiary of Charter Overseas Holdings Limited, which in turn is a wholly-owned subsidiary of Charter.

c) ESAB Holdings is an investment company with shareholdings in a number of companies engaged in the manufacture and supply of welding consumables and equipment, and cutting and automation solutions. ESAB Holdings provides management, administrative and technical services for companies within the ESAB Holdings group of companies.

d) As on the date of the Public Announcement, ESAB Holdings held 5,743,200 EIL Shares; no shares/ securities of EIL have been acquired by ESAB Holdings during the 12 months prior to the date of the Public Announcement. There has been no acquisition of shares of the Target Company by ESAB Holdings after the date of the PA and up to the date of this Letter of Offer.

e) **ESAB Holdings' Financials**

ESAB Holdings financial statements for the years ended 31 December 2006, 2005 and 2004 are as set out below:

Consolidated Profit and Loss Statement	31 December 2006 Audited		31 December 2005 Audited		31 December 2004 Audited	
	GBP mn	Rs Lacs	GBP mn	Rs Lacs	GBP mn	Rs Lacs
Income from operations	13.9	11,282.6	12.8	10,389.8	3.1	2,516.3
Other Income	1.1	892.9	0.3	243.5	-	
Total Income	15.0	12,175.5	13.2	10,714.4	3.1	2,516.3
Total Expenditure	15.5	12,581.4	17.4	14,123.6	15.8	12,824.9
Profit/(loss) Before Depreciation, Interest and Tax	(0.5)	(405.9)	(4.3)	(3,490.3)	(12.7)	(10,308.6)
Depreciation	-	-	-	-	-	-
Interest	(1.6)	(1,298.7)	(12.2)	(9,902.7)	(14.7)	(11,932.0)
Profit/(loss) Before Tax	(2.1)	(1,704.6)	(16.5)	(13,393.1)	(27.4)	(22,240.6)
Provision for Tax	4.2	3,409.1	5.0	4,058.5	0.3	243.5
Profit/(loss) After Tax	2.1	1,704.6	(11.5)	(9,334.6)	(27.1)	(21,997.1)

Balance Sheet Statement	31 December 2006 Audited		31 December 2005 Audited		31 December 2004 Audited	
	GBP mn	Rs Lacs	GBP mn	Rs Lacs	GBP mn	Rs Lacs
Sources of Funds						
Paid up Share Capital	446.6	362,505.2	214.1	173,785.0	39.1	31,737.5
Reserves & Surplus (Excluding revaluation reserves)	23.7	19,237.3	21.6	17,532.7	33.0	26,786.1
Minority Interests	-	-	-	-	-	-
Net worth	470.3	381,742.5	235.7	191,317.7	72.1	58,523.6
Secured loans (repayable after more than one year)	-	-	-	-	-	-
Unsecured loans (repayable after more than one year)	-	-	58.0	47,078.6	191.3	155,278.2
Other Liabilities	0.2	162.3	0.1	81.2	0.4	324.7
Total Sources of Funds	**470.5**	**381,904.9**	**293.8**	**238,477.5**	**263.8**	**214,126.5**
Uses of Funds						
Net Fixed Assets	0.3	243.5	0.2	162.3	0.2	162.3
Other assets	-	-	-	-	-	-
Investments	348.6	282,958.6	307.1	249,273.1	297.6	241,561.9
Net Current assets/(liabilities)	121.6	98,702.7	(13.5)	(10,958.0)	(34.0)	(27,597.8)
Total miscellaneous expenditure not written off	-	-	-	-	-	-
Total Uses of Funds	**470.5**	**381,904.9**	**293.8**	**238,477.5**	**263.8**	**214,126.5**

Other financial data	31 December 2006 Audited	31 December 2005 Audited	31 December 2004 Audited
Dividend (%)	-	-	-
Earnings/(loss) Per Share *Note (i)*	0.5 pence (equivalent to Rs.0.4)	(5.4) pence (equivalent to (Rs.4.4)	(69.3) pence (equivalent to Rs.(56.3)
Return on Net worth *Note (ii)*	0.4%	(4.9%)	(37.5 %)
Book Value Per Share *Note (iii)*	105.3 pence (equivalent to Rs.85.5)	110.1 pence (equivalent to Rs.89.4)	184.4 pence (equivalent to Rs.149.7)

Notes: (i) Profit/(loss) for the year attributable to equity shareholders divided by the number of equity shares outstanding at the date of the balance sheet; (ii) Profit/(loss) after tax divided by ESAB Holdings total equity; (iii) Total equity divided by the number of equity shares outstanding at the date of the balance sheet.

f) Reasons for rise and/or fall in the Income and Profitability

Year ended 31 December 2006 compared to year ended 31 December 2005

The company acts solely as a holding company for various companies in the ESAB Holdings group of companies.

During the year ended 31 December 2006, the company issued 232,500,400 ordinary shares in settlement of inter-company debt. The nominal value of these shares was GBP 232.5 mn and the consideration received was GBP 232.5 mn. The purpose of the share issue was to re-capitalise the company.

Year ended 31 December 2005 compared to year ended 31 December 2004

During the year ended 31 December 2005, the company issued 175,000,000 ordinary shares in settlement of inter-company debt. The nominal value of these shares was GBP 175.0 mn and the consideration received was GBP 175.0 mn. The purpose of the share issue was to re-capitalise the company.

g) **Significant Accounting policies of ESAB Holdings as per the audited financial statements for the year ended 31 December 2006.**

(i) Accounting convention

The accounts are prepared on a going concern basis in accordance with the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom. The accounting policies have been consistently applied throughout the period.

(ii) Basis of preparation of accounts

The accounts contain information about ESAB Holdings as an individual company and do not contain consolidated financial information as the parent of a group of companies. The company is exempt under United Kingdom companies legislation from the requirement to prepare consolidated financial statements as it and its wholly owned subsidiary undertakings are included by full consolidation in the financial statements of its ultimate holding undertaking, Charter plc.

(iii) Turnover

Turnover comprises of the invoiced value of management fees to subsidiary undertakings excluding value added taxes. Turnover is recognised when the company has fulfilled its obligations to subsidiary undertakings and is entitled t receive consideration.

(iv) Foreign currencies

Monetary assets and liabilities denominated in overseas currencies are translated at the rate of exchange ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All translation differences are taken to the profit and loss account.

(v) Fixed asset investments

Fixed asset investments are included at cost less provision for any impairment in value.

(vi) Related party transactions

The company is a wholly owned subsidiary of Charter and accordingly has taken advantage of the exemption available not to disclose related party transactions which are eliminated on consolidation.

h) **Major contingent liabilities and litigations against ESAB Holdings**

The company is jointly and severally liable under a group VAT registration for which it is the nominated company. The company has also given an unlimited guarantee in respect of bank facilities granted to the ultimate parent company and various group companies.

i) ESAB Holdings is in compliance with all corporate governance rules and regulations which it is subject to under the laws of the England

j) The board of directors of ESAB Holdings comprised four directors as on the date of the Public Announcement. Their details are as under:

Name	**Designation,appointment date as director and Telephone No.**	**Experience and qualification**	**Residential address**
Jonathan Templeman	Chief Executive Officer Appointed 30 July 2002 Tel: +44 20 7491 6800	He joined Charter's head office in 2001 and later that year became chief financial officer of ESAB Global and was appointed chief executive officer of ESAB Global in 2003. He became a member of Charter's Executive Committee in March 2006. He was formerly a director at PricewaterhouseCoopers, London. He has an Honours Degree from Oxford University.	46 Harewell Way Harrold Beds MK43 7DY United Kingdom
Tony Edkins	Human Resources Director Appointed 25 May 2007 Tel: +44 20 7491 6800	He is a Chartered MCIPD and has been Human Resources Director with ESAB since September 2003. Also Human Resources Director for Charter plc since January 2006. Previously held HR Director roles with Marconi Communications.	149 Tooting Bec Road London SW17 8BW United Kingdom

Name	Designation,appointment date as director and Telephone No.	Experience and qualification	Residential address
Peter Dodd	Sales Director Appointed 25 May 2007 Tel: +44 20 7491 6800	He joined BOC in 1975, which became ESAB Group (UK) Ltd in 1982, becoming Sales Director for the UK in 1986, Sales & Marketing Director UK in 1988, Managing Director Sales and Marketing UK in 1990 and Managing Director ESAB Group (UK) Ltd in 1994. He was appointed Sales & Marketing Director Europe in August 2003. He has an Honours Degree and an MBA.	The Hawthorns Miller Place Gerrards Cross Bucks SL9 7QQ United Kingdom
Martin Hannah	Chief Financial Officer Appointed 12 October 2004 Tel: +44 20 7491 6800	He joined ESAB in October 2004 and was formerly Financial director of Powergen International Ltd. He is an FCCA and has an honours degree from London University	8 Damson Way St Albans Herts AL49XU United Kingdom

k) None of the Directors of ESAB Holdings has acquired any EIL Shares during the preceding 12 months.

l) None of the Directors of ESAB Holdings, other than Mr Jonathan Templeman, are Directors on the board of EIL and the said director has recused himself and not participated in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in terms of Regulation 22(9) of the Regulations.

m) ESAB Holdings has not promoted any company, other than ESAB India Limited, in India.

n) ESAB Holdings has complied with the provisions of Chapter II of the SEBI (SAST) Regulations except to the extent of a 427 day delay in making the yearly disclosure to EIL in respect of its holdings under Regulation 8(1) and 8(2) for the financial year ended March 31, 2006. ESAB Holdings has filed an application for compounding the offence with the SEBI High Powered Committee and that application is currently pending.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

The minimum public shareholding required in terms of Clause 40A of the listing agreement for continuous listing of the Equity Shares of EIL is 25% (twenty five percent) of the total issued equity share capital. Pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of EIL with the Stock Exchanges on which its Equity Shares are listed and the Equity Shares will continue to be listed as the public shareholding of EIL is not expected to fall to a level below the limit for continuous listing specified in the listing agreement. The Acquirer has confirmed and undertaken that it does not have any present intention to delist the equity shares of the Target Company from the stock exchanges where they are currently listed (namely, the Bombay Stock Exchange and the National Stock Exchange of India).

6. BACKGROUND OF ESAB INDIA LIMITED

a) EIL is a public limited company with its registered office located at Plot No.13, 3 rd Main Road, Industrial Estate, Ambattur, Chennai – 600 058 Tel: +91 44-4228 1100 Fax: +91 44-4428 1150.

b) EIL was originally incorporated on 10 November 1987 and commenced its business operations in July 1988 with the acquisition of the welding division of Peico Electronics & Electricals Limited (now Philips India Limited) at Kalwa, Thane, Maharashtra. This unit was closed down in 2000 and the assets have been disposed of. The Company was set up with an initial capital base of 5,000,000 equity shares of Rs 10 each.

c) In 1991, the Company purchased the welding business of Indian Oxygen Limited (now known as BOC) with three manufacturing units, two in Kolkata and one in Chennai. It also bought Flotech Welding & Cutting Systems Limited in 1992. In 1994, the manufacturing unit of Maharashtra Weldaids at Nagpur was amalgamated with the Company.

d) 37.31 per cent of the Company's shares are held by ESAB Holdings, a significant shareholder, and the remainder is held by institutional investors and the public.

e) EIL's equity shares are listed on various stock exchanges as set out below:

Stock Exchange	Date of Listing
The Bombay Stock Exchange Limited	11 January, 1989
National Stock Exchange	1 November, 1995
The Calcutta Stock Exchange Association Limited*	11 January, 1989

* The application for voluntary delisting from CSE was filed by EIL on November 22, 2004. EIL received the in principle approval for delisting from CSE dated 14 June, 2007. EIL filed the requisite fee as demanded by CSE by their letter dated 5 July, 2007.

f) EIL is engaged in the business of welding consumables (i.e. welding electrodes, copper coated wires and welding fluxes) and welding equipment (.i.e. welding machines and cutting equipment).

g) During the year 2006, Exelvia Holdings BV and EIL established a research and development facility in India, held as to 74.9% by Exelvia Holdings BV and 25.1% by EIL; this facility is unlikely to have any material impact on the business of either Charter, ESAB Holdings, Exelvia Holdings BV or EIL over the short or medium terms.

h) EIL has one subsidiary, ESAB Welding & Cutting Systems Limited, in which it owns 85.7% of the paid-up equity share capital. This company has no business activities. The Board of Directors of the Company at its metting held on July 31, 2007 accorded in-principle approval for the amalgamation of the subsidiary Company, Esab Welding & Cutting Systems Limited with the Company.

i) EIL's manufacturing facilities are located in Chennai, Kolkata and Nagpur. As per the annual report of EIL for the year ended 31 December, 2006, the licensed capacity, installed capacity and actual production of the Company's manufacturing facilities were as follows:

Products	Unit	Licensed capacity	Installed capacity	Actual production
Welding electrodes	'000 mtrs	318,628	218,025	182,735
Continuous electrodes/copper coated wires	Tonnes	12,240	8,100	6,140
Automatic submerged arc electrodes	Tonnes	3,480	-	-
MS welding rods (copper coated)	Tonnes	360	-	-
Welding fluxes	Tonnes	4,061	2,440	1,303
Gas & electric, welding and cutting equipment and accessories	Nos	233,540	305,837	100,996
Gas cylinder valves	Nos	74,000	61,000	-
Cutting unit and small tools	Nos	6,000	7,500	-
Medical equipment & accessories	Nos	6,650	7,772	-
Industrial voltage regulators & stabilizer equipment	Nos	12,000	-	-
Flux cored wires	Tonnes	3,000	-	-
Industrial uninterrupted power supply system	Nos	2,000	-	-
Wear plates	Tonnes	100	-	-

j) The share capital structure of EIL as on the date of Public Announcement was as follows:

Fully paid up equity shares	No. of shares/voting rights	% of shares/voting rights
Fully paid up equity shares	15,393,020	100%
Partly paid up equity shares	-	-
Total paid up equity shares	15,393,020	100%
Total voting rights	15,393,020	100%

As on the date of the Public Announcement, there were no outstanding instruments in the nature of warrants or fully or partly convertible debentures.

k) Details of the changes in share capital of EIL since incorporation, and status of compliance with the applicable provisions of the SEBI (SAST) and other applicable regulations under the SEBI Act 1992, and other statutory requirements, are as follows:

Date of allotment	**Details of shares**		**Cumulative paid up capital**	**Mode of Allotment**	**Identity of Allottees**	**Status of Compliance**
	No.	**%**	**(Rs.)**			
10/11/1987	2	0.00	20	Subscribers to memorandum of association	Subscribers to memorandum of association	Complied with all applicable provisions
20/09/1988	5	0.00	70	Conversion of Pvt. Ltd. Company into a Public Limited Company	Conversion of Pvt. Ltd. Company into a Public Limited Company	Complied with all applicable provisions
Oct, 1988	3,004,993	19.52	30,050,000	Public issue of equity shares	Public	Complied with all applicable provisions
19/11/1988	1,995,000	12.96	50,000,000	Preferential allotment of shares to ESAB Holdings Limited	Promoters	Complied with all applicable provisions
1/10/1992	9,394,020	61.03	143,940,200	Conversion of partly convertible debentures of Rs. 10/ each	Promoters – 3,748,200 Public – 5,645,820	Complied with all applicable provisions
13/04/1994	999,000	6.49	153,930,200	Issue of equity shares to shareholders of Maharashtra Weldaids on merger	Public	Complied with all applicable provisions

l) The Board of Directors of EIL as on the date of the Public Announcement was as below:

Name	Designation and appointment date as director	Experience and qualification	Residential address
Michael Foster	Chairman 27 July 2004	He joined Charter as a Non-Executive Director in December 2001 and became an Executive Director on 1 January 2005 and Chief Executive on 1 July 2006. He was formerly executive director, responsible for UK, USA and Ireland at RMC Group p.l.c. He gained an Honours Degree in Engineering and Electrical Sciences at Cambridge University. He is a qualified solicitor.	'Foxcote' Blackhorse Road Woking Surrey GU22 0QT United Kingdom
G Hariharan	Managing director 7 January 2003	Mr Hariharan is a Metallurgical Engineer having graduated from I.I.T. Mumbai. He has thirty-two year's experience having worked in various capacities at W. G. Forge & Allied Industries, M. N. Dastur & Co (P) Ltd., Kirloskar Consultants Ltd., and Phillips India Ltd. before joining the Company in 1988. He was responsible for Sales, Marketing and Exports and, latterly, the Welding Consumables Division before his appointment as Executive Director in January 2003. He was appointed Managing Director of the Company with effect from 1 September 2006.	1 B Swagatam, 4th Main Road, R.A. Puram, Chennai - 600 028
S. Sundar Ram	Non-executive director 1 March 2005	He is a qualified Engineer with B. Tech (Mechanical) from I.I.T. Madras, and he has an MBA from I.I.M. Calcutta. He has 25 years of corporate experience and has held the position of President of Rane Brake Linings, a listed company having its headquarter in Chennai. He was Managing Director of the Company from 1 March 2005 to 31 August 2006.	14, Mansarovar Apts., 1 Khader Nawaz Khan Road, Chennai - 600 006
P. Mallick	Non-executive director 23 October 2003	He is a graduate Electrical Engineer from I.I.T. Madras, a Chartered Engineer and Fellow of the Institution of Electrical Engineers, London. He holds a diploma in Business Management from the UK. He has 36 years experience having worked with companies such as Compton Greaves, Tata Exports and Genelec. From 1998 to 2003 he was Managing Director of Wartsila India Limited.	A/2 Pallonji Mansion, 43 Cuffe Parade, Mumbai- 400 005.
Satish Tandon	Non-executive director 12 June 2003	He is a Chemical Engineer having graduated from I.I.T. New Delhi. He holds a Post Graduate diploma in Marketing & Sales Management from Delhi University. He has 39 years experience in Alfa Laval (India) Limited having worked in various capacities. From January 1998 till October 2005 he had overall responsibility as Managing Director of Alfa Laval (India) Limited.	D-332, Defence Colony, New Delhi- 110 024
Jonathan Templeman	Non-executive director 6 March 2002	He joined Charter's head office in 2001 and later that year became chief financial officer of ESAB Global and was appointed chief executive officer of ESAB Global in 2003. He became a member of Charter's Executive Committee in March 2006. He was formerly a director at PricewaterhouseCoopers, London. He has an Honours Degree from Oxford University.	46 Harewell Way Harrold Beds MK43 7DY United Kingdom

Name	Designation and appointment date as director	Experience and qualification	Residential address
Suresh Talwar	Alternate to J Templeman 27 April 2007	S.N. Talwar is Solicitor Incorporated Law Society, Mumbai as well as Bachelor of Law (LL B) from Government Law College, University of Bombay. Mr. Talwar was a partner of Crawford Bayley & Co., Mumbai, a firm acting as legal counsel to numerous Indian companies, multinational corporations, Indian & Foreign Banks, since 1976. Mr. Talwar also h olds directorships in various leading companies. Mr. Talwar's professional specialisation is in Corporate Law, Corporate Tax, Foreign Exchange Laws, Monopolies & Restrictive Trade Practices Act, International Issues of Securities by Indian Companies, Commercial Documentation and Real Estate law. Mr. Talwar is now a partner of M/s Talwar Thakore and Asscociates, a new law firm which he has set up with Mr.Shobhan Thakore from 1 Jan. 2007	10, Shiv Shanti Bhuvan, 146 Maharshi Karve Road, Churchgate Reclamation, Mumbai - 400 020
Nawshir H Mirza	Non-executive director 19 October 2001	He is a B.Com and Fellow member of the Institute of Chartered Accountants of India (ICAI). He has held the position of Senior Partner of M/s S R Batliboi & Co., Chartered Accountants and a Director of Ernst & Young Pvt. Ltd., Audit Partner, Director of Client EDP Services, National Director of Audit and Accounting Services and Managing Partner, Western India. He has been involved in the authoring of a number of professional publications of the ICAI. He has been President of the Institute of Internal Auditors, Kolkata and President of the Indo-American Chamber of Commerce, Western India. He has been a member of the governing committee of the Bombay Chamber of Commerce & Industry. He holds directorship in various listed and private limited companies.	6-A, Somerset Place, 6th Floor, 61-D, Bhulabhai Desai Road, Opp. Sophiya College, Mumbai – 400 026.

Note: Michael Foster and Jonathan Templeman who are on the board of Charter and ESAB Holdings respectively have recused themselves and not participated in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in terms of Regulation 22(9) of the Regulations.

m) One of the Directors of the Company, Michael Foster, is also a Director on the board of Charter, one of the PACs of the Acquirer. In addition, a further director, Jonathan Templeman, is also a director of ESAB Holdings, one of the PACs of the Acquirer. The said directors have recused themselves and not participated in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in terms of Regulation 22(9) of the Regulations.

n) **Key financials of EIL:**

EIL's financial statements for the years ended 31 December 2006, 2005 and 2004 are as set out below:

Profit and Loss Account Rs. Lacs	31 December 2006 Audited	31 December 2005 Audited	31 December 2004 Audited
INCOME			
Sales (net)	28,721	23,816	18,788
Other Income	578	991	392
Total Income	29,299	24,807	19,180
Total Expenditure	22,218	18,410	15,266
Profit Before Depreciation, Interest and Tax	7,081	6,397	3,914
Depreciation	471	446	532
Interest	127	133	73
Profit Before Tax	6,483	5,818	3,310
Provision for Tax	2,216	1,847	1,275
Profit After Tax	4,267	3,971	2,035

Balance Sheet Statement Rs. Lacs	31 December 2006 Audited	31 December 2005 Audited	31 December 2004 Audited
Sources of Funds			
Paid up Share Capital	1,539	1,539	1,539
Reserves & Surplus (Excluding revaluation reserves)	6,141	1,874	2,467
Net worth	7,681	3,414	4,006
Secured loans	-	-	-
Unsecured loans	-	1,131	1,103
Other Liabilities	49	24	-
Total Sources of Funds	**7,729**	**4,568**	**5,109**
Uses of Funds	**-**	**-**	**-**
Net Fixed Assets	5,601	4,119	3,799
Other assets	-	-	82
Investments	773	16	16
Net Current assets	1,355	433	1,212
Total miscellaneous expenditure not written off	-	-	-
Profit & Loss Account – Debit balance	-	-	-
Total Uses of Funds	**7,729**	**4,568**	**5,109**

Other Financial Data

	31 December 2006 Audited	31 December 2005 Audited	31 December 2004 Audited
Dividend (%)	-	260*	-
Diluted Earnings Per Share (Rs.)	27.7	25.8	13.2
Return on Net worth (%)	55.7	116.3	50.8
Book Value Per Share (Rs.)	49.9	22.2	26.0

Notes: (i) Profit/(loss) for the year attributable to equity shareholders divided by the number of equity shares outstanding at the date of the balance sheet; (ii) Profit/(loss) after tax divided by ESAB India Limited's total equity; (iii) Total equity divided by the number of equity shares outstanding at the date of the balance sheet. *Computed excluding dividend distribution tax.

o) Reasons for rise and fall in income and profitability

Year ended 31 December 2006 compared to year ended 31 December 2005

The continuing thrust on infrastructure and growth in other steel based segments of industry provided impetus for higher volumes of EIL's products. Gross sales grew by 20.5 % over 2005. In quantity terms, the growth in Consumables was about 12%. Due to greater growth in the low end variants of Consumables, there was a decline in the average realisation of most of its categories, other than on basic stick electrodes whose average realisation grew slightly.

While the Consumables segment margins were stable in 2005, there was a drop in Equipment margins mainly due to start-up expenses on the new project and higher import content in its new products. Consumption of imported raw material increased from Rs.670 lacs in 2005 to Rs.2280 lacs in 2006.

The Equipment division benefited from new products and capacity to achieve growth in excess of 40% in 2006 resulting in its share in the total business growing from 24% in 2005 to 28% in 2006.

Other income increased primarily due to an increase in scrap sales arising from better realisations and growth in volumes.

Metal prices, especially of non-ferrous metals and chemicals, continued to rise significantly through the year. This, along with the higher import content, resulted in materials consumption being 59.8% of sales as compared to 56.8% in 2005.

The change in product mix was the main reason for the company turning from an earner of foreign exchange in 2005 (a net of Rs.220 lacs) to a net outgoing in 2006 of Rs.1620 lacs.

Personnel costs increased by 9.5% over 2005. These costs were 5.4% of sales, compared to 5.9% in 2005. The reduction in percentage terms is due to higher productivity and a reduction of Rs.248 lacs in the cost of retirement benefits.

Interest and finance charges were lower in 2006 due to foreclosure of external commercial borrowings in that year. Interest income was lower by about Rs. 70 lacs due to lower cash balances during the year after dividend and capital expenditure payouts.

Depreciation for the year was marginally higher due to capitalization in 2006 of the Irungattukottai project and of know how fees of Rs.273 lacs on items of which commercial production has commenced.

The effective tax rate for 2006 was higher at 34.2% compared to 31.8% in 2005 due to significant tax exempt capital gains in 2005. The charge on account of rates and taxes is lower because of a non recurring provision for disputed sales taxes in 2005. The charge for excise duty in 2006 is a credit of Rs.70 lacs because of a reduction in closing inventories at the year end compared to those at the end of 2005.

Year ended 31 December 2005 compared to year ended 31 December 2004

Demand for the Company’s products improved over the previous year resulting in a growth in net sales by 26.8% over 2004 in value terms. In quantity terms, the growth in Consumables was approximately 14% with average realisation growing by approximately 8%. This growth has been due to growth in manufacturing activity and on-going investments in Infrastructure, Energy, Construction and Engineering Industries. The focus on improving the performance of the Equipment segment is demonstrated by the increase in Net Sales of this segment by 45.5%.

Other income increased primarily due to an increase in interest income on deposits.

Input costs, especially steel, continued to increase during the year before stabilising towards the end of the year. These were partly offset by better realisations on the Company’s products and a decline in the cost of other raw materials. Materials consumption in terms of percentage to sales increased from 55.1% to 55.9% largely on account of variance in sales mix.

Personnel costs fell by 9.4%, largely due to a reduction in pension fund contributions. Contributions to pension schemes fell by Rs. 381 lacs mn during the year. This is due to a reduction in members covered by the Defined Benefits Scheme and also due to the better funds position of the Schemes. The Company has also switched to a defined contribution scheme in respect of all new employees recruited after November 2004.

The ageing machines and buildings of the Company are reflected in repairs and maintenance expenses increasing by Rs. 90 lacs over 2004 and reduced depreciation charges.

Expenses on domestic and foreign travel were higher due to growth in business. Miscellaneous expenses were higher mainly due to higher expenses on recruitment and participation in exhibitions.

Changes in the Company’s distribution and sales arrangements resulted in higher outflows on transportation, discounts and incentives.

Weakening of the Rupee resulted in an exchange loss as compared to an exchange gain in 2004.

Interest outgo was lower by Rs.22 lacs as interest in 2004 included outgo on term loans from banks that were fully repaid in 2004.

Depreciation charge was lower due to a higher charge in 2004 relating to cars and computers. The charge is also lower due to the end of depreciable life in 2004 with respect to certain items of Plant and Machinery.

p) **Pre and Post offer shareholding pattern of the Target Company**

The shareholding and voting pattern of EIL prior to and after the Offer are as set out below:

Shareholders' category	Shareholding and voting rights prior to the Open Offer (as at 31 March, 2007) (1)	Shares/voting rights to be acquired in the Open Offer (assuming full acceptances) (2)	Shareholding/ voting rights after the Open Offer (3)
1. Promoters			
ESAB Holdings	5,743,200 (37.3%)	-	5,743,200 (37.3%)
2. Acquirer			
a. Exelvia	-	3,078,604 (20.0%)	3,078,604 (20.0%)
b. PACs	-	-	-
Total 1 and 2	5,743,200 (37.3%)	3,078,604 (20.0%)	8,821,804 (57.3%)
3. Parties to the agreement other than 1 (a) and 2			
4. Public (Other than parties to the agreement, acquirer and PACs)			
(a) Mutual Funds and UTI	3,315,058 (21.5%)	-3,078,604 (-20.0%)	6,571,216 (42.7%)
(b) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Gov. Institutions	26,062 (0.2%)		
(c) FIIs	1,147,919 (7.5%)		
(d) Private corporate bodies	888,403 (5.8%)		
(e) Indian Public	4,238,734 (27.5%)		
(f) NRIs/OCBs	-		
(g) Others	33,644 (0.2%)		
Total (a) – (g)	9,649,820 (62.69%)		
Grand total	**15,393,020 (100%)**	**-3,078,604 (-20.0%)**	**15,393,020 (100%)**

As on 31 March, 2007, there were 14,972 public shareholders holding shares in the Target Company.

q) The Promoter of EIL, in terms of the SEBI (SAST) Regulations, is ESAB Holdings. ESAB Holdings holds 5,743,200 EIL Shares, representing 37.31% of the total. Apart from ESAB Holdings, no PAC holds any shares in EIL. The details of the changes in shareholding of ESAB Holdings as and when such changes happened are as follows:

Date of Allotment	No. of shares issued	Face value per share in Rs.	Mode of Allotment	Identity of Allottees	Issue Price in Rs.	Status of Compliance
19/11/1988	1,995,000	10.00	Preferential Allotment	ESAB Holdings Limited	10.00	Complied
01/10/1992	3,748,200	10.00	Conversion of partly convertible debentures	ESAB Holdings Limited	10.00	Complied
Total	**5,743,200**					

r) EIL has complied with applicable provisions of Chapter II of the SEBI (SAST) Regulations within the specified time except to the extent of 335 days delay in connection with annual disclosure of shareholding under Regulation 8(3) for FY 2001-2002. EIL filed the said return under SEBI Regularization Scheme 2002.

s) As on the date of the Public Announcement, EIL was in compliance with the listing agreements of various stock exchanges and no punitive action has been initiated against EIL by the stock exchanges where its shares are listed.

t) EIL has not received any directions from SEBI under section 11B of the SEBI Act, prohibiting it from dealing in securities or under any of the regulations made under the SEBI Act.

u) EIL has complied with all the mandatory requirements of corporate governance norms as enumerated in clause 49 of the listing agreement with the stock exchanges.

v) The Board of Directors of the Company at its metting held on July 31, 2007 accorded in-principle approval for the amalgamation of the subsidiary Company, Esab Welding & Cutting Systems Limited with the Company. Beside this, EIL has not undertaken any merger, acquisition or business disposal in the previous 3 years.

w) **Major contingent liabilities and litigations against EIL:**

Contingent liabilities aggregating to Rs. 167.7 mn were outstanding as on December 31, 2006. These pertain to Sales Tax (Rs.128.6 mn), Central Excise (Rs. 2.2 mn), FEMA (Rs.3 mn) and Income Tax (Rs. 33.9 mn). These matters are pending in various fora. These matters pertain to amounts that have not been deposited with the appropriate authorities on account of disputes. There is also a litigation matter filed by the Company in the Kolkata High Court for a total amount of Rs 30 mn. This is filed against the Kolkata Port Trust and pertains to the Company's efforts to negotiate a renewal in respect of the lease of Kolkata Equipment Factory, which has expired with the lessor Kolkata Port Trust. These matters have been disclosed in the Annual Report for the year ended December 31, 2006.

There are two additional matters aggregating to Rs. 13.2 mn in the Mumbai High Court which have not been disclosed in the Annual Report for the year ended December 31, 2006. These pertain to claims by and against an ex-managing director of the Company.

Miscellaneous litigation of amounts less than Rs 1 mn pertaining to employee related matters and some commercial cases in the normal course of business of the Company.

x) The Compliance Officer of EIL is:

S Venkatakrishnan
Company Secretary
ESAB India Limited
Plot No.13, 3rd Main Road,
Industrial Estate,
Ambattur, Chennai – 600 058
Tel: +91 44-4228 1103
Fax: +91 44-4428 1150

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

a) The EIL Shares are listed on the BSE, NSE and CSE. Based on the information available, EIL Shares are frequently traded on the BSE and the NSE (Source: BSE website, www.bseindia.com and NSE website www.nseindia.com) within the meaning of explanation (i) of Regulation 20 (5) of the SEBI (SAST) Regulations. The application for voluntary delisting from CSE was filed by EIL on November 22, 2004. EIL received the in principle approval for delisting from CSE dated 14 June, 2007. EIL filed the requisite fee as demanded by CSE by their letter dated 5 July, 2007.

b) The annualised trading turnover of the equity shares of EIL during the preceding six months ended May 31, 2007 on each of the stock exchanges on which EIL Shares are listed is detailed below:

Name of Stock Exchange	Total no. of EIL Shares traded during the 6 calendar months prior to the month in which PA was made	Total no. of listed EIL Shares	Annualised trading turnover (in terms of % to total listed shares)
BSE	18,41,695	15,393,020	23.9%
NSE	21,19,650	15,393,020	27.5%

c) The equity shares of EIL are infrequently traded on CSE within the meaning of explanation (i) of Regulation 20 (5) of the SEBI (SAST) Regulations.

The offer price determined as per Regulation 20(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 is as under:

a	Not Applicable	Not Applicable
b	Highest price paid by the Acquirers for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of Public Announcement	Not Applicable
c	**Other Financial Parameters**	**Based on the audited financial for the year ended 31 December 2006**
1	Return on Networth (%)	55.7%
2	Book Value (Rs.)	49.9
3	Earning Per Share (Rs.)	27.7
4	Price Earning Multiple (With reference to the offer price of Rs. 426/- per share)	15.4 times
4	The average industry PE for the sector in which it operates. (*Source:* Capitaline database provided by *Capital Market Sector: Electrodes - Welding equipment : July 27, 2007)*	14.3 times

d) The Offer Price of Rs.426/- (Rupees Four hundred and twenty six only) per EIL Share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations as it is in excess of the highest of the following:

i.	Negotiated Price	Not Applicable
ii.	Highest Price paid by the Acquirer for any acquisition (including by way of allotment in a public or rights or preferential issue) during the 26-week prior to the date of the Public Announcement	Not Applicable
iii.	The average of the weekly high and low of the closing prices of shares of EIL on NSE, where it is most frequently traded, during the 26 week period preceding the date of the Public Announcement.	Rs. 372.9
iv.	The average of the daily high and low of the prices of the shares of EIL on the NSE, where it is most frequently traded, during the 2 week period preceding the date of the Public Announcement.*	Rs. 425.2

*As per Explanation (i) to Regulation 20(11), the market price may be adjusted for quotations, if any, on cum-dividend basis during the same period. In the current situation, the Board of Directors of the Target Company in its meeting held on March 09, 2007, recommended an interim dividend of 55%, i.e. Rs. 5.50 per equity share on the par value of Rs. 10/- per equity share. The shares of the Target Company have traded on an ex-dividend basis from March 15, 2007. Hence the shares of the Target Company were trading on a cum-dividend basis from March 09, 2007 to March 15, 2007. However, based on a conservative approach, the Acquirer has not factored in any down-ward adjustment of the price for the cum-dividend trade dates.

The average of weekly high and low prices of EIL Shares during the 26-weeks preceding the Public Announcement on NSE is set out below:

Week #	End date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	29-Dec-06	380.8	357.5	369.2	34,776
2	05-Jan-07	407.0	369.0	388.0	81,559
3	12-Jan-07	418.9	385.2	402.0	230,222
4	19-Jan-07	435.0	401.3	418.2	172,656
5	25-Jan-07	422.0	403.1	412.6	46,505
6	02-Feb-07	427.0	390.0	408.5	33,327
7	09-Feb-07	395.0	373.1	384.1	40,633
8	15-Feb-07	388.4	351.1	369.7	21,360
9	23-Feb-07	408.0	352.3	380.1	33,538
10	02-Mar-07	380.0	300.1	340.1	145,453
11	09-Mar-07	381.1	310.1	345.6	174,067
12	16-Mar-07	342.0	316.0	329.0	32,605
13	23-Mar-07	330.0	304.0	317.0	21,427
14	30-Mar-07	325.0	297.1	311.1	43,936
15	05-Apr-07	310.9	292.2	301.6	1,219
16	13-Apr-07	414.0	310.0	362.0	1,693

Week #	End date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
17	20-Apr-07	369.8	350.0	359.9	1,792
18	27-Apr-07	363.0	345.0	354.0	1,774
19	04-May-07	384.0	356.0	370.0	70,159
20	11-May-07	395.9	350.0	373.0	103,452
21	18-May-07	399.0	365.1	382.0	290,987
22	25-May-07	397.9	375.6	386.7	48,630
23	01-Jun-07	449.0	350.0	399.5	169,385
24	08-Jun-07	440.0	405.3	422.6	75,038
25	15-Jun-07	439.0	410.0	424.5	45,624
26	22-Jun-07	445.0	412.0	428.5	129,261
			26 weeks average	**372.9**	

Source: NSE web site

The average of daily high and low prices of EIL Shares during the 2-weeks preceding the Public Announcement on NSE is set out below:

Day #	End date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	11-Jun-07	436.0	420.0	428.0	7,285
2	12-Jun-07	423.5	410.0	416.8	10,310
3	13-Jun-07	428.0	415.0	421.5	12,120
4	14-Jun-07	433.0	420.5	426.8	6,259
5	15-Jun-07	439.0	422.0	430.5	9,650
6	18-Jun-07	434.0	420.0	427.0	5,821
7	19-Jun-07	426.0	412.0	419.0	27,991
8	20-Jun-07	425.0	415.0	420.0	4,496
9	21-Jun-07	445.0	418.0	431.5	87,877
10	22-Jun-07	443.0	419.0	431.0	3,076
			2 weeks average	**425.2**	

Source: NSE web site

e) In the opinion of the Manager to the Offer, the Offer Price of Rs 426/- per share offered by Exelvia to the shareholders of EIL under the proposed Open Offer is justified in terms of Regulation 20 (4) of the Regulations.

f) If the Acquirers acquire equity shares of EIL after the date of the Public Announcement up to seven working days prior to the close of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Open Offer.

7.2 Financial Arrangements

a) The total funds required by the Acquirer to complete the Offer at Rs.426/- per share are Rs. 131,14,85,304 (Rupees One hundred thirty one crores fourteen lacs eighty five thousand three hundred and four only) assuming that full acceptances for the Offer are received.

b) On behalf of the Acquirers, State Bank of India through its branch in London located at State Bank House, 15 King Street, London EC2V 8EA has issued a bank guarantee for Rs 28,11,48,530.40 (Rupees Twenty eight crores eleven lakhs forty eight thousand five hundred and thirty and paise forty only) in favour of the Manager to the Offer. The bank guarantee is valid for 65 days from the date of closure of the offer. The said amount is equal to the minimum prescribed amount of 25% of the value of the total consideration payable under the Offer (assuming full acceptance) up to Rs. 100 crores and 10% thereafter as per Regulation 28(2) of the SEBI (SAST) Regulations. The said bank guarantee entitles the Manager to the Offer to realise the value thereof in terms of the SEBI (SAST) Regulations.

c) In terms of RBI Circular No. A.P. (DIR Series) Circular No.62 dated 24 May 2007 Authorised Dealer Category – I banks are permitted to open Escrow account and Special account on behalf of non-resident corporates, without prior approval of the Reserve Bank, for acquisition / transfer of shares / convertible debentures through open offers / delisting / exit offers, subject to the relevant SEBI (SAST) Regulations or any other applicable SEBI Regulations / provisions of the Companies Act, 1956 and subject to the terms and conditions specified in the Annex to the said Circular. Accordingly Exelvia, SBI Capital Markets Limited and the State Bank of India, a banking corporation constituted under the of State Bank of India

Act, 1955 and having one of its branch offices at Mumbai Main Branch, Mumbai Samachar Marg, P.B. No. 13, Fort, Mumbai – 400 023, India ("SBI, India") have entered into an Open Offer Escrow Agreement, (the "Escrow Agreement") dated June 22, 2007 in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, Exelvia has transferred an amount of Rs. 1,37,70,000/- (Rupees One crore thirty seven lacs seventy thousand only), which is in excess of 1% of the value of the total consideration payable under the Offer (assuming full acceptances) in to an escrow account with the SBI, India. SBI Capital Markets Limited has been duly authorised to operate the aforesaid Escrow Account in accordance with the terms of the SEBI (SAST) Regulations.

d) M/s PricewaterhouseCoopers Accountants N.V., Chartered Accountants located at Diamantstraat 2, 7554 TA Hengelo (Ov.), 7550 AB Hengelo (Ov.), The Netherlands (Tel: +31 74 246 77 77; Fax: +31 74 246 77 78) have in their letter dated June 21, 2007 certified that the Acquirer has sufficient means to fulfil all the obligations under SEBI (SAST) Regulations in respect of acquisition of shares of EIL.

e) Charter, one of the PACs, has confirmed and undertaken by its letter dated 21 June 2007 to extend financial support to the Acquirer to meet obligations under the Open Offer and has the necessary funds through internal accruals to support the same. Based on the above, SBI Capital Markets Limited, the Manager to the Offer, confirms that it is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfil the Offer obligations.

f) There is no non-compete agreement between the Acquirers and Target Company.

8. TERMS AND CONDITIONS OF OFFER

8.1 Statutory Approvals required for the Offer

a) The Government of India has reviewed the policy on FDI, and vide Press Note No. 4 (2006 Series) dated February 10, 2006, issued by the Ministry of Commerce & Industry, Department of Industrial Policy & Promotion and Regulation 10 (b) (ii) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India)(First Amendment) Regulations, 2000 and has decided to allow, under the automatic route, transfers of shares from residents to non residents where SEBI Takeover Regulations are attracted but subject to sectoral FDI policy. There is no sectoral cap prescribed for FDI in the welding consumables and equipment industry. No approvals are required for the Acquirers from FIPB to acquire shares pursuant to the Open Offer.

b) The Offer is subject to receipt by the Acquirers of approval from the RBI under the Foreign Exchange Management Act, 1999, and/or the regulations made thereunder ('FEMA'), for acquiring shares validly tendered under this Offer. The Acquirer made an application for the RBI approval on June 27, 2007. RBI by its letter No. FE/CO/FID/1217/10.21.072/2007-08 dated 12 July 2007 has accorded the approval to the Acquirer to acquire shares tendered under the Offer.

c) Other than the above permissions, and taking into account the legal, financial and investment market advice that the accquirer have received, as of the date of the Public Announcement, no statutory approvals are required to acquire the equity shares of EIL tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to receipt of such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirers will not proceed with the Offer in the event that any statutory approvals that are required are not obtained.

d) In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of any willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

e) The Acquirer does not require any approvals from any financial institutions or banks in respect of the Offer.

8.2 Others

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of EIL (other than the Acquirer and PACs), whose names appear on the Register of Members of EIL and to the beneficial owners of the shares of EIL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on Friday, July 13, 2007 ("Specified Date").

b) All owners (registered or unregistered) of shares of EIL (except for the Acquirer and PACs) are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

c) The acceptance of the Offer is entirely at the discretion of the shareholders of EIL. Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit and the shareholders of EIL are advised to adequately safeguard their interest in this regard.

d) Shares that are subject to any charge, lien or encumbrance are liable to be rejected. There are no shares under lock in.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

EIL Shareholders who to wish accept this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078. Tel: (91) – 22 – 2596 0320 Fax : (91) – 22 – 2596 0328/29 either by hand delivery on weekdays or by registered post, on or before the closure of the Offer, i.e., no later than Wednesday, September 5, 2007 or at the collection centres, so as to reach the Registrar/collection centres on or before the close of business hours, i.e., no later than on Wednesday, September 5, 2007 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of Shares in dematerialized form, Shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account before the closure of the Offer. The Form of Acceptance of such Shares in dematerialised form, not credited in favour of the Special Depository Account before the closure of the Offer, will be rejected.

i. For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates;
- original Share certificate(s); and
- valid Share transfer forms duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with EIL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- original share certificate(s);
- original broker contract note; and
- valid share transfer form(s) as received from the market.

The details of the buyer should be left blank failing which the same will be invalid under the Offer. The details of Exelvia as buyer will be filled in upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Shares held in dematerialised form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the DP; and
- photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP. For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.

General

a) The Share certificate(s), Share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer and PACs or EIL.

b) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than on Wednesday, September 5, 2007. Persons holding Shares in physical form are required to state the following details: name; address; number of Shares held; distinctive number; folio number, number of Shares offered. Persons holding Shares in dematerialised form are required to state the following details: name; address; number of Shares held; number of Shares offered; DP name; DP ID; beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account. Eligible persons can also write to the Manager to the Offer requesting the Letter of Offer and Form of Acceptance and complete the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. Wednesday, September 05, 2007. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI's website (www.sebi.gov.in), from the date of opening of the Offer. Eligible persons can download the Form of Acceptance from the SEBI website and apply using the same.

c) If the aggregate of the valid responses to the Offer exceeds the Offer size of 3,078,604 EIL Shares, then the Acquirer shall accept the Shares received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

d) The shares of the Target Company trade in the dematerialized form and the marketable lot of the Shares is one.

e) Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of closure of the Offer, i.e., no later than 19.00 hours on Wednesday, September 5, 2007, failing which their application is liable to be rejected.

f) While tendering Shares under the Offer, non-resident Indians ("NRIs"), overseas corporate bodies ("OCBs") or foreign Shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring EIL Shares. In case the previous approvals from the RBI are not submitted, the Acquirer reserves the right to reject such tendered Shares.

EIL Shareholders who wish to accept the Offer can also deliver the Form of Acceptance along with all other relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in this Letter of Offer. All the centres mentioned herein below would be open as follows:

Sr. No.	Collection Centre	Address of Collection	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Mumbai	Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W),Mumbai - 400078.	Awani Thakkar	022-25960320-27	022-25960328-29	Hand Delivery & Registered Post
2.	Mumbai	Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort , Mumbai -400001	Vivek Limaye	022-22694127	022-22694127	Hand Delivery
3.	Ahmedabad	Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380009	Hitesh Patel	079-2646 5179	079-26465179 (Telefax)	Hand Delivery

Sr. No.	Collection Centre	Address of Collection	Contact Person	Phone No.	Fax No.	Mode of delivery
4.	Bangalore	Intime Spectrum Registry Ltd., No:658-57,1st Floor, Laxmi Venkateshwar Archade, 11th Main,4th Block Jayanagar, Opp Vijay Party Hall, Bangalore - 560011	Arun Meda	080-41242624	080-41242623	Hand Delivery
5.	Chennai	7 / A, Laxman Nagar, East Main Road, Chennai - 600082	B. Srinivas	044 – 26712611	044-26712611 (Telefax)	Hand Delivery
6.	New Delhi	Intime Spectrum Registry Ltd., 3rd Floor, A-31, Naraina Industrial Area, Phase I, New Delhi -110028	Bharat Bhushan	011-41410592 93/94	011-41410591	Hand Delivery
7.	Surat	C/o Skystock Financial Services, 2nd Floor, Sonali Bldg, Ramanarsi Street, Athaunagar Mahallo, Nanpura, Surat - 395001	Sanjay M Patel	0261 - 2472144	0261-2472144	Hand Delivery
8	Rajkot	C/o Perfect Technology, 203, Sterling Apartments, Jawahar	Madhukar Desai	0281-2223778 /79	0281-2223779	Hand Delivery

The timings are Monday to Friday 10.00 a.m. to 7.00 p.m. and Saturdays 10.00 a.m. to 1.00 p.m.

Shareholders, who cannot hand deliver their documents at the collection centres referred above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at the address given below:

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W),
Mumbai - 400 078.
Tel: (91) – 22 – 2596 0320
Fax : (91) – 22 – 2596 0328/29

Withdrawal of acceptances

In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, Shareholders who wish to withdraw their acceptance tendered by them in the Offer may do so up to three (3) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Friday, 31 August, 2007.

The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed with this Letter of Offer.

Shareholders should enclose the following:

For Shares held in dematerialised form:

Beneficial owners should enclose:

- duly signed and completed Form of Withdrawal;
- Acknowledgement slip in original/copy of the submitted Form of Acceptance in case delivered by Registered A.D.; and
- photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

For Shares held in physical form:

Registered Shareholders should enclose:

- duly signed and completed Form of Withdrawal;
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.; and
- in case of partial withdrawal, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with EIL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- duly signed and completed Form of Withdrawal; and
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.

In case of non-receipt of a Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- in case of physical Shares: name; address; distinctive numbers; folio number; number of Shares tendered; and
- in case of Shares in dematerialised form: name; address; number of Shares offered; DP name; DP ID; beneficiary account number and a photocopy of the delivery instruction in “Offmarket” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository Account.

The withdrawal of Shares will be available only for the Share certificates or Shares that have been received by the Registrar to the Offer or Special Depository Account.

The intimation of returned Shares to the Shareholders will be at the address as per the records of EIL or the Depositories, as the case may be.

The Form of Withdrawal should be sent only to the Registrar to the Offer.

In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from EIL.

Partial withdrawal of tendered Shares can be done only by the registered Shareholders or beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

Settlement

Payment of consideration will be made by crossed account payee cheque or demand draft and sent by registered post to those Shareholders or unregistered owners and at their own risk, whose Shares or Share certificates and other documents are found in order and accepted by the Acquirer. In case of joint registered holders, cheques or demand drafts will be drawn in the name of the sole or first named holder or unregistered owner and will be sent to him/her. It is advisable that Shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque or demand draft.

Unaccepted or withdrawn Share certificate(s), transfer form(s) and other documents, if any, will be returned by registered post at the Shareholder’s or unregistered owner’s sole risk to the sole or first named shareholder or unregistered owner. Unaccepted or withdrawn Shares held in dematerialised form will be credited back to the beneficial owner’s depositary account with the respective depositary participant as per the details furnished by the beneficial owner in the Form of Acceptance.

The Registrar to the Offer will hold in trust the Share(s) or Share certificate(s), Shares lying in credit of the Special Depository Account, Form of Acceptance, if any, and the transfer form(s) on behalf of the Shareholders or unregistered owner(s) of EIL Shares, who have accepted the Offer, until the cheques or drafts for the consideration and/or the unaccepted Shares or Share certificates are dispatched or returned.

10. TAX TO BE DEDUCTED AT SOURCE

As per the provisions of section 195(1) of the 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). Since the consideration payable under the Offer would be chargeable to capital gains under section 45A of the Income Tax Act or as business profits as the case may be, the Acquirer will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of shareholders, as given below:

a) Non-resident Indians: The Acquirer will deduct tax at source at the rate of 30% on the Offer Price in case of short-term capital gains or business profits, and at the rate of 20% on the Offer Price in case of long-term capital gains. In respect of income by way of long term capital Gains from shares acquired or purchased with or subscribed to in convertible foreign exchange as prescribed in section 115E of the Income tax Act, 1961 the rate of TDS would be 10%. (Subject to production of necessary declaration / proof in this respect). In the event that the aforesaid amount of gross proceeds exceeds Rs 10,00,000/- the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived will be further increased by an education cess of 2% and Secondary and Higher education cess of 1%, of the aggregate of the tax and surcharge to be deducted in all cases.

b) Overseas Corporate Bodies/ Non-domestic companies: The Acquirer will deduct tax at source at the rate of 40% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20% on the Offer Price on the case of long-term capital gains. The same would be increased by surcharge at the rate of the two and one half percent of such income–tax where the income or the aggregate of such incomes paid or likely to be paid exceeds one crore rupees. The amount so arrived at will be further increased by an educational cess of 2% and Secondary and Higher education cess of 1%, of the aggregate of the tax and surcharge to be deducted in all cases.

c) Foreign Institutional Investors (“FII”): The Acquirer will not deduct tax at source if the Shares are held by the FII on investment/capital account. [Refer Section 196D]Tax will be deducted at source at 40% on the Offer Price if the Shares are held on trade account or if the FII fails to certify in the Bid Form that the Shares are held by it on investment/capital account if the FII is a company. The same would further be increased by a surcharge of 2.5% of such income-tax where the income or the aggregate of such incomes paid or likely to be paid exceeds one crore rupees and further increased by an education cess of 2% and Secondary and Higher Education Cess of 1%, of the aggregate of the tax and surcharge to be deducted. If the FII is a person other than a company, then tax will be deducted at the rate of 30% and will be further increased by a surcharge and education cess as indicated above viz., (1) in the case of an individual or an association of persons in the event the aforesaid amount exceeds Rs.10,00,000/- the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 2% and Secondary and Higher Education Cess of 1%, of the aggregate of the tax and surcharge to be deducted. (2) in the case of a firm, the surcharge would be 10% of such income-tax where the income or the aggregate of such incomes paid or likely to be paid exceeds one crore rupees and further increased by an education cess of 2% and Secondary and Higher Education Cess of 1%, of the aggregate of the tax and surcharge to be deducted.

d) Other persons who are not resident in India: The Acquirer will deduct tax at source at the ate of 30% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20% on the Offer Price in the case of long-term capital gains. In the case of an individual and association of person, in the event that the aforesaid amount exceeds Rs.10,00,000/- the aforesaid rate will be increased by a surcharge of 20% of the sum. The amount so arrived at will be further increased by an education cess of 2% and Secondary and Higher Education Cess of 1%, of the aggregate of the tax and surcharge to be deducted in all cases. In the case of firm, in the event that the aforesaid amount exceeds Rs.1,00,00,000/- the aforesaid rate will be increased by a surcharge of 10% of the sum. The amount so arrived at will be further increased by an education cess of 2% and Secondary and higher Education Cess of 1%, of the aggregate of the tax and surcharge to be deducted.

e) As per the provisions of section 2(37A) (iii) of the Income-tax Act, 1961, for the purpose of deduction of the tax under section 195, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year i.e. 2007-08 or the rates or rates of the income-tax specified in an agreement entered into by the Central Government under section 90 or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be, i.e. whichever beneficial, would be the applicable rate of TDS.

f) For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take the following action based on the information submitted by the shareholders:

i. in the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, the capital gain shall be assumed to be short-term in nature: or

ii. In the event the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

g) The aforementioned categories of Shareholders should certify in the Form of Acceptance whether the equity shares are held by them on investment/capital account or on trade account.

h) No tax will be deducted at source for any other category of Shareholders who are residents in India.

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

The tax rate and other provisions may undergo changes.

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of EIL at the Mumbai office of the Manager to the Offer, SBI Capital Markets Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

1. Memorandum & Articles of Association of the Acquirer and the PACs
2. Memorandum & Articles of Association of EIL
3. Certificate of incorporation of the Acquirer and PACs
4. Audited financial statements of Charter, ESAB Holdings and EIL for the financial years ended 31 December 2006, 2005 and 2004
5. Published copy of the Public Announcement dated June 25, 2007
6. Escrow Agreement dated June 22, 2007 between Exelvia, SBI Capital Markets Limited and State Bank of India in accordance with Regulation 28 of the SEBI (SAST) Regulations.
7. Copy of the Escrow Guarantee dated June 22, 2007confirming the amount kept in the escrow account and the lien in favour of the Manager to the Offer.
8. Copy of the letter dated June 21, 2007 from Charter confirming to extend financial support to the Acquirer to meet obligations under the open offer
9. A copy of the letter dated June 21, 2007 from M/s PricewaterhouseCoopers, Chartered Accountants confirming that Exelvia has sufficient means to fulfill all the obligations under the Open Offer.
10. A copy of the depository agreement dated June 22, 2007 between Intime Spectrum Registry Limited and Stock Holding Corporation of India Limited for opening a special depository account for the purpose of the offer.
11. Copy of the RBI approval letter No. FE/CO/FID/1217/10.21.072/2007-08 dated 12 July 2007to acquire shares in accordance with the Open Offer.
12. SEBI observation letter No. CFD/DCR/MMT/TO/100389/07 dated 2 August 2007.

12. DECLARATION BY ACQUIRER AND PACs

The Directors of the Acquirer and PACs accept responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal. The Directors of the Acquirer and the PACs are jointly and severally responsible for fulfilment of their respective obligations under the SEBI (SAST) Regulations. Mr. Andrew James Stockwell, Director Exelvia, has been authorised by Exelvia, Mr. James Richard Deeley, Legal Director and Company Secretary, Charter plc has been authorised by Charter plc and Mr. Martin Hannah, Chief Financial Officer, ESAB Holdings has been authorised by ESAB Holdings to sign the Letter of Offer.

Charter plc
Sd/-
Authorised Signatory

Place: London
Date: August 08, 2007

ESAB Holdings Limited
Sd/-
Authorised Signatory

Place: London
Date: August 08, 2007

Exelvia Group India B.V.
Sd/-
Authorised Signatory

Place: Hengelo, The Netherlands
Date: August 08, 2007

Encl:
1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for shareholders holding Shares in physical form.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
ESAB India Limited - Open Offer

OFFER OPENS ON	: Friday, August 17, 2007
OFFER CLOSES ON	: Wednesday, September 05, 2007

From
Folio No./DP ID No./Client ID No.:
Tel. :
Fax :
Email :

To,
The Acquirer : ESAB India Limited Open Offer
C/o Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W),
Mumbai -400078.

Please tick (✓) shareholders status (For taxation/TDS purpose)	
	Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income upto Rs. 10,00,000
	Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income exceeding Rs. 10,00,000
	Person resident in India who is a partnership firm
	Person resident in India who is a domestic company
	Person resident outside India who is a company
	Person resident outside India who is an individual/association of persons having an aggregate income upto Rs. 10,00,000
	Person resident outside India who is an individual/association of persons having an aggregate income upto Rs. 10,00,000
	Domestic venture capital fund and mutual Fund who is a domestic company
	International venture Capital Fund who is a domestic Company
	International venture Capital Fund who is a foreign Company
	Person resident outside India which is a Partnership firm
	Non-Resident Indian(s)
	Foreign Institutional Investors
	Multilateral Agency
	Bilateral Development Financial Institution
	Financial Institutions
	Banks
	Insurance Company
	Others (Specify ________________________)

Dear Sir,

Sub : Open Offer to acquire up to 3,078,604 equity shares of Rs.10/- each representing 20% of the paid-up equity capital of ESAB India Limited by Exelvia Group India B.V.("Acquirer") alongwith Charter plc and ESAB Holdings Limited (together referred to as Persons Acting in Concert) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto. ("Regulations")

I/We refer to the Letter of Offer dated August 08, 2007 for acquiring the equity shares held by me/us in ESAB India Limited. I/We, the undersigned have read the Letter of offer and understood their contents including the terms and conditions as mentioned therein.

SHARES IN DEMATERIALIZED FORM

I/We, holding Shares in the dematerialised form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below :

DP Name	DP ID	Client ID	Beneficiary	No. of Shares

Depository Name	National Securities Depository Limited
DP Name	Stock Holding Corporation of India Limited
DP ID Number	IN301330
Client ID	20092224
Beneficiary Account Name	ISRL- EIL OPEN OFFER ESCROW ACCOUNT
ISIN	INE284A01012
Market	Off market

—————————————— **TEAR ALONG THIS LINE** ——————————————

ACKNOWLEDGEMENT SLIP

ESAB India Limited Open Offer

Received from Mr./Ms./ M/s. __________________ residing at ____

a Form of Acceptance cum Acknowledgement for __________________ shares along with :

☐ copy of delivery instruction slip from DP ID ____________________________ Client ID ________________________________

☐ _________Share Certificate(s)_________ transfer deed(s) under folio number (s)__________for accepting the Offer made by the Acquirer.

Stamp of Collection Centre :		Stamp of Official :		Date of Receipt :	

I/ We note and understand that the Shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate (s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

S. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided in inadequate, please attach a separate sheet with details) **Total No. of Equity Shares**					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/OCBs/FIIs/Foreign Shareholders :

I/We have enclosed the following documents :

☐ No Objection Certificate/Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring Shares of ESAB India Limited herby tendered in the Offer.

☐ Copy of Permanent Account Number (PAN)

For FII Shareholders : I/We confirm that the equity shares of ESAB India Limited are held by me/us on

☐ Investment/Capital Account OR ☐ Trade Account (tick (✓) whichever is applicable)

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herin.

Name of the Bank		Branch	
Account No.		Current/Savings/(Others:please specify)	

I/We confirm that the equity shares of ESAB India Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manger to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Share certificates(s)/ Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialised form, I authorize Acquirer and the Registrar to the Offer and the Manger to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/we authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First / Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First / Sole Shareholder ____

Place: Date:

———————————————— **TEAR ALONG THIS LINE** ————————————————

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference

Folio No. / DP ID /Client ID

Intime Spectrum Registry Limited
(Unit: ESAB India Limited- Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.
Tel: (91) – 22 – 2596 0320; Fax **:** (91) – 22 – 2596 0328/29

FORM OF WITHDRAWAL

ESAB India Limited - Open Offer

OFFER OPENS ON	: Friday, August 17, 2007
LAST DATE OF WITHDRAWAL	: Friday, August 31, 2007
OFFER CLOSES ON	: Wednesday, September 05, 2007

From
Folio No./DP ID No./Client ID No.:
Tel. :
Fax :
Email :

To,
The Acquirer : ESAB India Limited Open Offer
C/o Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W),
Mumbai -400078.

Please tick (✓) shareholders status (For taxation/TDS purpose)	
	Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income upto Rs. 10,00,000
	Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income exceeding Rs. 10,00,000
	Person resident in India who is a partnership firm
	Person resident in India who is a domestic company
	Person resident outside India who is a company
	Person resident outside India who is an individual/association of persons having an aggregate income upto Rs. 10,00,000
	Person resident outside India who is an individual/association of persons having an aggregate income upto Rs. 10,00,000
	Domestic venture capital fund and mutual Fund who is a domestic company
	International venture Capital Fund who is a domestic Company
	International venture Capital Fund who is a foreign Company
	Person resident outside India which is a Partnership firm
	Non-Resident Indian(s)
	Foreign Institutional Investors
	Multilateral Agency
	Bilateral Development Financial Institution
	Financial Institutions
	Banks
	Insurance Company
	Others (Specify ________________________)

Dear Sir,

Sub : Open Offer to acquire up to 3,078,604 equity shares of Rs.10/- each representing 20% of the paid-up equity capital of ESAB India Limited by Exelvia Group India B.V.("Acquirer") alongwith Charter plc and ESAB Holdings Limited (together referred to as Persons Acting in Concert) in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto. ("Regulations")

I/We refer to the Letter of Offer dated August 08, 2007 for acquiring the equity shares held by me/us in ESAB India Limited. I/We, the undersigned have read the Letter of offer and understood their contents including the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocable to withdraw my/our Shares from the Offer and I/we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share (s) at my / our sole risk.

I/We note that upon withdrawal of my / our Shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer /Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. Tuesday, December 19, 2006.

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the DP account due to inaccurate / incomplete particulars / instructions.

I/ We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / Shares in dematerialised form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

——————————————— **TEAR ALONG THIS LINE** ———————————————

ACKNOWLEDGEMENT SLIP

ESAB India Limited Open Offer

Received from Mr./Ms./ M/s. __________________ residing at ____

a Form of Acceptance cum Acknowledgement for __________________ shares along with :

☐ copy of delivery instruction slip from DP ID ___________________________ Client ID ____________________________________
☐ copy of acknowledgement slip issued when depositing dematerialised Shares
☐ copy of acknowledgement slip issued when depositing physical Shares for withdrawing from the Offer made by the Acquirer

Stamp of Collection Centre :		Stamp of Official :		Date of Receipt :	

The particulars of tendered original share certificate (s) and duly signed transfer deed(s) are detailed below:

S. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided in inadequate, please attach a separate sheet with details) **Total No. of Equity Shares**					

I/ We hold the following Shares in dematerialised form and had executed an off-market transaction for crediting the Shares to the “ISRL-EIL OPEN OFFER ESCROW ACCOUNT. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary	No. of Shares

I / We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/ We confirm that the particulars given above are true and correct.

In case of dematerialised Shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First / Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First / Sole Shareholder ____

Place:

Date:

———————————————— **TEAR ALONG THIS LINE** ————————————————

All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address quoting your reference

Folio No. / DP ID /Client ID

Intime Spectrum Registry Limited
(Unit: ESAB India Limited- Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.
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