LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **Flat Products Equipments (India) Limited**. If you require any clarifications about the action to be taken, you may consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have recently sold your shares in Flat Products Equipments (India) Limited, please hand over this Letter of Offer and 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.

CASH OFFER

By

The Acquirer:

Cockerill Maintenance & Ingénierie SA, ("CMI" or "Acquirer")

Regd. Office: Avenue Greiner, 1, 4100 Seraing, Belgium; **Tel:** +32-0-43302243; **Fax:** +32-0-43302582

TO ACQUIRE UPTO 9,87,563 FULLY PAID-UP EQUITY SHARES

representing 20% of voting share capital of Flat Products Equipments (India) Limited ("FPL" or "Target Company")

Regd. Office: Mehta House, 64, Road No. 13, MIDC, Andheri (East), Mumbai-400 093.

Tel.: +91-022-66762727, **Fax:**+91-022- 66762737; **E-mail:** fpe@vsnl.com, **Website:** www.flatproducts.com

AT Rs. 517/- (RUPEES FIVE HUNDRED AND SEVENTEEN ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF Rs.10/- (RUPEES TEN) EACH (The "OFFER PRICE").

Pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

Attention:

1. The Offer is not conditional upon any minimum level of acceptance.
2. The Offer along with any obligation to make payment for, or purchase the shares tendered and accepted is subject to the receipt of approval from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") and rules and regulations made there under, The Acquirer had filed the necessary application with the RBI requesting approval for acquiring shares from the residents and non resident Indians pursuant to the Offer and has received a letter dated March 7, 2008 from the RBI approving the same.
3. As of the date hereof, other then the above, no other statutory approvals (including any approval from the Foreign Investment Promotion Board ("FIPB")) are required to acquire the Equity Shares tendered pursuant to the Offer. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are not obtained.
4. In case of delay in the receipt of the statutory approvals SEBI has the power to grant 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, provided further that if the Acquirer is diligent in pursuing the RBI approval to the satisfaction of SEBI, the Acquirer will have the option not to pay such interest, subject to concurrence by SEBI. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
5. Shareholders who have accepted the Offer by tendering the requisite documents in terms of Public Announcement/ Letter of Offer shall have the option to withdraw their acceptance up to Friday, May 30, 2008 i.e. 3 (three) working days prior to the date of closure of the Offer viz. Wednesday, June 4, 2008. Such requests for withdrawal should reach the designated collection centres before 5:00 p.m. on Friday, May 30, 2008.
6. If there is an upward revision in the Offer Price or withdrawal of the Offer by the Acquirer prior to or on the last date for revising the Offer Price viz. Monday, May 26, 2008, you will be informed by way of another public announcement in the same newspapers in which the first Public Announcement was published. The Acquirer shall pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
7. The Acquirer may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the Takeover Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the PA was published
8. **There has been no competitive bid.**
9. The procedure for acceptance is set out in Section 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and Form of Withdrawal are enclosed with this Letter of Offer.
10. In case the numbers of valid acceptances are higher than 9,87,563 Shares, then the valid tenders would be accepted on a proportionate basis up to a maximum of 9,87,563 Shares. Hence, there is no certainty that all Shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.

The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal are also available on SEBI's Website (www.sebi.gov.in) from the Offer Opening Date viz. Friday, May 16, 2008. A copy of the Form of Acceptance may also be obtained from the Registrar to the Offer commencing on the date of the dispatch of the Letter of Offer. All future correspondence, if any should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Edelweiss Ideas create, values protect **Edelweiss Capital Limited** Express Tower, 14th Floor, Nariman Point, Mumbai – 400 021, Tel : + 91-022- 4086 3535 Fax: + 91-022- 2288 2119 Email: fpl.openoffer@edelcap.com Contact Person : Mr. Sumeet Lath / Ms. Navdeep Kaur	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No.17-24 Vithalrao Nagar, Madhapur, Hyderabad - 500081. Tel: + 91-040 23431553; Fax: + 91-040 23431551; Email: murali@karvy.com; Contact Person: Mr. Murali Krishna

OFFER OPENS: FRIDAY, MAY 16, 2008	OFFER CLOSES: WEDNESDAY, JUNE 4, 2008

(For Schedule of Major Activities of the Offer please refer to the next page)

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule	Revised Schedule
	Day & Date	**Day & Date**
Public Announcement Date	Wednesday, January 16, 2008	Wednesday, January 16, 2008
Specified Date*	Thursday, January 17, 2008	Thursday, January 17, 2008
Last date for a competitive bid	Tuesday, February 05, 2008	Tuesday, February 05, 2008
Date by which Letter of Offer to be dispatched to shareholders	Friday, February 29, 2008	Saturday, May 10, 1008
Date of Opening of the Offer	Monday, March 10, 2008	Friday, May 16, 2008
Last date for Revising the Offer price/ number of Shares	Wednesday, March 19, 2008	Monday, May 26, 2008
Last date for Withdrawing of acceptance from the Offer	Wednesday, March 26, 2008	Friday, May 30, 2008
Last date for Closing of the Offer	Saturday, March 29, 2008	Wednesday, June 04, 2008
Last date of communicating rejection / acceptance and for dispatch of consideration for acceptance and of Share certificate(s) for the rejected Shares / credit of unaccepted dematerialized Shares.	Saturday, April 12, 2008	Thursday, June 19, 2008

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the shares of FPL (except Acquirer and other parties to the Agreement) are eligible to participate in the Offer anytime before the closure of the Offer.*

Note: *Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to reach not later than 5.00 p.m. on Wednesday, June 4, 2008.*

RISK FACTORS

Risk Related to the Offer

1. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer will also be subject to such other statutory approvals. In the event of such 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 who's Shares has been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed.
2. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. Friday, May 30, 2008, Shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
3. The Acquirer and the Manager to the Offer, accepts no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

Risks involved in getting associated with the Acquirer

4. The Acquirer makes no assurance with respect to the market price of the Shares of Flat Products Equipments (India) Limited, both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether to participate or not to participate in the Offer.
5. The Acquirer makes no assurance with respect to the financial performance of Flat Products Equipments (India) Limited.

Risks relating to the transaction

6. The transaction is subject to completion risks as would be applicable to other transactions.

   The risk factors set forth above pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the offer.

CURRENCY OF PRSENTATION

In this Letter of Offer, certain financial details contained herein are denominated in **Euro ("€"**, the legal currency of the European Union). The Rupee equivalent quoted for Euro is calculated in accordance with the RBI Reference Rate as of January 14, 2008, namely 1 Euro=Rs. 58.39 (Source: www.rbi.org.in)

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding.

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1. DEFINITION

Acquirer/ CMI	Cockerill Maintenance & Ingénierie SA
Agreement	Collectively SPA1 and SPA2
ASE	Ahmedabad Stock Exchange Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Close of Business Hours	Monday to Friday 10.00 a.m. to 5.00 p.m. & Saturday 10.00 a.m. to 1.00 p.m.
Depository Escrow Account	The depository account opened by Karvy Computershare Private Limited with National Securities Depository Limited (NSDL) account "KCPL Escrow A/C – FPL Open Offer ". The DP ID is IN302470 and the beneficiary client ID is 40224564
DP	Depository Participant
DSE	Delhi Stock Exchange Association Limited
Depositories	Collectively NSDL and CDSL
Eligible Persons	All owners of shares registered or unregistered of FPL (who own shares at any time prior to the Closure of the Offer) except Parties to the Agreement.
Euro	Euro, € the legal currency of the European Union
Equity Shares/ Shares	Equity shares of the Target Company
FEMA	Foreign Exchange Management Act, 1999 and the rules and regulations made there under.
FII(s)	Foreign Institutional Investors
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
FPL/Target Company	Flat Products Equipments (India) Limited
FY	Financial Year
Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto
Letter of Offer	This Letter of Offer
Manager/ Manager to the Offer/ Merchant Banker/ Edelweiss	Edelweiss Capital Limited
NRI	Non Resident Indians
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
Offer	This open offer for acquisition of 9,87,563 fully paid-up Equity Shares of face value of Rs.10/- each, representing 20% of voting Share Capital at the Offer Price of Rs. 517/- per Share
Offer Closing Date	Wednesday, June 04, 2008
Offer Opening Date	Friday, May 16, 2008
Offer Price	Rs. 517/- (Rupees Five Hundred & Seventeen only) per Share, payable in cash.
Public Announcement/ PA	Announcement of the Offer made by the Acquirer on Wednesday, January 16, 2008
RBI	Reserve Bank of India
Registrar/Registrar to the Offer	Karvy Computershare Private Limited
Rs./INR	Indian National Rupee
SEBI	Securities and Exchange Board of India

SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations/ Regulations/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of the Public Announcement
Share(s)	Fully paid-up Equity Shares of face value of Rs. 10/- each of Flat Products Equipments (India) Limited
Shareholders	Shareholders of the Target Company
Specified Date	Thursday, January 17, 2008, being the date for the purpose of determining the names of the Shareholders to whom the Letter of Offer will be sent
Stock Exchanges	Collectively ASE, BSE and DSE
SPA1	The Share Purchase Agreement between the Acquirer on the one hand and Mr. Tilakraj Dewamal Mehta and Mrs. Nishi Tilakraj Mehta on the other hand (collectively the "Sellers") signed on January 14, 2008.
SPA2	The Share Purchase Agreement between the Acquirer on the one hand and the Sellers, Mrs. Rithu Kochhar, Mrs. Reema Katariya, Mrs. Ruhi Chauhan on the other hand signed on January 14, 2008.

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the Regulations unless specified.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF FLAT PRODUCTS EQUIPMENTS (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 OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER– EDELWEISS CAPITAL LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED **JANUARY 28, 2008** TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS, 1997. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3. DETAILS OF THE OFFER

3.1. Background of the Offer

a) Cockerill Maintenance & Ingénierie SA ("**CMI**" or "**Acquirer**"), a company incorporated on December 16, 1981, in Belgium having its registered office at, Avenue Greiner, 1, 4100 Seraing, Belgium **being the Acquirer** within the meaning of Regulation 2(1)(b) of the SEBI (SAST) Regulations, has agreed, vide Share Purchase Agreement dated January 14, 2008 ("**SPA1**"), with Mr. Tilakraj D. Mehta, Kanak Residency Soc, Plot No. 7, Road No. 8, J.V.P.D. Scheme, Parle (West), Mumbai-400049 , Tel No: +91-022-2620621 & Mrs. Nishi T. Mehta, Kanak Residency Soc, Plot No. 7, Road No.8, J.V.P.D. Scheme, Parle (West), Mumbai-400049 , Tel No: +91-022-2620621 (collectively the "**Sellers**") to acquire 27,10,137 equity shares of face value Rs. 10/- each representing 54.89% of the paid up share capital of Flat Products Equipments (India) Limited ("**FPL**" or "**Target Company**") being the Target Company as defined in Regulation (2)(1)(o) of the SEBI (SAST) Regulations at a price of Rs. 517/- per share. The total consideration payable in cash for the above transaction in terms of the SPA1 is Rs. 140,11,40,829/- (Rupees One Hundred Forty Crore Eleven Lacs Forty Thousand Eight Hundred Twenty Nine Only).

b) The Acquirer has simultaneously entered into a share purchase agreement dated January 14, 2008 ("**SPA2**") to acquire 4,00,600 equity shares of face value of Rs. 10/- each, representing 100% of the paid up share capital of NT Strips and Automation Private Limited **("NSAPL"),** a private limited company registered under the Companies Act, 1956 having its registered office at Mehta House, 64, Road No. 13, MIDC, Andheri (East), Mumbai-400 093, from the Sellers and their relatives viz. Mrs. Rithu Kochhar, Kanak Residency Soc, Plot No. 7, Road No. 8, J.V.P.D. Scheme, Parle (West), Mumbai-400049 , Tel No: +91-022-2620621, Mrs. Reema Katariya, Kanak Residency Soc, Plot No. 7, Road No. 8, J.V.P.D. Scheme, Parle (West), Mumbai-400049, Tel No: +91-022-2620621, Mrs. Ruhi Chauhan, Kanak Residency Soc, Plot No. 7, Road No.8, J.V.P.D. Scheme, Parle (West), Mumbai-400049 , Tel No: +91-022-2620621 at a price of Rs. 497/- per share. Since NSAPL holds 7500 equity shares of face value Rs. 10/- each, representing 0.15% of the paid up share capital of FPL, the Acquirer will directly and indirectly acquire in the aggregate 27,17,637 equity shares of face value Rs. 10/- each, representing 55.04% of the paid up share capital of FPL. The Acquirer will at closing pay to the Sellers Rs 19,90,98,200/- (Rupees Nineteen Crore Ninety Lacs Ninety Eight Thousand Two Hundred only) in cash towards consideration for purchase of 100% of the fully paid-up equity share capital of NSAPL.

c) Since more than 15% of the voting rights of the Target Company are proposed to be acquired under the SPA1 and SPA2 (collectively referred to as the "SPAs") and will result in a change in the control of the Target Company the Acquirer is making an open offer to the public shareholders of the Target Company to acquire 9,87,563 paid up Equity Shares of the Target Company representing 20% of the voting capital for cash at Rs. 517/- (Rupees Five Hundred and Seventeen Only) per share ("**Offer Price**") pursuant to and in compliance with Regulations 10 and 12 of the SEBI (SAST) Regulations*.*

d) The salient features of the SPA1 are as under:

   i. Acquirer has agreed to acquire 13,06,087 equity shares of Rs. 10 each held by Mrs. Nishi Tilakraj Mehta and 14,04,050 equity shares of Rs. 10 each held by Mr. Tilakraj Dewamal Mehta aggregating to 27,10,137 equity shares ("**SPA1 Shares**") of Rs. 10 each, being 54.89% of the issued and paid-up equity share capital of the Target Company.

ii. The consideration for the purchase of the SPA1 Shares shall be an amount in cash equal to the sum of Rs. 1,40,11,40,829/- ("**SPA1 Consideration**") payable to the Sellers.

iii. The Acquirer shall, at its cost and expense, comply with the provisions of the Takeover Code and until full compliance of all the provisions of the Takeover Code the parties have agreed not to act upon the agreement as per regulation 22(16) of the SEBI (SAST) Regulations.

iv. The SPA1 Shares shall be sold by the Sellers free from encumbrances and together with all rights and advantages attaching to them as at transaction closing (including, without limitation, the right to receive all dividends or distributions declared, made or paid on or after closing of the contemplated transaction).

v. The agreement to sell and purchase the SPA1 Shares will be conditional upon receipt by the Purchaser of the final report of the Merchant Banker under Regulation 24(7) of the Takeover Code.

vi. If the condition precedent set out in point v, above, is not satisfied by June 30, 2008 the Sellers and Purchaser will meet and seek to discuss a resolution acceptable to both parties. If for any reason the parties are unable to agree on a course of action by July 30, 2008, the SPA1 shall be terminated on July 30, 2008.

vii. **Closing**

Subject to point v. & vi, in this paragraph above, closing of the transaction shall take place at BNP Paribas's offices at French Bank Building, 62 Homji Street, Fort, Mumbai 400 001 within 3 business days of the conditions precedent in v & vi being met.

viii. The Sellers have agreed that from the date of the SPA1 to the date transaction closing occurs, they shall ensure that the Target Company carries on its business in the ordinary course; does not declare any interim dividend; recovers all advances made to Affiliated Entities (as defined under the SPA1); and discharges or repays all debt owed to the Sellers as well as Affiliated Entities.

ix. The Sellers and the Purchaser shall ensure that a meeting of the board of directors of the Target Company is held at closing for accepting the resignation of directors (it being agreed between the Parties of the SPA1 that the Target Company's directors nominated by the Sellers shall resign at transaction closing), and approving the appointment of such persons, as the Purchaser may nominate, to be directors of the Target Company.

In relation to v. and vi. above, if the Open Offer process is not completed prior to June 30, 2008 the final report cannot be issued by the merchant banker by the said date. In such a case, the parties to SPA1 have agreed to mutually discuss and arrive at a future course of action to appropriately deal with the situation at that relevant point in time. Such future courses of action may include an extension of time. Under no circumstances will any action taken under these provisions of SPA1 effect the carrying out of the open offer in accordance with the SAST Regulations.

e) The salient features of SPA2 are as under:

i. Acquirer has agreed to acquire 2,00,000 equity shares of Rs. 10 each held by Mrs. Nishi Tilakraj Mehta, 2,00,000 equity shares of Rs. 10 each by Mr. Tilakraj Dewamal Mehta, 200 equity shares of Rs. 10 each held by Mrs. Rithu Kochhar, 200 equity shares of Rs 10 each held by Mrs. Reema Katariya and 200 equity shares of Rs 10 each held by Mrs. Ruhi S. Chauhan aggregating to 4,00,600 equity shares ("**SPA2 Shares**") of Rs. 10 each, being 100% of the issued and paid-up equity share capital of NT Strips and Automation Private Limited.

ii. The consideration for the purchase of the SPA2 Shares shall be an amount in cash equal to the sum of Rs. 19,90,98,200/- ("SPA2 Consideration") payable to the Sellers and their relatives as set out below:

Name of the SPA2 sellers	**SPA2 Consideration (in Rupees)**
Mr. Tilakraj Dewamal Mehta	99,400,000
Mrs. Nishi Tilakraj Mehta	99,400,000
Mrs. Rithu Kochhar	99,400
Mrs. Reema Katariya	99,400
Mrs. Ruhi Chauhan	99,400

iii. The SPA2 Shares shall be sold by the Sellers free from encumbrances and together with all rights and advantages attaching to them as at transaction closing (including, without limitation, the right to receive all dividends or distributions declared, made or paid on or after closing of the contemplated transaction).

iv. The agreement to sell and purchase the SPA2 Shares is conditional upon closing under the SPA1.

v. If the condition precedent set out in point iv, above, is not satisfied by June 30, 2008 the Sellers and Purchaser will meet and seek to discuss a resolution acceptable to both parties. If for any reason the parties are unable to agree on a course of action by July 30, 2008, the SPA2 shall be terminated on July 30, 2008.

vi. **Closing**

Subject to point iv & v in this paragraph above, closing of the transaction shall take place at BNP Paribas's offices at French Bank Building, 62 Homji Street, Fort, Mumbai 400 001 within 3 business days of the conditions precedent in iv & v being met.

f) The proposed change in control would be pursuant to the closing under the SPAs and will take place on completion of the formalities according to Takeover Regulations.

g) The Acquirer and their respective Directors do not hold any Shares of the Target Company, nor have they acquired any shares of the Target Company since the date of the PA or during the 12 months period prior to the date of the PA, except for the Equity Shares proposed to be directly and indirectly acquired under the Agreement.

h) On closing, the Acquirer under SPA1 has the right to appoint its nominees on the Board of Directors of the Target Company, pursuant to resignation of the Sellers' nominees. These nominees of the Acquirer shall be determined at the time of appointment, subsequent to completion of all requirements under the Regulations. The Acquirer shall reconstitute the Board of Directors of FPL on closing in accordance with the provisions contained in the Regulations and the Companies Act, 1956.

i) This is not a competitive bid.

j) As of the date of this Public Announcement, the subscribed and paid up equity share capital of the Target Company is Rs. 4,93,78,130 divided into 49,37,813 outstanding equity shares ("**Equity Shares**") of face value of Rs. 10/- each. There are no outstanding instruments convertible into equity shares of the Target Company at a future date.

k) As per stock exchange filings at Bombay Stock Exchange Limited ("**BSE**"), Ahmedabad Stock Exchange Limited ("**ASE**") and Delhi Stock Exchange Association Limited ("**DSE**") the Sellers belong to the promoter category of the Target Company.

l) As on date of the Public Announcement, Edelweiss Capital Limited, the Manager to the Offer did not hold any shares of FPL.

m) The Acquirer, FPL and the Sellers have not been prohibited by SEBI from dealing in securities, either in terms of directions issued under Section 11B of the SEBI Act, or any other regulations framed there under.

3.2 DETAILS OF THE PROPOSED OFFER

a) The Public Announcement was published in the following newspapers on January 16, 2008, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	**Language**	**Editions**
Financial Express	English	All
Jansatta	Hindi	All
Navshakti	Marathi	All

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

b) The direct and indirect acquisition of the shares of the Target Company pursuant to the SPAs would exceed 15% of the voting rights in the Target Company and also results in a change of control of the Target Company and therefore triggers an open offer under Regulations 10 and 12 of the SEBI (SAST) Regulations. Consequently, the Acquirer is making an open offer to the public shareholders of the Target Company to acquire upto 9,87,563 Equity Shares of the Target Company being 20% of the voting share capital of the Target Company ("Offer Share(s)") .

c) This Offer is being made pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations, at a price of Rs. 517/- per fully paid up Equity Share (the "Offer Price"), payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter (the "Offer" or "Open Offer") and the terms and conditions that will be set out in the letter of offer in relation to the Offer (the "Letter of Offer").

d) FPL does not have any outstanding partly paid shares, convertible instruments, warrants or stock options.

e) Subject to the receipt of regulatory approvals as set out in paragraph 8 titled "Terms and conditions of the offer" set out in this Letter of Offer, the Acquirer will acquire Equity Shares up to the extent mentioned in this Letter of Offer.

f) Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer will hold 37,05,200 Equity Shares of the Target Company representing 75.04% of the voting share capital of the Target Company.

g) This Offer is being made to all the public shareholders of the Target Company and is not conditional on any minimum level of acceptances.

h) The Acquirer have not acquired nor been allotted any Equity Shares of the Target Company save and except that the Acquirer has undertaken to directly and indirectly acquire 27,17,637 Equity Shares in terms of the SPA1 and SPA2 as mentioned in Para 3.1 above.

i) The Equity Shares of the Target Company will be acquired by the Acquirer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

j) The Acquirer and their respective directors have not acquired any Shares of the Target Company after the date of the PA and up to the date of Letter of Offer through open market purchases or otherwise.

k) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

l) There have no competitive bids to the offer.

3.3 OBJECT AND REASONS OF THE ACQUSITION

a) The objects of the Acquirer include inter alia providing an extended and consistent range of products, technologies and services to the customers globally in the downstream of the steel industry. On one side, the technologies owned by FPL in rolling mills and cost-efficient processing lines complete the existing range of technologies owned by the CMI Group, such as high-end galvanizing and colour-coating lines, industrial furnaces for reheating and annealing of flat carbon and stainless steel, high-end pickling and degreasing lines with large-size acid regenerating units.

b) The acquisition will provide to customers an opportunity for having access to a complete Cold Rolling and Galvanising Complex with the latest technologies the industry has to offer from a single source.

c) This will also create a value proposition for customers who hitherto were not being serviced by either CMI or the Target Company because of their reach, size and geographic distances. CMI has been traditionally present in Western Europe, Russia, China and USA; CMI has a very limited presence in the territories where the Target Company is active, such as India, South-east Asia, Middle East and Africa. Together, CMI and the Target Company can claim to have a real global presence and be in a position to serve customers on a global basis.

d) In terms of sourcing of equipment components, the acquisition will allow CMI to have access and monitoring of supply sources in India, to complement CMI's current sourcing organizations in Eastern Europe and China.

4. BACKGROUND OF THE ACQUIRER

4.1. Cockerill Maintenance & Ingénierie SA,

a) Cockerill Maintenance & Ingénierie SA, the Acquirer, is a limited liability corporation having its registered and corporate office at Avenue Greiner, 1, 4100 Seraing, Belgium (Tel: +32-0-43302243; Fax:+32-0-43302582). CMI was incorporated on December 16, 1981 under the laws of Belgium with the name Mécanique et Industrie SA. The name of the company was changed to Cockerill Mechanical Industries SA on December 20, 1982 and further changed to Cockerill Maintenance & Ingénierie SA on July 2, 2004.

b) CMI belongs to the CMI Group, an Industrial Group which specialises in maintenance and engineering which it uses to design various equipments and develop its overall performance. Specific to steel business engineering, CMI is mainly present in Western Europe, Russia, China, USA and Brazil and provides steel makers with a range of products and technologies for the downstream of the steel industry.

c) CMI is controlled by its board of directors who are assisted by various committees such as the executive committee, audit committee and the remuneration committee. Since CMI's operational activities are combined in independent sectors each sector is led by a sector committee responsible for profitable sustainable growth in its activity area, consistent with the strategies and policies determined by the board of directors and the executive committee.

d) The issue and paid up equity share capital of CMI constitutes of 817,749 ordinary equity share aggregating to• 47,000,000 (equivalent to Rs. 27443.30 Lacs, based on the Reserve Bank of India's reference rate as on January 14, 2008, Euro 1 = Rs. 58.39).

e) As on January 16, 2008, the shareholding pattern of CMI is as follows:

Shareholders	No. of Shares	Shareholding Pattern
Euremis Holding SA	6,59,478	80.65%
Dodeca Sprl	1,58,270	19.35%
Sogepa SA	1	0.00%
Total	**8,17,749**	**100.00%**

f) The equity shares of the Acquirer are not listed on any stock exchange.

g) **Compliance Officer:** Mr. Yves HONHON, Chief Financial Officer, Cockerill Maintenance & Ingénierie SA , Avenue Greiner, 1, 4100 Seraing, Belgium, Tel: +32-0-43302243; Fax:+32-0-43302582.

h) The composition of Board of Directors of CMI, as on date of the Public Announcement was as under :

Name of the Director & Designation	Date of Appointment of the Board of Directors	Residential Address	Qualification	Experience
Mr. Bernard Serin Chairman	04.04.2002	Avenue d'Eylau 3675016 Paris, France	PHD in Metallurgy (University Paris VI) ESPCI Engineer Physics & Chimics Industrial School (Paris)	Since 2002 Chairman of the Board and Executive Director of CMI SA 1999-2002 Executive Director Cockerill Sambre 1993-1999 Industrial Manager SOLLAC, then Vice General Manager SOLLAC & Chairman sogerail and tubeurop 1989-1993 Chairman and CEO Edgcomb Metals, Interstate And Metron Steel (USA) 1989 Vice Commercial Manager SOLLAC 1987-1989 Manager SOLLAC FLORANGE Manager Cold Products Department SOLLAC 1986-1987 Manager Metallurgy Client Quality SOLLAC 1985-1986 Vice Manager Metallurgy Quality Product Research SOLLAC 1982-1985 Official representative to the Manager Metallurgy Quality Research SOLLAC 1980-1982 Head of department Metallurgy Cold Factories 1979-1980 Vice Product Manager Strand Machine SACILOR 1977-1978 Head of department Metallurgy Finisher Trains SACILOR

Name of the Director & Designation	Date of Appointment of the Board of Directors	Residential Address	Qualification	Experience
				1975-1977 Development Engineer Metallurgy Quality Management SACILOR 1974-1975 Engineer IRSID (training)
Mr. Pierrre Meyers Vice-Chairman	04.04.2002	Trou du Renard 9, 4671 Saive, Belgium	Intensive Advanced Courses in Finance (European Institute for Advanced Studies in Management - Brussels) CRB - Graduate Fellow Harvard University, Graduate School of Business Administration Visiting Scholar - Individual Studies Program - Specialization in "Analysis andfinancial management of companies" Seminars Research Centre in Financial Management (CREFIM) (Louvain University) Master in Business Administration (Liege University)	Since 2002 - Executive Director EUREMIS HOLDING Since 2001- Associate Manager Auris Finance SPRL Chairman of the Board of Directors and of the Supervision Board of Integrale, Founding member and Director of AEIP (European Association of Parity Institutions) 1999-2000 -Chief Financial Officer and Member of the Group Executive Committee of USINOR & Director of some companies of USINOR Group (Europe and North America) 1994-1998- Vice General Manager of Cockerill Sambre Group, Chief Financial Officer of Cockerill Sambre Group, Member of the Group Executive Committee Cockerill Sambre, Chairman of Coordination Centre Cockerill Sambre Finance & Services & Director of some companies of Cockerill Sambre Group 1992-1933 Chief Financial Officer and Member of the Group Executive Committee Herstal SA, Chairman and/or Executive Director of holding and financial companies of HERSTAL Group & Director of the most important operational companies of HERSTAL Group 1979-1991-Officer "Financial Studies & Shareholding" sector Fabrique Nationale Herstal, Manager of the financial companies Fabrique Nationale Herstal Group and Treasurer Fabrique Nationale Herstal Group.
Mr. Libert Froidmont Director	04.04.2002	Rue du Pirli 15, 5561 Celles, Belgium	Law Bachelor's Degree (Liege University) Psychologies studies (Liege University)	Since 2002 Chairman of the Board and of the Executive Committee SOGEPA Since 1990 Vice-Chairman SOWAGEP 1981-1988 Officer, then Adviser Emile Vandervelde Institute (economical and institutional problems)

Name of the Director & Designation	Date of Appointment of the Board of Directors	Residential Address	Qualification	Experience
				1980-1981Assistant principal (training) Ministry Of Employment Expert DG V European Commission
Mr. Gerard Bernard Independent Director	05.09.2002	Boulevard Arago 97, 75014 Paris, France	PhD Carnegie Mellon University Pittsburgh (USA) Civil Engineer (Nancy - France)	Since 2002 Director CMI SA 2002-2004 Manager Flat Products Area Brazil - ARCELOR Group 2000-2002 Chief Technical Officer USINOR 1991-2000 Chief Technical Officer SOLLAC PARIS 1980-1991 Engineer, then Technical Manager SOLMER 1969-1980 Engineer for Iron & Steel Research Institute - IRSID (France)
Mr. Albert Henon Independent Director	25.06.2002	Rue Emblève 17, 4920 Aywaille, Belgium	Industrial Engineer (Gramme Institute, Liege)	Since 1997 Retired 1964-1997 Head of department (Sales - cold rolled products) Cockerill Sambre, Sales Manager (flat products) Cockerill Sambre, Sales Manager Cockerill Sambre, Member of the Executive Committee Cockerill Sambre Group and Director of some companies of Cockerill Sambre Group 1960-1964 Engineer (cold rolling mills production) - Esperance Longdoz and Technical & Sales engineer Esperance Longdoz
Mr. Hans-Joachim Kruger Independent Director	25.06.2002	Auf der Böcke 17, 58239 Schwerte, Germany Auf der Böcke 17, 58239 Schwerte, Germany	Master of Business Administration (MBA) (University of Pittsburgh, USA) Studies of Metallurgy / Engineering TechnologiesUniversity of Aachen and Clausthal-Zellerfeld (doctorate)	Since 2002 Director CMI SA Currently Deputy Chairman of the Advisory Board Diel Stiftung & Co, KG (Germany), Member of the Board of Directors Dnick Holding PLC (Germany), Member of the Advisory Board C-H-REYNOLDS-CORPORATE FINANCE AG (Germany) 2000-2002 Member of the Executive Committee USINOR, President of the group purchasing company USINOR ACHATS 1994-2000 Chairman of the Executive Board EKO STAHL (Germany) 1990-1994 Member of the Executive Board KRUPP HOESCH STAHL, Long Products Division (Germany) 1980-1990 Chairman of the Executive Board Vereinigte Deutsche Nickelwerke (Germany) 1975-1980 Chairman of the Executive Board Siebau Siegener Stahlbauten (Germany)

Name of the Director & Designation	Date of Appointment of the Board of Directors	Residential Address	Qualification	Experience
				1970-1975 Management Consultant Booz Allen & Hamilton (since 1974, member of the Management Board in Germany) 1966-1969 Associate at LTV Steel Corporation (Pittsburgh - USA) 1963-1966 Associate at the Research Center of Mannesmann (Germany)
Mr. Jean Potier Independent Director	28.04.2004	Rue des Tendeurs 64, 4100 Seraing, Belgium	Industrial Drawing (Provincial School - Seraing)	Since 2004 Director CMI SA Since 1988 Adviser Court of Work 1997-2003 Emeritus Chairman of Metalworkers Unions (Province of Liège) 1988-1997 FGTB labor union secretary 1956-1988 Employee Cockerill Sambre
Mr. Louis Smal Independent Director	18.09.2003	Rue de l'Avouerie 2, box 2, 4620 Fléron, Belgium	ISCO training (Working Culture Superior Institute) Graduate Economics & Social Sciences Technics & Mechanics School Herstal	Since 2006 Director GRE-Liege Since 2003 Director CMI SA Since 1993 Director Meusinvest 1993-2001 Chairman CSC Liege-Huy-Waremme (labor union) 1981-1993 Principal Secretary CSC Liege -Huy- Waremme-Verviers-Eupen 1971-1981 Regional Secretary CSC Liege 1963-1971 Delegate, then Union Representative CSC 1958-1971 Worker Fabrique Nationale (Motors Division)

i) None of the above directors of CMI are on the Board of Directors of FPL.

j) None of the directors of CMI have acquired any share in FPL during the preceding 12 months preceding the Public Announcement.

k) As CMI does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

l) Audited financials & Limited Review of the Accounts of the Acquirer are as under:-

Profit & Loss Statement	**Year ended Dec. 31, 2004**	**Year ended Dec. 31, 2005**	**Year ended Dec. 31, 2006**	**Nine months ended Sept. 30, 2007**	**Year ended Dec. 31, 2004**	**Year ended Dec. 31, 2005**	**Year ended Dec. 31, 2006**	**Nine months ended Sept. 30, 2007**
	(Euro in Thousands)	**(Euro in Thousands)**	**(Euro in Thousands)**	**(Euro in Thousands)**	**(Rupees in Lacs)**	**(Rupees in Lacs)**	**(Rupees in Lacs)**	**(Rupees in Lacs)**
Income from operations	195,865	179,138	231,302	195,626	114,366	104,599	135,057	114,226
Other income	8,221	15,165	20,104	21,252	4,800	8,855	11,739	12,409
Total Income	204,086	194,303	251,406	216,878	119,166	113,454	146,796	126,635
Total expenditure	187,516	181,887	236,626	214924	109491	106,204	138,166	125,494
Profit Before	16,570	12,416	14,780	1,954	9,675	7,250	8,630	1,141
Depreciation Interest and Tax								
Depreciation	2,117	1,973	1,963	1,314	1,236	1,152	1,146	767
Interest	1,703	1,289	3,723	1,367	994.38	753	2,174	798
Extraordinary result	(5,934)	78	4,440	(8798)	(3465)	46	2,593	(5,137)
Profit before tax	10,222	11,810	20,980	(6,791)	5,969	6,896	12,250	(3,966)
Provision for tax	235	417	196	0	137	243	114	0
Profit after tax	**9,987**	**11,393**	**20,784**	**(6,791)**	**5,831**	**6,652**	**12,136**	**(3,966)**

Sources of Funds	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Year ended Dec. 31, 2006	Nine months ended Sept. 30, 2007	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Year ended Dec. 31, 2006	Nine months ended Sept. 30, 2007
	(Euro in Thousands)	(Euro in Thousands)	(Euro in Thousands)	(Euro in Thousands)	(Rupees in Lacs)	(Rupees in Lacs)	(Rupees in Lacs)	(Rupees in Lacs)
Paid up share capital	47,000	47,000	47,000	47,000	27,443	27,443	27,443	27,443
Reserves and surplus (excluding revaluation reserves) (For Further Details refer Note 1)	11,977	19,917	35,438	28,647	6,993	11630	20,692	16,727
Net worth	**58,977**	**66,917**	**82,438**	**75,647**	**34,437**	**39,073**	**48,136**	**44,170**
Secured loans	0	0	0	0	0	0	0	0
Unsecured loans	2,120	2,120	2,120	2,120	1,238	1,238	1,238	1,238
Deferred Tax Liability	34,722	26,906	18,242	17,917	20,274	15,710	10,652	10,462
Total	**95,819**	**95,943**	**102,800**	**95,684**	**55,949**	**56,021**	**60,025**	**55,870**

Uses of Funds	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Nine ended Dec. 31, 2006	Year months ended Sept. 30, 2007	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Nine ended Dec. 31, 2006	Nine months ended Sept. 30, 2007
	(Euro in Thousands)	(Euro in Thousands)	(Euro in Thousands)	(Euro in Thousands)	(Rupees in Lacs)	(Rupees in Lacs)	(Rupees in Lacs)	(Rupees in Lacs)
Intangible Assets	4,630	5,882	6,052	6,075	2,703	3,434	3,534	3,547
Net Fixed assets	11,146	13,622	12,462	12,065	6,508	7,954	7,277	7,045
Investments	22,894	48,630	61,778	64,492	13,368	28,395	36,072	37,657
Net current assets	57,149	27,809	22,508	13,052	33,369	16,238	13,142	7,621
Total miscellaneous expenditure not written off	-	-	-	-	-	-	-	-
Total	**95,819**	**95,943**	**102,800**	**95,684**	**55,949**	**56,021**	**60,025**	**55,870**

Other Financial Data	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Nine ended Dec. 31, 2006	Year months ended Sept. 30, 2007	Year ended Dec. 31, 2004	Year ended Dec. 31, 2005	Nine ended Dec. 31, 2006	Nine months ended Sept. 30, 2007
Dividend (Euro in Thousand / Rs. In Lacs)	3,552	3,454	3,033	-	2,074	2,017	1,771	-
Earning per share (Euro)	11.71	13.36	25.42	-	684	813	1,484	-
Return on net worth	16.93%	17.03%	25.21%	(8.98)%	16.93%	17.03%	25.21%	(8.98)%
Book Value per share (Euro)	69.15	78.46	100.81	92.51	40.38	45.81	58.86	54.01

(Source: Annual Reports for the year ending December 31, 2004, 2005 & 2006 and Limited Review certified by the Auditor of the Company for nine months ended September 30, 2007)

1 Euro = INR 58.39 (source: www.rbi.org.in) dated January 14, 2008

Notes:

- Earnings per share = Profit after tax / Weighted Average No. of equity shares outstanding at the end of the year.
- Return on Net worth (%) = Profit after tax / Net worth at year-end.
- Book Value per equity share = Net worth / No. of equity shares outstanding at year end.

Note 1:

a) Appropriation of Available Profits

	Dec. 31, 2004 (Euro in Thousands)	Dec. 31, 2005 (Euro in Thousands)	Dec. 31, 2006 (Euro in Thousands)	Sept. 30, 2007 (Euro in Thousands)	Dec. 31, 2004 (Rupees in Lacs)	Dec. 31, 2005 (Rupees in Lacs)	Dec. 31, 2006 (Rupees in Lacs)	Sept. 30, 2007 (Rupees in Lacs)
Profit After Tax	9,987	11,394	20,784	(6791)	5,831	6,653	12,136	(3,965)
Add: Balance brought forward from Previous Year	5,450	10,539	17,910	32,391	3,182	6,154	10,458	18,913
Balance Available for Appropriation	**15,437**	**21,933**	**38,694**	**25,600**	**9,014**	**12,807**	**22,593**	**14,948**
APPROPRIATION:								
Transfer to Capital Reserve								
To Legal Reserve (a)	499	569	1,039	0	0	0	0	0
To other Reserves (b)	847	0	2,231	0	0	0	0	0
Sub Total (a+b)	**1,346**	**569**	**3,270**	**0**	**0**	**0**	**0**	**0**
Dividend	2,985	2,862	2,535	0	1,743	1,671	1,480	0
Other Allocations	567	592	498	0	331	346	291	0
Balance carried to Balance Sheet	10,539	17,910	32,391	25,600	6,154	10,458	18,913	14,948

b) Break up of Reserves and Surplus

	Dec. 31, 2004 (Euro in Thousands)	Dec. 31, 2005 (Euro in Thousands)	Dec. 31, 2006 (Euro in Thousands)	Sept. 30, 2007 (Euro in Thousands)	Dec. 31, 2004 (Rupees in Lacs)	Dec. 31, 2005 (Rupees in Lacs)	Dec. 31, 2006 (Rupees in Lacs)	Sept. 30, 2007 (Rupees in Lacs)
Reserves								
Legal & Other Reserves (Opening Balance Plus current year appropriation)	1,438	2,007	3,047*	3,047	840	1,172	1,779	1,779
Total (A)	**1,438**	**2,007**	**3,047***	**3,047**	**840**	**1,172**	**1,779**	**1,779**
Surplus in P/L A/c (B)	10,539	17,910	32,391	25,600	6,154	10,458	18,913	14,948
Total (A+B)	**11,977**	**19,917**	**35,438**	**28,647**	**6,993**	**11,630**	**20,692**	**16,727**

Note: 1 Euro = INR 58.39 (source: www.rbi.org.in) dated January 14, 2008

* In Dec 31, 2006, the total reserves is coming to €3047 instead of €5277 (€3270 + €2007) because in that year CMI had purchased 35,170 own shares. In Belgium when the Company purchased their own shares, they have to create unavailable reserves for those shares out of retained earnings.

The break up of € 3270 is as follows :-

- 1040 towards transfer to the Legal reserves (€3047-€2007)
- 2231 towards transfer to unavailable reserves

Afterwards, CMI decided not to purchase the shares, therefore the unavailable reserve has been reduced to nil against the financial investment.

m) Significant Accounting Policies:

In accordance with Belgian legal provisions, the following valuation rules shall be applied during stocktaking, in view of the Company's specific characteristics.

ASSETS

I. Formation Expenses

Formation expenses are recorded at acquisition cost.

They are recognised and amortised during the financial year in which they are incurred, with the exception of loan issue expenses, bank charges and loan repayment premiums, which are amortised over the entire loan period proportionately to the respective repayments to which they apply.

In compliance with accounting standards, costs relating to restructuring are estimated on the basis of associated contractual commitments. This valuation is updated annually. These commitments are amortised at a minimum rate of 20% per year.

II. Intangible Fixed Assets

A. Actual Intangible Fixed Assets

Research costs (with research defined as original and planned investigations carried out for the purpose of acquiring new scientific or technical understanding and knowledge) are recognised during the financial year in which such costs are incurred.

Development costs (with development defined as the application of the results of research or other knowledge to a plan or model, for the purpose of producing new or substantially improved materials, mechanisms, products, procedures, systems or services before launching their commercial production or use) are recorded under intangible fixed assets, to the extent that such development meets all of the following criteria:

- the technical feasibility of the development project has been proven;
- CMI SA intends to complete the project in order to use it or sell it;
- CMI SA has the capability to sell/use the project;
- the project is likely to generate probable future economic benefits;
- the resources required in order to complete the development are available;
- CMI SA is in a position reliably to evaluate the costs associated with this development.

In addition, CMI SA will record a project's development costs under intangible fixed assets to the extent that its development costs exceed EUR 500,000.

To the extent it is probable that the Company will derive economic benefits, the concessions, rights of use, patents, licences, expertise, brands, etc. acquired from third parties are reported at their acquisition cost and intangible fixed assets that are generated internally are reported at their production cost.

B. Amortisation Method

Intangible fixed assets are amortised using the straight-line method over the expected useful life of the assets.

However, the annual minimum amortisation reported must be at least 10% and applies from the moment when the products concerned (i.e., which benefited from the development) generate turnover.

III. Tangible Fixed Assets

Tangible fixed assets are recorded under assets in the balance sheet at their acquisition price, their face value (contribution value) or their production cost, when produced by the Company itself.

The fixed asset value includes the first set of tools and spare parts that are absolutely required to keep the machinery in good working order.

The costs for replacing these items are allocated directly to the operating expenses for the period during which they were spent.

Amortisation is recorded using the straight-line method at the following rates allowed by the tax authorities:

Industrial buildings	5%
Technical facilities, machinery and supplies	10%
Rolling stock	25%
Office supplies	25%

Incidental expenses for tangible fixed assets are amortised according to the same rule as that governing major expenses.

When calculating amortisation, one must take into account the capital contribution grants (*primes en capital*) or subsidies granted pursuant to the economic expansion laws.

Amortisation may be recorded for work in progress (tangible fixed assets under construction) and related advance payments, to the extent these are permitted by the tax authorities.

The initial annual amortisation expense is subject to a pro-rata temporis reduction.

The Board of Directors reserves the right to change the established rule in the following cases:

– An exceptional amortisation charge may be applied to fixed assets that will no longer be allocated to the Company's operations on an ongoing basis, by aligning the actual value with the probable disposal value.

– Pursuant to the stipulated tax provisions, an accelerated amortisation charge may be applied to those fixed assets for which the Company is receiving Government assistance as part of the economic expansion laws.

The Board of Directors may decide to reassess the value of the tangible fixed assets if these have experienced a definite and permanent appreciation in value (revaluation gain) with respect to their book value.

The capital gains recorded on the basis of these decisions will be allocated directly to the Category III, "Revaluation gains", in the Liabilities section.

The amount of the revaluation gains is posted to the Assets section, where it is broken down and allocated to the categories concerned. It is amortised according to the rules specified for tangible fixed assets.

IV. Financial Assets (Long-term Investments)

Financial assets (long-term investments-) are recorded at acquisition price or face value (contribution price). Incidental costs are not included in the acquisition price.

Fixed assets that have been disposed of are deducted individually at their historic cost.

At the end of each financial year, the securities in the portfolio are valued individually in order to ensure that they reflect, as thoroughly as possible, the financial position, the profitability or the prospects of the company in which the stake or the shares are held. The estimated value of the company being assessed is one of the values defined below:

– stock market value (where there is a substantial market for the shares)
– asset value (net book asset value or intrinsic value)
– profitability value
– market (disposal) value of shares of companies that have recently been sold or contributed.

For each security, the Board shall stipulate one of the evaluation methods listed above.

Write-downs in value shall be recorded for long-term investments on which depreciation is considered permanent for:

– securities listed on the stock market, if the stock market value considered material at the end of the financial year is at least 30% less than the book value or if this stock market value is at least 15% lower than the book value at the end of the three preceding financial years.

– unlisted securities, if the estimated value is lower than the book value and if the short-term outlook does not point to a likely improvement.

Write-down reversals will be recorded, up to the amount of the previously recorded write-downs, if the estimated value at the end of the financial year in question exceeds the valuation done previously and if the revaluation gain observed may be deemed to be permanent.

In principle, if the estimated value is greater than the book value, no change is made to the recorded value.

However, in accordance with the provisions of Article 57 of the Royal Decree dated 30 January 2001, a reassessed value may be recorded if the Board of Directors believes that the revaluation gain is certain and durable.

In this case, the net book asset value will be the value at which the fixed asset was posted to the Assets section of the balance sheet, minus a deduction for the revaluation gain recorded in the Liabilities section of the balance sheet for the preceding financial year.

Deposits paid as permanent guarantees are recorded at face value.

Included in financial assets (long-term investments) are company receivables, regardless of contractual term, origin or form, when the purpose of these is to support the business of these companies over the long term (with the exclusion, that being the case, of trade debtors/receivables [those resulting from the delivery of goods or provision of services]).

Any advance for more than one year – both principal and interest – shall be considered to be such a receivable.

Debtors/receivables are stated at their nominal value or at their acquisition price.

The rules governing write-downs, reversals of write-downs and reassessments of value are the same as those stipulated for shareholdings and other securities held as investments.

V. Receivables due after more than one year and within a maximum of one year

Receivables are stated at their nominal value, following existing accounting records.

Foreign currency cash amounts are valued on the basis of the final average exchange rate recorded on the Brussels Stock Exchange at the end of the accounting period.

Write-downs are recorded when it appears that a receivable must be partially or wholly classified as bad debt; i.e.:

– when the debtor's situation or that of his country leads to a risk of a drop in value or depreciation (permanent for debtors/receivables due after more than one year).

– in the event of bankruptcy or composition.

– in the event of a lawsuit, if it appears that the entire debtor/receivable will not be recovered.

At the end of the financial year, write-downs in value are recorded as charges against income, taking into account the definite salvage value.

For trade receivables [resulting from the delivery of goods or the provision of services] and where the maturity date has not been respected, a write-down may be recorded based on the length of the delay and after examining them on a case-by-case basis.

Write-down reversals may be recorded if, at the end of the financial year, it appears that the write-downs recorded previously exceed the increase in the depreciation amounts or risks for which they were originally set up.

Receivables with a maturity of more than one year will be stated at nominal value and will be accompanied by a posting to the accrued income account (in the Liabilities section):

– of the interest that is traditionally included in this nominal value

– of the difference between acquisition value and the nominal value

– of the discount for non-interest-bearing receivables or receivables with an abnormally low interest rate, to the extent that there is no contra account for these receivables in the Liabilities section of the balance sheet.

VI. Stocks

Stocks, finished products and merchandise are stated at their acquisition price or at market value, if the latter is lower.

The last acquisition prices are used to value disposals (LIFO).

A write-down of 25% - 50% - 100% is applied to the book value of stocks that have not been repurchased for 2, 3 or 4 years, respectively.

Work in progress is valued at the production cost.

Contracts in progress are kept on the balance sheet at their production cost.

Earnings are recognised upon full or partial delivery or receipt, as stipulated in the contracts.

Losses are recognised as soon as they become apparent.

In the case of long-term performance contracts, the margin is stated as a function of the amount of progress made on the project.

The production price for goods in progress and for contracts in progress includes:

– stocks of raw materials supplies at their acquisition cost, excluding VAT.

– the direct manpower services, expressed at standard rates, covering the wages and social security expenditures and the Production Department's operating costs.

- the services of the Product Department and the Quality Assurance Department, by applying to the customer orders a percentage of the value of such orders
- the specific costs (tools, fees/royalties, commissions);

various types of provisions (provision for contingencies, provision for technical risks, provision for country risks, provision for consortium risks, etc.).

These production prices therefore exclude all non-allocable indirect expenses (Overheads, interest charges).

VII. Current Investments

Current investments, consisting of fixed-term deposit claims, are accounted for according to the same rules as those applicable to receivables due within one year.

For other types of current investments (transferable securities, shares), they will be stated at acquisition cost and in principle will be subject to a write-down if the disposal value at the end of the financial year in question is lower than the corresponding acquisition price.

VIII. Cash at bank and in hand

Foreign currency cash amounts are valued on the basis of the final average exchange rate recorded on the Brussels Stock Exchange at the end of the accounting period.

IX. Deferred charges (Assets) and accrued income (Liabilities) accounts

Entries into these accounts are made at nominal value, following existing documents or other existing data.

Expenses incurred during the financial year but partially allocable to the following period are valued on a pro-rata basis.

LIABILITIES

I. Investment Grants Received

This category includes investment grants received from government authorities. They are subject to gradual write-down according to a suitable plan by charging against net income a specific deduction for the amortisation amounts relating to the fixed assets for the acquisition of which they were obtained.

Investment grants received that do not relate to fixed assets are recognised when they are allocated.

II. Provisions for risks (liabilities) and charges

The provisions are set up to take into account all of the foreseeable risks and possible losses that may have arisen during the financial year or during previous periods.

The following provisions will be set up, where appropriate:

Provisions for guarantees

This relates to provisions associated with sales and services and which were set up after the orders were executed.

The provisions are therefore customised and refer to specific guarantee clauses.

Provisions for contingencies and risks

This is a provision set up via deduction from income in order to cover possible exceptional charges that may or may not be allocable to specific orders.

Provisions for pending lawsuits

These are provisions set up to cover the expenses that may be reported at the end of the financial year to settle pending lawsuits.

Provisions for major repairs

These are provisions set up to cover maintenance and repair work that is scheduled less frequently than every financial year.

The existing provisions are reviewed conservatively and in good faith at the end of each financial year.

If they are judged to be insufficient, they will be augmented following a decision to that effect by Management.

They shall be totally or partially reversed if it is determined that they are too large or if they have become unnecessary.

III. Liabilities due after more than one year and within a maximum of one year

Liabilities are stated at nominal value according to existing accounting records.

Foreign currency cash amounts are valued on the basis of the final average exchange rate recorded on the Brussels Stock Exchange at the end of the accounting period.

Tax, social security and salary provisions relating to the financial year are set up based on the best estimate of the total amount of the most certain liabilities, taking into account the current situation and its most probable trend.

Refundable advances received for work on research and developments are recorded as liabilities.

IV. Deferred charges (Assets) and accrued income (Liabilities) accounts

Entries into these accounts are made at nominal value according to existing documents or other existing data.

Expenses relating to the current financial year for which the payment has been deferred are stated at the amount relevant to the current financial year.

Income received during the financial year but partially or wholly allocable to a subsequent period is valued on a pro-rata basis.

V. GREENHOUSE GAS EMISSION QUOTAS

In accordance with Notice No. 179-1 (August 2005) from the Accounting Standards Commission, the “Net Method” has been adopted as the method for valuing greenhouse gas emission quotas. The greenhouse gas emission quota mechanism will not bring about an increase or decrease in our Company’s assets; quotas received or acquired are designed solely to allow us to continue our business activities.

Under this method, only purchases and sales of quotas (charges against or additions to income) are reported, and the provision corresponding to the difference between the quotas granted for the financial year and the quotas needed to cover actual emissions must be refunded/returned. This provision is stated at the fair market value of the quotas on the balance sheet date, to the extent that the fair market value can be determined in a reliable manner.

n) There are no major contingent Liabilities as on September 30, 2007

o) **Reasons for the fall/rise in the total income and profit after tax**:

FY 2006 with FY 2005

FY 2006 results have been positively influenced by the financial and exceptional results consisting mainly of reversal of financial assets write down and gain of disposal of real estate located in Belgium.

Growth in EBDITA for FY 2006 is minor as compared to EBIDTA of FY 2005 mainly because of the difficulties faced by the Engineering Industry sub sector in launching their new chemical and thermal poles of activities.

FY 2005 with FY 2004

Income for FY 2005 has been hit by the recording of write down on financial investments as well as by the recording of reorganization costs for the Belgian maintenance workshops.

EBIDTA for FY 2004 reached a high level partly because of reversal of provisions on projects considered excessive. In 2005 no extraordinary items were recorded nor non recurring operational items.

p) Litigations/ proceedings in relation to pending against CMI

Cases filed against CMI

1. Employee Related Cases

   a. CMI has 3 cases filed by its suspended employees, ex-employees, contract workmen, workmen and officers against CMI before labour courts and civil courts in Belgium alleging ground such as illegal termination, suspension and claiming permanency and/ or for payment of back wages; insufficient or non-payment of voluntary retirement scheme compensation. The total claim in these cases aggregates to approximately Rs 73 Lacs.

   b. Social Security Authority has claimed Rs 93 Lacs together with interest thereon from CMI for non payment of contributions toward persons who are alleged to be employees of CMI. CMI has challenged the claim.

2. Consumer Cases

   CMI has 3 cases filed by its customers against it, before various trade courts and the sum involved in those legal actions is about Rs. 812 lacs.

3. Intellectual Property related cases

CMI is involved in 2 cases for various trademark, patent and copyright infringements and the sum involved in these legal actions is about Rs 60 lacs. These cases are filed by Stein Heurtey SA claiming damages and compensation.

The aggregate of all the quantifiable amounts in relation to all the abovementioned claims is approximately Rs. 1,050 lacs. There is no likely adverse impact on the Offer if any of the above matters are adversely held against CMI.

Cases filed by CMI

CMI has filed 4 cases before several authorities and courts involving interalia civil matter relating to specific performance and trademarks, unfair competition through head-hunting, involving an aggregate sum of Rs. 4410 lacs.

(All amounts in this section have been converted from Euros to Rupees based on the Reserve Bank of India's reference rate as on January 14, 2008, Euro 1 = Rs. 58.39)

q) There is no merger/demerger/spin off relating to CMI during the last 3 years.

r) Companies Promoted by the Acquirer in India

As on date of the PA, CMI Luxembourg Holding S.á.R.L, having its office at 8 Boulevard de la Foire, L 1528 Luxembourg, a 100% subsidiary of the Acquirer, directly and through its nominee holds 100% of the shares in CMI India Engineering Private Limited thereby making it an indirectly wholly owned subsidiary of CMI.

Current Shareholding Pattern

Name of the Shareholders	**Shareholding**
CMI Luxembourg Holding S.á.R.L	49,999
Purshotam Dhir (Nominee Shareholder)	00001
Total	**50,000**

Other relevant details are as follows:

Name of Company	CMI India Engineering Private Limited
Registered office	A-3, Chirag Enclave, New Delhi-110048
Date of Incorporation	October 28, 2006
Nature of business	To operate any local portion of projects acquired by each sector of activity of CMI, to provide engineering and technical services related to erection, supply of heavy machinery for projects acquired in India
Whether sick company	CMI India Engineering Private Limited is not a sick company.

Financial Performance

Particulars	**March 31, 2007 (Rs. in Lacs)**
Equity Capital*	1.0
Reserves (excluding revaluation reserves)	Nil
Total Income	Nil
Profit / (Loss) After Tax	(0.26)
Earning Per Share (Rs.)	–
Net Asset Value (NAV)	–

** Post March 2007 40,000 shares of face value Rs. 10 each have been allotted to CMI Luxembourg Holding S.á.R.L*

Apart from the above no other company has been promoted by the Acquirer.

4.2. Disclosures in terms of Regulation 16(ix) and (ix a) of the SEBI (SAST) Regulations

a) As of the date of this Letter of Offer, the Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/ or rationalization of operations, assets, investments, liabilities and otherwise of the Target Company for commercial reasons and operational efficiencies. Notwithstanding the above, the Board of Directors of the Target Company to take appropriate decisions in these matters, in accordance with the requirements of the business of the Target Company and in line with opportunities from time to time.

b) Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders of the Target Company as required under applicable law.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

a) As per the listing agreement with the Stock Exchanges and in terms of Clause 40A of the Listing Agreement, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

b) In the event the public shareholding falls below the minimum level required as per Clause 40A of the listing agreement as a result of the acquisition of the shares tendered in this Offer (such acquisition being a supervening extraordinary event), the Acquirer will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the listing agreement and other applicable laws.

6. BACKGROUND OF THE TARGET COMPANY

a) Flat Products Equipments (India) Limited (FPL) was incorporated on May 28, 1986 as private limited company. It became a deemed public limited company u/s 43A of the Companies Act, 1956 in July 1992 and converted into a public limited company on October 26, 1993. It has its registered office and corporate office at Mehta House, 64, Road No. 13, MIDC, Andheri (East), Mumbai-400 093. Tel. +91-22-66762727 Fax: +91-22-66762737, E-mail: fpe@vsnl.com website: www.flatproducts.com

b) History and areas of operation

FPL was promoted by Mr. Tilakraj Mehta and Mrs. Nishi T Mehta. The first order received was for a galvanising line for Uttam Steel Limited. After executing the order for the galvanising line FPL ventured in to the field of manufacturing cold rolling mills.

Presently FPL basically caters to the steel industry whereby the company undertakes Greenfield projects and expansion and modernization of cold rolling mills. FPL is engaged in designing and implementation of turnkey projects of cold rolling mills, galvanizing lines, pickling lines and colour coating lines.

COMPANY'S MAIN DOMAIN:

- Cold Reduction Mills (4 High, 6 High, Z High & 20 High)
- Temper Mills (2 High, 4 High)
- Aluminium Strip & Foil Mills.
- Galvanising Lines (Flux, Non OX & Dagal Furnace Type).
- Tension Leveling Lines
- Electro-Cleaning Lines
- Corrugating Machines
- Sub-contracting services and auxiliary equipment for manufacturers of general purpose and custom-designed machinery.
- Complete revamping, repair and modernising of older mill equipment.

c) FPL has two manufacturing facilities one at Taloja (Plot No. A-16/ A-84/2 & A-84/3), and the other at Silvassa (Plot No. 3, 4 & 5 bearing Survey no. 144/1).

d) The total subscribed and paid up capital of FPL as on the date of the PA / LOF is 49,37,813 Equity Shares of Rs. 10 each.

e) FPL does not have any outstanding partly paid-up Equity Shares, convertible instruments, warrants or stock-options as on date of filing the LOF.

f) As on the date of filing of LOF the promoter and the promoter group holds 28,55,973 equity shares in FPL representing 57.84% of the voting capital.

g) The equity shares of FPL are listed on the ASE, BSE and DSE. As on date of PA, the shares on ASE and DSE are infrequently traded. The closing price of FPL equity shares on January 15, 2008 (day prior to announcement of PA) was Rs. 480.55 on BSE with a market capitalization of Rs. 237.28 Crore. (Source: www.bseindia.com)

h) FPL does not have any subsidiary as on the date of the LOF.

i) None of the persons having an interest in the Acquirer are on the Board of Directors of the Target Company.

j) The share capital structure of FPL as on date of LOF, is as follows:

Paid up Equity Shares	No. of Shares / voting rights	% of Shares / voting rights
Fully paid up equity shares	49,37,813	100%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	49,37,813	100%
Total voting rights in Target company	49,37,813	100%

k) Details of the Changes in share capital of FPL since incorporation and status of compliance with applicable SEBI regulation/ other statutory regulations, are as follows:

Date of allotment	No. of shares issued	Face Value	Cumulative paid up capital	% of Paid-up capital	Mode of allotment	Identity of Allottees (promoters/ ex-promoters/ others)	Status of compliance
16.02.1987	1,500	100	150,000	100.00	Allotment	Promoters	Complied
02.05.1988	18,500	100	2,000,000	92.50	Further Allotment	Promoters	Complied
11.07.1991	4,000	100	2,400,000	16.67	Further Allotment	Promoters	Complied
21.10.1992	50,500	100	7,450,000	67.79	Further Allotment	Promoters	Complied
	Sub – Division into Rs. 10 per share (vide special resolution dated 31.03.1993)						
31.03.1993	745,000	10	7,450,000				
21.05.1993	10,000	10	7,550,000	1.32	Further Allotment	Promoters	Complied
12.10.1993	16,500	10	7,715,000	2.14	Further Allotment	Promoters	Complied
14.10.1993	1,928,750	10	27,002,500	71.43	Bonus	Promoters	Complied
13.01.1994	1,250,000	10	39,502,500	31.64	Public Issue	Public	Complied
01.02.1996	987,563	10	49,378,130	20.00	Rights Issue	Promoters & Public	Complied

l) FPL has confirmed that the trading in its shares has never been suspended on BSE, ASE or DSE.

m) FPL has confirmed that it was at no point of time delisted from ASE, BSE or DSE.

n) FPL is in compliance with the listing requirements on ASE, BSE and DSE, and no penal actions have been initiated by ASE, BSE or DSE. FPL and the Sellers have confirmed that neither of them has been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or any other regulations framed there under.

o) The Promoters and the Target Company have complied with applicable provisions of Chapter II requirements of the Regulations except as set out below and in the note in paragraph 6(u) below.

Non Compliance by Promoters

For the purposes of this paragraph:

(a) Mr. Tilak Raj Mehta and Mrs. Nishi T. Mehta are referred to as the “Principal Promoters”

(b) Relatives of the Principal Promoters viz. Mrs. Rithu Kochhar, Mrs. Ruhi S. Chauhan and Mrs. Reema N. Katariya (being the daughters of Mr. and Mrs. Mehta) are referred to as the “Relatives”

(c) Companies forming part of promoter group controlled by the Principal Promoters viz. NT Strips & Automation Private Limited and Metwork Consultants Private Limited are referred to as the “Promoter Companies”

(d) The Principal Promoters, Relatives and Promoter Companies are hereinafter collectively referred to as the “Promoters”

Non compliance of applicable provisions of Chapter II by the members of the promoter group is as under:

(a) The Relatives have not complied with disclosure requirements to the Target Company under Regulation 6(3) of the SEBI (SAST) Regulations for the years 1997 to 2007.

(b) The Relatives have not complied with disclosure requirements to the Target Company and the Stock Exchanges under Regulation 7(1A) of the SEBI (SAST) Regulations for the period commencing from March 10, 2006 and ending September 18, 2007.

(c) The Relatives have not complied with disclosure requirements to the Target Company under Regulation 8(2) of the SEBI (SAST) Regulations for the years 1997 to 2007.

(d) Metwork Consultants Private Limited has not complied with disclosure requirements to the Target Company under Regulation 8(2) of the SEBI (SAST) Regulations for the years 2001 to 2007.

(e) NT Strips & Automation Private Limited has not complied with disclosure requirements to the Target Company under Regulation 8(2) of the SEBI (SAST) Regulations for the years 2004 to 2007.

SEBI may initiate action against default for aforementioned non-compliance with provisions of Chapter II of the Regulations.

Non Compliance by Target Company

The Target Company has–

(a) not complied with disclosure requirements to the Stock Exchanges under Regulation 6(4) of the SEBI (SAST) Regulations in respect of the Relatives for the years 1997 to 2007.

(b) not complied with disclosure requirements to the Stock Exchanges under Regulation 7(3) of the SEBI (SAST) Regulations in respect of the Relatives for the period commencing from March 10, 2006 and ending September 18, 2007.

(c) not complied with disclosure requirements to the Stock Exchanges under Regulation 8(3) of the SEBI (SAST) Regulations in respect of the Relatives for the years 1997 to 2007.

(d) not complied with disclosure requirements to the Stock Exchanges under Regulation 8(3) of the SEBI (SAST) Regulations in respect of the Metwork Consultants Private Limited for the years 2001 to 2007.

(e) not complied with disclosure requirements to the Stock Exchanges under Regulation 8(3) of the SEBI (SAST) Regulations in respect of the NT Strips & Automation Private Limited for the years 2003 to 2007.

(f) not complied with the requirements of maintenance of the register as specified under Regulation 8(4) of the SEBI (SAST) Regulations in respect of the Relatives and Promoter Companies for the years 1997 to 2007.

(g) not complied with the following disclosure requirements in respect of the Principal Promoters:

Regulation	Due Date for Compliance under the Regulations	Actual Date of Compliance	Delay (days)
6(2)	20.05.1997	04.04.1998	319
6(4)	20.05.1997	04.04.1998	319
8(3)	15.10.2006	13.11.2006	29

The Promoters have on December 27, 2007 filed revised disclosures with the Target Company under Regulation 6 and 8 of the SEBI (SAST) Regulations in relation to years 1997 to 2007. Following receipt of the revised shareholding disclosures from the Promoters as above, the Target Company has filed revised particulars of shareholding of the Promoters under Regulation 6(4) and 8(3) of the SEBI (SAST) Regulations with the Stock Exchanges on December 27, 2007.

In view of the delay in intimating the respective transactions to the Target Company and the delay on part of the Target Company to disclose the same to the Stock Exchanges, the Promoters and the Target Company have filed an application vide letter dated December 31, 2007 filed with SEBI on January 3, 2008 for passing of Consent Orders under the SEBI Act read with the SEBI (SAST) Regulations in terms of SEBI Circular No.FFIJ/ED/Cir-l/2007 dated April 20, 2007 (the “Consent Order Application”). SEBI is yet to pass an order in terms of the Consent Order application.

In view of the unintentional delays by the Target Company to make disclosures under Regulation 6(2), 6(4) and 8(3) of the Takeover Regulations as set out in (g) above, it has filed an addendum to the Consent Order Application vide its letter dated April 29, 2008 for being considered along with the Consent Order Application.

SEBI may initiate action against default for aforementioned non-compliance with provisions of the Regulations.

p) The composition of Board of Directors of FPL, as on date of the Public Announcement was as under:

Name of the Director & Designation	Appointment Date of the Board of Directors	Residential Address	Qualification	Experience
Mr. Tilakraj Mehta Chairman & MD	28.05.1986	Kanak Residency Soc, Plot No. 7, Road No.8, J.V.P.D. Scheme, Parle (West), Mumbai-400049	B.Sc. (Metallurgical Engineering), PGDIM from Jamnalal Bajaj Institute of Management Studies	He has more than 40 years of hands-on technical experience in Steel Industry. He has worked in various capacities with various organizations like Tata Iron & Steel (Jamshedpur), Hindustan Steel Limited (Rourkela), K.R. Steel (P) Ltd (Thane) and Progressive Steel Processing Pvt. Ltd. He has also worked as a consultant to various steel companies like M/s Sciecon Trading, M/s. Jayant Metal Manufacturing, M/s Nitin Castings, M/s Nagarjuna Steel Limited and M/s Mohta Electro Steel Limited. Prior to incorporating this company, he was involved for 10 years in Consultancy, Designing and manufacturing various equipments for steel and engineering industry as a proprietary business.
Mrs. Nishi Mehta Whole time Director	28.05.1986	Kanak Residency Soc, Plot No. 7, Road No.8, J.V.P.D. Scheme, Parle (West), Mumbai-400049	B.A	She has 23 years of experience in the business and in charge of administration of the Company.
Mr. Durga Das Sengupta Whole time Director [Refer Note 1]	05.03.1990	B-01/1005, Vikas Complex, Castle Mill Compound, L.B.S. Marg, Thane (W), 400 601	B.Sc. (Metallurgy)	He has vast experience in the steel industry. He is responsible for looking after total manufacturing aspect of the company including running and maintenance of factories and the machines installed in the factories.
Mr. Ravindra Nath Tandon Independent Director	01.04.2001	B-405, Zarna Enclave, Near Asha Nagar Gate, Western Express Highway, Kandivali (East), Mumbai-400 101	B.Sc., (Metallurgical Engineering)	He has more than 48 years of experience in the steel industry. He has worked in various capacities with various organizations handling projects related to Cold Rolling Mill, Pipe Plant, Electrical Sheet Mill
Mr. Krishamuthi Ramamirtham Iyer Independent Director	20.09.2002	A-12, Queens Park, Juhu Road, Mumbai-400049	B.E. (Mech)	He has more than 47 years of experience in the steel industry. He is a specialist in rolling mill design, mill erection, commissioning etc. He is also a specialist in furnaces, automation, hydraulics, machine design etc.
Dr. Narayan Sitaram Datar Independent Director	03.03.2003	Plot No.14, Survey No. 128/4, Abhishek, Sanewadi, Aundh, Pune-411007	B.Sc. (MET), Dr. Ing. (Ferrous Metallurgy)	He has more than 32 years of experience in the steel industry. Various projects undertaken by him includes expansion of Rourkela steel from 1.00 million tones to 1.8 million tones, project formulation and project management of cold rolled silicon pant for grain oriented and non grain oriented sheets.

Name of the Director & Designation	Appointment Date of the Board of Directors	Residential Address	Qualification	Experience
Mr. Ramakishan Kanhaiyalal Chouhaan Independent Director	30.10.2006	Eden Woods, Regency Park, 11A, Pokhran Road-2, Thane (West), Mumbai- 400 061	B.E. (Mech)	He has 33 years of experience in the steel sector. He specializes in project management from green field stage, sourcing and marketing.

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

q) There has been no merger/demerger, spin off during the last 3 years involving FPL.

r) Key audited financials of FPL for year ending March 31, 2005, 2006, 2007 and six months ending September 30, 2007, are as follows.

(Rs. in lacs)

Profit and Loss Statement	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended September 30, 2007
Income from operations	34,839	28,604	51,111	22,939
Other income	76	47	47	8
Total Income (Less Excise Duty)	34,915	28,651	51,158	22,947
Total expenditure	33,708	27,489	47,927	21,250
Profit Before Depreciation Interest and Tax	1,207	1,162	3,231	1,697
Depreciation	326	312	395	222
Interest	410	466	467	270
Profit before tax	471	384	2,369	1,205
Provision for tax	312	166	840	446
Profit after tax	**159**	**218**	**1,529**	**759**

(Rs in Lacs)

Source of Funds	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended September 30, 2007
Paid up share capital	494	494	494	494
Reserves and surplus (excluding revaluation reserves) [For Further Details Refer Note 1]	6,150	6,315	7,267	8,026
Net worth	**6,644**	**6,809**	**7,761**	**8,520**
Secured loans [For Further Details Refer Note 2 a]	3,738	5,758	6,427	7,289
Unsecured loans [For Further Details Refer Note 2 b]	3,590	1,412	108	2,558
Deferred Tax Liability	151	127	70	74
Total	**14,123**	**14,106**	**14,366**	**18,441**

Uses of Funds	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Net Fixed assets	2,691	3,324	3,181	3,449
Capital Work in Progress	15	70	241	99
Investments	51	63	63	63
Net current assets	11,366	10,649	10,881	14,830
Total miscellaneous expenditure not written off	3	0	0	0
Total	**14,123**	**14,106**	**14,366**	**18,441**

Other Financial Data	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Dividend (%)	10.00%	10.00%	100.00%	0
Earning per share (Rs)	3.22	4.41	30.97	15.37
Return on net worth	2.39%	3.20%	19.70%	8.91%
Book Value per share (Rs.)	134.55	137.90	157.17	172.55

Source: Annual Reports of the FPL and the six month audited financials have been taken from data provided by FPL.

Notes:

- Dividend (%) = Dividend paid per equity share / No. of Equity Shares outstanding at year-end/ Par value per equity share
- Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of Equity Shares outstanding at the end of the year
- Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end
- Book Value per equity share = Net worth / No. of Equity Shares outstanding at year end

Note 1:

a) Appropriation of Available Profits

(Rs in Lacs)

	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Profit After Tax	159	218	1,529	759
Add: Balance brought forward from Previous Year	1,004	1,027	1,130	882
Balance Available for Appropriation	**1,164**	**1,246**	**2,658**	**1,641**
APPROPRIATION:				
Interim Dividend		0	49	0
Taxation on Interim Dividend		0	7	0
Proposed Dividend	49	49.38	444	0
Provision for Taxation on dividend	6	6.93	76	0
Transferred to General Reserve	80	60	1,200	0
Balance carried to Balance Sheet	**1,027**	**1,130**	**882**	**1,641**

b) **Break up of Reserves and Surplus**

(Rs in Lacs)

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Share Premium (A)	**1,466**	**1,466**	**1,466**	**1,466**
General Reserves (B)				
Balance as per last Balance Sheet (a)	3,578	3,658	3,718	4,918
Add: Transferred from P/L A/c (b)	80	60	1200	0
Sub-Total (B = a + b)	**3,658**	**3,718**	**4,918**	**4,918**
Surplus in P/L A/c (C)	**1,027**	**1,130**	**882**	**1,641**
Total (A+B+C)	**6,152**	**6,314**	**7,267**	**8,026**

Note 2:

a. **Break Up of Secured Loans**

(Rs in Lacs)

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Long Term Loans (A)				
Financial Institutions & Others				
HDFC Bank Ltd. A/C Car Loan	13	13	6	2
Canara Bank-Term Loan/ECB Loan	15	320	212	22
ICICI Ltd (Car Loan)	-	7	27	511
Hewlett-Packard Financial Services	-	76	60	51
IBM Global Services (I) Pvt Ltd	-	15	8	4
Total (A)	**28**	**431**	**313**	**591**
Short Term Loans (B)				
Canara Bank	1,412	1,985	3,850	5,128
Syndicate Bank	513	1,161	1,140	924
Union Bank of India	784	406	1,124	646
Bank of Baroda	500	-	-	-
Corporation Bank	500	-	-	-
EXIM Bank	-	1,774	-	-
Total (B)	**3,710**	**5,327**	**6,114**	**6,698**
Grand Total (A+B)	**3,738**	**5,758**	**6,427**	**7,289**

b. **Break Up of Unsecured Loans**

(Rs in Lacs)

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Inter-corporate Deposit/Banks (A)				
Indusind Bank	500	-	-	-
Canara Bank-Corporate Loan	2,000	506	-	-
James Mackintosh & Co. Pvt Ltd	20	-	-	-
Peder Johnson Finance Ltd	25	-	20	-
Geomatric Software Solutions	200	-	-	-
Siddharth Tubes Ltd	206	206	-	-
Flat Coaters India Ltd	86	86	26	-
Syndicate Bank-Corporate Loan	-	500	-	-
Barclays Bank PLC	-	-	-	2,500

Particulars	Year ended March 31, 2005	Year ended March 31, 2006	Year ended March 31, 2007	Six Months ended Sept. 30, 2007
Total (A)	**3,038**	**1,299**	**46**	**2,500**
From Directors/Relatives (B)				
Nishi T Mehta	92	-	-	-
Ruhi T. Mehta	53	4	2	-
Rithu Kochhar	60	-	-	-
Total (B)	**205**	**4**	**2**	
Demand Promissory Note (C)				
Chetan J Parikh	10	-	-	-
Vinay J Parikh	10	-	-	-
Cruiser Shipping & Agency Pvt Ltd	25	-	-	-
N T Doshi	15	13	-	-
N T Doshi HUF	15	7	-	-
ADG Investments & Finance Co.	20	26	-	22
Keith Hallis	4	-	-	-
Parul V Lashkari	13	-	-	-
Harish D Gandhi	18	8	-	-
Asha K Shah	11	-	-	-
K.K. Shah HUF	6	7	-	-
Sohini Doshi	-	7	-	36
Vikram Steel Ball Industries	-	41	30	-
Tulsi V Lashkari	-	-	10	-
Parul V Lashkari	-	-	10	-
Bech Investments Pvt Ltd	-	-	5	-
Saumya V Lashkari	-	-	4	-
Total (C)	**146**	**109**	**59**	**58**
Bill Discounting (D)				
Kotak Mahindra Bank Ltd	201	-	-	-
Total (D)	**201**	**-**	**-**	**-**
Grand Total (A+B+C+D)	**3,591**	**1,413**	**108**	**2,558**

s) **The reasons for fall/rise in total income and PAT in the last two years.**

FY 2005 compared with FY 2006

The sales decreased to Rs. 286,51 Lacs in FY 2006 against Rs. 349,15 lacs in FY 2005 due to lower order booking because of slow down in Economy as a whole and in particular the Steel metal Industry. As the Company is undertaking green field projects, the effect of slow down in the economy/industry is felt over a period of next two years because the contract orders are on fixed price, and order execution period is 12 to 18 months. The PAT was affected due to lower sales and steep increase in Iron and Steel prices resulting in increase in prices of all Raw material inputs including bought-out systems.

FY 2006 compared with FY 2007

During the year the sales increased to Rs. 51,158 lacs in FY 2007 against the preceding year level of Rs. 286,51 lacs. The sales include export sales of Rs 342,84 lacs against previous year Rs 211,09 Lacs. The Company's main thrust have been exports and have exported to countries like Colombia, UAE, China, Korea, Malaysia, Morocco, Turkey, Bangladesh, Egypt, Kenya, Iran, Vietnam, Japan & Ethiopia during the year. Also by acquiring additional adjacent land at Taloja factory and importing machineries for Taloja as well as Silvassa plant created additional in-house manufacturing capacity which resulted in drastic reduction in the out sourcing of job work. The profit after tax for the year is Rs.1,529

Lacs against Rs 218 Lacs for the FY 2006. The Company has performed well with exports contributing a major share in sales with improvement in PAT.

t) The shareholding and voting pattern of FPL prior to and following the proposed acquisition by the Acquirer of Shares validly tendered pursuant to the Offer (assuming full acceptance), is as under:

Shareholders' category	Shareholding & voting rights prior to the SPA/Acquisition & Offer. (As on March 31, 2008)		Shares /voting rights agreed to be acquired through SPA which triggered off the		Shares/voting Regulations rights to be acquired/sold in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	No	%	No.	%	No.	%	No.	%
(1) Promoter/ Promoter group								
a. Parties to agreement, if any	2,717,637	55.04	**(2,717,637)**	**(55.04)**	–	–	–	–
b. Promoters other than (a) above	138,336	2.80	–	–	–	–	138,336	2.80
Total 1(a+b)	**2,855,973**	**57.84**	**(2,717,637)**	**(55.04)**	–	–	**138,336**	**2.80**
(2) Acquirer								
a. Main Acquirer, Cockerill Maintenance & Ingénierie, SA	–	–	2,717,637	55.04	987,563	20.00	3,705,200	75.04
Total (2)	**–**		**2,717,637**	**55.04**	**987,563**	**20.00**	**3,705,200**	**75.04**
(3) Parties to agreement other than(1) (a) & (2)	**–**		**–**	**–**	**–**	**–**	**–**	**–**
(4) Public (other than parties to agreement, acquirers & PACs)								
a. FIs/MFs/FIIs/ Banks, SFIs	373,245	7.56	–	–	–	–	–	–
b. Others	1,708,595	34.60	–	–	(987,563)	(20.00)	**1,094,277**	**22.16**
(The total number of shareholders in "Public category as on March 31, 2008 is 5,226)								
Total (4) (a+b)	**2,081,840**	**42.16**	**–**	**–**	**(987,563)**	**(20.00)**	**1,094,277**	**22.16**
GRAND TOTAL (1+2+3+4)	**4,937,813**	**100.00**	**–**	**–**	**–**	**–**	**4,937,813**	**100.00**

Entities forming part of the existing promoter/ promoter group (Mr. Tilakraj Mehta, Mrs. Nishi Tilakraj Mehta, Mrs. Rithu Kochhar, Mrs. Reema Katariya, Mrs. Ruhi Chauhan, Metwork Consultants Private Limited and NT Strips & Automation Private Limited) will cease to form part of the promoter/ promoter group after the completion of the Open Offer followed by the closing of the transactions contemplated under the Agreement.

u) The details of the changes in Shareholding of the promoters as and when it took place

Date of Transaction	No. of shares purchased	% shares purchased	No. of shares sold	% for shares sold	Cumulative no. of shares held	Cumulative %	Status of compliance
20.02.1997	2,822,335	57.16		–	2,822,335	57.16	–
23.12.1997	45,000	0.91			2,867,335	58.07	Complied
06.01.1998	400	0.01			2,867,735	58.08	Complied
07.01.1998	2,000	0.04			2,869,735	58.12	Complied
12.01.1998	1,500	0.03			2,871,235	58.15	Complied
13.01.1998	5,000	0.10			2,876,235	58.25	Complied
20.01.1998	45,000	0.91			2,921,235	59.16	Complied
12.09.1998	2,600	0.05			2,923,835	59.21	Complied
29.10.1999	12,800	0.26			2,936,635	59.47	Complied
30.11.1999			(100)	(0.00)	2,936,535	59.47	Complied
17.12.1999			(200)	(0.00)	2,936,335	59.47	Complied
04.02.2000			(800)	(0.02)	2,935,535	59.45	Complied
23.02.2000			(600)	(0.01)	2,934,935	59.44	Complied
23.03.2000			(300)	(0.01)	2,934,635	59.43	Complied
08.04.2000			(1,900)	(0.04)	2,932,735	59.39	Complied
28.04.2000			(1,000)	(0.02)	2,931,735	59.37	Complied
29.04.2000			(1,100)	(0.02)	2,930,635	59.35	Complied
20.05.2000			(10,200)	(0.21)	2,920,435	59.14	Complied
30.05.2000	2,300	0.05			2,922,735	59.19	Complied
31.05.2000			(2,200)	(0.04)	2,920,535	59.15	Complied
05.06.2000	12,400	0.25			2,932,935	59.40	Complied
12.06.2000	3,200	0.06			2,936,135	59.46	Complied
16.06.2000			(2,200)	(0.04)	2,933,935	59.42	Complied
19.06.2000	7,800	0.16			2,941,735	59.58	Complied
01.07.2000	100	0.00			2,941,835	59.58	Complied
01.07.2000			(1,300)	(0.03)	2,940,535	59.55	Complied
17.07.2000	1,700	0.03			2,942,235	59.59	Complied
17.07.2000			(300)		2,941,935	59.58	Complied
27.07.2000	500	0.01			2,942,435	59.59	Complied
31.07.2000	10,100	0.20			2,952,535	59.79	Complied
01.08.2000	8,200	0.17			2,960,735	59.96	Complied
07.08.2000	500	0.01			2,961,235	59.97	Complied
10.08.2000	3,700	0.07			2,964,935	60.05	Complied
10.08.2000			(700)	(0.01)	2,964,235	60.03	Complied
11.08.2000	700	0.01			2,964,935	60.05	Complied
16.08.2000	1,000	0.02			2,965,935	60.07	Complied
17.08.2000	200	0.00			2,966,135	60.07	Complied
18.08.2000	4,100	0.08			2,970,235	60.15	Complied
31.08.2000	1,700	0.03			2,971,935	60.19	Complied
31.08.2000			(4,700)	(0.10)	2,967,235	60.09	Complied
08.09.2000			(2,600)	(0.05)	2,964,635	60.04	Complied
11.09.2000	1,000	0.02			2,965,635	60.06	Complied
18.09.2000	600	0.01			2,966,235	60.07	Complied
22.09.2000	5,600	0.11			2,971,835	60.19	Complied
22.09.2000			(2,300)	(0.05)	2,969,535	60.14	Complied
09.10.2000	500	0.01			2,970,035	60.15	Complied
17.10.2000			(400)	(0.01)	2,969,635	60.14	Complied
18.10.2000			(1,000)	(0.02)	2,968,635	60.12	Complied
23.01.2001	13,950	0.28			2,982,585	60.40	Complied

Date of Transaction	No. of shares purchased	% shares purchased	No. of shares sold	% for shares sold	Cumulative no. of shares held	Cumulative %	Status of compliance
25.01.2001	7,400	0.15			2,989,985	60.55	Complied
27.01.2001			(200)	(0.00)	2,989,785	60.55	Complied
30.01.2001	3,900	0.08			2,993,685	60.63	Complied
01.02.2001	1,575	0.03			2,995,260	60.66	Complied
05.02.2001	2,500	0.05			2,997,760	60.71	Complied
06.02.2001	10,500	0.21			3,008,260	60.92	Complied
10.02.2001			(100)	(0.00)	3,008,160	60.92	Complied
10.02.2001	2,850	0.06			3,011,010	60.98	Complied
13.02.2001	4,000	0.08			3,015,010	61.06	Complied
15.02.2001	1,000	0.02			3,016,010	61.08	Complied
17.03.2001	1,000	0.02			3,017,010	61.10	Complied
15.05.2001	2,000	0.04			3,019,010	61.14	Complied
18.05.2001	2,000	0.04			3,021,010	61.18	Complied
19.05.2001			(300)	(0.01)	3,020,710	61.18	Complied
26.06.2001	250	0.01			3,020,960	61.18	Complied
30.06.2001			(100)	(0.00)	3,020,860	61.18	Complied
23.07.2001	10,000	0.20			3,030,860	61.38	Complied
11.03.2002			(200)	(0.00)	3,030,660	61.38	Complied
09.05.2002			(11,500)	(0.23)	3,019,160	61.14	Complied
14.05.2002			(3,100)	(0.06)	3,016,060	61.08	Complied
11.06.2002			(1,900)	(0.04)	3,014,160	61.04	Complied
03.07.2002			(399)	(0.01)	3,013,761	61.03	Complied
05.07.2002			(300)	(0.01)	3,013,461	61.03	Complied
03.09.2002			(200)	(0.00)	3,013,261	61.02	Complied
30.09.2002			(100)	(0.00)	3,013,161	61.02	Complied
16.05.2003			(1,600)	(0.03)	3,011,561	60.99	Complied
03.06.2003	2,770	0.06			3,014,331	61.05	Complied
04.06.2003	2,230	0.05			3,016,561	61.09	Complied
05.06.2003	5,000	0.10			3,021,561	61.19	Complied
10.06.2003	2,500	0.05			3,024,061	61.24	Complied
17.06.2003	5,500	0.11			3,029,561	61.35	Complied
30.06.2003	2,000	0.04			3,031,561	61.39	Complied
08.07.2003			(6)	(0.00)	3,031,555	61.39	Complied
16.07.2003			(200)	(0.00)	3,031,355	61.39	Complied
18.07.2003	2,000	0.04			3,033,355	61.43	Complied
02.08.2003			(1,000)	(0.02)	3,032,355	61.41	Complied
04.08.2003			(500)	(0.01)	3,031,855	61.40	Complied
05.08.2003			(65)	(0.00)	3,031,790	61.40	Complied
06.08.2003			(1,000)	(0.02)	3,030,790	61.38	Complied
07.08.2003			(1,029)	(0.02)	3,029,761	61.36	Complied
08.08.2003			(1,000)	(0.02)	3,028,761	61.34	Complied
30.08.2003			(100)	(0.00)	3,028,661	61.34	Complied
02.09.2003	543	0.01			3,029,204	61.35	Complied
16.09.2003	4,457	0.09			3,033,661	61.44	Complied
29.11.2003			(600)	(0.01)	3,033,061	61.43	Complied
09.02.2004			(900)	(0.02)	3,032,161	61.41	Complied
07.12.2004			(5,000)	(0.10)	3,027,161	61.31	Complied
22.07.2005			(1,000)	(0.02)	3,026,161	61.29	Complied
22.08.2005			(2,345)	(0.05)	3,023,816	61.24	Complied

Date of Transaction	No. of shares purchased	% shares purchased	No. of shares sold	% for shares sold	Cumulative no. of shares held	Cumulative %	Status of compliance
31.10.2005			(100)	(0.00)	3,023,716	61.24	Complied
10.12.2005			(76,200)	(1.54)	2,947,516	59.69	Complied
10.03.2006	500	0.01			2,948,016	59.70	Please refer NOTE below
16.05.2006			(1,000)	(0.02)	2,947,016	59.68	Please refer NOTE below
08.02.2007	240	0.00			2,947,256	59.69	Please refer NOTE below
09.02.2007	6,000	0.12			2,953,256	59.81	Please refer NOTE below
23.06.2007	100	0.00			2,953,356	59.81	Please refer NOTE below
07.09.2007			(7,000)	(0.14)	2,946,356	59.67	Please refer NOTE below
10.09.2007	400,000	8.10			3,346,356	67.77	Complied
10.09.2007			(400,000)	(8.10)	2,946,356	59.67	Complied
11.09.2007			(3,000)	(0.06)	2,943,356	59.61	Please refer NOTE below
13.09.2007	400,000	8.10			3,343,356	67.71	Complied
13.09.2007			(400,000)	(8.10)	2,943,356	59.61	Complied
13.09.2007			(3,000)	(0.06)	2,940,356	59.55	Please refer NOTE below
14.09.2007			(5,000)	(0.10)	2,935,356	59.45	Please refer NOTE below
17.09.2007			(10,000)	(0.20)	2,925,356	59.24	Please refer NOTE below
18.09.2007	400,000	8.10			3,325,356	67.34	Complied
18.09.2007			(400,000)	(8.10)	2,925,356	59.24	Complied
18.09.2007			(10,000)	(0.20)	2,915,356	59.04	Please refer NOTE below
19.09.2007			(4,000)	(0.08)	2,911,356	58.96	Complied
20.09.2007			(6,000)	(0.12)	2,905,356	58.84	Complied
21.09.2007			(2,000)	(0.04)	2,903,356	58.80	Complied
04.10.2007			(5,000)	(0.10)	2,898,356	58.70	Complied
08.10.2007	500,000	10.13			3,398,356	68.82	Complied
08.10.2007			(500,000)	(10.13)	2,898,356	58.70	Complied
11.10.2007	400,000	8.10			3,298,356	66.80	Complied
11.10.2007			(400,000)	(8.10)	2,898,356	58.70	Complied
16.10.2007	400,000	8.10			3,298,356	66.80	Complied
16.10.2007			(400,000)	(8.10)	2,898,356	58.70	Complied
10.12.2007			(18,441)	(0.37)	2,879,915	58.32	Please refer NOTE below
11.12.2007			(6,883)		2,873,032	58.18	Please refer NOTE below
12.12.2007			(786)	(0.02)	2,872,246	58.17	Complied
13.12.2007			(1,273)	(0.03)	2,870,973	58.14	Complied
14.12.2007			(5,000)	(0.10)	2,865,973	58.04	Complied
28.12.2007			(750)	(0.02)	2,865,223	58.03	Complied
31.12.2007			(1,250)	(0.03)	2,863,973	58.00	Complied
01.01.2008			(2,000)	(0.04)	2,861,973	57.96	Complied
11.01.2008			(3,000)	(0.06)	2,858,973	57.90	Complied
17.01.2008			(3,000)	(0.06)	2,855,973	57.84	Complied

NOTE:

(i) Whilst Mr. Tilak Raj Mehta and Mrs. Nishi T. Mehta (hereinafter the “Principal Promoters”) have made the requisite disclosures with respect to their shareholdings in the Target Company under Regulations 6 and 8 of the SEBI (SAST) Regulations, the disclosure requirements of three relatives of the Principal Promoters viz. Mrs. Rithu Kochhar, Mrs. Ruhi S. Chauhan and Mrs., Reema N. Katariya (being the daughters of Mr. and Mrs. Mehta) and two companies controlled by the Principal Promoters viz. NT Strips & Automation Private Limited and Metwork Consultants Private Limited (the Principal Promoters, their relatives and companies controlled by the Principal Promoters hereinafter collectively referred to as the “Promoters”) had not been included and disclosed in the statement of particulars of shareholding filed with the Company under Regulation 6(3) and 8 (2) of the SEBI (SAST) Regulations for the years 1997 to 2007. The three relatives of the Principal Promoters held shares in the Target Company prior to coming into force of the SEBI (SAST) Regulations, Metwork Consultants Private Limited and NT Strips & Automation Private Limited had acquired shares in the Target Company during the period January – February, 2001 and June 2003, respectively, from the open market.

The Promoters have on December 27, 2007 filed revised disclosures with the Target Company under Regulation 6 and 8 of the SEBI (SAST) Regulations in relation to years 1997 to 2007. Following receipt of the revised shareholding disclosures from the Promoters as above, the Target Company has filed revised particulars of shareholding of the Promoters under Regulation 6(4) and 8(3) of the SEBI (SAST) Regulations with the Bombay Stock Exchange, Ahmedabad Stock Exchange and Delhi Stock Exchange on December 27, 2007.

(ii) Mrs. Rithu Kochhar, Mrs. Ruhi S. Chauhan and Mrs. Reema N. Katariya have during the period commencing form March 10, 2006 to September 18, 2007 sold shares held by them in the Target Company representing 2.2% of the paid up share capital of the Target Company. There has been non-compliance in the disclosure requirements to the Target Company and the Stock Exchanges under Regulation 7(1A) of the SEBI (SAST) Regulations in respect of the above sale.

(iii) In view of the delay in intimating the respective transactions to the Target Company and the delay on part of the Target Company to disclose the same the to the relevant stock exchanges, the Promoters and the Target Company have filed an application vide letter dated December 31, 2007 filed with SEBI on January 3, 2008 for passing of Consent Orders under the SEBI Act read with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in terms of SEBI Circular No.FFIJ/ED/Cir-l/2007 dated April 20, 2007 (the “Consent Order Application”). SEBI is yet to pass an order in terms of the Consent Order application.

(iv) There were four instances when the Promoters were in non-compliance of regulation 11(2) of the Takeover Code. These were due to acquisition of shares of the Target Company by two members of the promoter group viz. Mrs. Rithu Kochhar and Mrs. Reema Katariya. Details of Number of shares purchased, price at which they were purchased and other relevant details that are available in respect of the acquisitions are as follows:

Sr. No.	Date of Trigger / Purchase of shares As per Records of the Registrar	As per the Contract Note	Name of the Purchaser	Number of Shares Purchased	Price of Purchase (Rs.) As per Records of the Registrar	As per the Contract Note
1.	March 10, 2006	February 06, 2006	Mrs. Rithu Kochhar	500	80.30	92.79
2.	February 8, 2007	January 31, 2007	Mrs. Reema Katariya	240	177.30	127.37
3.	June 23, 2007	February 06, 2007	Mrs. Rithu Kochhar	100	324.40	149.66
4.	February 9, 2007	February 07, 2007	Mrs. Reema Katariya	6000	170.55	161.43

Also refer to price calculations in respect of the above under heading “*Offer Price & Financial Arrangement*” on page no. 39.

SEBI may initiate action against default for aforementioned non-compliance with provisions of the Regulations.

v) The Company has complied with clause 49 of the listing agreement with ASE, BSE and DSE relating to Corporate Governance. Quarterly reports on compliance of Corporate Governance have been filed with ASE, BSE and DSE.

The Company’s report on Corporate Governance for the year ended March 31, 2007 is given below:

i. Company’s Philosophy on Corporate Governance:

FPL’s philosophy of Corporate Governance envisages attainment of the highest level of transparency, accountability and credibility in all its dealings with shareholders, employees, lenders, customers and Government agencies. The company emphasises on ethical values, integrity of internal control systems, accountability and compliance with all statutory/ regulatory provisions. The Company’s guiding principles are focused to achieve the highest standards of Corporate Governance and best Management practices.

ii. **Board of Directors:**

Composition and Category of Directors (as at March 31, 2007)

The Board of Directors consists of 8 Members, Four of whom are independent Directors, viz., they have no business or other relationship with the Company that could hinder their independent judgment. The Chairman of the Board is an Executive Director. The day-to-day management of the Company is conducted by the Chairman-cum-Managing Director subject to the supervision and control of the Board of Directors and is assisted by three Whole time Directors.

The Composition of the Board of Directors is as under:

Position	Name	Category
Chairman-cum-Managing Director	Mr. T.R. Mehta	Promoter/Executive
Whole time Director	Mrs. Nishi T. Mehta	Promoter/Executive
Whole time Director	Mr. D. D. Sengupta (Note 1)	Executive
Whole time Director	Mr. Ravindra B. Shetye	Executive
Director	Mr. R.N. Tandon	Independent non-executive
Director	Mr. K. R. Iyer	Independent non-executive
Director	Dr. N. S. Datar	Independent non-executive
Director	Mr. R. K. Chouhaan	Independent non-executive

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

(e) Attendance of each Director at the Board of Directors Meeting and at last Annual General Meeting:

Director	No. of Board Meetings Attended	Attendance at the AGM held on September 15, 2006
Mr. T.R. Mehta	6	Yes
Mrs. Nishi T. Mehta	5	No
Mr. D. D. Sengupta (Note 1)	6	Yes
Mr. Ravindra B. Shetye	6	Yes
Mr. P.K. Rath	1	N.A.
Mr. R.N. Tandon	5	No
Mr. K. R. Iyer	6	Yes
Dr. N. S. Datar	6	Yes
Mr. R. K. Chouhaan	1	N.A

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

(f) Other Board of Directors Committees in which each Director is a member or Chairperson of:

Name of Director	Other Directorship	Board Committee	
		Committee Name	Position
Mr. T.R. Mehta	Four	None	-
Mrs. Nishi T. Mehta	Four	Remuneration	Member
Mr. D. D. Sengupta (Note 1)	None	Remuneration	Chairman
Mr. Ravindra B. Shetye	None	Audit	Member
Mr. R.N. Tandon	One	i. Audit	Chairman
		ii. Shareholders	Member
Mr. K.R. Iyer	None	Audit	Member
Dr. N. S. Datar	Six	Remuneration	Member

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

(g) No. of Board Meetings held-dates on which held.

During the year, 6 Board Meetings were held on 29.04.06, 12.07.06, 31.07.06, 15.09.06, 30.10.06 and 31.01.07.

iii. Audit Committee:

(a) Composition, name of members and Chairperson

	Name of Director	Category	Position
1	Mr. R.N. Tandon	Independent non executive	Chairman
2	Mr. K.R. Iyer	Independent non executive	Member
3	Mr. Ravindra B. Shetye	Executive Director	Member

(b) No. of Meetings and attendance:

Four meetings of the Audit Committee on 28th April 2006, 29th July 2006, 30th October 2006 and 31st January 2007 were held during the financial year ended March 31, 2007 and the number of meetings attended by each member is as under:

Mr. R.N. Tandon	4
Mr. K.R. Iyer	4
Mr. Ravindra B. Shetye	3

Mr. Dinesh Tripathi, Sr. Vice President (Finance) & Company Secretary is a permanent invitee and also act as the Secretary to the Committee.

The minutes of the audit committee are sent to all the Directors of the Company.

(c) Terms of Reference:

The role of the Audit Committee includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the financial statements before submission to the Board.
- Reviewing with the management and the external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors on any significant figures and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with External Auditors before the audit commences, the nature and the scope of Audit as well as have post audit discussion.
- Reviewing the Company's financial and risk management policies.

iv. Remuneration Committee:

(a) Terms of Reference:

The remuneration committee reviews the overall compensation policy, service agreements and other employment conditions of the Managing/Whole time Directors with a view to retaining and motivating the best managerial talents. In determining the remuneration package of the Managing/Whole time Directors, it evaluates the remuneration paid by comparable organizations and thereafter makes its recommendations to the FPE Board in this regard. It also reviews the performance of the Managing/Whole time Directors and recommends to the FPE Board the quantum of annual increments/commissions.

(b) Composition, name of members and Chairperson:

1.	Mr. D.D. Sengupta (Note 1)	Chairperson
2.	Mrs. Nishi T. Mehta	Member
3.	Mr. G. C. Bose	Member
4.	Mr. Dinesh Tripathi	Member

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

(c) Attendance during the year:

Our meeting was held on 18.04.2007 and all attended the meeting.

(d) Remuneration Policy:

Subject to the approval of the Board and the Company in general meeting and such other approvals as may be necessary, the Chairman-cum-Managing Director/Whole time Directors are paid remuneration as per the Agreements entered into between them and the Company. The remuneration structure of the Chairman-cum-Managing Director comprises of salary, commission in the event of profits, perquisites and allowances, contributions to Provident Fund, Superannuation Fund and Gratuity. The remuneration structure of the Whole time Directors comprises of salary, perquisites and allowances, contributions to Provident/Superannuation Fund and Gratuity.

(e) Details of remuneration to all directors as paid/payable for the financial year ended March 31, 2007 is as under:

Benefits						Total (Rs)
Name of Directors	Salary (per annum) (Rs.)	Perquisites (per annum) (Rs.)	Commission (Rs.)	Contribution to PF/ Superannuation Fund (Rs.)	Bonus/Stock Options/Pension & Others (Rs.)	Total (Rs.)
Mr. T. R. Mehta Chairman-cum-Managing Director	1,12,38,120/-	1,46,40,770/-	Nil	13,48,572/- PF	Nil	2,72,27,462/-
Mrs. Nishi T. Mehta Whole time Director	37,46,400/-	44,43,647/-	Nil	4,49,568/- PF	Nil	86,39,615/-
Mr. D. D. Sengupta Whole time Director (Note 1)	11,42,400/-	1,90,400/-	Nil	1,37,088/- PF 1,14,240/- Sup. Ann.	Nil	15,84,128/-
Mr. Ravindra B Shetye Whole time Director	12,00,000/-	2,13,333/-	Nil	1,44,000/- PF	Nil	15,57,333/-

Note 1: The Target Company has informed BSE that the Company's Director, Late Mr. D D Sengupta, ceased to be the Director, as he expired on February 17, 2008.

Break up of fixed components and Performance linked incentives with performance criteria	Nil
Service Contract	Yes
Notice Period	3 Months
Severances fees	Nil
Stock Options details (if any)	Nil
Whether issued at discount	N.A.
Period over which it is accrued and is exercisable	N.A.

v. **Shareholder Committee**

The Committee deals with various matters relating to:

- Transfer/transmission of shares;
- Issue of duplicate share certificate;
- Review of shares dematerialized;
- Monitors expeditious redressal of investors' grievances and
- All other matters related to shares.

(a) Mr. Dinesh Tripathi, Sr. Vice President (Finance) & Company Secretary is chairman of Shareholder Committee and is the Compliance Officer.

(b) 25 complaints were received from shareholders during the financial year April '2006 to march 2007

(c) All complaints have been solved to the satisfaction of the shareholders

(d) No. of pending share transfer: Nil

vi. **General Board Meetings:**

(a) Location and time where last 3 AGM's were held:

Year	AGM	Location	Date	Time
2005-2006	AGM	Corporate Office : Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (E), Mumbai-400 093	15-09-2006	2:30 p.m
2004-2005	AGM	Corporate Office : Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (E), Mumbai-400 093	16-09-2005	2:30 p.m
2003-2004	AGM	Corporate Office : Mehta House, Plot No. 64, Road No.13, MIDC, Andheri (E), Mumbai-400 093	17-09-2004	2:30 p.m

(b) The Resolutions passed at the aforesaid Meetings were put to vote by show of hands. All resolutions were passed unanimously. Presently the Company does not have any proposal for postal ballots.

(c) Persons who conducted the postal ballot exercise N.A

(d) Procedure for postal ballot N.A

b) Pending litigation

FPL has 2 cases filed by its, ex-employee, against FPL before labour courts alleging ground such as illegal termination, and transfer and claiming permanency and/ or for payment of back wages. The amount is not quantifiable.

c) Compliance Officer: Mr. Dinesh Tripathi, Sr. Vice President, Flat Products Equipments (India) Limited, Mehta House, 64, Road No. 13, MIDC, Andheri (East), Mumbai-400093.Tel.+91-022-66762727;Fax:+91-022-66762737;E-,mail: fpe@vsnl.com.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 JUSTIFICATION OF OFFER PRICE

a) The Equity Shares of the Target Company are listed on Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) and The Delhi Stock Exchange Association Limited (DSE).

b) The shares of the FPL are frequently traded on BSE (source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The annualized trading turnover based during the preceding six months i.e. July 2007 to December 2007 in each of stock exchanges is as under:

Name of Stock Exchange	Total No. of shares traded during the 6 calendar months prior to the month in which PA is made	Total No. of shares traded during the 6 calendar months prior to the month in which PA is made (Annualized)	Total No. of listed Shares	Annualised Trading turnover (as a % to total listed shares)
BSE	54,04,052	1,08,08,104	49,37,813	218.88
ASE	Nil	Nil	49,37,813	Nil
DSE	Nil	Nil	49,37,813	Nil

Source: www.bseindia.com

Based on the information available, the equity shares of FPL are most frequently traded on the BSE (*source: bseindia.com)* within the meaning of explanation (i) to Regulation 20 (4) of the SEBI (SAST) Regulations.

c) The Offer Price of Rs. 517/- (Rupees Five Hundred and Seventeen Only) per equity share is justified in terms of Regulation 20(4) of SEBI (SAST) Regulations in view of the following:

Particulars	Price
a) Negotiated Price under SPA1	Rs. 517/- per share
b) Negotiated Price under SPA2 (Refer Note 1 at end of this section)	Rs. 497/- per share
c) Highest Price paid by the Acquirer for acquisition, including by way of allotments in a public or rights issue or Preferential issue, if any, during 26 weeks period prior to the date of Public Announcement	Not Applicable
d) The average of the weekly High and Low of the closing prices of the shares of the Target Company on BSE where it is most frequently traded, during 26 weeks period preceding the date of the date of Public Announcement	Rs. 439.21 per share
e) The average of the daily High and Low of the prices of the shares of the Target Company on BSE where it is most frequently traded, during the 2 week period preceding the date of the date of Public Announcement The Offer price of Rs. 517/- being the highest of the above is justified.	Rs 456.58 per share

d) The price and volume data of the Target Company on BSE:

For the 26-week period prior to the date of the public announcement i.e. January 16, 2008, is as under:

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume for the week
1.	Tuesday, January 15, 2008	480.55	450.00	450.52	68,246
2.	Tuesday, January 08, 2008	484.10	443.80	463.95	79,737
3.	Tuesday, January 01, 2008	494.05	482.00	488.02	40,420
4.	Monday, December 24, 2007	481.45	458.70	470.07	46,965
5.	Tuesday, December 18, 2007	536.30	487.50	511.9	141,838
6.	Tuesday, December 11, 2007	529.40	490.45	509.93	142,315
7.	Tuesday, December 04, 2007	510.20	407.75	458.98	193,969
8.	Tuesday, November 27, 2007	429.55	400.20	414.88	27,797
9.	Tuesday, November 20, 2007	447.25	415.95	431.60	47,087
10.	Tuesday, November 13, 2007	431.55	408.45	420.00	37,856
11.	Tuesday, November 06, 2007	495.90	439.85	467.88	80,429
12.	Tuesday, October 30, 2007	514.60	482.25	498.43	62,539

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume for the week
13.	Tuesday, October 23, 2007	504.30	457.15	480.73	103,113
14.	Tuesday, October 16, 2007	515.40	490.90	503.15	905,246
15.	Tuesday, October 09, 2007	536.30	506.75	521.53	738,927
16.	Monday, October 01, 2007	486.50	463.35	474.93	53,233
17.	Tuesday, September 25, 2007	516.45	487.5	501.98	223,805
18.	Tuesday, September 18, 2007	521.45	427.85	474.65	1,168,295
19.	Tuesday, September 11, 2007	434.80	366.30	400.55	647,527
20.	Tuesday, September 04, 2007	371.55	358.35	364.95	64,584
21.	Tuesday, August 28, 2007	362.10	312.90	337.50	36,584
22.	Tuesday, August 21, 2007	333.90	319.05	326.48	58,138
23.	Tuesday, August 14, 2007	369.85	349.50	359.68	59,505
24.	Tuesday, August 07, 2007	379.90	353.20	366.55	92,700
25.	Tuesday, July 31, 2007	361.60	340.55	351.08	54,920
26.	Tuesday, July 24, 2007	378.40	360.65	369.53	58,517
	26 week's Average			**439.21**	

(Source: www.bseindia.com)

The average of daily high and low prices of the Equity shares of FPL during the 2 week period preceding the date of the PA i.e. January 16, 2008 is given below:

Day No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume for the day
1.	Tuesday, January 15, 2008	485.00	450.00	467.50	26,284
2.	Monday, January 14, 2008	454.40	425.00	439.70	14,909
3.	Friday, January 11, 2008	431.80	413.15	422.48	8,943
4.	Thursday, January 10, 2008	445.00	421.00	433.00	8,693
5.	Wednesday, January 09, 2008	455.00	418.00	431.53	9,417
6.	Tuesday, January 08, 2008	488.00	437.10	462.55	12,046
7.	Monday, January 07, 2008	495.00	461.90	478.45	13,247
8.	Friday, January 04, 2008	480.00	448.05	464.03	35,456
9.	Thursday, January 03, 2008	485.10	468.00	476.55	11,534
10.	Wednesday, January 02, 2008	495.00	475.00	485.00	7,454
	2 week's Average			**456.58**	

(Source: www.bseindia.com)

e) The equity shares of FPL are infrequently traded on ASE and DSE in terms of explanation (i) to regulation 20 (5) of the Regulations. The Offer Price has been determined taking into account the relevant parameters are as under:-

a)	the negotiated Price under the SPA1	Rs. 517/- per fully paid up equity share
b)	the negotiated Price under the SPA2 (Refer Note 1 at end of this section)	Rs. 497/- per fully paid up equity share.
c)	the highest price paid by the Acquirer or persons acting in concert with him for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of public of announcement:	Nil #
d)	**Other Parameters**	**Based on Audited Accounts for the year ended March 31, 2007**
	Return on net worth (%)	30.97
	Book Value per share (Rs.)	157.17
	Earning per Share (Rs.)	30.97
	Industry Average P/E Multiple for Engineering*	23.4
	Offer Price P/E Multiple**	16.69

**(Source: Capital Market Journal Vol. XXIII/03, Date Apr 07- 20, 2008, Industry-Engineering)*

*** Offer Price/EPS.*

 # Other than the shares which the Acquirer proposes to purchase through SPA 1 & 2, the Acquirer has not acquired any shares of the Target Company.

The Offer price of Rs. 517/- being the highest of the above is justified.

f) There were four instances when the Promoters were in non-compliance of regulation 11(2) of the Takeover Code. These were due to acquisition of shares of the Target Company by two members of the promoter group viz. Mrs. Rithu Kochhar and Mrs. Reema Katariya. Details of number of shares purchased, price at which they were purchased and other relevant details that are available in respect of the acquisitions are as follows:

	Date of Trigger / Purchase of Shares		Price of Purchase (Rs.)			
Sr. No.	**As per Records of the Registrar**	**As per the Contract Note**	**Name of the Purchaser**	**Number of Shares purchased**	**As per Records of the Registrar**	**As per the Contract Note**
1	March 10, 2006	February 06, 2006	Mrs. Rithu Kochhar	500	80.30	92.79
2	February 8, 2007	January 31, 2007	Mrs. Reema Katariya	240	177.30	127.37
3	February 9, 2007	February 07, 2007	Mrs. Reema Katariya	6000	170.55	161.43
4	June 23, 2007	February 06, 2007	Mrs. Rithu Kochhar	100	324.40	149.66

(On all the above mentioned dates the shares of the target company were frequently traded on BSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations).

Summary of Minimum Offer Price on each of the trigger dates are as follows:-

Trigger Date	Closing Price/ Contract Price (Rs.)	26 Week's Average	2 Week's Average	Offer Price (a)	Interest @ 15% till PA Date *(b)	Total Offer Price (a+b)
As per Registrar's Records						
March 10, 2006	80.30	91.72	81.96	91.72	25.52	117.24
February 08, 2007	177.30	103.01	138.26	177.30	24.92	202.22
February 09, 2007	170.55	103.89	143.13	170.55	23.90	194.45
June 23, 2007	324.40	201.53	316.45	324.40	27.60	352.00
As per Contract Note						
February 06, 2006	92.79	95.93	102.36	102.36	29.83	132.19
January 31, 2007	127.37	100.01	131.59	131.59	18.93	150.52
February 06, 2007	149.66	102.08	131.27	149.66	21.16	170.82
February 07, 2007	161.43	102.42	134.43	161.43	22.76	184.19

Interest @ 15% p.a. has been calculated on the Offer Price (a) from the trigger date till the date of PA i.e. January 16, 2008 to arrive at the total offer price.

The above mentioned offer price has been calculated on the basis of the higher of the three options mentioned below

- Average of the weekly High and Low of the closing prices of the shares of the Target Company on BSE where it is most frequently traded, during 26 weeks period preceding the date of the date of Public Announcement
- Average of the daily High and Low of the prices of the shares of the Target Company on BSE where it is most frequently traded, during the 2 week period preceding the date of the date of Public Announcement.
- Purchase Price

The Offer price of Rs. 517/- being the highest of the above is justified.

g) In the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified in terms of Regulation 20(11) of SEBI (SAST) Regulations.

h) There was no non-compete agreement or payment of non-compete fee to any person by the Acquirer.

i) As per the Regulations, the Acquirer can revise the Offer Price upwards up to 7 working days prior to the closure of this Offer and the revision, if any, in the Offer Price would be announced in the same newspapers where the Public Announcement has appeared and the revised price will be paid for all Shares acquired pursuant to this Offer.

j) If the Acquirer acquire Shares after the date of Public Announcement up to 7 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 acceptances received under the Offer, provided no such acquisition shall be made by the Acquirer during the last seven working days prior to the closure of the Offer. Further the shares or voting rights so acquired taken together with the acquisition under the public offer and shares or voting rights, if any, held the Acquirer, will not result in public shareholding in Target being reduced to a level below the limit specified in the Listing Agreement with the stock exchange for the purpose of listing on continuous basis.

Note 1

M/s Khimji Kuverji & Company, Chartered Accountants have carried out the fair valuation of the equity shares of NT Strips & Automation Private Limited (NTS) and have recommended a fair value of the equity shares of NTS for the consideration of CMI for the proposed acquisition of the equity shares of NTS.

M/s Khimji Kuverji & Company, Chartered Accountants, have followed Adjusted Net Asset Value (NAV) Method and Price – Earnings Capitalisation (PECV) Method to arrive at the fair value of equity shares of NTS.

The valuation report by M/s Khimji Kuverji & Co, Chartered Accountant, has also assigned a fair value to the 7500 equity shares held in Flat Products Equipments (India) Limited which is as follows:

	Fair value of 7500 shares in FPL	Rs. per Share
Adjusted Net Asset Value (NAV) Method	Rs. 29.90 Lacs	Rs 397/-
Price Earnings Capitalization (PECV) method	Rs. 34.80 Lacs	Rs. 464/-

NTS has several assets including land and building, machinery, stock-in-trade and other current assets besides 7500 shares of the target company. These 7500 shares constitute a very small portion of the total asset base of NTS. The acquisition price of NTS shares has been determined based on the overall share valuation of NTS as a whole including all its assets and liabilities. The valuation report has recommended a range of value of equity share of NTS. The fair value recommended in the report is in the range of Rs. 419 to Rs. 514 per share.

Acquirer has agreed to purchase all the shares in NTS from the shareholders of NTS at a price of Rs. 497/- per share and hence the Negotiated Price under SPA2 is Rs. 497/- which is higher than the fair value assigned to 7500 shares.

7.2 FINANCIAL ARRANGEMENT

a) The total fund requirement for the acquisition of up to 9,87,563 fully paid Equity Shares at Rs. 517/- (Rupees Five Hundred and Seventeen only) per share being 20% of total voting capital of 49,37,813 Equity Shares assuming full acceptance for the offer aggregates to Rs. 51,05,70,071/- (Rupees Fifty One Crore Five Lacs Seventy Thousand and Seventy One Only) ("**Maximum Consideration**").

b) On behalf of the Acquirer, BNP Paribas, Belgium through its branch in India located at French Bank Building, 62 Homji Street, Fort, Mumbai 400 001, has issued a bank guarantee for Rs.12,76,42,518/- (Rupees Twelve Crore Seventy Six Lacs Forty Two Thousands Five Hundred and Eighteen Only) in favour of the Manager to the Offer. The said amount is equivalent to 25% of the value of the Maximum Consideration as per Regulation 28(2) of the SEBI (SAST) Regulations under the Offer (assuming full acceptance). The said bank guarantee entitles the Manager to the Offer to realize the value thereof in terms of the SEBI (SAST) Regulations. This bank guarantee is valid from the date of PA and will be valid until a written notice is received from the merchant banker certifying that the Acquirer has completed all its obligations or till May 31, 2008 whichever is earlier. Vide letter dated April 8, 2008 received from BNP Paribas the Bank Guarantee has been extended till **July 7, 2008** in compliance with regulation 28(6) of the SAST Regulations.

c) In addition, CMI, Edelweiss and BNP Paribas, located at French Bank Building, 62 Homji Street, Fort, Mumbai 400 001 have entered into an escrow agreement, dated January 15, 2008 (' the Escrow Agreement') in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, CMI has transferred an amount of Rs. 52,08,000 (Rupees Fifty Two Lacs Eight Thousand Only), which is in excess of 1% of the value of the total consideration payable under the Offer, assuming full acceptances, in an escrow account opened with BNP Paribas. Edelweiss has been duly authorized to realize the value of the aforesaid Escrow account in terms of the SEBI (SAST) Regulations.

d) The auditor of the Acquirer, i.e. Deloitte Reviseurs D'Entreprises SC SCRL, Chartered Accountants, (Membership of the Belgium Institute of Certificate Public Accountants No. B- 00025-1986], B-5100, Namur (Jambes), Belgium, Tel: +32(81)328240, Fax: +32(81)328241 has provided a funds sufficiency certificate vide their letter dated January 14, 2008. (**"Fund Sufficiency Certificate"**) based on the owned funds that the Acquirer has sufficient means and capability for meeting its obligations under the SEBI (SAST) Regulations]

e) The Acquirer have confirmed vide their letter dated January 14, 2008 that firm financial arrangements has been made for the implementation of the Offer in full out of their own sources/Net Worth and no borrowings from any bank and/or financial institutions is envisaged. The sources of funds would be own funds.

f) In view of the above, Edelweiss is satisfied that firm financial arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations of the Acquirer.

8 TERMS AND CONDITIONS OF THE OFFER

a) The Offer is not conditional on any minimum level of acceptances.

b) The Offer is subject to

i) Receipt of approval from Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act ("**FEMA**"), to acquire upto 20% of the voting rights of the Target Company through Open Offer from Indian residents. The Acquirer will submit an application to the RBI for its approval for the acquisition of Equity Shares under the Open Offer.

ii) Receipt of approval from the Reserve Bank of India for acquiring Shares from non-resident Indians who validly tender their Shares under this Offer, if applicable. The Acquirer will make the necessary applications to obtain the requisite RBI Approval on behalf of the non resident Shareholders in respect of whom such prior RBI Approval is required.

The Acquirer had filed the necessary application with the RBI requesting approval for acquiring shares from the residents and non resident Indians (as mentioned in i] and ii] above) pursuant to the Offer and has received a letter dated March 7, 2008 from the RBI approving the same.

c) As on the date hereof, other than the above no other statutory approval (including any approval from Foreign Investment Promotion Board ("FIPB")) are required 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 the receipt of such other statutory approvals. Acquirer will not proceed with the offer in the event any statutory approval indicated herein is not obtained in terms of Regulation 27 of the SEBI (SAST) Regulations.

d) In case of delay in receipt of any statutory approvals that may become applicable prior to completion of Offer, SEBI has power to grant extension of time to Acquirer for payment of consideration to the Shareholders subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the said approval to the satisfaction of SEBI, the Acquirer will have the option not to pay such interest, subject to concurrence by SEBI. Further, if the delay occurs on account of willful default by Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.

e) Any consents required from Banks, pursuant to any outstanding loan agreements shall be obtained before the Offer Opening Date

f) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of the Target Company (except the Acquirer and parties to the Agreement) whose names appear on the Register of members of the Target Company and to the beneficial owners of the equity shares of the Target Company, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on January 17, 2008 ("Specified Date").

g) Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

h) Any Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/ relevant statutory authority permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

i) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard. The acceptance must be unconditional and should be absolute and unqualified.

j) Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case, the documents / forms submitted are incomplete and / or if they have any defect or modifications, the acceptance is liable to be rejected.

k) The Acquirer will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Locked in shares if any, can be tendered in the open offer subject to applicable laws including the continuation of the lock-in in the hands of the Acquirer. The manager to the offer will ensure that there is no discrimination in the acceptance between locked in and non-locked in shares.

l) All owners (registered or unregistered) of shares of the Target Company (except the Acquirer and parties to the Agreement) holding shares at any point of time before the closure of the offer 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.

m) The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

n) The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders who wish to tender their Equity Shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer – Karvy Computershare Private Limited, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Tel:+91-040-23420818; Fax:+91-040-23420814 ("Registrar to the Offer") either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e. not later than 5.00 p.m. on Wednesday, June 4, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

b) The Registrar to the Offer – Karvy Computershare Private Limited, has opened a special depository account with NSDL called, "KCPL Escrow A/C – FPL Open Offer". The name of the Depository Participant ("DP") is Karvy Stock Broking Limited, the DP ID is **IN302470** and the Client ID is **40224564**. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

c) Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to the Registrar to the Offer – Karvy Computershare Pvt Ltd., either by hand delivery on weekdays or by Registered Post (at Hyderabad), on or before the Close of the Offer, i.e. not later than Wednesday, June 4, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before close of Offer, i.e. not later than Wednesday, June 4, 2008.

d) The equity shareholders of the Target Company, who wish to avail of and accept the Offer, can deliver the Acceptance Form along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned herein below would be open as follows:

(Monday to Friday: 10.00 a.m. to 5.00 p.m. Saturday 10.00 a.m. to 1.00 p.m.)

Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery	E-MAIL ID
Ahmedabad	Karvy Computershare Pvt Ltd. 201-203 'Shail' Opp.Madhusudhan House,Behind Girish Cold Drinks, Off C G.Road Ahmedabad 380 006	Mr. Biswanath Mukhopadhay	079-24620422/ 26400528	079-26565551	Hand Delivery	ahmedabad@ karvy.com
Chennai	Karvy Computershare Pvt Ltd. No.33/1 Venkatraman Street T. Nagar Chennai 600 017	Mr.Gunashekhar	044-28151793/ 1794/4781	044-28153181	Hand Delivery	chennaiirc@ karvy.com
Hyderabad	Karvy Computershare Pvt Ltd. Plot No 17-24 Vithalrao Nagar Madhapur Hyderabad 500 081	Ms.Rinky Sareen	040-23420818	040-23431551	Hand Delivery/ Regd. Post	ircmadhapur@ karvy.com
Kolkata	Karvy Computershare Pvt Ltd. 49, Jatin Das Road, Near Deshpriya Park, Kolkata 700 029	Mr.Sujit Kundu/ Mr.Debnath	033-24644891	033-24644866	Hand Delivery	sujitkundu@ karvy.com/ nilkanta@ karvy.com

Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery	E-MAIL ID
Mumbai (Fort)	Karvy Computershare Pvt Ltd. 16-22 Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank Fort, Mumbai 400 023	Ms.Varija Salian	022-66382666	022-66331135	Hand Delivery	ircfort@ karvy.com
New Delhi	Karvy Computershare Pvt Ltd. 2E/23, Jhandewalan Extention, New Delhi 110 055.	Mr.Rajinder/ Michael George	011-43181700	011-43324621	Hand Delivery	ircdelhi@ karvy.com

e) **For Shares held in physical form:**

i) **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).
- Valid share transfer deed / 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 FPL and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their official seal. The details of buyer should be left blank failing which, the tender will be invalid under the Offer
- In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to have been accepted.

ii) **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.
- Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the tender will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders. The details of the buyer will be filled upon verification of the Form of Acceptance & other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

f) **For Shares held in dematerialized form:**

- Beneficial owners should enclose:
- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date. The Registrar to the Offer has opened a special depository account details of which are as follows:

DP Name	Karvy Stock Broking Limited
DP ID	IN302470
Beneficiary A/C. No.	40224564
Account Name	KCPL Escrow A/C – FPL Open Offer
Depository	NSDL

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. **Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with NSDL**. In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.

g) Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

h) The Share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection centers mentioned in paragraph below. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.**

i) The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one Share.

j) In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out above clearly marking the envelope **"Flat Products Equipments (India) Limited - Open Offer"** by providing suitable documentary evidence of the acquisition of the Shares or make the acceptance on plain paper. Shareholders holding Shares in physical form may send an application to the Registrar to the Offer, stating on plain paper their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s), on or before the close of the Offer, i.e. by no later than Wednesday, June 4, 2008. Beneficial owners may send an application to the Registrar to the Offer, stating on plain paper their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres on or before the close of business on the Offer Closing Date , i.e. by no later than Wednesday, June 4, 2008. The acceptance should be signed by all the shareholders as per the registration details available with FPL/ Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked **"Flat Products Equipments (India) Limited - Open Offer"**. It may be noted that no indemnity is required from unregistered shareholders.

k) In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before 1 PM on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the close of business on the Offer Closing Date.

l) While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of FPL, if so required. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such shares tendered. While tendering shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

m) In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) 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, May 30, 2008.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

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

- In case of physical shares: Name, Address, Distinctive numbers, Folio number, number of shares tendered/ withdrawn; and
- In case of dematerialized shares: Name, Address, number of shares offered/withdrawn, 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.

n) The Registrar to the Offer will hold in trust the shares/ share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the target company who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/ Share Certificates are dispatched/ returned.

o) If the aggregate of the valid responses to the Offer exceeds the Offer size of 9,87,563 fully paid-up equity shares of the target company (representing 20% of the voting share capital of FPL), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. As the shares of FPL are compulsorily traded in dematerialized form, therefore minimum acceptance / marketable lot will be one share.

p) Unaccepted Rejected Share Certificates, Transfer Deeds and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder. Unaccepted / Rejected shares held in demat form will be credited back to the beneficial owners depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement. It will be the responsibility of the equity shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

q) Shareholders, who have sent their shares for dematerialization, need to ensure that the process of getting their shares dematerialized 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 Wednesday, June 4, 2008, else their application would be rejected.

10. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, Edelweiss Capital limited, from 10.30 a.m. to 3.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

a) Certificate of incorporation and Memorandum and Articles of Association of the CMI (Acquirer),

b) Certificate of incorporation and Memorandum and Articles of Association of FPL (Target Company);

c) Copy of Board of Resolution from CMI, authorizing Mr. Yves HONHON, to execute, and perform all acts in relation to the Offer, including signing of all papers on its behalf.

d) A certificate from Chartered Accountant, M/s Deloitte Reviseurs D'Entreprises SC SCRL, Belgium, certifying the adequacy of financial resources with CMI (Acquirer) to fulfil the open offer obligations.

e) Audited annual reports for the year ending December 31, 2004, 2005, 2006 and limited review for the nine months ended September 30, 2007 for CMI.

f) Audited annual reports for the year ending March 31, 2005, 2006, 2007 and audited financials for the six months ending September 30, 2007 of the Flat Products Equipments (India) Limited.

g) Copy of Escrow Agreement dated January 15, 2008 between the Acquirer, BNP Paribas and Edelweiss Capital Limited and a letter from BNP Paribas confirming the amount kept in the escrow account and lien in favour of Edelweiss Capital Limited.

h) Bank Guarantee dated January 15, 2008 (valid until May 31, 2007) and letter dated April 8, 2008 (extending the Bank guarantee until July 7, 2008) from BNP Paribas in favour of Edelweiss Capital Limited.

i) Copy of the share purchase agreement dated January 14, 2008, executed between the Acquirer and the Sellers.

j) Copy of the share purchase agreement dated January 14, 2008, executed between the Acquirer on one hand and Sellers, Mrs. Rithu Kochhar, Mrs. Reema Katariya, Mrs. Ruhi Chauhan on other hand.

k) Valuation Report of NT Strips & Automation Private Limited by M/s. Khimji Kuverji & Co, Chartered Accountant.

l) A published copy of Public Announcement made on January 16, 2008.

m) A copy of the agreement into with Depository participant for opening a special depository account for the purpose of the offer.

n) Due Diligence certificate dated January 28, 2008.

o) Letter from RBI, dated March 7, 2008 received under the Foreign Exchange Management Act, 1999 ("FEMA") and rules and regulations made there under, approving acquisition of shares from the residents and non resident Indians pursuant to the Offer.

11 DECLARATION BY ACQUIRER

The Acquirer, represented by its Board of Directors accepts responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer will be responsible for ensuring compliance with the SEBI (SAST) Regulations and for its obligations laid down in SEBI (SAST) Regulations.

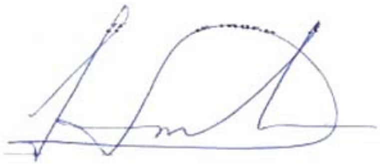
Mr. Yves HONHON, Chief Financial Officer of Cockerill Maintenance & Ingénierie has been authorised by the board of Cockerill Maintenance & Ingénierie to sign the Letter of Offer

Signed on behalf of Acquirer

For and on behalf of Board of

Cockerill Maintenance & Ingénierie SA

Sd/-



Yves HONHON
Authorised Signatory

Date: May 08, 2008

Encl:

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

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance cum acknowledgement with enclosures to Karvy Computershare Private Limited at any of the collection centers as mentioned in the Letter of Offer. All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

OFFER OPENS ON	Friday, May 16, 2008
LAST DATE FOR WITHDRAWAL OF APPLICATION	Friday, May 30, 2008
OFFER CLOSES ON	Wednesday, June 04, 2008

From:
(Name & Complete Address)

Tel No. :____________________________**Fax No. :**____________________________ **E-mail :**____

To
The Acquirer- Cockerill Maintenance & Ingénierie, SA **Status: Resident / Non Resident**
C/o. Karvy Computershare Private Limited, Plot 17-24 Vittalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad - 500 086

Dear Sir,

Sub. : **Open Offer to acquire 9,87,563 fully paid up equity shares of Rs 10 each representing 20% of paid-up equity share capital (as defined in the Letter of Offer) of Flat Products Equipments (India) Limited. ("FPL" or the "Target Company") by Cockerill Maintenance & Ingénierie, SA ("CMI" or the "Acquirer") at a price of Rs. 517/- (Rupees Five Hundred and Seventeen Only) per fully paid up equity share, (the "Offer Price") payable in cash.**

I/We refer to Letter of Offer dated May 8, 2008 for acquiring the equity shares held by me/us in **Flat Products Equipments (India) Limited.**

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein and unconditionally agreed to terms & conditions mentioned therein.

SHARES HELD 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:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total number of equity shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We holding shares in demat form, accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below. We confirm having done an off market transaction for credit the shares to the "KCPL Escrow Account - FPL Open Offer" as per the detail mentioned below.

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity Shares

DP Name: Karvy Stock Broking Limited	**DP ID:** IN302470	**Client ID:** 40224564

TEAR HERE

Shareholders whose shares are held in beneficiary Account with CDSL have to use an **"INTER–DEPOSITORY DELIVERY INSTRUCTION SLIP"** for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL. Enclosures (Please tick as appropriate, if applicable): ☐ Power of Attorney; ☐ Corporate Authorisation in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.; ☐ No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable; ☐ Death Certificate/ Succession Certificate; ☐ Others(please specify) _____________________________________ .

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

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pays 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.

I/We authorise the Acquirers to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted and in case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

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.

The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN/GIR No.			
Ward No.			

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank		Account No.		Saving/Current/NRE/ NRO/ (Others: Please tick)	
Address of Branch					

__ __ __ __ __ __ __ __ __ **Tear along this line** __ __ __ __ __ __ __ __ __

Acknowledgement Slip **FPL - Open Offer**

(To be filled in by the shareholders) (Subject to verification) **Sr.No.** ___________

Received by Mr./Mrs./Ms. ____

Address____ Physical shares : Folio No._________/Demat Shares: DP ID________;Client ID___________

Form of Acceptance along with (Tick wherever is applicable):

☐ Physical Shares: No. of shares ______________________; No. of certificate enclosed _________________________

☐ Demat Shares: Copy of delivery instruction for ____________ number of shares enclosed _____________________

Signature of Official		Date of Receipt		Stamp of Collection Centre	

For equity shares that are tendered in electronic form, the bank account as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

For NRIs / OCBs / FIIs / Foreign Shareholders: I / We, have enclosed the following documents. ● No objection certificate / Tax clearance certificate from the Income Tax Authorities; ● RBI approvals for acquiring shares of Flat Products Equipments (India) Limited hereby tendered in the Offer ● Copy of Permanent Account Number / PAN Card. **For FII Shareholders :** I / We, confirm that the equity shares of Flat Products Equipments (India) Limited are held by me/us on Investment / Capital Account or Trade Account *(select whichever is applicable in your case)*

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence /incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

Yours faithfully,

Signed and Delivered,

Signed & Delivered by	Full Name(s) & Address	Signature
First / Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. A Corporation must affix its common seal and necessary Board resolution should be attached.

Place : ______________________________________ Date : ______________________________

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e. BY 3.00 P.M. ON WEDNESDAY, JUNE 4, 2008 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Wednesday June 4, 2008. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:
   - **a. For Equity shares held in demat form:** Beneficial owners should enclose : ● Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP'). ● Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer. ● For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance. ● ***In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.***
   - **b. For Equity shares held in physical form:** Registered shareholders should enclose : ● Form of Acceptance-cum-Acknowledgement 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) ● 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 Flat Products Equipments (India) Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done. ● The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirers 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. ● ***In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates along with the duly completed transfer form, the Offer shall be deemed to be accepted.***

     Unregistered owners should enclose: ● Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein. ● Original Share Certificate(s). ● Original broker contract note. ● Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.
3. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Karvy Computershare Private Limited, the Registrar to the Offer and not to Edelweiss Capital Limited, the Manager to the Offer or the Acquirer or Target Company.
4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
5. While tendering Shares under the Offer, NRIs/OCBs/Foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject the Shares tendered.
6. Non-resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Flat Products Equipments (India) Limited. If the shares are held under General Permission of RBI, the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.
7. FIIs are requested to enclose the SEBI Registration letter and RBI general permission letter.
8. Non-resident shareholders should enclose No Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.
9. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the Collection Centers of Karvy Computershare Private Limited as stated in the LOF.
10. Shareholders are advised to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration cheque would be made to the bank account of the sole/first shareholder. The payment would be made at par to all the shareholders.
11. Rejection of Shares

    If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole/ first named holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
    - a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of FPL;
    - b. The transfer deed is not complete or valid;
    - c. The number of equity shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares, the equity shares in the Form of Acceptance-cum-Acknowledgement do not tally with the instruction to the depository participant and the credit received in the special depository account;
    - d. The relevant documents, as applicable, mentioned above at 2 and in addition at 5, 6 and 7 are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from shareholders, where the relevant documents are not submitted.
12. All documents/remittances sent by or to shareholders will be at their own risk. Shareholders of FPL are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
13. Neither the Acquirer, the Manager to the Offer, the Registrar to the Offer or FPL will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the special depository account or submission of original physical Share certificates due to inaccurate/incomplete particulars/ instructions on your part, or for any other reason.
14. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. and 5.00 p.m. and on Saturdays between 10.00 a.m. and 1.00 p.m.).

Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Karvy Computershare Private Limited,** Plot No. 17 to 24, Vitthalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad 500 086, India so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. Wednesday June 4, 2008.

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE OF FORMS/SHARES THAT ARE RECEIVED BY THE REGISTRARS AFTER THE CLOSE OF THE OFFER i.e. BY 1.00 P.M. ON WEDNESDAY, JUNE 4, 2008 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

— — — — — — — — — — **Tear along this line** — — — — — — — — — —

All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited (Unit : FPL-Open Offer),

Plot No. 17 to 24, Vitthalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad - 500 086.

Tel.: +91- 40 - 2342 0818-28 Fax.: +91 40 2342 0814.

Contact Person : Mr. Murali Krishna

E-mail: murali@karvy.com

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION OFFER

(Please send this Form of withdrawal with enclosures to Registrar at the collection centre where the original Form of Acceptance was tendered)

(To be filled in by the shareholder.)

OFFER OPENS ON	Friday, May 16, 2008
LAST DATE FOR WITHDRAWAL OF APPLICATION	Friday, May 30, 2008
OFFER CLOSES ON	Wednesday, June 04, 2008

From:
(Name & Complete Address)

Tel No. :________________ **Fax No. :**________________ **E-mail :**________________

To

The Acquirer- Cockerill Maintenance & Ingénierie, SA

Status: Resident / Non Reisdent

C/o. Karvy Computershare Private Limited, Plot 17-24 Vittalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad - 500 086

Dear Sir,

Sub. : Open Offer to acquire 9,87,563 fully paid up equity shares of Rs 10 each representing 20% of paid-up equity share capital(as defined in the Letter of Offer) of Flat Products Equipments (India) Limited. ("FPL" or the "Target Company") by CockerillMaintenance & Ingénierie, SA ("CMI" or the "Acquirer") at a price of Rs. 517/- (Rupees Five Hundred and Seventeen Only) per fully paid up equity share, (the "Offer Price") payable in cash.

Withdrawal of shares tendered in the caption Offer

I/We refer to the Letter of Offer dated May 8, 2008 for acquiring the Equity Shares held by me/us in Flat Products Equipments (India) Limited.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We have also read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorise the Acquirer to return to me/us, the tendered equity 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 at any of the collection centres mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. not later than 5.00 p.m.on Friday, May 30, 2008.

I/We note that 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) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

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

Folio No.	Certificate No. Tendered	Distinctive Nos. From	Distinctive Nos. To	No. of shares	
Total number of equity shares Tendered					
Withdrawn					
Total number of equity shares Withdrawn					

(In case the space provided is inadequate, please attach a separate sheet with details & authenticate the same).

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the '**KCPL Escrow A/c- FPL Open Offer**' as per the following particulars:-

DP Name: Karvy Stock Broking Limited	**DP ID:** IN302470	**Client ID:** 40224564

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 and the shares withdrawn are as detailed below:-

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Equity shares tendered	No. of Equity Shares withdrawn

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

TEAR HERE

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Acknowledgement Slip

FPL - Open Offer - Withdrawal

(To be filled in by the shareholders) (Subject to verification) **Sr.No.**

Received from Mr./Ms./Mrs. ________________

Address ________________

Physical Shares : Folio No. ________ Demat Shares : Client ID ________; DP ID ________

☐ Physical Shares : No of Shares tendered - ________ No of Shares withdrawn ________

☐ Demat Shares : No of Shares tendered - ________ No of Shares withdrawn ________

(Please ✓ whichever is applicable)

Signature of Official		Date of Receipt		Stamp of Collection Centre	

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

Yours faithfully,

Signed and Delivered:

Signed & Delivered by	Full Name(s) & Address	PAN Number(s)	Signature(s)	Verified and attested by us. Please affix the stamp of DP (In case of demat shares)/ Bank (In case of physical shares)
First/Sole Holder				
Joint Holder 1				
Joint Holder 2				

Note: In case of joint holdings, all shareholders must sign. In case of a body corporate, the company seal should be affixed and necessary Board resolution should be attached.

Place: _______________________________ Date: _________________

INSTRUCTIONS

1) **Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer. The Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than 5.00 p.m. on Friday, May 30, 2008.**

2) The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.

3) Shareholders should enclose the following:-

   i. For Equity Shares held in demat form:- Beneficial owners should enclose

      a. Duly signed and completed Form of Withdrawal.

      b. Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-acknowledgement in case delivered by Registered A.D.

      c. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.

   ii. For Equity 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-cum-Acknowledgement in case delivered by Registered A.D.
      - 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 **FPL** and duly witnessed at the appropriate place.

   iii. Unregistered owners should enclose:

      - Duly signed and completed Form of Withdrawal.
      - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

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

5) The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

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

7) 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 the Target Company. The facility of partial withdrawal is available only to registered shareholders.

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

9) In case of Shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

10) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

11) In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

12) All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

   a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   b. Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

13) The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Karvy Computershare Private Limited** stated in Letter of Offer.

14) Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Karvy Computershare Pvt Ltd., Plot No. 17 to 24, Vitthalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad - 500 086 so as to reach the Registrars on or before the last date of withdrawal i.e. Friday, May 30, 2008.

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All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited (Unit : FPL-Open Offer)
Plot No. 17 to 24, Vitthalrao Nagar, Hi-tech City Road, Madhapur, Hyderabad - 500 086.
Tel.: +91- 40 - 2342 0818-28 Fax.: +91 40 2342 0814.
Contact Person : Mr. Murali Krishna
E-mail: murali@karvy.com