# LETTER OF OFFER

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of Fusion Fittings (India) Limited. If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Fusion Fittings (India) Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

## OPEN OFFER BY

Experienced Hi-Tech Consultancy Services (P) Ltd. having its registered office at Flat No. 5, Door No. 58 (Old 48), Third Main Road, Kasturba Nagar, Adyar, Chennai-600020, Tel No.: 044- 24433448, Fax No.: 044- 24415464 and Vasundhra Technologies (India) (P) Ltd. having its registered office at FB-26, Tagore Garden, New Delhi-110027, Tel No.: 011- 25151377, Fax No.: 011-25150889

**To**

**Acquire upto 10,97,160 equity shares of Rs. 10/- each representing 20% of the total issued equity share capital and resultant voting rights of Target Company at a price of Re. 1.00 (Rupee One Only) per fully paid equity share payable in cash ("Offer Price").**

**of**

## Fusion Fittings (India) Limited

**Registered Office: E-7, 2nd Floor, Lajpat Nagar-1, New Delhi-110024**

**Tel No. 011-29811589, Fax-011-29811589**

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

**ATTENTION:**

1. **The Offer is not a Conditional Offer.**
2. The Offer is subject to approval from RBI, if any, under Foreign Exchange Management Act, 1999.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. upto **Wednesday, 28th May, 2008.**
4. If there is any upward revision in the Offer Price by the Acquirers upto seven working days prior to the date of closure i.e. upto **Thursday, 22nd May, 2008** the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**

**5.1 The Open Offers under all the subsisting bids shall close on the same date.**

**5.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

6. A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's **web-site: www.sebi.gov.in**

**FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 11 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 14 TO 15)**

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL-CUM ACKNOWLEDGEMENT ARE ENCLOSED WITH THIS LETTER OF OFFER.**

**All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:**

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|---|
| **CHARTERED CAPITAL AND INVESTMENT LIMITED**<br>13, Community Centre, East of Kailash, New Delhi - 110065.<br>Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491;<br>Email: charteredcapital@gmail.com<br>delhi@charteredcapital.net<br>Contact Person: ***Mr Priyaranjan*** | **Skyline Financial Services Pvt. Limited**<br>246, 1st Floor, Sant Nagar<br>East of Kailash, New Delhi-110065<br>Tel: 011-26292682/83<br>Fax: 011-26292681<br>E mail: virenr@skylinerta.com<br>Contact Person: ***Mr Virendra Kumar Rana*** |
| **OFFER OPENS ON: May 14, 2008 (Wednesday)** | **OFFER CLOSES ON: June 02, 2008 (Monday)** |

## SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

| Activity | Schedule (Date & Day) |
|---|---|
| **Date of Public Announcement (PA)** | **March 24, 2008 Monday** |
| Specified Date (For the purpose of determining the names of shareholders to whom the Letter of Offer would be sent) | April 21, 2008 Monday |
| **Last Date for Competitive Bid(s)** | **April 14, 2008 Monday** |
| Date by which Letter of Offer will be dispatched to the Shareholders | May 05, 2008 Monday |
| **Offer Opening Date** | **May 14, 2008 Wednesday** |
| **Last Date for the Revision of the Offer Price / Number of Equity Shares.** | **May 22, 2008 Thursday** |
| **Last date to withdraw acceptance tendered by shareholders** | **May 28, 2008 Wednesday** |
| **Offer Closing Date** | **June 02, 2008 Monday** |
| **Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.** | **June 17, 2008 Tuesday** |

### RISK FACTORS

**(A) Pertaining to the Transaction**

**i. In the event that either (a) the regulatory approvals are not received in timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of FFL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, may be delayed.**

**(B) Pertaining to the Proposed Offer**

**i. The shares tendered in the offer will be held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the Acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.**

**ii. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.**

**(C) Pertaining to the Acquirer**

**i. Association of the Company with the Acquirers does not warrant any assurance with respect to the future financial performance of the Company.**

**The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of FFL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of FFL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.**

### TABLE OF CONTENTS

## 1. DEFINITIONS

| | | |
|---|---|---|
| 1 | Acquirers or The Acquirers | Experienced Hi-Tech Consultancy Services Private Limited and Vasundhra Technologies (India) Private Limited |
| 2 | ASE | The Ahmedabad Stock Exchange Limited |
| 3 | Book Value per share | Net worth / Number of equity shares issued |
| 4 | BSE | The Bombay Stock Exchange Limited |
| 5 | DSE | The Delhi Stock Exchange Association Limited |
| 6 | EPS | Profit after tax / Number of equity shares issued |
| 7 | EHCSPL | Experienced Hi-Tech Consultancy Services Private Limited |
| 8 | Form of Acceptance | Form of Acceptance cum Acknowledgement |
| 9 | Form of Withdrawal | Form of Withdrawal cum Acknowledgement |
| 10 | JSE | The Jaipur Stock Exchange Limited |
| 11 | LOO or Letter of Offer | Offer Document |
| 12 | Manager to the Offer or, Merchant Banker | Chartered Capital And Investment Limited |
| 13 | N.A. | Not Applicable |
| 14 | Offer or The Offer | Open Offer for acquisition of 10,97,160 equity shares of Rs. 10/- each representing 20% of the total issued share capital and resultant voting rights of Target Company at a price of Rs. 1.00 (Rupee One Only) per fully paid equity share payable in cash ("Offer Price") |
| 15 | Offer Price | Rs. 1.00 (Rupee One Only) per fully paid equity share payable in cash |
| 16 | Persons eligible to participate in the Offer | Registered shareholders of Fusion Fittings (India) Limited and unregistered shareholders who own the equity shares of Fusion Fittings (India) Limited any time prior to the Offer closure other than the Acquirers and Parties to the Agreement. |
| 17 | Public Announcement or "**PA**" | Announcement of the Open Offer by the Acquirers, which appeared in the newspapers on March 24, 2008. |
| 18 | Registrar or Registrar to the Offer | M/s Skyline Financial Services Private Limited |
| 19 | Return on Net Worth | (Profit After Tax/Net Worth) *100 |
| 20 | SEBI | Securities and Exchange Board of India |
| 21 | SEBI (SAST) Regulations, 1997 or Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto |
| 22 | SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 23 | SPA | Share Purchase Agreement or Agreement |
| 24 | Target Company or FFL | Fusion Fittings (India) Limited |
| 25 | VTIPL | Vasundhra Technologies (India) Private Limited |

## 2. DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY THE 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 FUSION FITTINGS (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS/PACs, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERSS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 04.04.2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**

## 3. DETAILS OF THE OFFER

### 3.1 Background of the Offer

3.1.1 The Offer is being made under Regulation 10 read with Regulation 12 and as a result of this Offer, the Acquirers will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Fusion Fittings (India) Limited".

3.1.2 The Acquirers have entered into a Share Purchase Agreement (SPA) on 20th day of March, 2008 to acquire an aggregate of 18,19,300 fully paid up equity shares of Rs 10/- each representing 33.16 % of the total issued equity share capital and resultant voting rights of the target company from its Promoter Group namely Gautam Agarwal, Anubha Agarwal, Raj Kumari Agarwal, Balraj Kumar Taneja, J P Pandey, K K Modi, Anuradha Modi, Pink Flower Investments (P) Ltd, United Copiex India Pvt Ltd and Associated Tubewells (India) Ltd (hereinafter referred to as "**Sellers**") having 756600,4100,61600,100,100,100,11100,367200,49500 and 568900 equity shares respectively - (Collectively referred to as the "Sale Shares") at a price of Re. 1.00/- (Rupee One Only) per fully paid up equity share payable in cash ("**Negotiated Price**"). The total consideration for the equity shares acquired as mentioned above is Rs 18,19,300/- (Rupees Eighteen Lac Nineteen Thousand & Three Hundred Only). This acquisition through SPA has resulted into trigging of SEBI (SAST) Regulations, 1997. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company. By the above acquisition through SPA, the Acquirers will hold in aggregate 18,19,300 fully paid equity shares in Target Company, representing 33.16% of the total issued equity share capital and resultant voting rights of the Target Company.

The details of the Sellers are as under:

| Sr. No. | Name of the shareholders/sellers | Address and Phone No. | No. of Shares sold | % to total issued capital |
|---|---|---|---|---|
| 1 | Gautam Agarwal | 100, Western Avenue, Sainik Farm, New Delhi-110062 Ph 011-29811862 | 756600 | 13.79 |
| 2 | Anubha Agarwal | 100, Western Avenue, Sainik Farm, New Delhi-110062 Ph 011-29811862 | 4100 | 0.07 |
| 3 | Raj Kumari Agarwal | 183/1, Western Avenue, Sainik Farm, New Delhi-110062 | 61600 | 1.13 |
| 4 | Balraj Kumar Taneja | No. 1, Hanuman Road, New Delhi | 100 | 0.002 |
| 5 | J P Pandey | 217-C, Pocket C, Mayur Vihar, Phase-2, New Delhi | 100 | 0.002 |
| 6 | K K Modi | F-155, Cariappa Marg, Sainik Farm New Delhi 110062 | 100 | 0.002 |
| 7 | Anuradha Modi | F-155, Cariappa Marg, Sainik Farm New Delhi 110062 | 11100 | 0.20 |
| 8 | Pink Flower Investments Pvt. Ltd. | E-7, 2nd Floor, Lajpat Nagar-1, New Delhi 110024 Ph 011-29811862 | 367200 | 6.69 |
| 9 | United Copiex India Pvt. Ltd. | E-7, 2nd Floor, Lajpat Nagar-1 New Delhi 110024 Ph 011-29811589 | 49500 | 0.91 |
| 10 | Associated Tubewells (India) Ltd. | E-7, 2nd Floor, Lajpat Nagar-1, New Delhi 110024. Ph 011-29811862 | 568900 | 10.37 |
| | | **TOTAL** | **1819300** | **33.16** |

3.1.3 The important features of the SPA are laid down as under:

a. In consideration of the purchase of the shares, the Acquirers shall pay total cash consideration of Rs. 18,19,300/- (Rupees Eighteen Lacs Nineteen Thousand and Three Hundred Only).

b. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirers and the Acquirers shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c. The Acquirers undertake and covenant to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The sellers agree to provide the Acquirers with all necessary support, for complying with the provisions of the Takeover Code relating to Public Offer as are applicable to the transaction envisaged herein.

d. On completion, by the Acquirers, of the obligations relating to the Open Offer under the Takeover Code, as certified by Chartered Capital And Investment Limited, the Manager to the Offer appointed for such Open Offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the Target Company shall pass effective resolutions for recording the transfer of shares of the Target Company to the Acquirers and appointment of the persons nominated by the Acquirers on the Board of Directors of the Target Company.

e In the event the Acquirers fail to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

3.1.4 Neither the Acquirers, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.5 Acquirers may be entitled to be appointed on Board of Directors of the Target Company after a period of 21 days from the date of the PA in terms of Regulation 22(7) of SEBI (SAST) Regulations, 1997.

**3.2 The Offer**

3.2.1 The Acquirers have made a Public Announcement which was published on March 24, 2008 in the following newspapers in Accordance with the Regulation 15 of the Regulations.

| Publication | Editions |
|---|---|
| Financial Express (English) | All Editions |
| Jansatta (Hindi) | All Editions |
| Nav Shakti (Marathi) | All Editions |

**The Public Announcement is also available on the SEBI website at www.sebi.gov.in**

3.2.2 The Acquirers intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of "FFL" to acquire in aggregate 10,97,160 equity shares of Rs 10/- each representing 20% of the total issued equity share capital and resultant voting rights of "FFL" at a price of Re 1.00/- (Rupee One Only) per fully paid up equity share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned hereinafter, whose names appear in the register of members on **Specified Date i.e. April 21, 2008.**

3.2.3 There are 25,51,600 partly paid up equity shares in the Company in respect of which an aggregate amount of Rs. 1,37,45,250 is unpaid/calls-in-arrears. The Shareholders holding partly paid up shares are eligible to participate in this open offer only after payment of unpaid amount/calls-in-arrears in respect of their shares held along with interest, if any, decided by Board of Directors of Target Company.

3.2.4 The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirers will accept all the equity shares of FFL those are tendered in valid form in terms of this Offer upto maximum of 10,97,160 equity shares.

3.2.5 Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

**3.3 Object of the Acquisition/ Offer**

3.3.1 The Acquirers are interested in taking over the management and Control of FFL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

3.3.2 The Acquirers are at present have no intention to change the existing line of business of target company and acquirers will continue existing line of business of target company. Since acquirer companies are engaged in similar line of business carried on by target company, the acquirers foresee good potential in the target company and expect to expand their areas of operations through the target company.

3.3.3 The Offer to the shareholders of FFL is for the purpose of acquiring 20% of the total issued share capital and resultant voting rights of FFL. Through the proposed Offer, the Acquirers intends to achieve substantial acquisition of shares and voting rights, accompanied with effective complete management control over the Target Company.

**4. BACKGROUND OF THE ACQUIRERS**

**4.1 Experienced Hi-Tech Consultancy Services Private Limited ("EHCSPL").**

4.1.1 EHCSPL was incorporated as a Private Limited company under the Companies Act, 1956 vide Certificate of incorporation dated November 27, 1989 issued by Registrar of Companies, Tamil Nadu under Registration number 18/18391 of 1989.. The Company at present has its Registered Office situated at Flat No. 5, Door No. 58 (Old 48), Third Main Road, Kasturbha Nagar, Adyar, Chennai - 600 020, Tel.No.+91-44-24453448, Fax No. +91-44-24415464. EHCSPL is engaged in the business of engineering consultants and in area of marketing, finance, industrial and other business promotions, setting up of new factories, project profile and technical consultancy in the field of business management. The Company belongs to Tecpro Group.

4.1.2 The Current Promoters of the EHCSPL are Mr. Vijay Bishnoi and Mrs. Amita Bishnoi.

4.1.3 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer.

4.1.4 The Authorised Share Capital of EHCSPL as on the date of Public Announcement is Rs 10.00 Lacs, comprising of 100000 equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 3,85.200 comprising of 38520 equity shares of Rs 10/- (Rupees Ten Only) each.

4.1.5 The shareholding pattern of EHCSPL as on the date of public announcement are as under:

| S. No. | Category | No. of Shares | % to Shareholding |
|---|---|---|---|
| 1 | Promoters and Persons Acting in Concert | 38,520 | 100.00 |
| 2 | Mutual Funds/FIIs/FIs/Banks | Nil | - |
| 3 | Public and Others | Nil | - |
| | **Total** | **38,520** | **100.00** |

4.1.6 The Board of Directors of EHCSPL as on P.A. date consists of following:

| Name of the Director | Designation | Qualification and Experience in Field/ No. of years | Residential Address | Date of Appointment |
|---|---|---|---|---|
| Mr. Vijay Bishnoi | Director | PG Dip. In Business Ind. Mgmt and having more than 20 years of experience in marketing of various products & around 5 years in fabrication and erection of tech. Structures. | "Jamuna", II Floor, Block No. 9, Opp. Shree Lodge, Swami Ntyanand Marg, Panvel-410206 Dist. Raigad | 28.03.2005 |
| Mrs. Amita Bishnoi | Director | M.Sc., Ph.D and has experience as Lecturer for more than 10 years | Flat No. 48 (New 58), 3rd Main Road, KB Nagar, Adyar, Chennai-600020 | 01.07.2002 |

None of the above Directors are on the Board of the Target Company

4.1.7 The Shares of the EHCSPL are not listed on any stock exchange.

4.1.8 The Brief latest available Audited Financials of EHCSPL are as under:-

(Rs. In Lacs)

| Profit & Loss Statement | Year Ended 31.3. 2005 (Audited) | Year Ended 31.03.2006 (Audited) | Year Ended 31.03.2007 (Audited) | Half Year ended 30.09.2007 (Audited) |
|---|---|---|---|---|
| Income from Operations | 17.21 | 20.75 | 68.10 | 20.00 |
| Other Income | 0.10 | 0.003 | 0.13 | 0.30 |
| Total Income | 17.31 | 20.75 | 68.23 | 20.30 |
| Total Expenditure | 13.16 | 14.17 | 50.43 | 11.08 |
| Profit before Depreciation, Interest and Tax | 4.15 | 6.58 | 17.80 | 9.22 |
| Depreciation | 1.89 | 2.22 | 2.06 | Nil |
| Interest | Nil | Nil | Nil | Nil |
| Profit before Tax | 2.26 | 4.36 | 15.74 | 9.22 |
| Less: Provision for Tax/Adjustment | 1.30 | 1.59 | 5.57 | 2.78 |
| Profit after Tax | 0.96 | 2.77 | 10.17 | 6.44 |
| **Balance Sheet Statement** | **Year Ended 31.3. 2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Half Year ended 30.09.2007 (Audited)** |
| **Sources of Funds** | | | | |
| Paid up Share Capital | 3.85 | 3.85 | 3.85 | 3.85 |
| Reserves & Surplus (Excluding Revaluation Reserve) | 18.70 | 18.70 | 19.62 | 26.06 |
| Secured Loan | Nil | Nil | Nil | Nil |
| Unsecured Loan | 5.70 | 4.57 | 1.76* | 1.89* |
| Current Liabilities | 2.92 | 3.10 | 14.80 | 17.58 |
| Deferred Tax Liability | 0.54 | 0.61 | 0.83 | 0.83 |
| **Total** | **31.71** | **30.83** | **40.86** | **50.21** |
| Uses of Funds | | | | |
| Net Fixed Assets | 18.88 | 16.66 | 14.67 | 14.67 |
| Investments | Nil | Nil | Nil | Nil |
| Net Current Assets | 12.83 | 14.17 | 26.19 | 35.54 |
| Miscellaneous Expenses not written off/ Profit/Loss A/c Debit balance | Nil | Nil | Nil | Nil |
| **Total** | **31.71** | **30.83** | **40.86** | **50.21** |
| **Other Financial Data** | **Year Ended 31.3. 2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Half Year ended 30.09.2007 (Audited)** |
| Net Worth (Rs. in Lacs) | 22.01 | 21.94 | 22.64 | 29.08 |
| Dividend (%) | Nil | 50.00 | 200.00 | Nil |
| Earning Per Share (Rs.) | 2.52 | 7.26 | 26.76 | 16.95 |
| Return on Net worth (%) | 4.36 | 12.62 | 44.92 | 22.14 |
| Book Value Per Share | 57.92 | 57.74 | 59.58 | 76.53 |

Note: * The details of unsecured loans are as under :

| **As on 31.03.2007** | **As on 30.09.2007** |
|---|---|
| ICICI Bank Car loan : Rs. 1.76 lacs | ICICI Bank Car loan : Rs. 71,600/- |
| | Loan from Director : Rs. 1,17,500/- |

**Formula**: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; Earning Per Share= profit after tax /number of equity shares issued.

The EHCSPL is not a Sick industrial undertaking

**4.1.9 Reasons for rise/fall in profit during the relevant years.**

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

4.1.10 As per the declaration received, there is no litigation pending against the EHCSPL.

**4.1.11 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.**2007

1. **System of Accounting:** The Financial statements are prepared under historical cost convention. Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.
2. **Fixed Assets:** Fixed Assets and Capital work in progress are stated at cost less depreciation.
3. **Depreciation:** Depreciation is provided on a pro rata basis under the straight line method at rates of depreciation prescribed in amended schedule XIV of the Companies Act, 1956.

4.1.12 As per declaration received, EHCSPL has not promoted any Company since inception.

**Disclosure in terms of Regulation 16(ix)**

4.1.13 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of FFL in the succeeding two years, except in the ordinary course of business. FFL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of FFL.

4.1.14 As per declaration received, the Acquirer has no Controlling stake in any listed company.

4.1.15 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.1.16 EHCSPL and VTIL are the Acquirers to the said Offer and no other persons/entities are acting as persons acting in concert (PACs) with the acquirers for this Open Offer.

**4.2 Vasundhra Technologies (India) Private Limited (VTIPL)**

4.2.1 VTIPL was incorporated as a Private Limited company under the Companies Act, 1956 vide Certificate of incorporation dated April 10, 1997 issued by Registrar of Companies, NCT of Delhi & Haryana under Registration No. 55-86594 of 1997-98..The Company at present has its Registered Office situated at FB-26, Tagore Garden, New Delhi- 110 027, Tel.No.+91-11-25151377. Fax No. : +91-11-25150889. The Company belongs to Tecpro Group. The company is engaged in the business of manufacturing, producing, assembling, buying, selling of all kinds of earth moving equipment, agriculture machine etc.

4.2.2 The Current Promoters of the Acquirer are Mr. Amul Gabrani and Dr. Goldie Gabrani.

4.2.3 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer.

4.2.4 The Authorised Share Capital of VTIPL as on the date of Public Announcement is Rs 50.00 Lacs, comprising of 500000 equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 23,02,000 comprising of 230200 equity shares of Rs 10/- (Rupees Ten Only) each.

4.2.5 The shareholding pattern of VTIPL as on the date of public announcement are as under:

| S. No. | Category | No. of Shares | % to shareholding |
|---|---|---|---|
| 1 | Promoters and Persons Acting in Concert | 2,30,200 | 100.00 |
| 2 | Mutual Funds/FIIs/FIs/Banks | Nil | - |
| 3 | Public and Others | Nil | - |
| | **Total** | **2,30,200** | **100.00** |

4.2.6 The Board of Directors of VTIPL as on P.A. date consists of following:

| Name of the Director | Designation | Qualification and Experience in Field/ No. of years | Residential Address | Date of Appointment |
|---|---|---|---|---|
| Mr. Amul Gabrani | Director | B.E. (Mech), MBA and having 26 years of experience in material handing industry. | FB-26, Tagore Garden, New Delhi-110027 | 10.04.1997 |
| Mr. Aditya Gabrani | Director | Student New Delhi-110027 | FB-26, Tagore Garden, | 01.08.2006 |

None of the above Directors are on the Board of the Target Company

4.2.7 The Shares of the VTIPL are not listed on any stock exchange.

4.2.8 The Brief latest available Audited Financials of VTIPL are as under:-

(Rs. In Lacs)

| Profit & Loss Statement | Year Ended 31.3. 2005 (Audited) | Year Ended 31.03.2006 (Audited) | Year Ended 31.03.2007 (Audited) | Half Year ended 30.09.2007 (Audited) |
|---|---|---|---|---|
| Income from Operations | Nil | Nil | Nil | Nil |
| Other Income | Nil | Nil | Nil | Nil |
| Total Income | Nil | Nil | Nil | Nil |
| Total Expenditure | Nil | Nil | 2.30 | 0.04 |
| Profit before Depreciation, Interest and Tax | Nil | Nil | (2.30) | (0.04) |
| Depreciation | Nil | Nil | - | - |
| Interest | Nil | Nil | - | - |
| Profit before Tax | Nil | Nil | (2.30) | (0.04) |
| Less: Provision for Tax/Adjustment | Nil | Nil | Nil | Nil |
| Profit after Tax | Nil | Nil | (2.30) | (0.04) |

(Rs. in Lacs)

| Balance Sheet as Statement | Year Ended 31.3. 2005 (Audited) | Year Ended 31.03.2006 (Audited) | Year Ended 31.03.2007 (Audited) | Half Year ended 30.09.2007 (Audited) |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| Paid up Share Capital | 0.02 | 0.02 | 3.02 | 3.02 |
| Reserves & Surplus (Exculding Revaluation Reserve) | - | - | - | - |
| Secured Loan | - | - | - | - |
| Unsecured Loan | - | - | - | 216.00* |
| Current Liabilities | 0.15 | 0.15 | 0.89 | 0.37 |
| Deferred Tax Liability | Nil | Nil | Nil | Nil |
| **Total** | **0.17** | **0.17** | **3.91** | 219.39 |
| **Uses of Funds** | | | | |
| Net Fixed Assets | - | - | - | 216.06 |
| Investments | - | - | - | - |
| Current Assets, Loans and Advances | 0.01 | 0.01 | 1.62 | 0.99 |
| Miscellaneous Expenses not written off/ Profit/Loss A/c Debit balance | 0.16 | 0.16 | 2.29 | 2.34 |
| **Total** | **0.17** | **0.17** | **3.91** | **219.39** |
| **Other Financial Data** | **Year Ended 31.3. 2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Half Year ended 30.09.2007 (Audited)** |
| Net Worth (Rs.in Lacs) | (0.14) | (0.14) | 0.73 | 0.68 |
| Dividend (%) | - | - | - | - |
| Earning Per Share (Rs.) | - | - | - | - |
| Return on Networth (%) | - | - | - | - |
| Book Value Per Share | - | - | 2.43 | 2.27 |

Note: * This Unsecured loan amount of Rs 216 lacs belongs to loan received from Director.

**Formula**: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; Earning Per Share= profit after tax /number of equity shares issued.

**The VTIPL is not a Sick industrial undertaking**

**4.2.9 Reasons for rise/fall in profit during the relevant years.**

The Company has been operating at very low levels and hence minor changesin the earnings affect the final income and profitability of the Company.

4.2.10 As per the declaration received, there is no litigation pending against the VTIPL.

**4.2.11 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.2007**

1. **System of Accounting:** The company maintains its accounts on accrual basis following the historical cost convention in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. **Revenue Recognition:** During the year no sales were made and services rendered to customers.
3. **Fixed Assets:** Fixed Assets and Capital work in progress are stated at cost less depreciation.
4. **Depreciation:** Depreciation is provided on a pro rata basis under the straight line method at rates of depreciation prescribed in amended schedule XIV of the Companies Act, 1956.

4.2.12 As per declaration received, VTIPL has not promoted any Company sinceinception.

4.2.13 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of FFL in the succeeding two years, except in the ordinary course of business. FFL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of FFL.

4.2.14 As per declaration received, the Acquirer has no Controlling stake in any listed company.

4.2.15 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

## 5. DISCLOSURE UNDER REGULATION 21(2)

The Offer (assuming full acceptance) would not result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement entered with the Stock Exchanges for the purpose of listing on continuous basis.

## 6. BACKGROUND OF THE TARGET COMPANY - FUSION FITTINGS (INDIA) LIMITED (FFL)

6.1 FFL was incorporated as a private limited company under the Companies Act, 1956 with Registrar of Companies, NCT of

Delhi & Haryana under the name & style of Gautam Repro India Private Limited; vide Certificate of Incorporation No.19605 of 1984-85 dated December 18, 1984 bearing CIN L74899DL1984PLC019605. Further, vide letter no 21/55-19605/352 dated 7th June 1994 the name of the company changed to Fusion Fittings (India) Private Limited. The name of the Company was further changed to Fusion Fittings (India) Limited vide letter dated 17th February 1995 pursuant to the conversion of FFL from a private Company to a public Company. The Company at present has its registered office at E-7, 2nd Floor, Lajpat Nagar - 1, New Delhi - 110024. At present FFL does not have any manufacturing locations/plant.

6.2 As on the date of Public Announcement, FFL has an Authorised Share Capital of Rs 6,00,00,000/- (Rupees Six Crores) divided into 5500000 equity shares of Rs. 10 each and 500000, 10% Cumulative Preference Shares of Rs 10/- each. The total issued and subscribed equity share capital of the Target Company consisted of 54,85,800 equity shares of the face value of Rs. 10/- each, aggregating to Rs 5,48,58,000 (Rupees Five Crore Forty Eight Lacs & Fifty Eight Thousand only). The paid up equity share capital of the Company is Rs 41,112,750.

6.3 There are 25,51,600 partly paid up shares in the Target Company in respect of which an aggregate amount of Rs. 1,37,45,250 is unpaid/ calls-in-arrears. The partly paid-up do not carry any voting right.

6.4 At present, the target company is engaged into the business of trading & dealing in mechanical instruments, machines & machines parts.

6.5 As on the date of PA, the Share Capital Structure of the target company is as given under:

| **Paid up Equity Shares of FFL** | **No. of Equity shares/ voting rights** | **% of Shares / voting rights** |
|---|---|---|
| Fully paid-up equity shares | 2934200 | 100.00 |
| Partly paid-up equity shares | 2551600 | Nil |
| Total issued equity shares | 5485800 | - |
| Total voting rights in the Target Company | 2934200 | 100.00 |

6.6 The Current Capital structure of the company has been build up since inception as under:

| **Date of allotment** | **No of shares issued** | **% of shares issued** | **Cumulative total issued capital in Rs.** | **Mode of allotment** | **Identity of allottees (promoters/ ex-promoters/ others)** | **Status of compliance** |
|---|---|---|---|---|---|---|
| 25.12.1984 | 200* | - | 2,000 | Subscription to the Memorandum | Promoters | Yes |
| 22.05.1987 | 41,000* | 0.75 | 4,12,000 | Preferential Allotment | Promoters | Yes |
| 09.09.1987 | 14,500* | 0.26 | 5,57,000 | Preferential Allotment | Promoters | Yes |
| 30.09.1993 | 1,34,500* | 2.45 | 19,02,000 | Preferential Allotment | Promoters | Yes |
| 30.09.1993 | 30,500* | 0.55 | 22,07,000 | Allotment made to Gautam Agarwal** | Promoters | Yes |
| 24.03.1995 | 1,45,000 | 2.64 | 36,57,000 | Preferential Allotment | Promoters | Yes |
| 28.05.1996 | 51,20,100 | 93.35 | 5,48,58,000 | Public Issue | Promoters and Public | Yes |
| **TOTAL** | **54,85,800** | **100** | **5,48,58,000** | | | |

* These shares were issued with face value of Rs. 100 each and were sub-divided into equity of Rs. 10 each, vide resolution passed in Extra Ordinary General Meeting on 30th September 1994. The details are given after considering the sub-division.

**Allotted for consideration other than cash on account of takeover of J. G. Rubber Manufacturing (Proprietary concern of Mr. Gautam Agarwal)

6.7 The shares of "FFL" are listed at present on The Bombay Stock Exchange Limited, The Delhi Stock Exchange Association Limited, Jaipur Stock Exchange Association Limited and The Ahmedabad Stock Exchange Limited. At present the shares of the Company are suspended at BSE since 28.09.1998 for Shorter Notice of Book Closure/Record Date and at DSE since 2004 for non compliance with clause of Listing Agreement. The company is in the process of Revocation of Suspension and the application for revocation of suspension of trading is to be filed with BSE and DSE.

6.8 There are no outstanding convertible instruments / warrants.

6.9 The target company is not fully complying with provisions of Chapter II of the Regulations. The Promoters and other major shareholders of FFL is also not fully complying with provisions of Chapter II of the Regulations.

6.10 FFL is not fully complying with Clause 16, 35, 19, 49 etc of the Listing Agreement entered with Stock Exchanges, where its equity shares are listed. Further, no punitive action has been taken by the Stock Exchange against the target company.

6.11 The Current promoters of Target Company are Mr. Gautam Agarwal, Ms. Anubha Agarwal, Ms. Raj Kumari Agarwal, Mr. Balraj Kumar Taneja, Mr. J. P. Pandey, Mr. K. K. Modi, Ms. Anuradha Modi, M/s Pink Flower Investments (P) Ltd., M/s United Copiex India (P) Ltd. and M/s Associated Tubewells India Ltd.

6.12 The Composition of the Board of Directors of FFL as on the date of Public Announcement are as follows:

| S. No. | Name of the Director | Designation | Qualification and Experience in No. of years | Residential Address | Date of Appointment |
|---|---|---|---|---|---|
| 1 | Mr.Gautam Agarwal | Managing Director | He is an industrialist having an experience of 25 years in drilling industry | 100, Western Avenue, Sainik Farm, New Delhi-110062 | May 17, 1995 |
| 2 | Ms. Anubha Agarwal | Director | Diploma in Fashion Designing, having experince of 30 years in Fashion Designing | 100, Western Avenue, Sainik Farm, New Delhi-110062 | March 21, 1997 |
| 3 | Mr. Sarat Jain | Independent Director | M. Com, FCA, ACS, having an experience of 30 years in Investment and Finance. | C-99B, Sector 44, Noida, U.P. | October 10, 2007 |
| 4. | Mr. Sunil Chaudhary | Director | B.E. (Mech), having an experience of 25 years in Mechanical Industry | F-10D, SFS Flats, Saket, New Delhi-110017 | Nov. 08 , 2007 |

None of the above Directors representing the Acquirers.

6.13 The Brief details of financials of FFL are given as under:

(Rs. In Lacs)

| **Profit & Loss Statement** | **Year Ended 31.03.2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Quarter Ended 31.12.2007 (Audited)** |
|---|---|---|---|---|
| Income from Operations | Nil | Nil | Nil | Nil |
| Other Income | 0.29 | 0.31 | 0.26 | 0.21 |
| Balance Written Back | - | 320.73 | 295.75 | 195.43 |
| Increase/Decrease in stocks | (3.87) | (1.94) | (0.97) | - |
| Total Income | (3.58) | 319.10 | 295.04 | 195.64 |
| Total Expenditure | 8.44 | 11.53 | 6.78 | 2.72 |
| Profit/ (Loss) Before Depreciation Interest and Tax | (12.02) | 307.57 | 288.24 | 192.92 |
| Depreciation | 15.46 | Nil | Nil | Nil |
| Interest | 102.59 | 97.81 | 81.09 | Nil |
| Profit/ (Loss) Before Tax | (130.07) | 209.76 | 207.15 | 192.92 |
| Provision for Tax | - | - | - | - |
| Profit/ (Loss) After Tax | (130.07) | 209.76 | 207.15 | 192.92 |
| **Balance Sheet Statement** | **Year Ended 31.03.2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Quarter Ended 31.12.2007 (Audited)** |
| **Sources of funds** | | | | |
| Paid-up Share Capital | 411.12 | 411.12 | 411.12 | 411.12 |
| Reserves and Surplus (excluding revaluation reserve) | Nil | Nil | Nil | Nil |
| Secured Loan | 815.34 | 570.26 | 192.68 | Nil |
| Unsecured Loan | 20.38 | 20.38 | 82.79 | 117.19 |
| Current Liabilities & Provisions | 52.32 | 63.59 | 174.50 | 28.16 |
| Deferred Tax Liability | - | - | - | - |
| **Total** | **1299.16** | **1065.35** | **861.09** | **556.47** |
| **Uses of Funds** | | | | |
| Net Fixed Assets | 145.23 | 145.23 | 150.84 | 51.58 |
| Investments | - | - | - | - |
| Current Assets, Loans & Advances | 39.77 | 20.85 | 21.97 | 9.52 |
| Misc. Expenses not written off | 8.95 | 3.83 | - | - |
| Profit/Loss Account Debit Balance | 1105.21 | 895.44 | 688.28 | 495.37 |
| **Total** | **1299.16** | **1065.35** | **861.09** | **556.47** |
| **Other Financial Data** | **Year Ended 31.03.2005 (Audited)** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Quarter Ended 31.12.2007 (Audited)** |
| Networth (Rs in Lacs.) | (694.09) | (484.32) | (277.16) | (145.35) |
| Dividend (%) | - | - | - | - |
| Earnings per share (in Rs.) | Negative | Negative | Negative | Negative |
| Return on Net worth (%) | Negative | Negative | Negative | Negative |
| Book Value per Share (in Rs.) | Negative | Negative | Negative | Negative |

Note: The Income from operations of the Company is Nil because of being no operations in the target company during the said period.

**Formula**: - Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

**6.14. The reason for fall/ rise in income and PAT in the relevant years are as under:**

The Company has been operating at very low levels and hence minor changes in the earnings affect the final income and profitability of the Company.

6.15 Pre and Post-Offer shareholding pattern of the Target Company is as per the following table:

| Sr. No | Shareholder Category | Shareholding & Voting rights prior to the Acquisition and offer (A) | | Shares/voting rights agreed to be acquired Which triggered off the Regulations acceptance) (B) | | Shares/Voting rights to be acquired in the open offer (assuming full (C) | | Shareholding/voting rights after the acquisition and Offer i.e. (A+B+C) | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | **(1) Promoter Group** | | | | | | | | |
| | a. Parties to SPA | | | | | | | | |
| | 1. Gautam Agarwal | 756600 | 13.79 | (756600) | (13.79) | Nil | Nil | Nil | Nil |
| | 2. Anubha Agarwal | 4100 | 0.07 | (4100) | (0.07) | Nil | Nil | Nil | Nil |
| | 3. Raj Kumari Agarwal | 61600 | 1.13 | (61600) | (1.13) | Nil | Nil | Nil | Nil |
| | 4. Balraj Kumar Taneja | 100 | 0.002 | (100) | (0.002) | Nil | Nil | Nil | Nil |
| | 5. J P Pandey | 100 | 0.002 | (100) | (0.002) | Nil | Nil | Nil | Nil |
| | 6. K K Modi | 100 | 0.002 | (100) | (0.002 | Nil | Nil | Nil | Nil |
| | 7. Anuradha Modi | 11100 | 0.20 | (11100) | (0.20) | Nil | Nil | Nil | Nil |
| | 8. Pink Flower Investments (P) Ltd | 367200 | 6.69 | (367200) | (6.69) | Nil | Nil | Nil | Nil |
| | 9. United Copiex India (P) Ltd | 49500 | 0.91 | (49500) | (0.91) | Nil | Nil | Nil | Nil |
| | 10. Associated Tubewells India Ltd | 568900 | 10.37 | (568900) | (10.37) | Nil | Nil | Nil | Nil |
| | **Total (a)** | **1819300** | **33.16** | **(1819300)** | **(33.16)** | **Nil** | **Nil** | **Nil** | **Nil** |
| | **b. Promoter Other than (a) above** | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | **Total (a+b)** | **1819300** | **33.16** | **(1819300)** | **(33.16)** | **Nil** | **Nil** | **Nil** | **Nil** |
| 2 | **Acquirers** | | | | | | | | |
| | (a) Experienced Hi Tech Consultancy Services (P) Ltd | Nil | Nil | 909650 | 16.58 | 548580 | 10.00 | 1458230 | 26.58 |
| | (b) Vasundhra Technologies (India) (P) Ltd | Nil | Nil | 909650 | 16.58 | 548580 | 10.00 | 1458230 | 26.58 |
| | **Total 2(a)+(b)** | **Nil** | **Nil** | **1819300** | **33.16** | **1097160** | **20.00** | **2916460** | **53.16** |
| 3 | **Parties to the Agreement other than 1a. & 2** | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 4 | **Public (Other than Acquirer & parties to the Agreement)** | | | | | | | | |
| | FIs / MFs / FIIs / Banks | Nil | Nil | Nil | Nil | | | | |
| | Bodies Corporate | 880000 | 16.04 | Nil | Nil | (1097160) | (20.00) | 2569340 | 46.84 |
| | Others (including public shareholding | 2486500 | 45.33 | Nil | Nil | | | | |
| | NRI/OCBs | 300000 | 5.47 | Nil | Nil | | | | |
| | **Total (1+2+3+4)** | **5485800** | **100.00** | **Nil** | **Nil** | **Nil** | **Nil** | **5485800** | **100.00** |

**Notes:**

"The data within bracket indicates sale of equity shares.

6.16 The Changes in the shareholding of the Promoters of the Company are as per the details mentioned below:

| Year | No. of shares held by Promoters & PAC's | Equity Capital of the Company (No. of Shares) | % of total capital | % Change in Shareholding of Promoters | Remarks |
|---|---|---|---|---|---|
| 31.03.1997 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.1998 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.1999 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2000 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2001 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2002 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2003 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2004 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2005 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2006 | 2229300 | 5485800 | 40.64 | - | |
| 31.03.2007 | 2229300 | 5485800 | 40.64 | - | |
| 19.02.2008 | 1819300 | 5485800 | 33.16 | (7.48)* | Disclosure under Regulation 7 filed on 04.04.2008 |

* Canyon Financial Services Limited, one of the promoter have sold 4,10,000 equity shares on 19.02.2008.

6.17 As per the information received from the Target Company, the number of shareholders in FFL in public category as on the date of PA is 1652 (One Thousand Six Hundred and Fifty Two Only).

6.18 The Company is not complying with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement.

6.19 As per the information received from the target company, there are no litigations matters are pending against the Company.

6.20 The Details of Contingent Liabilities in the Company during the year 2005-06 and 2006-07 are as under:

| Particulars | 2006-2007 | 2005-2006 |
|---|---|---|
| Sales Tax | 15194.00 | 15194.00 |
| Claims not acknowledge as debts against Excise Duty and Sales Tax | 42,56,712.00 | 42,56,712.00 |

6.21 There is no any merger/demerger, spin off in the target company during last three years.

6.22 The Target Company is not declared as a Sick Industrial Company by Honourable Board for Industrial and Financial Reconstruction (BIFR). As per Annual Report of the Company for the year ended 31.03.2007, the mandatory reference made to the BIFR under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 had been rejected by the Board vide its order dated July 27, 2006. Further the Company had filed an appeal with Appellate Authority A.A.I.F.R on 18.09.2006.

6.23 SEBI may initiate suitable action against the major shareholders at a later stage for the non compliance made by them under the SEBI (SAST) Regulations, 1997.

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer Price

7.1.1 The shares of "**FFL**" are presently listed on the Bombay Stock Exchange Ltd (BSE), the Delhi Stock Exchange Association Ltd (DSE), the Jaipur Stock Exchange Ltd (JSE) and the Ahmedabad Stock Exchange Ltd (ASE).The shares of "FFL" have not been traded at any of the stock exchange where the shares of the Target Company are listed, during the preceding six calendar months prior to the month of this Public Announcement i.e. from September 2007 to February 2008 within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.2 The annualized trading turnover during the preceding six calendar months ended February, 2008 at the BSE, DSE, JSE and ASE where the shares of the Target Company are listed are as follows:

| Name of the Stock Exchange | Total no. of equity shares traded during September 2007 to February 2008 | Total no. of listed shares | Annualized trading turnover (% to total listed shares) |
|---|---|---|---|
| BSE | Nil | 54,85,800 | N.A |
| DSE | Nil | 54,85,800 | N.A |
| JSE | Nil | 54,85,800 | N.A |
| ASE | Nil | 54,85,800 | N.A |

7.1.3 As the shares of "**FFL**" have been traded infrequently/not traded at the BSE, DSE, JSE and ASE i.e at all the stock exchanges where the shares of the company are at present listed during the preceeding six calendar months prior to month of this Public Announcement i.e September, 2007 to February, 2008, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined after taking in account the following parameters:

| | | |
|---|---|---|
| a. | Negotiated price | Re. 1.00 (Rupee One Only) |
| b. | Highest price paid by the Acquirers for acquisition including a public or right or a preferential issue during the period of 26 weeks prior to PA. | Not applicable |

| c. | **Other Financial Parameters** | **Based on the Audited Financial data for the Year ended March 31, 2007** | **Based on the Audited Financial data for the period ended 31st December, 2007** |
|---|---|---|---|
| | Return on Net Worth (%) | Nil | Nil |
| | Earning Per Share (Rs.) | Nil | Nil |
| | Book value per share (Rs) | (5.05) | (1.54) |
| | Price Earning Multiple with reference to Offer Price of Re 1/- | - | - |
| | (The average industry P/E for the sector in which FFL operates (*Source - Capital Market Journal dated March 10-23, 2008, Industry: Engineering ) | | 27.3 |

7.1.4 In opinion of the Manager to the Offer and Acquirers, the Offer Price of Re 1/- each per fully paid up equity share offered by the Acquirers to the shareholders of "FFL" under the proposed Open Offer is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997.

7.1.5 There is no Non-compete agreement.

7.1.6 If the Acquirers acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure 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.

**7.2 Financial Arrangements**

7.2.1 Assuming full acceptance, the total requirement of funds for the Open Offer would be Rs. 10,97,160 /- (Rupees Ten Lacs Ninety Seven Thousand One Hundred and Sixty Only). The Acquirers have already made firm arrangements for the financial resources required to implement the Open Offer in full. As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirers have opened an Escrow Account with Bank of Baroda, East of Kailash, New Delhi-110065 in the name of "**CCIL-FFL -Open Offer Escrow Account**" and have deposited Rs 11,00,000/- (Rs. Eleven Lacs only), being more than 100% of the amount required for the Open Offer.

7.2.2 Mr. A. Vasudeven, Chartered Accountant (Membership No. 23882) partner of A V Deven & Co. having their office at No. 31, (Old 59), South West Boag Road, T. Nagar, Chennai-600017, Tel No.: (044) 24330748, Telefax: (044) 24321132 vide their letter dated 05.01.2008 confirm that Net Worth of EHCSPL as on January 05, 2008 is Rs 43.93 Lacs and the letter also confirms that Acquirer has sufficient funds to meet its part of open offer obligations under the Offer.

7.2.3 Mr. Himanshu Kumar, Chartered Accountant (Membership No. 99953) partner of R. G. Luthra & Co. having their office at 3, Raj Market, Model Town, Gurgaon-122001, Tel No. 9811010661 vide their letter dated 05.01.2008 confirm that Net Worth of VTIPL as on January 05, 2008 is Rs. 19.54 Lacs and the letter also confirms that Acquirer has sufficient funds to meet his part of open offer obligations under the Offer.

7.2.4 The Acquirers have duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.2.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, do hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligations i.e under Share Purchase Agreement and the Offer, under the SEBI (SAST) Regulations, 1997.

## 8. TERMS AND CONDITIONS OF THE OFFER

**8.1 Persons eligible to participate in the Offer**

8.1.1 Registered shareholders of FFL and unregistered shareholders who own the equity shares of FFL any time prior to the date of Closure of the Offer, Other than the Acquirers and Parties to the SPA.

8.2 None of the shares of FFL are under Lock-in.

## 9. STATUTORY APPROVALS

9.1 The Offer is subject to the approval of Reserve Bank of India (RBI) if any, under the Foreign Exchange Management Act, 1999.

9.2 As on the date of Public Announcement, no approval from any Bank/Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.

9.3 As on the date of Public Announcement, to the best of the Acquirers' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.4 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

9.5 SEBI has the power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of the SEBI (SAST) Regulations, 1997, if there is any delay in receipt of statutory approval. If, however, the delay in obtaining the requisite approval takes place on account of any wilful default by the Acquirers, then provision contained in Regulation 22 (13) of the SEBI (SAST) Regulations, 1997 will also become applicable.

**10. Others**

10.1 Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.2 This Letter of Offer has been mailed to all the shareholders of FFL other than parties to the agreement, whose names appeared on the Register of Members of FFL as on **April 21, 2008 (Monday)** being the Specified Date.

10.3 Unaccepted Share/ Share Certificates, Share Transfer Forms and other documents, if any, will be returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

10.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

**11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER**

11.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery /registered post or through courier, as the case may be, at the address mentioned in Para 11.12 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

11.2 Shareholders of FFL to whom this Offer is being made, are free to Offer his/her/ their equity shares of FFL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in this Offer.

11.3 Shareholders who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. June 02, 2008.

" Form of Acceptance, duly Completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with FFL.

" Relevant Original Share Certificate(s).

" Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of FFL or on the Share Certificate issued by FFL) as per the specimen signature(s) lodged with FFL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.

" Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

11.4 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

11.5 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

11.6 The Offer documents are being dispatched to only those shareholders, who are eligible to participate in the Offer. As the Acquirers and the parties to the agreement are not eligible, the Offer documents are not sent to them.

11.7 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereinbelow, on a plain paper stating the name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before **5.00 PM** upto the date of closure of the Offer i.e. June 02, 2008.

11.8 Persons who own equity shares of FFL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirers, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabove together with the Original Contract Note issued by a registered Stock Broker of a recognized Stock Exchange, only at the address of Registrar to the Offer.

11.9 An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned in para 11.12, on a plain paper stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 5.00 PM on June 02, 2008**. The forms are also available on SEBI's website, www.sebi.gov.in .

11.10 No indemnity is required from the unregistered shareholders.

11.11 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with FFL, then **the Form of Acceptance Cum Acknowledgement** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgement or receipt issued by FFL. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgement or receipt issued by FFL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with **the Form of Acceptance Cum Acknowledgement** and the acknowledgement of lodgement or receipt issued by FFL.

11.12 The following collection centre would be accepting the documents as specified above.

**Address of Registrar to the Offer:**

| Sr. No. | Address of Registrar to the Offer | Business Hours | Mode of Delivery |
|---|---|---|---|
| 1. | Skyline Financial Services (P) Ltd<br>246, 1st Floor, Sant Nagar,<br>East of Kailash, New Delhi-110065<br>Phone No. 011-26292682/83<br>Fax No. 011-26292681<br>Email: virenr@skylinerta.com<br>Contact Person: Mr Virendra Kumar Rana<br>**Holidays: Sundays and Bank Holidays** | 10.00 A.M to 5.30 P.M | Regd Post/Courier/<br>Hand Delivery |

11.13 The Registrar to the Offer will hold in trust the shares / share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of FFL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11.14 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. **May 28, 2008**. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 PM upto the last date of withdrawal i.e. **May 28, 2008.**

11.15 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. 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:-

i) Name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

ii) The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer. Shares withdrawn by shareholders would be returned to the shareholders by Registered post.

11.16 In case the requests received from the shareholders of FFL participating in the Offer exceeds the number of shares offered, the Acquirers shall acquire the shares received from the shareholders under the Offer on a proportionate basis in terms of Regulation 21(6) & the intimation of returned shares to the shareholders will be sent at the address as per the records of FFL.

11.17 Acquirers will acquire all the 10,97,160 equity shares tendered in the Offer with valid applications.

**12 Method of Settlement**

12.1 At present, the marketable lot of FFL is 100 {Hundred} equity shares.

12.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents tendered by the shareholders of FFL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirers only upon the fulfilment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

12.3 On fulfilment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirers will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of FFL whose equity shares are accepted by the Acquirers at his address registered with FFL. **It is desirable that shareholders provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft.**

12.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

12.5 The Acquirers shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer {i.e. **June 17, 2008, Tuesday**)} including payment of consideration to the shareholders of FFL whose equity shares are accepted for purchase by the Acquirers.

12.6 In case of non-receipt of any of statutory approvals required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirers will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

**13. General**

13.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

13.2 Neither the Acquirers nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of FFL.

13.3 The Offer Price is denominated and payable in Indian Rupees only.

13.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

13.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirers till the last day of revision, viz., at any time up to seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e. **May 22, 2008** the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

**13.6 "If there is competitive bid:**

**13.6.1 The Public Offers under all the subsisting bids shall close on the same date.**

**13.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"**

13.7 Acquirers does not hold any shares in the Target Company.

**13.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 5.00 PM up to three working days prior to the date of Closure of the Offer, i.e. May 28, 2008 .**

13.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in.**

13.10 The Manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in FFL as on the date of PA.

13.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of Offer i.e. June 02, 2008 be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

## 14. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 13, Community Centre, East of Kailash, New Delhi - 110065 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

14.1 Net Worth Certificates issued by Mr. A. Vasudeven and Mr. Himanshu Kumar, Chartered Accountant certifying the net worth of the Acquirers and adequacy of financial resources with the Acquirers to fulfill its part of open Offer obligations.

14.2 Audited Financial Statements of FFL for the year ended March 31, 2005, 2006, 2007 and for the period ended 31.12.2007.

14.3 Audited Financial Statements of EHCSPL and VTIPL for the years ended March 31, 2005, 2006 and 2007 and for the period ended 30.09.2007.

14.4 Certificate of Incorporation, Memorandum & Articles of Association of FFL, EHCSPL and VTIPL.

14.5 Certificate from Bank of Baroda confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997.

14.6 Published copy of the Public Announcement, which appeared in the Newspapers on March 24, 2008.

14.7 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

14.8 Copy of Share Purchase Agreement dated 20.03.2008

## 15. DECLARATION BY THE ACQUIRERS

The Board of Directors of EHCSPL, having its Registered Office at Flat No. 5, Door No. 58 (Old 48), Third Main Road, Kasturba Nagar, Adyar, Chennai-600020 and VTIPL having its Registered Office at FB-26, Tagore Garden, New Delhi-110027 accepts full responsibility for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from the publicly available information) and for ensuring compliance with the Regulations.

All information contained in this document is as on the date of the Public Announcement, true unless stated otherwise.

**For and on behalf of the**
**Board of Directors of Acquirers**
**Sd/-**
**(Director)**

Place: New Delhi
Date: 02.05.2008

## 16. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

## FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

| | | |
|---|---|---|
| **OFFER OPENS ON** | : | **May 14, 2008 (Wednesday)** |
| **OFFER CLOSES ON** | : | **June 02, 2008 (Monday)** |

**Please read the Instructions overleaf before filling-in this Form of Acceptance**

| FOR OFFICE USE ONLY |
|---|
| Acceptance Number |
| Number of equity shares Offered |
| Number of equity shares accepted |
| Purchase consideration (Rs.) |
| Cheque/Demand Draft/Pay Order No. |

From:

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

To,

**The Acquirers**

C/o Skyline Financial Services (P) Limited
246, 1st Floor, Sant Nagar,
East of Kailash, New Delhi-110065

Dear Sir/s,

**SUB: OPEN OFFER TO ACQUIRE 10,97,160 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20% OF TOTAL ISSUED SHARE CAPITAL AND RESULTANT VOTING RIGHTS TO THE SHAREHOLDERS OF FUSION FITTINGS (INDIA) LIMITED (FFL) byEXPERIENCED HI-TECH CONSULTANCY SERVICES PRIVATE LIMITED AND VASUNDHRA TECHNOLOGIES (INDIA) PRIVATE LIMITED (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIALACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

I / we, refer to the Letter of Offer dated 02.05.2008 for acquiring the equity shares held by me / us in Fusion Fittings (India) Ltd..

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

I / We, unconditionally Offer to sell to the Acquirers the following equity shares in FFL held by me / us, at a price of Re. 1.00 per fully paid-up equity share.

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No……………………………… Number of share certificates attached………………..

Representing ………………………… equity shares

| Number of equity shares held in FFL | | Number of equity shares Offered | |
|---|---|---|---|
| In figures | In words | In figures | In words |
| | | | |

| Sr. No. | Share Certificate No. | Distinctive Nos. | | No. of equity shares |
|---|---|---|---|---|
| | | From | To | |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | Total no. of Equity Shares | | | |

2. I / We confirm that the equity shares of FFL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
3. I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
4. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
5. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
6. I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.
7. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
8. I / We irrevocably authorise the Acquirers to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with FFL:

**Name and complete address of the Sole/ First holder (in case of member(s), address as registered with FFL):**

--------------------------------------------------------------------------------

--------------------------------------------------------------------------------

Place: ----------------- Date: ------------------ Tel. No(s). : ----------------- Fax No.: -------------------

**So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.**

Bank Account No.: --------------------------------- Type of Account: --------------------------------

(Savings / Current / Other (please specify))

Name of the Bank: -------------------------------------------------------------------------------------

Name of the Branch and Address: --------------------------------------------------------------------

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

| | 1st Shareholder | 2nd Shareholder | 3rd Shareholder |
|---|---|---|---|
| PAN / GIR No. | | | |

Yours faithfully,

Signed and Delivered:

| | FULL NAME (S) OF THE HOLDERS | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

**Note**: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

## INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 A Notary Public under his Official Seal must attest Signature(s) other than in English, Hindi, and thumb impressions.

4 **Mode of tendering the Equity Shares Pursuant to the Offer:**

I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of FFL.

II. Shareholders of FFL to whom this Offer is being made, are free to Offer his / her / their shareholding in FFL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours : Mondays to Friday : 10.30 AM to 5.00 PM
Saturday : 10.30 AM to 1.30 PM
Holidays : Sundays and Bank Holidays

## ACKNOWLEDGEMENT SLIP

**SUB: OPEN OFFER TO ACQUIRE 10,97,160 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20% OF TOTAL ISSUED SHARE CAPITAL AND RESULTANT VOTING RIGHTS TO THE SHAREHOLDERS OF FUSION FITTINGS (INDIA) LIMITED (FFL) byEXPERIENCED HI-TECH CONSULTANCY SERVICES PRIVATE LIMITED AND VASUNDHRA TECHNOLOGIES (INDIA) PRIVATE LIMITED (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIALACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

Received from Mr. / Ms.. ……………………...…………………………………………….................................

Ledger Folio No/ -----------------Number of certificates enclosed..…………… under the Letter of Offer dated

______________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

| Sr. No. Share Certificate No. | Distinctive Nos. | | No. of equity shares |
|---|---|---|---|
| | From | To | |
| 1. | | | |
| 2. | | | |
| 3. | | | |
| Total no. of Equity Shares | | | |

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

**Skyline Financial Services Pvt. Limited**
246, 1st Floor, Sant Nagar
East of Kailash, New Delhi-110065
Tel: 011-26292682/83
Fax: 011-26292681
E mail: virenr@skylinerta.com
Contact Person: **Mr Virendra Kumar Rana**

**FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT**

(All terms and expressions used herein shall have the same meaning as prescribed thereto in the Letter of Offer)

| | | |
|---|---|---|
| **OFFER OPENS ON** | : | **May 14, 2008 (Wednesday)** |
| **LAST DATE OF WITHDRAWAL** | : | **May 28, 2008 (Wednesday)** |
| **OFFER CLOSES ON** | : | **June 02, 2008 (Monday)** |
| Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal | | |

| FOR OFFICE USE ONLY |
|---|
| Withdrawal Number |
| Number of equity shares Offered |
| Number of equity shares withdrawn |

From:

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

To,

**The Acquirers**

C/o Skyline Financial Services (P) Limited
246, 1st Floor, Sant Nagar,
East of Kailash, New Delhi-110065

Dear Sir

**SUB: OPEN OFFER TO ACQUIRE 10,97,160 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20% OF THE TOTAL ISSUED EQUITY SHARE CAPITAL AND RESULTANT VOTING RIGHTS TO THE SHAREHOLDERS OF FUSION FITTINGS (INDIA) LIMITED (FFL) by EXPERIENCED HI-TECH CONSULTANCY SERVICES PRIVATE LIMITED AND VASUNDHRA TECHNOLOGIES (INDIA) PRIVATE LIMITED (ACQUIRERS) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

I/We refer to the Letter of Offer dated 02.05.2008 for acquiring the equity shares held by me/us in **Fusion Fittings (I) Ltd.**

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

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

**(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

| Sr. No. | Certificate No. | Distinctive No(s) | | No. Of Shares |
|---|---|---|---|---|
| | | From | To | |
| | | | | |
| | | | | |
| | | | | |
| | Total number of equity shares | | | |

II/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

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

Yours faithfully,

Signed and Delivered:

| | FULL NAME OF THE HOLDER (S) | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Place:
Date:

**Note:** In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.

------------------------------------------------------TEAR HERE--------------------------------------------------

Folio No.:

<table>
<tr>
<td>Skyline Financial Services Pvt. Limited<br>246, 1st Floor, Sant Nagar<br>East of Kailash, New Delhi-110065<br>Tel: 011-26292682/83<br>Fax: 011-26292681<br>E mail: virenr@skylinerta.com<br>Contact Person: Mr Virendra Kumar Rana</td>
<td colspan="2">Serial No.:<br>(Acknowledgement Slip)</td>
</tr>
<tr>
<td>Received from Mr./Ms.<br>Address ____________________________________________________</td>
<td>Signature of Official and Date of Receipt</td>
<td rowspan="2">Stamp of Registrar to the Offer</td>
</tr>
<tr>
<td colspan="2">Form of withdrawal in respect of ______________ Number of Share<br>Certificates representing ___________________ number of shares.</td>
</tr>
</table>

**Note**: All future correspondence, if any, should be addressed to Registrar to the Offer

**Skyline Financial Services Pvt. Limited**
246, 1st Floor, Sant Nagar
East of Kailash, New Delhi-110065
Tel: 011-26292682/83, Fax: 011-26292681
E mail: virenr@skylinerta.com
Contact Person: **Mr Virendra Kumar Rana**

## INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer at or above as per the mode of delivery indicated therein on or before 5.00 p.m. upto the last date of withdrawal i.e. May 28, 2008 (Wednesday)
2. Shareholders should enclose the following:

   **Registered Shareholders should enclose:**

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. 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 Target Company and duly witnessed at the appropriate place.

   **Unregistered owners should enclose:**

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip

3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from FFL. The facility of partial withdrawal is available only to the Registered shareholders.