

PROCEEDINGS OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ESAB INDIA LIMITED HELD ON FRIDAY, 27 APRIL 2007, AT THE MINI HALL, THE MUSIC ACADEMY, NO.168, T.T.K. ROAD, CHENNAI 600 014 AT 4.00 P.M.

PRESENT

Mr M.G. Foster,	Chairman
Mr G. Hariharan,	Managing Director
Mr N.H. Mirza,	Director
Mr P. Mallick,	Director
Mr S. Tandon,	Director
Mr S. Sundar Ram,	Director
Mr J. Templeman,	Director
Mr S.N. Talwar,	Alternate Director & Member

47 Members in person representing 6,083,289 equity shares; and

5 Members by proxies representing 3,098 equity shares

Mr M.G. Foster, Chairman, occupied the chair.

1. Chairman after confirming that the requisite quorum was present called the meeting to order.
2. The notice convening the meeting together with the explanatory statement was taken as read with the unanimous consent of the members present.
3. Chairman asked Mr S Venkatakrishnan, the Company Secretary to read the Auditor's report. The Company Secretary read the Auditor's Report dated 1 March 2007 to the members. The annexure to the auditors' report was taken as read with the unanimous consent of the members present.
4. Thereafter the Chairman read out his statement to the Members.
5. Chairman then took up the business mentioned in the notice in seriatim.

ORDINARY BUSINESS :

1. ADOPTION OF ACCOUNTS

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

RESOLVED THAT the audited balance sheet as at 31 December 2006 and the Profit and Loss account of the company for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting be and the same are hereby approved and adopted.

Mr Arvind Joshi (DP & Client ID IN30154916750762), a member, seconded the resolution.

Chairman invited the members to raise queries, if any, on the accounts. Thereafter, some members sought clarifications on the accounts and spoke on other related issues.

Mr M G Foster, Chairman answered the queries raised by the members.

The resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

2. RE-APPOINTMENT OF MR J TEMPLEMAN AS DIRECTOR

Mr R Anantharaman (DP & Client ID 1201090000798941), a member, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr J Templeman, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the company.

Mr Sunil Kothari (DP & Client ID IN30048411774475), a member, seconded the same.

The resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

3. RE-APPOINTMENT OF MR G HARIHARAN AS DIRECTOR

Mr M Myilvaganan (DP & Client ID IN30302852113736), a member, proposed the following resolution as an ordinary resolution:

RESOLVED THAT Mr G Hariharan, who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a director of the company.

Mr R Anantharaman (DP & Client ID 1201090000798941), a member, seconded the same.

The resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

4. RE-APPOINTMENT OF STATUTORY AUDITORS

Mr K Sriram (DP & Client ID IN30012610041359), a member, proposed the following resolution as an ordinary resolution:

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

Mr R Sankaran (Folio No. S01139), a member, seconded the same.

The resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

SPECIAL BUSINESS :

5. APPROVING THE APPOINTMENT OF MR G HARIHARAN AS MANAGING DIRECTOR FOR A PERIOD OF 5 YEARS W.E.F 1 SEPTEMBER 2006 AND THE OVERALL LIMITS OF REMUNERATION AND PERQUISITES PAYABLE TO HIM

Mr R Sankaran (Folio No. S01139), a member proposed the following resolution as an ordinary resolution:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and It is hereby accorded to the appointment of Mr G Hariharan, as the Managing Director of the Company for a period of 5 years effective 1 September 2006 on the following remuneration:

Remuneration

1. By way of Salary, and other allowances etc., hereinafter referred to as Remuneration subject to a ceiling of Rs.4,000,000/- per annum or such other amount as the Board may determine.
2. By of Performance Linked variable Pay / Long Term Incentive Compensation / bonus / Commission on profits etc., subject to a ceiling of Rs.2,000,000/- per annum or such other amount as the Board may determine.

Perquisites

3. By way of perquisites which shall be evaluated at actual cost to the Company and where it is not possible to ascertain the actual cost, such perquisites shall be evaluated as per Income -tax Rules, 1962, and as per details given below subject to a ceiling of Rs.2,000,000/- per annum or such other amount as the Board may determine.

- i. a. The Company shall provide, rent free furnished accommodation and also pay all rents, rates, taxes.
- b. The Company shall reimburse expenditure incurred towards electricity, fuel charges, water charges, and all other expenses for the upkeep and maintenance of his residence.
- ii. Leave Travel Expenses : For self and family (which shall include spouse, dependent children and parents) in accordance with the Rules applicable to the Company.
- iii. Reimbursement of expenditure incurred towards car driver salary.
- iv. Provision of assets / furnishings at his residence, valuation of which will be as per Income Tax Rules. The Company shall maintain these assets, the expenses towards which shall not be included in the computation of the limits for remuneration or perquisites as aforesaid.
- v. Other allowance / benefits / perquisites: Any other allowances, benefits and perquisites as per the rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board may from time to time decide.

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

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

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

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

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

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

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

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

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

Mr K Sriram (DP & Client ID IN30012610041359), a member, seconded the resolution.

The resolution was then put to vote and on a show of hands, the Chairman declared the same as passed unanimously.

Mr M.G. Foster, Chairman thanked the shareholders for their active participation in the annual general meeting and declared the meeting as closed.

April 27, 2007

C H A I R M A N