

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of **Foseco India Limited**. If you require any clarifications about the action to be taken, you should consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 420.00 (Rupees Four Hundred and Twenty only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 10.00 (Rupees Ten Only)

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

TO ACQUIRE

Up to 1,277,292 fully Paid-up Equity Shares of face value Rs. 10.00 each,
(representing **20.00%** of the Fully Paid Up Equity Voting Capital and representing 20.00% of the Fully Diluted Equity Voting Capital)

("Offer")

OF

Foseco India Limited (the "Target Company")

having its registered office at:

Gat No. 922 & 923, Sanaswadi, Taluka Shirur, Dist. Pune 412208

Tel: +91 (0) 2137 668100, Fax: +91 (0) 2137 668360



Cookson Group plc ("Cookson")

having its registered office at

165 Fleet Street, London EC4A 2AE, Tel: +44 (0)20 7822 0000, Fax: +44 (0)20 7822 0100

MANAGER TO THE OFFER



DSP Merrill Lynch Limited

10th Floor, Mafatlal Center, Nariman Point, Mumbai 400 021

Tel: +91 22 6632 8000 Fax: +91 22 2204 8518, Email: Foseco_openoffer@ml.com

Contact Person: Mr. Abhishek Garg

REGISTRAR TO THE OFFER



**INTIME SPECTRUM
REGISTRY LIMITED**

Intime Spectrum Registry Limited,

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

+91 22 2596 0328 / 29 Email: foseco.openoffer@intimespectrum.com

Contact Person: Ms. Awani Thakkar

OFFER OPENS ON:

January 03, 2008

OFFER CLOSSES ON:

January 22, 2008

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ATTENTION:

- a) The Offer, along with any obligation to purchase the Shares tendered and accepted and payment for the same, are subject to the receipt by Cookson of FIPB approval under FEMA. Cookson has received the necessary approval from FIPB vide its letter with reference no. FC. II 240(2007)/335(2007) dated December 06, 2007.
- b) Besides this, as on the date of this Letter of Offer, no other statutory approval is required to acquire the shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Cookson will not proceed with the Offer in the event that statutory approval indicated above is refused and you will be informed by way of another public announcement in the newspapers where the first Public Announcement for this Offer appeared.
- c) In case of any delay in the receipt of statutory approval(s), SEBI has the power to grant an extension of time to Cookson for payment of consideration to shareholders, subject to Cookson agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Cookson in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.
- d) Cookson does not require any approvals from financial institutions or banks for the Offer.
- e) If there is any upward revision in the Offer Price by Cookson prior to or on the last date for revising the Offer Price viz. January 11, 2008, you would be informed by way of another public announcement in the same newspapers where the first Public Announcement for this Offer had appeared. Cookson would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
- f) Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw their acceptance up to January 17, 2008 i.e. 3 (three) working days prior to the date of closure of the Offer viz. January 22, 2008.***
- g) If there is a competitive bid,
- public offers under all the subsisting bids shall close on the same date;
 - As the Offer Price can not be revised during the 7 working days prior to the closing date/bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
- h) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.

THE PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER, FORM OF ACCEPTANCE AND FORM OF WITHDRAWAL WOULD ALSO BE AVAILABLE ON SEBI'S WEBSITE (www.sebi.gov.in) FROM THE OFFER OPENING DATE VIZ. JANUARY 03, 2008.

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

ACTIVITY	Original Schedule	Revised Schedule
PA Date	Friday, October 12, 2007	Friday, October 12, 2007
Specified Date *	Friday, November 2, 2007	Friday, November 2, 2007
Last date for a competitive bid	Friday, November 2, 2007	Friday, November 2, 2007
Date by which Letter of Offer to be dispatched to shareholders	Monday, November 26, 2007	Friday, December 28, 2007
Date of opening of the Offer	Wednesday, December 5, 2007	Thursday, January 03, 2008
Last date for revising the Offer Price	Thursday, December 13, 2007	Friday, January 11, 2008
Last date for withdrawing acceptance from the Offer	Wednesday, December 19, 2007	Thursday, January 17, 2008
Last date of closing of the Offer	Monday, December 24, 2007	Tuesday, January 22, 2008
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Tuesday, January 8, 2008	Wednesday, February 06, 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. This Offer is made to the Public Shareholders of the Target Company; accordingly the Promoters of the Target Company are ineligible to participate in the Offer.*

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Important Notice

The Offer pursuant to this Letter of Offer is not being made in any Non-Eligible Jurisdiction. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, and the Manager or Registrar or any affiliate of such persons is a licensed broker or dealer in that jurisdiction, it is being made in that jurisdiction by such person or that affiliate on behalf of Cookson.

The offer for the shares of the Target Company is being made in compliance with the Indian Takeover Code. Investors outside of India are advised to consult their legal and financial advisers as to whether, and under what circumstances, they are allowed to tender their shares and accept payment of the purchase price in the Offer. The Offer is not being made, directly or indirectly, in or into, or by use of the mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of any Non-Eligible Jurisdiction and the Offer will not be capable of acceptance by any investors residing in, or from, of any Non-Eligible Jurisdiction, unless an exemption applies under applicable law. Accordingly, copies of this Letter of Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into any Non-Eligible Jurisdiction and persons receiving this Letter of Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from any Non-Eligible Jurisdiction, unless an exemption applies under applicable law.

This Letter of Offer and the information contained herein does not constitute investment, financial, tax, legal or any other advice ("**Advice**") in any country and/or under any applicable jurisdiction. If readers are in any doubt as to the action they should take, they are recommended to seek their own Advice immediately from their broker, dealer, bank manager, accountant, counsel or other appropriate independent adviser authorised under applicable laws and regulations. Readers of this notice should inform themselves of, and observe, any applicable legal requirements.

RISK FACTORS

Given below are the risks related to the transaction and the Offer.

- a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, is subject to the receipt of the approval to be obtained by Cookson from FIPB under FEMA to acquire shares of the Target Company in terms of the Offer.
- b) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities of the Offer indicated in this Letter of Offer.
- c) Cookson makes no assurance with respect to the market price of the shares during and/or after the Offer.
- d) The Offer is being made under regulations 10 and 12 of the SEBI (SAST) Regulations pursuant to the Acquisition. Completion of the Acquisition is subject to a number of conditions and there is no guarantee that the conditions will be satisfied. The Offer is not however conditional on the completion of the Acquisition, as a result of which Cookson could hold shares in the Target Company pursuant to this Offer without owning any shares in Foseco pursuant to the Acquisition.
- e) Cookson makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- f) The tendered Shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the Shares of the Target Company.
- g) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of the Target Company are advised to consult their stock-broker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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LETTER OF OFFER**DEFINITIONS**

Acquisition	Offer from Cookson to the shareholders of Foseco for the entire issued and to be issued share capital of Foseco made pursuant to the Rule 2.5 of the City Code on Takeovers and Mergers (of the United Kingdom)
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
Cookson / Acquirer	Cookson Group plc
DP	Depository Participant
DSPML	DSP Merrill Lynch Limited
Eligible Person(s) (Shareholders eligible to participate in the Offer)	Shareholders of Foseco India Limited other than the Promoters
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
FIPB	Foreign Investment Promotion Board under the Department of Economic Affairs, Ministry of Finance, Government of India
Form of Acceptance	Form of Acceptance cum Acknowledgement
Foseco	Foseco plc
GBP	Great Britain Pound
INR or Rs.	Indian Rupees
Draft Letter of Offer	This Draft Letter of Offer
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
Mm	Million
Non-Eligible Jurisdiction	Any jurisdiction (including the countries within the European Economic Area, the United States of America, Canada, Japan, Australia) in which the making or acceptance of the Offer would not be in compliance with the securities or other laws or regulations of such jurisdiction
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Offer pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations made by Cookson Group plc, to the Public Shareholders of Foseco India Limited to acquire up to 1,277,292 fully paid up equity shares of Rs. 10.00 each representing 20.00% of the fully paid up equity voting capital (representing 20.00% of the fully diluted equity voting capital) at the Offer Price payable in cash.
Offer Price	Rs. 420.00 (Rupees Four Hundred and Twenty Only) per fully paid-up equity share of Rs. 10.00
Promoters	Foseco Overseas Limited and Foseco (UK) Limited
Public Announcement/ PA	Announcement of the Offer made by Cookson on October 12, 2007
Public Shareholders	Shareholders of the Target Company other than the Promoters
RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI Act	The Securities and Exchange Board of India Act, 1992
Share(s)	Fully paid-up equity shares of face value of Rs. 10.00 each of Foseco India Limited
Specified Date	Friday, November 2, 2007
Target Company	Foseco India Limited

Rupee Translation

Certain financial details contained in this Letter of Offer are denominated in GBP. The Rupee equivalent quoted in case of GBP is calculated in accordance with the RBI Reference rates as on October 10, 2007, namely 1 GBP = Rs. 80.17 (Source: www.rbi.org.in.)

1 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF ACQUIRER 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 THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED OCTOBER 24, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER”.

2 DETAILS OF THE OFFER**a) BACKGROUND OF THE OFFER**

- i. On October 11, 2007, the boards of Cookson and Foseco announced an offer in accordance with Rule 2.5 of the City Code on Takeovers and Mergers (of the United Kingdom) from Cookson to the shareholders of Foseco for the entire issued and to be issued share capital of Foseco. Cookson's offer is recommended by the Board of Directors of Foseco. It is intended that the Acquisition will be implemented by way of an English court approved scheme of arrangement under section 425 of the English Companies Act, 1985. Under the terms of the Acquisition, Foseco's shareholders will receive 295 pence in cash for each Foseco share. On November 08, 2007, Foseco sent out a circular to its shareholders setting out the details of the Acquisition and convening the court meeting and the extraordinary general meeting (“EGM”) for the Foseco shareholders to approve the Acquisition. On December 19, 2007, Cookson sent out a circular to its shareholders convening an EGM of Cookson shareholders to approve the Acquisition. The Foseco EGM and the Cookson EGM have been convened for March 10, 2008 and March 11, 2008 respectively with the intent that the Acquisition becomes effective on April 04, 2008. It may be necessary to adjourn the meetings depending on the progress of the anti-trust clearance process for the Acquisition in which case the effective date of the Acquisition may be later than April 04, 2008.
- ii. The Acquisition, which requires the approval of both Cookson and Foseco shareholders, will create a Ceramics business focused on serving the steel, foundry and glass industries worldwide, with combined sales of approximately £1.2bn (based on results for both companies for the year to December 31, 2006).
- iii. Foseco owns, through its subsidiaries and nominees, 66.48% of the equity capital of the Target Company. Consequently, following completion of the Acquisition, Cookson will indirectly acquire 66.48% of the equity share capital and control of the Target Company. Hence, in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, this offer is being made to the Public Shareholders of the Target Company by Cookson.
- iv. This Offer is not conditional or otherwise dependant, upon the completion of the Acquisition.
- v. Cookson and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.
- vi. Upon consummation of the Acquisition, Cookson will have control of the Target Company and will have a right to nominate its nominees on the Board of Directors of the Target Company. Cookson has not yet made a decision as to who these nominees would be.

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b) THE DETAILS OF THE OFFER

- i. The Public Announcement dated October 12, 2007 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
Financial Express	All
Jansatta	All
Loksatta	Pune

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

- ii. Cookson is making this Offer pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations, as aforesaid, to the Public Shareholders of the Target Company to acquire up to 1,277,292 Shares representing 20.00% of the fully paid up equity voting capital (representing 20.00% of the fully diluted equity voting capital) at the Offer Price.
- iii. There is no Person Acting in Concert with Cookson.
- iv. Cookson will acquire the shares tendered by the Public Shareholders of the Target Company pursuant to the Offer, subject to the terms and conditions mentioned in the PA and this Letter of Offer including the receipt of FIPB approval under the FEMA. Upon closing of the Offer (assuming full acceptance) and consummation of the Acquisition under the announcement as detailed in Para 2(a)(i), Cookson will directly/indirectly hold 86.48% of the fully diluted equity voting capital in the Target Company. However, upon closing of the Offer (assuming full acceptance) and non consummation of the Acquisition under the announcement as detailed in Para 2(a)(i), Cookson will directly/indirectly hold 20.00% of the fully diluted equity voting capital in the Target Company.
- v. The Offer is not conditional on any minimum level of acceptances by the shareholders.
- vi. Cookson has not purchased any shares of the Target Company from the date of PA and up to the date of the Letter of Offer.

c) OBJECT OF THE OFFER

- i. The Offer to the Public Shareholders is being made following the Acquisition referred to in Para 2(a)(i) above, which will, when completed, result in a change in control of the Target Company. In accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, Cookson is making this Offer to the Public Shareholders of the Target Company.

3 BACKGROUND OF COOKSON

- a) Cookson is a public limited liability company, incorporated under the laws of England & Wales and registered with the Registrar of Companies, England & Wales (Registered No. 251977), having its registered office at 165 Fleet Street, London EC4A 2AE, Tel: +44 (0)20 7822 0000, Fax: +44 (0)20 7822 0100, website: www.cooksongroup.co.uk.

Cookson is a leading materials science company operating on a worldwide basis in Ceramics, Electronics and Precious Metals markets, and is a FTSE 250 company listed on the London Stock Exchange and headquartered in London.

Cookson companies supply leading technology, supported by outstanding technical service. Cookson employs over 13,500 people in more than 35 countries, selling its products in over 100 countries.

Ceramics

Known in its markets as Vesuvius, the Ceramics division is a leading supplier of advanced flow control refractory products and systems to the global steel industry and a leading supplier of specialty ceramic products to the glass, solar and foundry industries. It is also a leading supplier and installer in the US, UK and Australia of monolithic refractory linings.

In 2006, the Ceramics division generated revenue of £757 mm representing 48% of Cookson's revenue from continuing operations.

Vesuvius India Limited, a subsidiary of Cookson in India, is a public listed company (with shares listed on the BSE, NSE and the Calcutta Stock Exchange) and is a part of the Ceramics division. Vesuvius India

Limited manufactures and trades refractories and is based in Kolkata, India.

Electronics

The Electronics division is a leading supplier of advanced surface treatment and plating chemicals and assembly materials to the automotive, construction and electronics markets. Cookson Electronics has two subdivisions: Assembly Materials and Chemistry.

Cookson Electronics delivers integrated process solutions by providing products and services to its customers across their manufacturing processes. The division has a global network of research, development, production and technical support facilities.

In 2006, the Electronics division generated revenue of £555 mm representing 35% of Cookson's revenue from continuing operations.

Cookson India Research Centre (CIRC) which is based in Bangalore, was inaugurated by Cookson Electronics on October 23, 2007. The location has been carefully considered to enable Cookson to benefit from the intellectual and high technology excellence in India.

Precious Metals

The Precious Metals division is a leading supplier of fabricated precious metals (primarily gold, silver and platinum); mill products (primarily gold and silver alloy, wire, sheets, tubing and casting grains and blanks for coins and medals) and findings (high quality carat gold, gold-filled and sterling silver jewellery components) to the jewellery industry in the US and Europe.

In 2006, the Precious Metals division generated revenues of £278 mm, representing 17% of Cookson's revenue from continuing operations.

- b) The key shareholders of Cookson and their shareholding and voting rights on a non-diluted basis as on September 27, 2007 are given below:

Particulars	No. of shares		Voting Rights	
	No. of shares	%	Voting Rights	%
Institutions/Others	190,374,598	98.35	190,374,598	98.35
Directors and Officers	895,003	0.46	895,003	0.46
Individual Shareholders	1,055,206	0.55	1,055,206	0.55
Unidentified holdings	1,242,441	0.64	1,242,441	0.64
Total Paid up Capital	193,567,248	100.00	193,567,248	100.00

- c) Brief history of Cookson is as follows:

Date	Event
Early 18th Century	Established in Tyneside, England, under the name of Goodglass Wall and Lead Industries Limited (GWLIL).
December 12, 1930	GWLIL was listed on the London Stock Exchange.
December 30, 1966	GWLIL changed its name to Lead Industries Group Limited (LIGL).
1978	Acquisition of AJ Oster Company, an American producer of non-ferrous metals.
February 22, 1982	LIGL changed its name to Lead Industries plc (LI).
September 2, 1982	LI changed its name to Cookson Group plc.
1986	Acquisition of Vesuvius Crucible Company of Pittsburgh, a US supplier of ceramics to the steel industry.
1988-1989	Acquisition of Steel Service Malmo in Scandinavia and Accumetrix Corporation, McDanel Refractory Co, Flo-Control Systems and Lava Crucible in the US.
During the 1980s and early 1990s	Cookson was one of the fastest growing British industrial groups and was organised around four divisions (Electronics, Ceramics, Engineered Products and Plastics).
1991	Acquisition of Metacon in Switzerland and Neomelt and Tyler in the US.

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May 17, 1993	Registration with US Securities and Exchange Commission (SEC).
1993	Acquisition of Leco in the US and joint venture with Kawasaki Refractories of Japan.
1995	Acquisition of Hi-Tech Ceramics in the US.
Period to 2000	Some 11 businesses were sold for over £400 mm and some £1bn invested in acquisitions across three core divisions: Electronics, Ceramics and Precious Metals (Monofrax in the US, Zedmark Refrattari and Flo-Control Italiana in Italy, Crow in Australia, IIE in Belgium, Becker & Piscantor and VGT Dyko in Germany, the Hinckley Group in the UK, Skawina Refractories in Poland and Premier Herculite Refractories in South Africa).
Early 2005	Announcement of a strategic plan with a three year horizon, aimed at improving operational performance, reducing debt and resuming a dividend programme.
October 17, 2005	Cookson announced its intention to voluntarily terminate registration of its ordinary shares with the SEC.
2005-2006-2007	Joint venture with Wuhan Iron & Steel Corporation of China, divestment of ceramic fibres and carbon blocks businesses in the UK and disposal of Monofrax in the US.
July 31, 2007	Cookson terminated its registration with the SEC.

d) In the last three years, Cookson has been involved in the following acquisitions, spin-offs or mergers:

Company	Disposal Date	Disposal Proceeds	Description of Disposed Company
Laminates	December 2005	£51 mm	Laminates, one of the three business sectors which comprised Cookson's Electronics division, supplied laminates, prepregs and other substrate material products for the manufacture of printed circuit boards under its trading name, Polyclad.
Specialty Coatings System (SCS)	December 2005	£32 mm	A business which formed part of the Assembly Materials sector of Cookson's Electronics division. SCS's primary business was the service application of a specialty conformal coating product principally for use in automotive, electronic and medical applications.
Monofrax, Inc	February 2007	£23 mm	Monofrax was a US-based fused cast refractories business which formed a separate part of the Ceramics division.

Apart from the above, there have been no acquisitions, spin-offs or mergers involving Cookson in the last three years.

- e) Cookson is the ultimate holding company of the Cookson Group of companies.
- f) Cookson is a widely held public listed company and there are no identifiable promoters of Cookson.
- g) Cookson has complied with the provisions of Chapter II of SEBI (SAST) Regulations as applicable to its investments in the Target Company as Cookson Group has not acquired any shares of the Target Company till date.
- h) The Board of Directors of Cookson as on the date of the Public Announcement was as follows:

Name of the Director	Designation	Appointment Date	Experience	Qualification	Residential Address
Robert Beeston	<p>Chairman of the Board</p> <p>Appointed a non-executive Director on April 1, 2003 and assumed the role of Chairman at the close of the AGM on April 24, 2003.</p> <p>Chairman of the Nominations Committee</p> <p>Member of the Finance Committee</p>	April 1, 2003	<p>Mr Beeston began his career as an apprentice with Dowty Group in 1960 and has a long and distinguished record in the engineering sector. He spent 18 years with Dowty Group holding a number of management positions, primarily in manufacturing, before joining John Brown Plastics Machinery (UK) Ltd as Managing Director in 1978. In 1985, he was appointed Managing Director of BTR Valve Group, a position he held for six years before joining FKI plc as Chief Executive Officer in 1992, a position he held for ten years. Mr Beeston is Chairman of Elementis plc and a non-executive Director, and Senior Independent Director and Chairman of the Remuneration Committee, of D S Smith Plc, the international packaging and office products group</p>	C. Eng, M.I.E.T.	Battledown Manor Greenway Lane Charlton Kings Cheltenham Glos GL52 6PN, United Kingdom (UK)
Nick Salmon	<p>Group Chief Executive</p> <p>Appointed July 19, 2004</p> <p>Member of the Executive, Finance & Nominations Committees</p>	July 19, 2004	<p>Mr. Salmon was Executive Vice President of Alstom SA, the global energy and transport infrastructure group. He was previously the Chief Executive Officer of Babcock International Group plc and held senior management positions at GEC and China Light & Power Company Limited. He is also a non executive director of United Utilities plc</p>	BSc (Hons) Mechanical Engineering	Oakbridge Farm West Wycombe Bucks HP 14 38Z UK
Mike Butterworth	<p>Group Finance Director</p> <p>Appointed Executive Director June 15, 2005 Appointed Group Finance Director on August 1, 2005</p> <p>Member of the Executive Committee and the Finance Committee</p>	June 15, 2005	<p>Mr. Butterworth was Group Finance Director of Incepta Group plc, the international marketing and communications group, from 2001 until May 2005</p> <p>He previously spent five years as Group Financial Controller at BBA Group plc, the international aviation and materials technology group</p>	Chartered Accountant	The Woodman Howe Street Great Waltham Chelmsford Essex CM3 1BA UK

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Name of the Director	Designation	Appointment Date	Experience	Qualification	Residential Address
<p>John Sussens</p>	<p>Non-Executive Director Appointed May 1, 2004 and</p> <p>Member of the Audit, Remuneration and Nominations Committees</p> <p>Chairman of the Remuneration Committee and Senior Independent Director</p>	<p>May 1, 2004</p>	<p>After graduating Mr. Sussens joined the Ford Motor Company where he worked in various purchasing roles for seven years</p> <p>In 1986, he became Manufacturing Director of JCB, the construction and agricultural equipment manufacturing company</p> <p>Mr Sussens was previously Managing Director of Misys plc, with Board responsibility for the operating Divisions</p> <p>Mr Sussens was a non-executive Director of Chubb plc until July 2003. He is currently the senior non-executive director of Admiral Group plc, Anglo & Overseas Trust plc and Phoenix IT Group plc</p>	<p>BSc and an MSc from the University of London</p>	<p>Blythe House 10 Grange Road Bidford on Avon Warwicks B50 4BY UK</p>
<p>Jan Oosterveld</p>	<p>Non-Executive Director Appointed June 15, 2004</p> <p>Member of the Audit, Remuneration and Nominations Committees</p>	<p>June 15, 2004</p>	<p>Mr. Oosterveld spent the majority of his career at Royal Philips Electronics, one of the world's largest electronics companies</p> <p>Mr Oosterveld is a non-executive Director of Continental AG, the German automotive systems and components supplier, Crucell N.V., the Dutch biotechnology company, Barco N.V., the Belgian display Systems Company and Atos Origin S.A., the French-based IT services provider</p>	<p>Mr Oosterveld is a Professor at IESE Business School in Barcelona</p>	<p>Javalaan 107 5631 DB Eindhoven The Netherlands</p>
<p>Barry W Perry</p>	<p>Non-Executive Director Appointed January 1, 2002</p> <p>Member of the Audit, Remuneration and Nominations Committees</p>	<p>January 1, 2002</p>	<p>Mr Perry was formerly Chairman and CEO of Engelhard Corporation. Prior to that he held senior executive positions with Rhone-Poulenc and with General Electric Co. Mr Perry is a non-executive director of Arrow Electronics Inc. and Ashland Inc.</p>	<p>BSc in Plastics Engineering</p>	<p>25 Weatherfield Drive Newtown PA 18940 USA</p>

Name of the Director	Designation	Appointment Date	Experience	Qualification	Residential Address
Jeff Hewitt	Non-Executive Director Appointed June 1, 2005 Chairman of the Audit Committee Member of the Remuneration and Nominations Committees	June 1, 2005	Mr. Hewitt was previously Deputy Chairman and Group Finance Director of Electrocomponents plc, the international high service distributor of electronic, electrical, industrial and commercial supplies. He is Chairman of Plasmon plc and Deputy Chairman of Dialight plc. He is the Senior Independent director of TDG plc, a non-executive director of Technetix Group Ltd and a non-executive member of the Audit Committee of the John Lewis Partnership	Chartered Accountant	Palo Alto 6 College Way Northwood Middx HA6 2BL UK

- i) None of the Directors of Cookson are on the board of the Target Company.
- j) None of the Directors of Cookson have acquired any shares of the Target Company during the 26-week period prior to the date of the Public Announcement.
- k) Cookson is listed on the London Stock Exchange and is a FTSE250 company. (FTSE Sector: General Industrials, ISIN number: GB00B07V4P80)
- l) For Cookson, the equity share capital as on December 31, 2006 was £19.3mm (Rs. 15,472.8 lakhs), face value of shares is 10 pence and the market price of the shares as on October 10, 2007 was 822 pence.
- m) The brief financials of Cookson (audited for the years ended December 31, 2004, December 31, 2005 and December 31, 2006 and reviewed financials for the 6 months ended June, 2007) are as follows:

Profit & Loss Statement for the last 3 years and for the 6 months period ended June 30, 2007

	2004 GBP mm	2005 GBP mm	2006 GBP mm	6 months ended June 2007 GBP mm	2004 Rs. Lakhs	2005 Rs. Lakhs	2006 Rs. Lakhs	6 months ended June 2007 Rs. Lakhs
Net sales	1,652.5	1,634.6	1,661.4	786.4	1,324,809.3	1,310,458.8	1,331,944.4	630,456.9
Total expenses	(1,484.9)	(1,452.0)	(1,466.2)	(690.9)	(1,190,444.3)	(1,164,068.4)	(1,175,452.5)	(553,894.5)
PBDITA	167.6	182.6	195.2	95.5	134,365.0	146,390.4	156,491.9	76,562.4
Depreciation	(47.7)	(47.9)	(37.0)	(17.2)	(38,241.1)	(38,401.4)	(29,662.9)	(13,789.2)
Interest	(32.6)	(36.2)	(28.4)	(11.2)	(26,135.4)	(29,021.5)	(22,768.3)	(8,979.0)
PBT and exceptional items	87.3	98.5	129.8	67.1	69,988.5	78,967.5	104,060.7	53,794.2
Exceptional items	(77.0)	(63.1)	(21.0)	(0.3)	(61,730.9)	(50,587.3)	(16,835.7)	(240.5)
Tax	(29.6)	(44.4)	(43.8)	(20.0)	(23,730.3)	(35,595.5)	(35,114.5)	(16,034.0)
Net income before income from equity investees and minority interest	(19.3)	(9.0)	65.0	46.8	(15,472.7)	(7,215.3)	52,110.5	37,519.7
Income from equity investees	2.3	1.4	1.4	1.1	1,843.9	1,122.4	1,122.4	881.9
Net income before minority interest	(17.0)	(7.6)	66.4	47.9	(13,628.8)	(6,092.9)	53,232.9	38,401.6
Minority interest	(4.1)	(3.4)	(3.5)	(1.2)	(3,287.0)	(2,725.8)	(2,806.0)	(962.0)
Net income	(21.1)	(11.0)	62.9	46.7	(16,915.8)	(8,818.7)	50,426.9	37,439.6

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Balance Sheet as at end of last 3 years and June 30, 2007

	2004	2005	2006	June 30, 2007	2004	2005	2006	June 30, 2007
	GBP mm	GBP mm	GBP mm	GBP mm	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Sources of funds								
Share capital	375.5	375.5	19.3	19.4	301,038.4	301,038.4	15,472.8	15,553.0
Reserves and surplus	55.9	73.5	455.5	494.6	44,815.0	58,925.0	365,174.4	396,520.8
Net worth	431.4	449.0	474.8	514.0	345,853.4	359,963.4	380,647.2	412,073.8
Minority interest	11.7	12.7	9.4	9.3	9,379.9	10,181.6	7,536.0	7,455.8
Long-term debt	326.1	341.9	188.1	192.3	261,434.4	274,101.2	150,799.8	154,166.9
Provisions and other long-term liabilities	258.5	271.4	197.1	162.1	207,239.5	217,581.4	158,015.1	129,955.6
Deferred tax liability	8.6	21.6	21.8	23.6	6,894.6	17,316.7	17,477.1	18,920.1
Total liabilities	604.9	647.6	416.4	387.3	484,948.4	519,180.9	333,828.0	310,498.4
Total net worth and liabilities	1,036.3	1,096.6	891.2	901.3	830,801.8	879,144.3	714,475.2	722,572.2
Application of funds								
Net fixed assets	852.3	790.3	690.9	684.2	683,288.9	633,583.5	553,894.5	548,523.1
Deferred tax assets	31.2	15.0	11.3	10.7	25,013.0	12,025.5	9,059.2	8,578.2
Net current assets	152.8	291.3	189.0	206.4	122,499.9	233,535.3	151,521.5	165,470.9
Total assets	1,036.3	1,096.6	891.2	901.3	830,801.8	879,144.3	714,475.2	722,572.2

Other Financial Data

	2004	2005	2006	June 30, 2007	2004	2005	2006	June 30, 2007
	Pence	Pence	Pence	Pence	Rs.	Rs.	Rs.	Rs.
Dividend (%)	0.0%	50.0%	100.0%	42.5%	0.0%	50.0%	100.0%	42.5%
Earning Per Share (basic)	(11.2)	(5.8)	32.8	24.2	(9.0)	(4.6)	26.3	19.4
Return on Networth	-4.9%	-2.4%	13.2%	9.1%	-4.9%	-2.4%	13.2%	9.1%
Book Value Per Share	227.5	235.8	245.5	265.5	182.4	189.1	196.8	212.8

n) Reasons for the fall/rise in the total income and Net Income:

FY2006

The results for 2006 demonstrated the progress made by Cookson in the implementation of the strategic plan. The programme of exiting commodity activities, either by disposal or closure while improving competitiveness in mature markets and growing strongly in emerging markets has resulted in an intrinsically more profitable and less cyclical mix of continuing operations. End-market growth in Cookson's principle activities has been sound, resulting in good organic growth. Both Cookson's net debt and its pension deficit significantly reduced during the year.

Revenue from continuing operations of £1,590 mm was up 9% on 2005 and trading profit rose 20% to £150 mm. Headline profit before tax increased by 30% and headline earnings per share rose 27% to 46.6 pence. Net debt at 31 December 2006 was £181 mm, down £112 mm from a year earlier due to good cash generation, receipt of disposal proceeds and some favourable foreign exchange movements.

FY2005

End-market growth for Cookson's products and services was positive overall. Global Steel production, the most important end-market of the Cookson's Ceramic's division, increased 6%, with falls in Europe and NAFTA more than offset by growth in Asia-Pacific, most notably China. The Electronics division's end-markets were relatively flat in 2005 following a year of strong growth in 2004, but again Cookson experienced strong growth in Asia-Pacific, offsetting slight declines in Europe and NAFTA. Retail jewellery, the end-market for the Precious Metals

division was weak throughout 2005, particularly in the UK. This reflected several factors, including the sharp rise in the cost of gold and generally weaker retail spending trends.

Against this background, revenue from continuing operations at £1,481 mm was marginally down on 2004 but the product mix improved with lower revenue from commodity-type activities and growth in several of Cookson's newer, higher technology segments. Trading profit from continuing operations rose by 14% to £123.5 mm. Headline profit before tax increased by 20% to £102 mm. The retained loss for the year improved from £17.0 mm in 2004 to £7.6 mm in 2005. Net debt at 31 December 2005 was £292 mm compared to £322 mm at 31 December 2004, having been adversely affected by £26 mm of foreign exchange movements in the year, but benefitting from the disposal proceeds of £29 mm received at the year end.

FY2004

Cookson's results showed a marked improvement in 2004, benefitting from both better market conditions and action taken to restructure certain businesses and control costs. Turnover from continuing operations was up 5% at reported exchange rates to £1,698 mm. Operating profit for the continuing operations before exceptional items and amortisation of intangible assets rose by 47% to £120 mm. Net income after tax, amortisation of intangible assets and exceptional charges improved from a loss of £205 mm in 2003 to a loss of £50 mm in 2004. Net debt at 31 December 2004 was £307 mm, compared to £359 mm at 31 December 2003, reflecting an exceptionally strong fourth quarter improvement.

o) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following provides a brief summary of the significant accounting policies adopted by the Cookson Group plc in the production of its consolidated financial statements, full details of which are to be found in the Group's Annual Report to Shareholders for 2006.

Cookson Group plc's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

i. DISCLOSURE OF EXCEPTIONAL ITEMS

International Accounting Standards (IAS) 1 encourages additional line items and the re-ordering of items presented on the face of the income statement when appropriate for a proper understanding of the entity's financial performance. In keeping with the spirit of this aspect of IAS 1, Cookson has adopted a policy of disclosing separately on the face of its income statement the effect of any components of financial performance considered by the Directors of Cookson to be exceptional, or for which separate disclosure would assist both in a better understanding of the financial performance achieved and in making projections of future results.

ii. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Cookson and entities controlled by Cookson (its subsidiaries). Control exists when Cookson has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those detailed herein to ensure that Cookson's financial statements are prepared on a consistent basis. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Minority interests in the net assets of consolidated subsidiaries are identified separately from Cookson's interest therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of Cookson except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

iii. BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed and equity instruments issued by Cookson in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of

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the cost of the business combination over Cookson's interest in the net fair value of the recognised identifiable assets, liabilities and contingent liabilities.

iv. FOREIGN CURRENCIES

The individual financial statements of each Cookson entity are prepared in their functional currency, which is the currency of the primary economic environment in which that entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity are translated into GBP, which is the presentational currency of the Cookson.

v. REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered to customers, after deducting sales allowances and value-added taxes. Revenue is recognised when the risk of loss transfers to the customer, depending on individual customer terms at the time of dispatch, delivery or upon formal customer acceptance. Provision is made for returns where appropriate.

vi. EMPLOYEE BENEFITS

Cookson operates a number of pension plans, both of the defined contribution and defined benefit type.

■ Defined contribution pension plans:

contributions to Cookson's defined contribution plans are recognised as employee benefits expense when they fall due.

■ Defined benefit pension plans:

the liability recognised in the balance sheet for Cookson's defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date as adjusted for unrecognised past service cost, less the fair value of the plan assets. Pension expense for Cookson's defined benefit plans is recognised as follows:

- ◆ Current service cost and past service cost are reported within trading profit;
- ◆ Interest cost on the liabilities of the plans are reported within finance costs;
- ◆ Expected return on the assets of the plans are reported within finance income; and
- ◆ Actuarial gains and losses arising on the assets and liabilities of the plans are reported within the statement of recognised income and expense.

■ Share-based payments:

Equity-settled share-based payments are measured at fair value at the date of grant. The cumulative expense recognised is adjusted for the best estimate of the shares that will eventually vest and for the effect of non market-based vesting conditions. For cash-settled share-based payments, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities.

vii. RESEARCH AND DEVELOPMENT COSTS

Expenditure on research activities is recognised in the income statement as an expense in the year in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and Cookson has sufficient resources to complete development. All other development expenditure is recognised in the income statement as an expense in the year in which it is incurred.

viii. BORROWING COSTS

Borrowing costs, comprising interest on bank loans and overdrafts, finance lease obligations, the unwinding of the discount on provisions and the costs incurred in connection with the arrangement of borrowings, are recognised in the income statement using the effective interest rate method.

ix. TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Cookson's

liability for current tax is calculated using tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

x. **PROPERTY, PLANT AND EQUIPMENT**

Freehold land is carried at cost less accumulated impairment losses. Other items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has an infinite life. Depreciation on other items of property, plant and equipment begins when the asset is available for use and is charged to the income statement on a straight-line basis so as to write off the cost less residual value of the asset over its estimated useful life.

xi. **GOODWILL**

Goodwill arising on the acquisition of a subsidiary or associate represents the excess of the cost of acquisition over Cookson's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or associate recognized at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Impairment testing is carried out annually. On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

xii. **INTANGIBLE ASSETS OTHER THAN GOODWILL**

Other intangible assets are recognised on business combinations if they are separable, or if they arise from contractual or other legal rights, and their fair value can be measured reliably. They are amortised over their estimated useful lives.

xiii. **IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

An impairment loss is recognised to the extent that the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of (i) its fair value less costs to sell and (ii) its value in use, which is the present value of the future cash flows expected to be derived from the asset or cash-generating unit, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment losses are recognised immediately in the income statement.

xiv. **INTERESTS IN JOINT VENTURES**

A joint venture is a contractual arrangement whereby Cookson and one or more other parties undertake an economic activity that is subject to joint control. Joint control exists when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control.

Cookson conducts its joint venture arrangements through jointly controlled entities and accounts for them using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5. Where Cookson transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of Cookson's interest in the joint venture.

xv. **INVENTORIES**

Inventories are stated at the lower of cost (using the first-in, first-out method) and net realisable value. Cost comprises expenditure incurred in purchasing or manufacturing inventories together with all other costs directly incurred in bringing the inventory to its present location and condition and, where appropriate, attributable production overheads based on normal activity levels. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The amount of any write-down of inventories to net realisable value is recognised as an expense in the year in which the write-down occurs. In addition to the inventory recorded in the balance sheet, Cookson holds precious metals under consignment arrangements.

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xvi. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or a collection of assets and liabilities in a disposal group) are separately classified as held for sale in the balance sheet when their carrying value will be recovered principally through a sale transaction rather than through continuing use.

Discontinued operations are those operations that can be clearly distinguished from the rest of Cookson, both operationally and for financial reporting purposes, that have either been disposed of or classified as held for sale and which represent a separate major line of business or geographical area of operations.

xvii. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

xviii. FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognised on Cookson balance sheet when Cookson becomes a party to the contractual provisions of the instrument.

■ Equity instruments

Equity instruments issued by Cookson are initially recorded at the proceeds received, net of direct issue costs.

■ Derivative financial instruments

Cookson uses derivative financial instruments in the form of forward foreign currency contracts and interest rate swaps to manage the effects of its exposure to fluctuations in foreign exchange and interest rates on its borrowings. In accordance with its treasury policy, Cookson does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are measured at fair value.

■ Non-derivative financial instruments

Non-derivative financial instruments include investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value plus directly attributable transaction costs. Cookson's investments in equity and debt securities are classified as available-for-sale financial assets.

xix. PROVISIONS

Provisions are recognised when Cookson has a present obligation as a result of a past event and it is probable that Cookson will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

p) COMPANIES PROMOTED BY COOKSON IN INDIA:

i. Vesuvius India Limited

Date of incorporation: September 6, 1991

Nature of Business: Trades in refractory based solutions

For the year ending and as at December 31,

Rs. In Lakhs

Particulars	2004	2005	2006
Equity Capital	2,029.61	2,029.61	2,029.61
Reserves (excluding revaluation reserves)	8,348.50	10,396.86	5,569.57
Total Income	17,739.88	22,162.51	26,220.92
Profit After Tax	2,424.71	2,864.66	2,451.58
Earnings Per Share	11.95	14.11	10.44
Net Asset Value	10,378.11	12,426.47	13,675.24

ii. Cookson India Private Limited

Date of incorporation: March 18, 1931

Nature of Business: Trades in PCB assembly and semi-conductor packaging markets

For the year ending and as at March 31,

Rs. In Lakhs

Particulars	2005 [#]	2006	2007
Equity Capital	839.16	839.16	839.16
Reserves (excluding revaluation reserves)	580.38	2,045.08	2,811.43
Total Income	3,050.87	5,015.07	6,046.40
Profit After Tax	330.86	1,464.70	766.35
Earnings Per Share	3.94	17.45	9.13
Net Asset Value	1,419.54	2,884.24	3,650.59

*# for the 15months period ended March 31, 2005***4 COOKSON'S FUTURE PLANS FOR THE TARGET COMPANY**

- a) The Offer to the Public Shareholders is being made following the Acquisition, which will, when completed, result in a change in control of the Target Company. In accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, Cookson is making this Offer to the Public Shareholders of the Target Company.
- b) Cookson has no plan to sell, dispose of or otherwise encumber any assets of the Target Company in the next two years, except to the extent that may be required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of the Target Company or (ii) in the ordinary course of business of the Target Company. Further, Cookson undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the shareholders of the Target Company. It will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters, in accordance with the requirements of the business of the Target Company. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

5 DISCLOSURE IN TERMS OF REGULATION 21(2)

Pursuant to this Offer, the Public Shareholding in the Target Company may reduce to less than the minimum public shareholding requirement as per the listing agreement. Cookson undertakes that if the public shareholding is reduced to below such minimum level it will take necessary steps to facilitate compliance of the Target Company with the Clause 40A and other relevant provisions of the listing agreement, within the time period mentioned therein.

6 BACKGROUND OF THE TARGET COMPANY

- a) The Target Company is a public limited company, having its registered office at Gat No. 922 & 923, Sanaswadi, Taluka Shirur, Dist. Pune 412208 Tel: +91 (0) 2137 668100, Fax: +91 (0) 2137 668360. The Target Company was incorporated as Greaves Foundry Services Private Ltd. on March 22, 1958. The name of the company was changed to Greaves Foseco Limited on December 10, 1962, and subsequently to Foseco India Limited on January 25, 1994.

Since its incorporation, the business of the Target Company has been the manufacturing, marketing and trading of foundry chemicals and foundry fluxes (which are in the nature of additives and consumables) for the metallurgical industry, including the steel and foundry industry. The Target Company has two factories located at Sanaswadi (Pune) and Pondicherry. The use of the Target Company's products enables customers to improve the physical properties and surface quality of the castings and to reduce melting, moulding and casting costs, thereby improving their efficiency, quality and productivity.

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Brief history of the Target Company is as follows:

Date	Major Event
March 22, 1958	Company Incorporated – Greaves Foundry Services Private Limited
December 18, 1958	Company changed to Greaves Foundry Services Limited and became a closely held Public Company
December 10, 1962	Name changed to Greaves Foseco Limited
January 25, 1994	Name changed to Foseco India Limited. Shares were listed subsequently at Bombay Stock Exchange, National Stock Exchange, Pune Stock Exchange and Calcutta Stock Exchange
1998	A new manufacturing plant at Pondicherry was set up
1999	A State of Art new manufacturing plant set up at Sanaswadi at Pune
2004	Shares were delisted from Calcutta Stock Exchange

b) Description of locations and manufacturing facilities:

- Gat Nos. 922 & 923, Sanaswadi, Taluka Shirur, District Pune 412208
- PIPDIC Industrial Estate, Mettupalayam, Pondicherry 605009

c) The Target Company is in the midst of implementing modernization /expansion in certain of its plants as detailed hereunder:

Known as Project Virat, since July 2007, a manufacturing plant at Sanaswadi, Pune, has been in development for the production of Specialty Sleeves. The plant is intended to be fully operational by May 2008.

d) The share capital structure of the Target Company as on the date of Public Announcement is as follows:

	No. of Shares/voting rights Face Value (Rs. 10 each)	% of Shares
Fully Paid-up Equity Shares	6,386,459.0	100.00%
Partly paid-up Equity Shares	-	-
Total paid-up Equity Shares	6,386,459.0	100.00%
Total voting rights in the Target Company	6,386,459.0	100.00%

e) The share capital structure of the Target Company since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act 1992 and other statutory requirements as applicable is as follows:

Date of Allotment	No. of Shares	% age of shares	Cumulative Paid up capital	Mode of Allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of Compliance with SAST
1992	-	100.00%	53,644,800.0	Opening Balance	50% held by Foseco, 50% by Public.	Complied with
1993	109,479.0	2.00%	54,739,590.0	Preferential Allotment	51% by Foseco, 49% by Public. Greaves dis-invested and Foseco increased its stake by 1%.	Complied with
April 5, 1999	912,500.0	14.29%	63,864,590.0	Preferential Allotment	58% by Foseco, 42% by Public	Complied with

The applicable regulations at the time of each allotment have been complied with.

- f) There has been no suspension of trading of the share of the Target Company on any of the Stock Exchanges where it is listed.
- g) The shares of the Target Company are listed on BSE, NSE & PSE. The closing price of the shares of the Target Company on the BSE, as on October 11, 2007 was Rs. 414.40.
- h) There are no outstanding convertible instruments in the Target Company as of the date of the Letter of Offer. The Target Company has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations.

Suitable action may be taken by SEBI in the event any non compliance with the provisions of Chapter II of the Regulations is determined in accordance with law.

- j) The Target Company is in compliance with the listing agreement as on the date of the Public Announcement and no penal/punitive action has been initiated against the Target Company by the stock exchanges on which its shares are listed.
- k) The Board of Directors of the Target Company as on the date of the Public Announcement was as follows:

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
Mr R A Savor	Chairman May 13, 2003	Over 40 years of experience comprising of marketing & senior management positions (12 Years as CEO of Castrol India Limited)	B.Sc (Chem), Chem Tech	201, Pine View, 9, Edward Road, Bangalore 560052
Mr D G Hussey	Vice Chairman July 15, 1998	Over 15 years comprising of senior management positions	B.Sc (Civil)	Callingwood Hall, Callingwood Lane, Tatenhill Burton on Trent, Staffordshire DE13 9SH United Kingdom
Mr Sanjay Mathur	Managing Director April 1, 2007	13 years comprising of positions in sales, product management and senior management positions (4 years as Managing Director – Pennzoil)	B.E. (Chem)	A-1402, Avalon, Hiranandani Gardens, Powai, Mumbai 400026
Mr D O Hughes	Director November 1, 1999	Over 26 Years comprising of senior management positions (6 year as Managing Director – Foseco India)	M.A. (Natural Science) ACCA (UK)	G1, Green Villas, 700 Bi Yun Lu, Pudong, Shanghai 201, China
Mr D P Mehta	Director November 8, 1994	Over 45 years in the legal field. (Partner in Little & Co since 1962)	B.A. , LLM (Harvard)	120, Wodehouse - Road, Colaba, MUMBAI 400 005
Mr P N Ghatalia	Director May 13, 2003	Over 40 years in the field of accounting and finance (ex- partner Pricewaterhouse)	B.Com, F.C.A.	C/o Focus Communication, 607, Phoenix Building, 457, S V Patel Road, Opera House, Mumbai 400 004

- l) There is no representative of Cookson on the Board of Directors of the Target Company and there are no common directors on the Board of the Target Company & Cookson.
- m) Merger/de-merger/spin-off in the last 3 years: None
- n) Key financials of the Target Company on stand-alone basis (Audited results for 2004, 2005 and 2006 and reviewed results for 6 months ended June 30, 2007)

Profit & Loss Statement for the year ended:

Rs. In Lakhs

	December 31, 2004	December 31, 2005	December 31, 2006	June 30, 2007#
Net Sales	10,419.36	11,461.24	12,780.29	7,276.19
Other Income	439.46	234.13	196.28	127.71
Total Income	10,858.82	11,695.37	12,976.57	7,403.90
Total Expenses	8,308.50	9,275.18	10,166.60	5,789.40
PBDITA	2,550.32	2,420.19	2,809.97	1,614.50
Depreciation and Amortization	246.43	226.26	216.75	124.92
Interest	69.27	50.34	22.74	5.54

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PBT and Exceptional Items	2,234.62	2,143.59	2,570.48	1,484.04
Exceptional / Prior Period Items	185.00	-	-	-
PBT	2,419.62	2,143.59	2,570.48	1,484.04
Current Tax	690.43	702.00	915.42	540.00
Deferred Tax	57.59	30.42	(4.84)	(9.17)
Fringe Benefit Tax	-	30.60	31.78	13.73
PAT	1,671.60	1,380.57	1,628.12	939.48

based on reviewed results for the six months ended June 30, 2007

Balance Sheet as at

Rs. In Lakhs

	December 31, 2004	December 31, 2005	December 31, 2006
Sources of Funds			
Share Capital	638.65	638.65	638.65
Reserves & Surplus	3,506.02	3,646.18	3,171.42
Net Worth	4,144.67	4,284.83	3,810.07
Amount Received against issue of warrants			
Secured Loans			
Unsecured Loans	1,192.71	1,213.72	1,150.49
Deferred tax liability, net			
Total Liabilities	5,337.38	5,498.55	4,960.56
Application of funds			
Net Fixed Assets (incl. CWIP)	1,511.98	1,523.91	1,588.13
Investments	8.63	8.63	8.63
Net Current Assets	3,763.65	3,943.31	3,336.26
Miscellaneous Expenditure Not Written Off	53.12	22.7	27.54
Total Assets	5,337.38	5,498.55	4,960.56

Other Financial Data

	December 31, 2004	December 31, 2005	December 31, 2006	June 30, 2007#
Dividend (% of share nominal)	20.50%	17.00%	18.00%	N/A
Earning per Share (Basic) (Rs)	26.17	21.62	25.49	14.71
Return on Net Worth	41.29%	32.76%	40.23%	N/A
Book Value per Share (Rs)	64.90	67.09	59.66	N/A

based on reviewed results for the six months ended June 30, 2007

- o) Reasons for the fall/rise in the total income and Net Income :

FY2006

The Target Company, with its portfolio of over 400 products maintained its market share of over 25% which along with the healthy growth in the Industry reflected in overall improvement in the financial performance of the Target Company.

Net sales (excluding other income) increased by 12% from Rs.11,461.24 Lakhs in 2005 to Rs. 12,780.29 Lakhs in 2006. Earnings before depreciation, interest and tax (EBDIT) increased by 16% from Rs. 2,420.19 Lakhs in

2005 to Rs. 2,809.97 Lakhs in 2006. Profit after tax (PAT) increased by 18% from Rs. 1,380.57 Lakhs in 2005 to Rs. 1,628.12 Lakhs in 2006. Return on net worth (RONW) increased from 33% in 2005 to 40% in 2006. Earnings per share (EPS) increased by 18% from Rs. 21.62 in 2005 to Rs. 25.49 in 2006.

FY2005

During the year, the company's principal markets were generally favourable although showing a clear trend towards a gradual slowdown in the rates of growth. The Target Company retained the market by specific projects with customers for reduction of waste and improve yield.

Net sales (excluding other income) increased by 10% from Rs. 10,419.36 Lakhs in 2004 to Rs. 11,461.24 Lakhs in 2005. Earnings before depreciation, interest and tax (EBDIT) decreased by 5% from Rs. 2,550.32 Lakhs in 2004 to Rs. 2,420.19 Lakhs in 2005. Profit after tax (PAT) decreased by 17% from Rs. 1,671.60 Lakhs in 2004 to Rs. 1,380.57 Lakhs in 2005. Return on net worth (RONW) decreased from 41% in 2004 to 33% in 2005 Earnings per share (EPS) decreased by 17% from Rs. 26.17 in 2004 to Rs. 21.62 in 2005.

FY2004

During the year the company's principal markets were generally favourable. The Target Company was well positioned to benefit from these trends through the implementation of the Solutions Partner strategy, supported by the global Foseco network and the access to foundry process best-practice that it provides. The Target Company's overall financial performance improved on account to record turnover, continued strong focus on expense and cost control, and the tight management of working capital.

Net sales (excluding other income) increased by 20% from Rs. 8,649.67 Lakhs in 2003 to Rs. 10,419.36 Lakhs in 2004. Earnings before depreciation, interest and tax (EBDIT) increased by 22% from Rs. 2,083.76 Lakhs in 2003 to Rs. 2,550.32 Lakhs in 2004. Profit after tax (PAT) increased by 28% from Rs. 1,306.23 Lakhs in 2003 to Rs. 1,671.60 Lakhs in 2004. Return on net worth (RONW) increased from 34% in 2003 to 41% in 2004 Earnings per share (EPS) increased by 28% from Rs. 20.45 in 2003 to Rs. 26.17 in 2004.

PAT of 2004 included the exceptional income of Rs. 185 Lakhs received from the sale of Dycote business rights.

p) The shareholding pattern of the Target Company as on September 30, 2007 is as follows:

Shareholders' category	Shareholding prior to the agreement / acquisition and Offer (A)	Voting rights prior to the agreement / acquisition and Offer (A)	Shares agreed to be acquired which triggered off the Regulations (B)	Voting rights agreed to be acquired which triggered off the Regulations (B)	Shares to be acquired in the open Offer (Assuming full acceptances) (C)	Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)	Shareholding after the acquisition and Offer (A)+(B)+(C) = (D)	Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)
Promoter and Promoter Group	4,245,779	66.48%	(4,245,779) ⁽¹⁾	(66.48%) ⁽¹⁾	-	-	-	0.00%
Foseco Overseas Limited	3,702,819	57.98%	(3,702,819)	(57.98%)				
Foseco (UK) Limited	541,560	8.48%	(541,560)	(8.48%)				
D G Hussey	400	0.01%	(400)	(0.01%)				
D P Mehta	400	0.01%	(400)	(0.01%)				
R A Savoor	200	0.00%	(200)	(0.00%)				
D O Hughes	200	0.00%	(200)	(0.00%)				
F A A Jasandwalla	200	0.00%	(200)	(0.00%)				
Acquirer			4,245,779	66.48%	1,277,292	20.00%	5,523,071	86.48%
Public Shareholding								
Institutions	2,650	0.04%	-	0.00%	(1,581)	(0.02%)	1,069	0.02%
Non-Institutions	2,138,030	33.48%	-	0.00%	(1,275,711)	(19.98)	862,319	13.50%
Total	6,386,459	100.00%	-	0.00%	-		6,386,459	100.00%

(1) To be indirectly acquired by Cookson following the completion of the Acquisition.

Total number of shareholders was 5404

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- q) Details of the change in the shareholding of the promoters as and when it happened in the Target Company:
The details of the change in promoter holding in the Target Company are given below:

Date	Mode of Acquisition / Sale	Name of the Acquirer	No. of Shares	% to the paid-up shares	Name of the Seller	No. of Shares	% to the paid-up shares	Cumulative promoter holding	% to the paid-up shares
1992	Opening Balance	Foseco plc	2,682,240	50.00%	-	-	-	2,682,240	50.00%
1993	Intra Promoter Group Transfer	Foseco plc	109,479	1.00%	Greaves Cotton & Company Limited	109,479	1.00%	2,791,719	51.00%
April 5, 1999	Preferential Allotment. Under specific exemption from Open Offer.	Foseco plc	912,500	7.00%	-	-	-	3,704,219	58.00%
2002	Acquired through Open Offer under SEBI (SAST) Regulations	Foseco plc	541,560	8.48%	Public shareholders (who participated in the open offer)	541,560	8.48%	4,245,779	66.48%

The Target Company has complied with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under SEBI Act 1992 and other statutory requirements as applicable. Suitable action may be taken by SEBI in the event any non compliance with the provisions of Chapter II of the Regulations is determined in accordance with law.

- r) No action has been taken against the Target Company under section 11B or other provisions of the SEBI Act 1992 or any other regulations made under the Act, prohibiting them from dealing in securities or under any of the Regulations made under the SEBI Act.
- s) The details regarding the corporate governance norms for the Target Company are as follows:

Particulars	Listing Agreement Clause
Board of Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI (C)
Remuneration of Directors	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

The Target Company has complied with all of the above clauses

- t) Contingent Liabilities not provided:

Issue	Amount
Income tax cases pending with CIT and Income Tax Appellate Tribunal for 1988-89, 89-90 and 2003-04	Rs 28.60 mm

u) Outstanding Litigations ⁽¹⁾ :

Legal Case Title	Case Description	Present Status
1. Service Agreement Infringement	Two ex-employees who had opted for Voluntary Retirement Scheme (VRS) offered by the Target Company in relation to the steel division started a business in Bangalore by forming a private limited company along with an erstwhile contract manufacturing party. The Target Company was the sole supplier of TURBOSTOP to Jindal Vijaynagar Steel Ltd (JVSL). They contacted JVSL and marketed a product alleged to be similar to TURBOSTOP. The Target Company filed a suit before the City Civil Judge's court at Bangalore seeking to restrain them from using confidential information of the Target Company. The Court had granted an interim stay order restraining them from manufacturing / marketing / selling / dealing in any way directly or indirectly with the above product. Appeal has been filed with the High Court against the stay order issued. They have also filed counter claims against the Target Company by way of separate suits.	The main case is going on before the Bangalore court. The interim order issued by the Court continues till the disposal of the case. The High Court of Karnataka has dismissed the appeal.
2.Ex-Employee-Jammu	An ex-employee filed a case claiming various benefits which are applicable to the VRS employees - although he is not an eligible candidate under VRS.	The case has been adjourned. No date has been passed for hearing.
3 Ex-Employee - Mr. N K Dwivedi - Labour Court Mumbai	The appeal filed before the High Court against the award passed by the Labour Court on February 17, 1998 in Ref. 617 of 1993 is pending. Mr. N K Dwivedi has also filed a writ petition before the Bombay High Court challenging the award pending which this matter would not be taken up.	Once the High Court passes the order, either this case would get dropped automatically or the case would get revived, if the High Court decides not to intervene on this matter.
4. Mr. N K Dwivedi - Deputy Labour Commissioner at Nagpur.	Mr. N K Dwivedi has filed a case with the Deputy Labour Commissioner (State) at Nagpur stating that he has to receive his salary dues for certain period subsequent to his termination since the letter of termination was received by him nearly after 7 months.	The Target Company was informed that the notice would be sent at a later date. The Target Company is yet to receive a notice.
5. Mr. N K Dwivedi - Civil Suit	Mr. N K Dwivedi has filed a case at Nagpur after he got a favourable judgment from Orissa High Court in respect of the case under section 630 of the Companies Act, 1956, for initiating malicious criminal case against him and claimed compensation of Rs. 226 lakhs on various accounts. Case has been filed <i>in forma pauperis</i> , which the Target Company has challenged. The Target Company has also challenged the case on merits.	The Court would investigate the status of pauper either directly or through the Collector. Mr. N K Dwivedi has added two more parties to the suit i.e. Collector and the State. Replies are to be filed by the added parties. The matter is pending.
6.Ex-Employee-Chinchwad Mr. T A Matkar	Mr. T A Matkar ex-employee of Chinchwad who had taken Voluntary Retirement Scheme (VRS) lodged a complaint in the matter of reinstatement and full back wages and continuity of service. The Labour Commissioner referred the case to higher authorities. On October 3, 2005, a notice was received from the Labour Court to file written statement in reply to the statement of claim.	The Target Company has filed the written statement with the labour. Date of hearing is awaited.
7. Civil Suit Against Satpre Chemicals Pvt Ltd. - Rs.9.72L.	Satpre Chemicals had been processing Hexachloroethane for the Target Company. In 1985, they had returned 8,414.5 kgs as against the total quantity of 14,839.5 kgs thereby leaving a balance of 6,425 kgs with them. Although the Target Company tried to get the material from them, they did not return the material either processed or unprocessed. In 1998, the Target Company filed a suit claiming an amount of Rs. 9.72 Lakhs from Satpre Chemicals.	Satpre Chemicals confirmed in writing that the material is lying with them and they would return the material. However, they are challenging the amount due. The matter is pending.
8.Ex-Employee of Haden - worked at The Target Company site	During May 2006, the Target Company received a notice from Labour court regarding an ex-employee of Haden who was working with the Target Company claiming certain employment benefits.	The Target Company has submitted its justification and, Mr. More is attempting to resolve the matter.
9.Ex-Employee of Contractor - worked at TISCO site in year 1996 at Jamshedpur	During July 2006, the Target Company came to know about two cases which are in progress in the Labour Court at Jamshedpur. Two ex-employees who were working with a contractor at the TISCO site filed the case against the Target Company in 1997 claiming certain employment benefits and compensation.	The matter has been heard and decision is awaited.
10.Service Agreement Infringement by ex-employee K R Reddy	An ex-employee Mr. K R Reddy, who had resigned took up a dealership with a competitor of the Target Company. The Target Company filed a petition against Mr. Reddy before the Pune Court alleging violation of the service agreement	The court issued notice to Mr. Reddy and Mr. Reddy has filed the reply. The Target Company has filed the rejoinder statement and the next date of hearing is awaited.

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11. Service Agreement Infringement by ex-employee Mr. R B Dahotre	An ex-employee Mr. R B Dahotre who had resigned in April 2006 from the services of the Target Company in April 2006 took up employment with a competitor Forace Polymers Private Limited. The Target Company has filed a case against him before the Pune Court requesting that he be restrained from working for a competitor.	Mr. Dahotre had given an undertaking to the Court that he has not disclosed any confidential information till date and he will not disclose the same in future. The matter is pending. Criminal Proceedings for perjury have also been initiated and are also pending.
12. Service Agreement Infringement by ex-employee S Banerjee	An ex-employee, who had resigned in June 2006, is now employed with a competitor, Hindustan Refractory Chemicals. The Target Company has filed a case against him with the Kolkata Court requesting that he be restrained from working with a competitor.	The Court has rejected the interim injunction on the ground of insufficient evidence. The Target Company is appealing against this order before the High Court of Calcutta.

(1) *The exact monetary impact of the outstanding litigations is not ascertainable.*

- v) Overdue interest/principal as on date : none
- w) Other major litigation: nothing other than reported above
- x) Roll over / Re-scheduling of loans or any other liability: none
- y) Labour problems / closure as listed below: none
- z) No penalty has been levied by SEBI or any other regulatory body or any other authority in India or abroad.
- aa) No disciplinary action/ investigation has been taken by the Securities and Exchange Board of India, under the SEBI Act 1992 or any other regulations made under the SEBI Act./ Stock Exchange against the Target Company, its Directors and Promoters.
- bb) The compliance officer of the Target Company is:

Mr. R Balakrishnan

Company Secretary
Foseco India Limited
Gat No. 922/923 Sanaswadi
Taluka Shirur, District Pune 412 208
Tel: +91 (0) 2137 668237 (Direct)
Tel: +91 (0) 2137 668100 (Board)
Fax: +91 (0) 2137 668360
e-mail: r.balakrishnan@foseco.com

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

a) JUSTIFICATION OF OFFER PRICE

- i. The shares of the Target Company are listed on The Bombay Stock Exchange Limited, Mumbai, the National Stock Exchange Limited, Mumbai and the Pune Stock Exchange. Based on the information available, the shares of the Target Company are in-frequently traded on BSE, NSE & PSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations
- ii. The annualised trading turnover during the preceding six months in each of the Stock Exchanges is detailed below:

Date	Name of Stock Exchange	Total number of shares traded during the preceding six calendar months	Total number of listed shares	Annualised trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
April 1, 2007 to September 30, 2007	NSE	59,425	6,386,459	1.9%	In-frequently traded
April 1, 2007 to September 30, 2007	BSE	64,917	6,386,459	2.0%	In-frequently traded
April 1, 2007 to September 30, 2007	PSE	Nil	6,386,459	0.0%	In-frequently traded

(Source: www.bseindia.com, www.nseindia.com)

- iii. The Offer Price is justified in terms of Regulation 20 (5) of the SEBI(SAST) Regulations in view of the following:
The Offer Price has been calculated as per the Regulation 20 (12) read with Regulation 20 (5) of the SEBI (SAST) Regulations, as shown below:

Negotiated price between the Acquirer and Foseco. (In arriving at the valuation of Foseco reflected in the offer price for the purposes of the Acquisition, the shares of the Target Company have been valued by Cookson at Rs 420 per share)	Rs. 420.00
Highest Price paid by the Acquirer / Persons Acting in Concert for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to October 12, 2007. (i.e. the date of PA).	N/A
Offer Price	Rs. 420.00

Other Parameters	Based on Audited Financials (Period Ended December 31, 2006)
i. Return on Networth (%)	40.23
ii. Book Value per share (Rs.)	59.66
iii. Earnings Per Share (Rs.)	25.49
iv. P/E Ratio on Offer price	16.48
v. Price/Earnings Ratio (Industry – Chemicals)*	13.81

* Source: Capital Markets, Oct 08 - 21, 2007, Vol. XXII/16; companies with market capitalization less than Rs. 1,500 crores

Based on the above, the Offer Price of Rs. 420.00 is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations.

- iv. If Cookson acquires shares after the date of Public Announcement and up to 7 (seven) 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.
- v. No non-compete agreement has been entered in to between Cookson and Foseco and there is no arrangement between Cookson and Foseco for payment of non-compete fees.
- vi. The shares of the Target Company will be acquired by Cookson 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.

b) FINANCIAL ARRANGEMENTS

- i. The total fund requirement for the Offer of up to 1,277,292 Shares held by the Public Shareholders of the Target Company at Rs 420.00 per share is Rs. 536,462,640.00 (Rupees Five hundred and thirty six million and four hundred and sixty two thousand and six hundred and forty only). Cookson currently has a £200mm (Rs. 160,340.0 lakhs) committed credit facility out of which £167.78mm (Rs. 134,507.7 lakhs) is undrawn till October 9, 2007. This credit facility which is provided by a syndicate of 9 banks is committed until February 27, 2010. Other than the customary representations, warranties and undertakings (including financial covenants), there are no restrictions upon the availability of this facility. The Manager to the Offer is satisfied about the ability of Cookson to implement the Offer in accordance with the SEBI (SAST) Regulations and that firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.
- ii. In accordance with Regulation 28 of the SEBI (SAST) Regulations, Cookson has created an escrow account in the form of a cash deposit in a bank account with The Hong Kong and Shanghai Banking Corporation Limited, 52/56 MG Road, Mumbai for an amount of Rs. 134,115,639.00 (Rupees One hundred and thirty four million and one hundred and fifteen thousand and six hundred and thirty nine only), being 25% (Twenty Five percent) of the value of the total consideration payable under the Open Offer in favor of DSPML – the Manager to the Offer.
- iii. The Manager to the Offer is satisfied about the ability of the Cookson to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

LETTER OF OFFER

8 TERMS AND CONDITIONS OF OFFER

a) STATUTORY APPROVALS REQUIRED FOR THE OFFER

- i. The Offer, along with any obligation in terms of SEBI (SAST) Regulations to make payment for, or purchase the Shares tendered and accepted, is subject to the receipt of approval from the FIPB. Since Cookson is engaged in the same business as the Target Company through Vesuvius India Limited, it would require the prior approval of the FIPB to acquire the shares of the Target Company in accordance with Press Note 1 of 2005. Cookson has received the necessary approval from FIPB vide its letter with reference no. FC. II 240(2007)/335(2007) dated December 06, 2007.
- ii. Besides the aforesaid approval, as on the date of this Letter of Offer, no other statutory approval is required to acquire the Shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Cookson will not proceed with the Offer in the event that any statutory approval indicated above is not obtained.
- iii. In case of delay in receipt of any statutory approval(s), SEBI has power to grant extension of time to Cookson for payment of consideration to Shareholders, subject to Cookson agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Cookson in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.
- iv. Cookson does not require any approvals from financial institutions or banks for the Offer.

b) OTHERS

- i. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the beneficial owners of the shares of the Target Company, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on the Specified Date (i.e., Friday, November 2, 2007).
- ii. 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.
- iii. All owners (registered or unregistered) of shares of the Target Company (except the promoter group) are eligible to participate in the Offer anytime before the Close 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.
- iv. The acceptance of the Offer is entirely at the discretion of the shareholders of the Target Company. Cookson will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- v. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- a) Shareholders of the Target Company, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at ***Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078 Phone: 022 2596 0320 Fax: 022 2596 0328 / 29. email: fo seco.openoffer@intimespectrum.com Contact Person: Ms. Awani Thakkar*** either by hand delivery on weekdays or by Registered Post, on or before the Closure of the Offer, i.e., no later than Tuesday, January 22, 2008 or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., no later than 1700 hrs on Tuesday, January 22, 2008 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance.

Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same is liable to be rejected. In the case of dematerialized 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. The Form of Acceptance of such dematerialized shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

b) For Equity shares held in physical form:

- i. Registered Shareholders should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
 - o Original share certificate(s).
 - o 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 the Target Company and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.
- ii. Unregistered owners should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
 - o Original share certificate(s).
 - o Original broker contract note.
 - o Valid share transfer form(s) as received from the market.
 - o The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled 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.

c) For Equity shares held in dematerialized form:

- i. Beneficial owners should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
 - o Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
 - o For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

d) The Registrar to the Offer, Intime Spectrum Registry Limited, have opened a special depository account at National Securities Depository Limited (NSDL) as detailed below :

DP Name	DSP Merrill Lynch Ltd.
Special DP Account	"Escrow Account – Foseco India Open Offer"
DP ID	IN 302638
Client ID	10037416

e) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and NOT to the Manager to the Offer, Cookson or the Target Company.

- f) In case of non-receipt of the Letter of Offer, the Eligible Persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than Tuesday, January 22, 2008 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the Eligible Persons for the Offer can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e., no later than Tuesday, January 22, 2008. Unregistered owners should

LETTER OF OFFER

not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance from the SEBI's website and apply using the same.

- g) If the aggregate of the valid responses to the Offer exceeds the Offer size of 1,277,292 fully paid-up equity shares of the Target Company (representing 20.00% of the fully diluted equity voting capital of the Target Company), Cookson shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of the Target Company are compulsorily traded in dematerialised form; hence minimum acceptance will be one share.
- h) 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 Tuesday, January 22, 2008 else the application would be rejected.
- i) While tendering shares under the Offer, NRIs/OCBs/Foreign Shareholders will be required to submit the previous RBI approvals (specific or general) that they may have obtained for acquiring shares of the Target Company. ***In case of previous RBI approval not being submitted, Cookson reserves the right to reject such shares tendered.***
- j) While tendering shares under the Offer, NRI/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 Cookson under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Cookson 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.
- k) In addition to the above mentioned address, the Shareholders of the Target Company, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at any of the collection centres below. All the centres mentioned herein below would be open as follows:

(Monday to Friday 1000 hours to 1700 hours, Saturday: 1000 hours to 1300 hours)

Sr	Collection Centre	Contact Person	Address of Collection Centre	Tel. No.	Fax No.	Mode of Delivery
1	Mumbai	Awani Thakkar	Intime Spectrum Registry Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078.	022-25960320	022-25960328/29	Hand Delivery & Registered Post
2	Mumbai	Vivek Limaye	Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	022-22694127		Hand Delivery
3	Kolkata	S.P. Guha	Intime Spectrum Registry Limited, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700020	033-22890539/40	033-22890539/40 (Telefax)	Hand Delivery
4	New Delhi	Swapan Naskar	Intime Spectrum Registry Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi - 110028	011-41410592/93/94	011-41410591	Hand Delivery

5	Chennai	B Srinivas	7/A Laxman Nagar, East Main Road, Chennai – 600 082	044-26712611	044-26712611 (Telefax)	Hand Delivery
6	Ahmedabad	Hitesh Patel	Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery
7	Pune	P. N Albal	Intime Spectrum Registry Limited, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001	020- 65203395	020-26053503	Hand Delivery

- l) Shareholders who cannot hand deliver their documents at the Collection Centers referred above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Intime Spectrum Registry Limited,

C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W), Mumbai – 400 078
Tel: +91 22 2596 0320 Fax: +91 22 2596 0328 / 29.
Email: foseco.openoffer@intimespectrum.com
Contact Person: Ms. Awani Thakkar

- m) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before Thursday, January 17, 2008:

i. For Equity Shares held in dematerialized form:

- o Beneficial owners should enclose
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original / Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
 - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

- o Registered Shareholders should enclose:
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance 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 Foseco India Ltd. and duly witnessed at the appropriate place.
- o Unregistered owners should enclose:
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

LETTER OF OFFER

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

- o In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
 - o In case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.
- n) The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
 - o) The intimation of returned Shares to the Shareholders will be at the address through Registered Post as per the records of the Target Company/Depository as the case may be.
 - p) 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.
 - q) Partial withdrawal of tendered Shares can be done only by registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
 - r) Shareholders holding shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
 - s) Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by Cookson. In case of joint registered holders, cheques / demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque / demand draft.
 - t) Unaccepted or withdrawn share certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first named shareholder/unregistered owner. Unaccepted or withdrawn 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.
 - u) The Registrar to the Offer will hold in trust the share(s)/share certificate(s), shares lying in credit of the special depository account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) 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.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, DSP Merrill Lynch Limited, from 1100 hours to 1300 hours on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

- a) Certificate of Incorporation of Cookson
- b) Memorandum and Articles of Association of Cookson
- c) Audited results of Cookson for three years ended December 31, 2004, 2005 & 2006
- d) Copy of the Implementation Agreement dated October 11, 2007 between Cookson and Foesco.
- e) Certified copy of limited review results of Cookson for the period of six months ended June 30, 2007
- f) Memorandum and Articles of Association of the Target Company
- g) Audited results of the Target Company for three years/period ended 2004, 2005, 2006
- h) Certified copy of limited review results of the Target Company for the period of six months ended June, 2007
- i) Escrow agreement entered into amongst Cookson, HSBC Mumbai and DSP Merrill Lynch Limited confirming the deposit referred in para 7 (b) (2) above
- j) Published copy of Public Announcement dated October 12, 2007
- k) Copy of the application dated November 30, 2007 made to FIPB for approval to acquire the shares of the Target Company in accordance with Press Note 1 of 2005.
- l) Copy of the approval dated December 06, 2007 received from FIPB to acquire the shares of the Target Company in accordance with Press Note 1 of 2005.
- m) Copy of the facility agreement dated March 1, 2005 with Lloyds TSB bank and other banks for the committed credit facility of £200 mm (Rs. 160,340.0 lakhs).
- n) Copy of the letter dated October 09, 2007 provided by Lloyds TSB bank confirming the un-drawn amount in the committed credit facility.
- o) Copy of letter dated October 09, 2007 provided by Cookson undertaking to utilize the cash from the committed credit facility to fulfill their obligations under Regulation 29 of the SEBI (SAST) Regulations.
- p) SEBI observation letters dated December 14, 2007.

11 DECLARATION BY ACQUIRER

The Acquirer accepts responsibility for the information contained in this Letter of Offer and fulfillment of their obligations under the SEBI (SAST) Regulations.

Cookson Group plc
(Acquirer)

sd/-

Authorised Signatories

Date: December 26, 2007

Encl:

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

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
 (Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)
FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
 FROM

OFFER
OFFER OPENS ON : January 03, 2008
OFFER CLOSES ON : January 22, 2008

To, **Cookson Group plc**
C/o : Intime Spectrum Registry Limited
 C-13, Pannalal Silk Mills Compound,
 L. B. S. Marg, Bhandup (W),
 Mumbai - 400 078

Dear Sir,

Open offer for acquisition of up to 1,277,292 fully Paid-up Equity Shares of face value Rs. 10.00 each, representing 20.00% of the fully Paid up Equity Voting Capital at a price of Rs. 420/- per fully Paid up Equity Share of Foseco India Limited

I/We refer to the Public Announcement dated October 12, 2007, December 4, 2007, and the Letter of Offer dated December 26, 2007 for acquiring the equity shares held by me/us in Foseco 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, hold the following shares in physical form and 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:

Ledger Folio No. _____ No. of Share Certificate(s) _____ No. of Shares _____

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
			Total	

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

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

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures. I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below

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

I/We have done an off-market transaction for crediting the shares to the "Escrow Account - Foseco India Open Offer" whose particulars are,

DP Name : DSP Merrill Lynch Ltd.	DP ID / Client ID : IN 302638 / 10037416
---	---

a delivery instruction from my account with NSDL

an inter-depository delivery instruction from my account with CDSL

I/We note and understand that the Shares would lie in the said A/c i.e. "**Escrow Account - Foseco India Open Offer**" until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

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

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

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 Number (PAN) allotted under the Income Tax Act 1961 is as under

PAN	1st Shareholder	2nd Shareholder	3rd Shareholder

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

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

Yours faithfully,

Signed and delivered	FULL NAME(S)	SIGNATURE(S)
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note : In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: _____ Date: _____

(Tear Here)

Ack. Receipt

Cookson Group plc

C/o : Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound,
 L. B. S. Marg, Bhandup (W), Mumbai - 400 078

Stamp of collection centre

Received from Mr./Ms./M/s..... Form of Acceptance cum Acknowledgement

..... Number of Share Certificate for shares / # Copy of the Delivery Instruction to (DP) for shares

Delete whichever is not applicable

Stamp of collection centre

INSTRUCTIONS

1. **PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER**
2. **In the case of demat 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. 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.**
3. Shareholders should enclose the following:-
For Equity shares held in dematerialized form:
 - i. Beneficial owners should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
 - o Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
 - o For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.**For Equity shares held in physical form:**
 - i. Registered Shareholders should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
 - o Original share certificate(s).
 - o 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 the Target Company and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.
 - ii. Unregistered owners should enclose:
 - o Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
 - o Original share certificate(s).
 - o Original broker contract note.
 - o Valid share transfer form(s) as received from the market.
 - o The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled 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.
4. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or Foseco India Limited.
5. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTIONS LIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.
6. 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 Offer.
7. 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.
8. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance 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 acceptance form or transfer deed(s).
 - c. No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
9. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Foseco India Limited. If, the shares are held under General Permission of RBI the nonresident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**
10. **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 marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.**

----- (Tear Here) -----

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

Intime Spectrum Registry Limited

(Unit: Foseco India Limited)

C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078

Tel: +91 22 2596 0320 Fax: +91 22 2596 0328 / 29

Contact Person : Ms. Awani Thakkar

FORM OF WITHDRAWAL

From:
Name:
Address:

OFFER	
OPEN ON	January 03, 2008
LAST DATE OF WITHDRAWAL	January 17, 2008
CLOSES ON	January 22, 2008

To,
Cookson Group plc
C/o : Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (W),
Mumbai - 400 078

Dear Sir,

Open offer for acquisition of up to 1,277,292 fully Paid-up Equity Shares of face value Rs. 10.00 each, representing 20.00% of the fully Paid up Equity Voting Capital at a price of Rs. 420/- per fully Paid up Equity Share of Foseco India Limited

I/We refer to the Letter of Offer dated December 26, 2007 for acquiring the Shares held by me/us in Foseco India Limited.

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 centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e, no later than 16.00 hours on January 17, 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 Depository 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 Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No. _____ No. of Share Certificate(s) _____ No. of Shares _____

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
			Total	

(In case of insufficient space, please use an additional sheet and 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 "Escrow Account-Foseco India Offer" as per the following particulars:

DP Name : DSP Merrill Lynch Ltd.	DP ID / Client ID : IN 302638 / 10037416
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Please find enclosed a photocopy of the Depository Delivery Instruction(s) (TIFD) duly acknowledged by the Depository Participant. The particulars of the account from which my/our Shares have been tendered are as detailed below

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

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

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

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

Yours faithfully,

Signed and delivered

	FULL NAME(S)	SIGNATURE(S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber stamp.

Place: _____ Date: _____

(Tear Here)

Folio No/DP ID/Client ID

Received from Mr./Ms. _____

Address _____

Number of Certificate(s) enclosed _____ Certificate Numbers _____

Total Number of share(s) enclosed _____

Signature of Official _____ Date of Receipt _____

**Acknowledgement Slip
Foseco India Limited Open Offer**

Stamp of collection centre

Note: All future correspondence, if any, in connection with this offer, should be addressed to the Registrar to the Offer

INSTRUCTIONS

1. Shareholders are advised to ensure that 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 or before the last date of withdrawal i.e. no later than 16.00 hours on January 17, 2008.
2. Shareholders should enclose the following:-
 - i. **For Equity Shares held in dematerialized form:**
 - o Beneficial owners should enclose
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original / Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
 - ii. **For Equity Shares held in physical form:**
 - o Registered Shareholders should enclose:
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance 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 Foseco India Ltd. and duly witnessed at the appropriate place.
 - o Unregistered owners should enclose:
 - Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
3. 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.
4. 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.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. 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.
7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. 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.
9. 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.
10. 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.
11. 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).
12. **The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of Intime Spectrum Registry Limited stated in the Letter of Offer.**
13. **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 Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078, Tel: +91 22 2596 0320 Fax: +91 22 2596 0328 / 29 so as to reach the Registrars on or before the last date of withdrawal i.e. January 17, 2008.**

----- (Tear Here) -----

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

Intime Spectrum Registry Limited

(Unit: Foseco India Limited)

C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078

Tel: +91 22 2596 0320 Fax: +91 22 2596 0328 / 29

Contact Person : Ms. Awani Thakkar