LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of Wendt (India) Limited. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and transfer deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER AT Rs. 642.00 /- (RUPEES SIX HUNDRED AND FORTY TWO ONLY) PER VOTING EQUITY SHARE OF Rs. 10 (RUPEES TEN ONLY)

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

TO ACQUIRE

Up to 400,000 voting equity shares of face value Rs. 10/- each,

representing 20.0% of the voting share capital (**"Offer"**)

OF

Wendt (India) Limited ("Target Company" / the "Company" / "WIL")

having its registered office at:

4th floor, Devatha Plaza, Residency Road, Bangalore - 560 025, India

Tel: +91-80-2221-5625, Fax: + 91-80-2221-3020

BY

Wendt Holding GmbH ("Acquirer" / "Wendt Holding")

having its registered office at:

Meerbusch, Fritz-Wendt-Strasse 1 in 40670 Meerbusch, Germany

Tel: +49-2159-671-231, Fax: +49-2159-671-128

along with

Wendt GmbH ("WG"/"PAC") (as a Person Acting in Concert)

having its registered office at:

Fritz Wendt Strasse 1, 40670 Meerbusch, Germany

Tel: + 49-2159-671-0, Fax: +49-2159-806-24

ATTENTION:

a) The Foreign Investment Promotion Board (**"FIPB"**) approval to the Offer has been received. The Offer is subject to the receipt of approval from the Reserve Bank of India (**"RBI"**), under the Foreign Exchange Management Act, 1999 (**"FEMA"**).

b) The purchase of shares tendered by non-resident shareholders of WIL by PAC may require RBI approval under FEMA.

c) Besides this, as on the date of this letter of offer (**"Letter of Offer"**), no other statutory approval was required to acquire the shares tendered pursuant to this Offer. Acquirer/PAC will not proceed with the Offer in the event that any statutory approval indicated above (including, without limitation, from the RBI) is not obtained in terms of Regulation 27 of SEBI (SAST) Regulations and you will be informed by way of another public announcement in the same newspapers where the first public announcement (**"PA"**) had appeared.

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

e) If there is any upward revision in the offer price by Acquirer prior to or on the last date for revising the offer price viz. December 29, 2005, you would be informed by way of another public announcement in the same newspapers where the first PA had appeared. Acquirer/PAC 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 by January 4, 2006 i.e. 3 (three) working days prior to the date of closure of the Offer viz. January 7, 200 .***

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

h) The PA and this Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. December 19, 2005.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
DSP Merrill Lynch **DSP Merrill Lynch Limited** 10th Floor, Mafatlal Center, Nariman Point Mumbai 400 021 Tel: +91 22 5632 8000 Fax: +91 22 2204 8518 Email: wendt_offer@ml.com Contact Person: Mr. Sumedh Jog	KARVY **Karvy Computershare Private Limited** 46, Avenue 4, Street No 1, Banjara Hills Hyderabad 500 034 Tel: +91 40 2331 2454 Fax: +91 40 2331 1968 Email: murali@karvy.com Contact Person: Mr. Murali Krishna
OFFER OPENS ON: DECEMBER 19, 2005	**OFFER CLOSES ON: JANUARY 7, 2006**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	Original Day & Date	Revised Day & Date
PA Date	Friday August 26, 2005	Friday August 26, 2005
Specified Date (for the purpose of determining the names of Shareholders to whom the Letter of Offer will be posted)	Friday September 23, 2005	Friday September 23, 2005
Last date for a competitive bid (No competitive bids received)	Friday September 16, 2005	Friday September 16, 2005
Revised PA Date		Saturday December 10, 2005
Date by which Letter of Offer to be dispatched to shareholders	Saturday October 08, 2005	Wednesday December 14, 2005
Date of opening of the Offer	Monday October 17, 2005	Monday December 19, 2005
Last date for revising the Offer Price	Monday October 24, 2005	Thursday December 29, 2005
Last date for withdrawing acceptance from the Offer	Saturday October 29, 2005	Wednesday January 4, 2006
Last date of closing of the Offer	Saturday November 05, 2005	Saturday January 07, 2006
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Saturday November 19, 2005	Saturday January 21, 2006

Risk Factors

Given below are the risks related to the transaction, the proposed Offer and getting associated with Acquirer/PAC:

a) The acquisition of the shares tendered in the Offer is subject to the approval of the RBI. In the event that the RBI does not grant its approval, the Offer would stand withdrawn in terms of the SEBI (SAST) Regulations.

b) In the event of either the 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 proceed, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.

c) Acquirer/PAC make no assurance with respect to the market price of the shares during or after the Offer.

d) Acquirer is making this Offer as per Regulation 10 and 12 of SEBI (SAST) Regulations as Acquirer has acquired indirect control of WIL. There is no assurance with respect to the continuation of the past trend in the financial performance of WIL.

e) 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 WIL.

f) 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.

g) Acquirer and PAC do not accept any responsibility for statements made otherwise than in the Letter of Offer / PA/ Revise Public Announcement and anyone placing reliance on any other source of information (not released by Acquirer / PAC) would be doing so at his/her/their own risk.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of WIL 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 WIL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS

Acquirer / Wendt Holding	Wendt Holding GmbH
BSE	Bombay Stock Exchange Limited
BlSE	Bangalore Stock Exchange
CDSL	Central Depository Services Limited
CUMI	Carborundum Universal Limited
DP	Depository Participant / Karvy Consultants Ltd
DPLTA	Domination and Profit and Loss Transfer Agreement between Wendt GmbH and its former parent company effective from December 13/15, 1995 until March 31 2005
DSPML	DSP Merrill Lynch Limited
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of Wendt (India) Limited (other than Acquirer and parties to the agreement referred to in paragraph 2.1 (a)) anytime before the Closure of the Offer. Indian Promoter viz., CUMI can not participate in this Offer
EUR/ €	Euros
FEMA	Foreign Exchange Management Act, 1999
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance cum Acknowledgement
GBP	British Pounds
Global Transaction	Acquisition and transfer of shares in various entities of the Wendt group completed on May 27, 2005, as set out in the share purchase agreement between Acquirer and Anglo American Luxembourg S.A. and others
Letter of Offer	Offer Document
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
mm	Million
NSDL	National Securities Depository Limited
NRI	Non- Resident Indian
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of up to 400,000 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20.0% of the voting share capital of Wendt (India) Limited at a price of Rs. 642.00 per fully paid-up equity share
Offer Price	Rs. 642.00 (Rupees six hundred and forty two only) per fully paid-up equity share of Rs.10/-
Public Announcement/ PA	Announcement of the Offer made by Acquirer on August 26, 2005
RBI	Reserve Bank of India
RUB	Russian Rubles
Registrar/ Registrar to Offer	Karvy Computershare Pvt. Ltd.
Rs.	Indian Rupees
Rupee Translation	Certain financial details contained in this Letter of Offer are denominated in €, GBP, SEK and RUB. The Rupee equivalent quoted for the Euro and the British Pound is calculated in accordance with RBI Reference rate as on August 24, 2005, namely 1€ = Rs 53.23, 1 GBP = Rs 78.40 (source www.rbi..org.in). The Rupee equivalent for the Russian Ruble has been derived to be 1 RUB = Rs 1.52 based on the RBI Reference rate for the Euro as on August 24, 2005, namely 1€ = Rs 53.23 (source www.rbi..org.in).and the Official exchange rate of the Euro against the Russian Ruble set by the Central Bank of the Russian Federation as on August 24, 2005, namely 1€ = RUB 34.9074 (source www.cbr.ru). The Rupee equivalent for the Swedish Krona has been derived to

	be 1 SEK = Rs 5.70 based on the RBI Reference rate for the Euro as on August 24, 2005, namely 1€ = Rs 53.23 (source www.rbi..org.in).and the European Central Bank eference rate of the Euro against the Swedish Krona as on August 24, 2005, namely 1€ = SEK 9.3333 (source www.ecb.int)
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEK	Swedish Krona
Share(s)	Fully paid-up equity shares of face value of Rs.10 each of Wendt (India) Limited
Shareholders	Public shareholders of Wendt (India) Limited, excluding the promoters and parties to the share purchase agreement
SPA	Share Purchase Agreement entered into by Acquirer with Anglo American Luxembourg S.A. and various other parties on March 30, 2005
Special Depository Account	"Escrow Account - Wendt Offer" opened with NSDL by DP. DP ID is IN 302470 and Client ID is 40201863
Specified Date	September 23, 2005
Target Company/ Company/ WIL	Wendt (India) Limited
WG / PAC	Wendt GmbH

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 TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER/TARGET COMPANY, WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED SEPTEMBER 09, 2005 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

2.1 Background

a) Wendt Holding GmbH, Germany, a company with limited liability, incorporated under the laws of Germany and registered with the Local Court of Neuss, Germany, under HRB 13484, (**"Acquirer" / "Wendt Holding"**), entered into a Share Purchase Agreement (**"SPA"**) with Anglo American Luxembourg S.A. and various other parties, namely Boart Longyear GmbH & Co. KG Hartmetallwerkzeugfabrik, Boart Longyear (Holdings) Ltd, Boart Longyear Company (USA), Boart Longyear International BV, Boart Longyear S.A. and Boart Longyear International BV as sellers on March 30, 2005. Wendt Holding was then known as Danube Erste GmbH and was registered with the Local Court of Frankfurt am Main, Germany, under HRB 74502. The SPA provided for, inter alia, the acquisition of the shares in various entities of the Wendt group, consisting of, among others, Wendt GmbH, Wendt Boart (UK) Ltd, Wendt USA Inc, Wendt Boart S.A. and Wendt Samedi S.A. Upon execution of the SPA all shares in, inter alia, Wendt GmbH, Wendt Boart UK Ltd, Wendt Samedi S.A., and Wendt Boart S.A. were directly transferred to Wendt Holding. The shares in, inter alia, Wendt USA Inc. were indirectly acquired by Wendt Holding. In accordance with this SPA, Acquirer has acquired 100% of the equity share capital and 100% of controlling interest in Wendt GmbH (**"WG"**).

The SPA was conditional upon satisfaction of various conditions precedent, inter alia, clearance with the relevant cartel authorities. Subsequent to the fulfilment of the conditions precedent, the acquisition and the transfer of the shares in the subsidiaries as set out in the SPA were completed on May 27, 2005 (**"Global Transaction"**).

Salient features of the above-referred SPA are as follows:

- Wendt Holding is under an obligation to cease to make use of the "Boart Longyear" name on all promotional and other material such as websites, stationery, signage, etc. within a period of three months from the completion date of the SPA, which, as per its terms, was May 27, 2005.
- The sellers are under an obligation to cease to make use of the "Wendt" name as a firm name or a business name within a period of six months from the completion date of the SPA.
- The sellers are under an obligation not to:
    - carry on, be engaged in or be economically interested in any business which is in competition with any business carried on by the companies acquired by Wendt Holding pursuant to the SPA and which is carried on in the countries in which the business of the companies acquired by Wendt Holding is carried on as at the completion date of the SPA, for a period of two years from the completion date of the SPA.
    - solicit, or contact with a view to engaging any director, officer or senior employee of the companies acquired by Wendt Holding pursuant to the SPA, for a period of two years from the completion date of the SPA.

It should be noted that the abovementioned in paragraph 2.1. a) is only a summary of certain relevant features and provisions of the transactions in connection with and of the Global Transaction.

b) WG, a company with limited liability incorporated under the laws of Germany and registered with the Local Court of Neuss, Germany, under HRB 1596, holds 39.87% equity shares of Wendt (India) Limited (**"Target Company" / the "Company" / "WIL"**) as on the date of the PA and this Letter of Offer. Following the consummation of the Global Transaction referred in 2.1 (a) above, on May 27, 2005, Acquirer indirectly acquired 39.87% of the equity share capital and 39.87% of controlling interest in WIL. Hence in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, Acquirer and WG, as Person Acting in Concert (**"PAC"**) within the meaning of Regulation 2(1)(e) of SEBI (SAST) Regulations, are making this Offer to the public equity shareholders of WIL (**"Shareholders"**) within three months of the consummation of the Global Transaction (i.e. August 27, 2005). PAC will acquire upto 400,000 voting equity shares (**"Shares"**) of WIL tendered by the Shareholders in terms of this open Offer.

c) No other person (other than PAC mentioned in 2.1 b) above) is acting in concert with Acquirer for the purpose of this Offer.

d) Neither Acquirer nor any of its directors (*Geschäftsführer*) directly hold any shares in WIL as of the date of the PA and this Letter of Offer. However, following consummation of the Global Transaction, Acquirer owns 39.87% of the equity shares in WIL through its wholly owned subsidiary WG.

e) Acquirer, PAC and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

2.2 The Details of the Offer

a) The PA dated August 26, 2005 and the corrigendum to the PA dated December 10, 2005 were made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
Financial Express	All Editions
Jansatta	All Editions
Navshakti	Mumbai
Usha Kiran	Bangalore

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

b) The corrigendum to the PA was made in response to SEBI's comments on the draft letter of offer submitted on September 9, 2005, communicated vide its letter dated November 30, 2005. The revised public announcement set out, inter alia, a revised schedule of activities.

c) Acquirer along with PAC is making this Offer to the public Shareholders of WIL to acquire upto 400,000 voting equity Shares of Rs. 10/- each, representing in aggregate 20.0% of the voting equity capital of WIL at a price of Rs. 642.00 (Rupees six hundred and forty two only) per share (**"Offer Price"**), payable in cash and subject to the terms and conditions mentioned hereinafter. PAC will acquire Shares of WIL tendered by the Shareholders in terms of this open Offer, subject to certain conditions and other terms and conditions set out in the PA and this Letter of Offer. This Offer is made to the public Shareholders of WIL, accordingly the promoters of WIL and parties to the SPA are ineligible to participate in the Offer.

d) The Offer is not conditional on any minimum level of acceptance by the Shareholders.

e) Neither Acquirer nor PAC acquired any further shares in the Target Company after the date of the PA.

2.3 Object of the Offer and Acquirer's Future Plans for WIL

a) The Offer to the Shareholders of WIL is being made following the Global Transaction, pursuant to which Acquirer acquired indirect control of the Target Company. In accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, Acquirer is making this Offer along with PAC to the public Shareholders of WIL.

b) Acquirer and PAC have 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 Acquirer and PAC undertake 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 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.

c) As on the date of the Letter of Offer, Acquirer and PAC did not propose to change the current composition of the board of directors of WIL. However, Acquirer or PAC may make changes to the board of directors of WIL, in the best interest of WIL, subject to applicable laws.

3 BACKGROUND OF ACQUIRER

Wendt Holding GmbH ("Acquirer"/ "Wendt Holding ")

a) Acquirer is a company with limited liability incorporated under German law and registered under HRB 13484 with the Local Court of Neuss, Germany, having its registered office at Meerbusch, Fritz-Wendt-Strasse 1 in 40670 Meerbusch, Germany. Acquirer was formerly known as Danube Erste GmbH.

b) Brief history of Acquirer: Wendt Holding was incorporated on March 18, 2005 under the laws of Germany. Subsequent to its incorporation, then known as Danube Erste GmbH, it acquired the shares in various entities of the Wendt group, consisting of, among others, Wendt GmbH, Wendt Boart (UK) Ltd, Wendt USA Inc, Wendt Boart S.A. and Wendt Samedi S.A. as per the SPA as set out in paragraph 2.1 (a) above.

c) Acquirer's business focuses on the acquisition, holding, management and disposal of shareholdings and similar rights in companies, including the adoption of the management, marketing, financial management and other counseling of such companies, as well as the acquisition, management and sale of its own assets. This also includes any associated business and further activities not requiring a license.

d) The shareholders of Acquirer are 3i Group Investments LP, 3i Pan European Buy-Outs 2004-06 LP, 3i Europartners IVa LP, 3i Europartners IVb LP, 3i Europartners IVc LP, 3i Europartners IVk LP, MIB Münnich Industrie-Beteiligungen GmbH, Lamers GmbH, Buckner KG, Verholen GmbH, Mr. Alain d'Henripret. All the afore-mentioned entities are unlisted.

e) Acquirer has no existing business in India.

f) The Acquirer has not promoted any company in India for the last three years.

g) Acquirer does not belong to any group.

h) The Acquirer has complied with all applicable provisions of Chapter II of SEBI (SAST) Regulations.

i) The Board of Directors (*Geschäftsführer*) of Acquirer as on the date of the PA was as follows:

Directors and Residential Address	**Designation, (Date of appointment), Qualification**	**Employment History**
Norbert Lamers Kressenstrasse 1, 47455 Moers, Germany	Managing Director and Chief Executive Officer (March 23, 2005) ● Mechanical and Software Engineer (Diplom-Ingenieur: Master's Degree in Engineering). ● Economics, PED (Program for Executive Development) degree from IMD, Lausanne.	Mr. Lamers has served as Chief Executive Officer and Managing Director of WG since May 2000. Prior to this appointment he was responsible for the mechanical and electronic development of machines and their production. Mr. Lamers has worked with WG since 1989.

j) The director (*Geschäftsführer*) of Acquirer has not acquired any shares in WIL during the preceding 12 months.

k) Mr. Norbert Lamers, Managing Director (*Geschäftsführer*) of Acquirer, is also on the board of WIL. Accordingly in terms of Regulation 22(9) of the SEBI (SAST) Regulations he did not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in his role as director of WIL.

l) Acquirer's shares are not listed on any stock exchange.

m) Wendt Holding was incorporated on March 18, 2005 under the laws of Germany. Annual accounts are not yet available as on the date of the PA. The share capital of Wendt Holding is EUR 25,000 (Rs. 13,30,750). The original capital contributions are fully paid up. Wendt Holding has not earned any revenues since its incorporation. Apart from the acquisition of shares by way of and in accordance with the Global Transaction, Wendt Holding has not made any major investments since its incorporation on March 18, 2005 till the date of the PA.

n) Major contingent liabilities : Not applicable as on the date of the PA as stated in (m) above.

o) Significant accounting policies of Acquirer : Not applicable as on the date of the PA as stated in (m) above.

p) Other than by way of the Global Transaction Acquirer has not made any earlier acquisition of shares in the Target Company.

q) The details of companies in which Acquirer is a promoter are as follows

	12 months ended December 31, 2002	**12 months ended December 31, 2003**	**12 months ended December 31, 2004**	**12 months ended December 31, 2002**	**12 months ended December 31, 2003**	**12 months ended December 31, 2004**
	€/GBP in mm except Earnings per Share			**Rs in lakhs except Earnings per Share (Rupee Translation of €/GBP)**		
Wendt Boart S.A.						
Date of Incorporation	November 27, 1997					
Nature of Business	Wendt Boart S.A.'s business focuses on all commercial and industrial operations on the industrial diamond and any other super-abrasives, including the design, the development, the manufacturing and the sale of the machines and equipment in relation with the implementation of the materials and processes. Its commercial activity comprises manufacturing and wholesaling of machines and diamond-tipped tools (any retail sale is excluded).					

	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004
Equity (€ in mm)	8.68	8.68	8.68	4,620.36	4,620.36	4,620.36
Reserves (excluding Revaluation reserves)	(5.39)	(7.38)	(6.78)	(2,869.10)	(3,928.37)	(3,608.99)
Total Income	15.08	14.51	15.74	8,027.08	7,729.53	8,378.40
Profit After Tax	(1.29)	(1.99)	0.60	(697.31)	(1,059.28)	319.38
Net Asset Value	3.28	1.29	1.89	1,745.94	686.67	1,006.05
Earnings per Share (€)	(374.29)	(568.57)	171.43	(19,923.23)	(30,265.06)	9,125.14
Wendt Samedi S.A.						
Date of Incorporation	June 28, 1996					
Nature of Business	The manufacture, transformation, sale and trading of all kinds of diamond or diamantine tools and all parts and accessories of the same, as well as any connected or related trading and dealing.					
Equity (€ in mm)	0.40	0.40	0.40	212.92	212.92	212.92
Reserves (excluding Revaluation reserves)	0.55	0.25	(0.01)	292.77	133.08	(5.32)
Total Income	3.13	2.96	3.01	1,666.10	1,575.61	1,602.22
Profit After Tax	(0.15)	(0.26)	(0.24)	(79.85)	(138.40)	(127.75)
Net Asset Value	0.95	0.69	0.44	505.69	367.29	234.21
Earnings per Share (€)	(10.20)	(17.69)	(16.33)	(543.16)	(941.48)	(869.06)
Wendt Boart (UK) Ltd.						
Date of Incorporation	December 5, 1997					
Nature of Business	Wendt Boart (UK) Ltd. focuses on the sale and trading of Wendt grinding and diamond tools and grinding machines and of all parts and accessories of the same.					
Equity (GBP in mm)	0.30	0.30	0.30	235.20	235.20	235.20
Reserves (excluding Revaluation reserves)	(0.08)	(0.82)	(1.21)	(62.72)	(642.88)	(948.64)
Total Income	2.44	2.01	2.25	1,912.96	1,575.84	1,764.00
Profit After Tax	(0.21)	(0.74)	(0.40)	(164.64)	(580.16)	(313.60)
Net Asset Value	0.22	(0.52)	(0.91)	172.48	(407.68)	(713.44)
Earnings per Share (GBP)	(0.70)	(2.47)	(1.33)	(54.88)	(193.39)	(104.53)

Acquirer has also promoted Wendt Beteiligungs GmbH incorporated on May 3, 2005. Annual accounts for the company are not yet available as on the date of the PA. Wendt Beteiligungs GmbH's business focuses on the acquisition, holding, management and disposal of shareholdings and similar rights in companies, including the adoption of the management and the acquisition, management and sale of its own assets. This also includes the formation of partnerships according to German or non-German jurisdictions (e.g. US LP's) and the participation herein as shareholder with limited or unlimited liability as well as the adoption of their management. This includes all related businesses and further activities not requiring a license.

Acquirer is also a promoter in Wendt GmbH, detailed information for which is provided in Paragraph 4 below.

4 BACKGROUND OF THE PERSON ACTING IN CONCERT

Wendt GmbH ("WG"/ "PAC")

a) WG is a company with limited liability registered under HRB 1596 with the Local Court of Neuss, Germany, incorporated under the laws of Germany, having its registered office at Fritz Wendt Strasse 1, 40670 Meerbusch, Germany Tel: + 49-2159-671-0, Fax: +49-2159-806-24.

b) WG's main object is the manufacture and distribution of grinding and electrolytic machines and abrasives, as well as trading with items for industrial requirements of any kind.

c) WG is a wholly owned subsidiary of Acquirer subsequent to the Global Transaction referred in paragraph 2.1 a) above.

d) WG's shares are not listed on any stock exchange.

e) PAC has agreed to acquire the Shares tendered as per this Offer.

f) Brief history of WG is as follows: Originally established as a limited partnership (*Kommanditgesellschaft*) under the name of Fritz Wendt Kommanditgesellschaft, in 1971 the company was converted into a company with limited liability incorporated under the laws of Germany and the company's name was changed into Wendt GmbH. Wendt GmbH continued its previous scope of business which was then, as now, the manufacture and distribution of grinding and electrolytic machines and abrasives, as well as trading with items for industrial requirements of any kind. In October 1997 WG merged with Wicher Verwaltungsgesellschaft mbH, then a company incorporated under German laws registered with the Local Court of Neuss under HRB 7807, by taking over Wicher Verwaltungsgesellschaft mbH's entire assets. In August 1998 WG merged with Wendt Diawal GmbH, then a company incorporated under German laws registered with the Local Court of Neuss under HRB 8043, by taking over Wendt Diawal GmbH's entire assets. (Source: Companies register excerpts and related documents.) In 2003/2004 WG acquired the business operations of Diamant Werkzeuge Hameln GmbH, Germany.

WG currently concentrates on and specializes in the development of grinding technologies for hard materials, such as steel, glass, hard metal, ceramic, and the polycrystalline materials PCD and CBN. The use of CNC systems, robots and vision systems combined with efficient grinding tools strengthens WG's leading position in the specific market segments.

g) WG has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations as follows :

Sl.No	Regulation / Sub Regulation	Due Date For Compliance as Mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Remarks
1	2	3	4	5	6
1.	6(1)	4/20/1997	4/18/1997	No delay	
2.	6(3)	4/20/1997	4/18/1997	No delay	
3.	8(1)	4/21/1998	4/20/1998	No delay	
4.	8(2)	4/21/1998	4/20/1998	No delay	
5.	8(2)	9/15/1998	9/14/1998	No delay	
6.	8(1)	4/21/1999	5/5/1999	9 Days	
7.	8(2)	4/21/1999	5/5/1999	9 Days	
8.	8(2)	8/14/1999	8/13/1999	No delay	
9.	8(1)	4/21/2000	4/18/2000	No delay	
10.	8(2)	4/21/2000	4/18/2000	No delay	
11.	8(2)	8/19/2000	8/14/2000	No delay	
12.	8(1)	4/21/2001	4/16/2001	No delay	
13.	8(2)	4/21/2001	4/16/2001	No delay	
14.	8(2)	8/14/2001	8/7/2001	No delay	
15.	8(1)	4/21/2002	4/8/2002	No delay	
16.	8(2)	4/21/2002	4/8/2002	No delay	
17.	8(2)	10/21/2002	8/13/2002	No delay	
18.	8(1)	4/21/2003	4/18/2003	No delay	
19.	8(2)	4/21/2003	4/18/2003	No delay	
20.	8(2)	8/15/2003	8/1/2003	No delay	
21.	8(2)	12/28/2003	12/23/2003	No delay	
22.	8(1)	4/21/2004	4/18/2004	No delay	
23.	8(2)	4/21/2004	4/18/2004	No delay	
24.	8(2)	8/21/2004	8/6/2004	No delay	
25.	8(1)	4/21/2005	4/25/2005	4 Days	
26.	8(2)	4/21/2005	4/25/2005	4 Days	
27.	8(2)	8/16/2005	7/25/2005	No delay	

Necessary action would be initiated in respect of non-compliance with disclosure requirements under Chapter II by WG.

h) The Board of Directors (*Geschäftsführer*) of Acquirer as on the date of the PA was as follows:

Directors and Residential Address	Designation, (Date of appointment), Qualification	Employment History
Norbert Lamers Kressenstrasse 1, 47455 Moers, Germany	Managing Director (*Geschäftsführer*) and Chief Executive Officer. (May, 2000) ● Mechanical and Software Engineer (Diplom-Ingenieur: Master's Degree in Engineering). ● Economics, PED (Program for Executive Development) degree from IMD, Lausanne.	His current term is unlimited. Prior to this appointment he was responsible for the mechanical and electronic development of machines and their production. Mr. Lamers has worked with WG since 1989. Mr. Lamers has also been appointed as Chief Executive Officer and Managing Director of Acquirer from March 2005.
Peter Verholen Bösinghovener Strasse 25, 40668 Meerbusch, Germany	Managing Director (*Geschäftsführer*). (March 2003) Mechancical Engineer (Diplom-Ingenieur: Master's Degree in Engineering).	He was first elected a director of WG in March 2003. His term is unlimited. Prior to this appointment he was responsible for the development, production and sales of grinding tools. Mr. Verholen has worked with WG since 1980.

i) None of the directors (*Geschäftsführer*) of WG have acquired any shares in WIL during the preceding 12 months.

j) Mr. Norbert Lamers, Managing Director (*Geschäftsführer*) of WG, is on the board of WIL. Accordingly in terms of Regulation 22(9) of the SEBI (SAST) Regulations he did not participate in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer in his role as director of WIL.

k) Brief audited financial statements of WG :

Profit & Loss Statement for	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004	3 months ended March 31, 2005	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004	3 months ended March 31, 2005
	€ in mm				**Rs in lakhs (Rupee Translation of €)**			
Income from Operations	49.32	44.90	60.96	17.94	26,253	23,900	32,449	9,549
Income from Participation in Affiliates	0.21	0.15	0.46	0.00	112	80	245	0
Interest and Similar Income	0.21	0.15	0.11	0.08	112	80	59	43
Total Income	49.74	45.20	61.53	18.02	26,477	24,060	32,752	9,592
Total Expenses	44.39	40.94	53.16	15.78	23,629	21,792	28,297	8,400
Depreciation and Amortization	1.54	1.50	2.04	0.50	820	798	1,086	266
Amortization of Financial Assets	0.68	0.00	0.00	0.00	362	0	0	0
Interest and Similar Expenses	0.39	0.24	0.17	0.07	208	128	90	37
Results from Ordinary Activities	**2.74**	**2.52**	**6.16**	**1.67**	**1,459**	**1,341**	**3,279**	**889**
Tax on Income and Other Taxes	1.03	0.67	2.42	0.72	548	357	1,288	383
Total Income before profit and loss transfer	**1.71**	**1.85**	**3.74**	**0.95**	**910**	**985**	**1,991**	**506**
Profit Transferred under profit transfer agreement	1.71	1.85	3.74	0.95	910	985	1,991	506
Net Income (refer to note below)	**0.00**	**0.00**	**0.00**	**0.00**	**0**	**0**	**0**	**0**

Balance Sheet as on	December 31, 2002	December 31, 2003	December 31, 2004	March 31, 2005	December 31, 2002	December 31, 2003	December 31, 2004	March 31, 2005
	€ in mm				Rs in lakhs (Rupee Translation of €)			
Sources of Funds								
Subscribed Capital	3.07	3.07	3.07	3.07	1,634	1,634	1,634	1,634
Capital Reserves	9.30	9.72	10.21	10.21	4,950	5,174	5,435	5,435
Retained Profits	0.67	0.67	0.67	0.67	357	357	357	357
Equity	**13.04**	**13.46**	**13.94**	**13.94**	**6,941**	**7,165**	**7,420**	**7,420**
Accruals	8.60	8.11	9.87	10.38	4,578	4,317	5,254	5,525
Liabilities	12.30	8.12	13.54	15.89	6,547	4,322	7,207	8,458
Total Liabilities	**33.94**	**29.69**	**37.35**	**40.22**	**18,066**	**15,804**	**19,881**	**21,409**
Application of funds								
Tangible and Intangible Fixed Assets	12.11	12.31	13.36	13.08	6,446	6,553	7,112	6,962
Financial Assets	1.56	1.48	1.48	1.48	830	788	788	788
Current Assets	20.22	15.80	22.39	25.42	10,763	8,410	11,918	13,531
Prepaid Expenses	0.05	0.09	0.12	0.23	27	48	64	122
Total Assets	**33.94**	**29.69**	**37.35**	**40.22**	**18,066**	**15,804**	**19,881**	**21,409**
Other Financial Data								
Return on Average Net Worth	14.47%	13.96%	27.30%	N.A	14.47%	13.96%	27.30%	N.A

Note:

1. From 13/15 December 1995 until 31 March 2005, WG was party to a domination and profit and loss transfer agreement ("DPLTA") with its former parent company. Accordingly, WG as the controlled entity had placed itself under the control of its parent company and, in accordance with and subject to the terms of the DPLTA, had in effect to transfer to its parent company its entire pre-transfer annual profit during the term of aforementioned agreement. Hence the Net Income after such transfer is Nil for all years referred above.
2. WG has concluded a profit and loss transfer agreement with Acquirer effective from July 1, 2005. According and subject to the terms of this agreement WG has in effect to transfer its entire pre-transfer annual profit to Acquirer during the term of aforementioned agreement.
3. From June 17, 2005 WG's financial year runs from July 1 of each calendar year until June 30 of the following calendar year. WG's current financial year forms a short financial year and ends on 30 June 2005.
4. Being a German GmbH WG's share capital is not divided into equal shares and hence earnings per share and book value per share are not applicable.

l) Major contingent liabilities :

1. As at 31 March 2005, obligations from significant long-term rental or lease agreements are as follows:

	EUR
Due from 2005 to 2009	307,000
Due from 2010	0

2. As at 31 March 2005, there were contractual obligations from significant capital investments in fixed assets totalling EUR 71,000, which may not yet be recognised.
3. Financial obligations may still arise until 2009 due to the purchase agreement dated 18 June 2003 for the acquisition of the business operations of Diamant Werkzeuge Hameln GmbH, effective as of 1 January 2004.

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

2004 vs. 2003

Income from operations increased by 35.8% during the year to EUR 60.96 mm. Sales also increased by 35.8% to EUR 60.47 mm. Orders received and orders on hand grew strongly with order books reaching record levels.

Results from ordinary activities increased by 144.4% to EUR 6.16 mm while notional Net Income before profit transfer increased by 102.2% to EUR 3.74 mm. Work capacity was quickly adapted to increased order size with increase in number of employees restricted to 12% and increase in personnel expenses to 21.9%.

2003 vs. 2002

Income from operations declined by 8.96% during the year to EUR 44.90 mm. Sales also declined by 8.91% to EUR 44.54 mm. Sales were affected by overall low economic growth in Europe and other important industrial regions, and by the Euro's gain in value against other important currencies resulting in rising prices of products made in Europe on the international market.

Results from ordinary activities declined by 8.03% to EUR 2.52 mm while notional Net Income before profit transfer increased by 8.19% to EUR 1.85 mm.

2002 vs. 2001

Income from operations declined by 1.22% during the year to EUR 49.32 mm. Sales also declined by 1.08% to EUR 48.89 mm. Sales were affected by weakening demand for producer goods in all important sales territories and by the strengthening of the Euro against important currencies, notably the US Dollar.

Results from ordinary activities declined by 57.14% to EUR 2.74 mm while notional Net Income before profit transfer declined by 69.22% to EUR 1.71 mm.

n) Significant accounting policies of WG as on the date of the PA:

1. Accounting and measurement principles

Intangible assets acquired are measured at acquisition cost reduced by regular straight-line amortisation based on an expected useful life of three to five years.

Goodwill is regularly amortised over an estimated expected useful life of 15 years using the straight-line method.

Tangible assets are principally measured at acquisition or production cost, less regular depreciation. The expected useful lives of assets are determined by following the depreciation tables of the German tax authorities. To the extent permitted for taxes, depreciation/amortisation is made using the declining balance method, with subsequent scheduled transition to the straight-line method, or otherwise using the straight-line method from the outset. Tangible assets capitalised after the financial year 2000 are depreciated using the straight-line method only.

Minor-value assets are written off in the year of acquisition.

Investments in affiliated companies as well as the **participation** are in principle, measured at acquisition cost.

To the extent that the value of fixed assets determined using the aforementioned principles exceeds the value attributable to the asset on the closing date, extraordinary depreciation is taken.

Raw materials, consumables and supplies are generally recognised at acquisition cost using the moving average price method.

The production costs for **work in process and finished goods** comprise material costs, direct production costs, and production overhead costs, as well as the pro-rata depreciation on fixed assets used in production.

Trade goods are generally recognised at acquisition costs using the moving average method.

To the extent the replacement costs or the foreseeable sales revenue, including costs yet to be incurred, are lower [than the carrying value], these lower values are recognised.

For the other **current assets**, recognisable risks are taken into account by appropriate individual adjustments. In addition, the general credit risk is accounted for by recognising lump sum allowances on receivables.

The "Teilwert" ("entry-age normal value" under the Section 6a German Income Tax Act) of **pension liabilities** was calculated using actuarial methods based on an interest rate of 6% and the Heubeck actuarial tables.

Other provisions consider all recognisable risks and uncertain obligations based on prudent commercial judgement.

Liabilities are recognised using the repayment amount.

2. Currency translation

Receivables and liabilities in foreign currencies are measured using the rate in effect on the transaction date to the extent they are not hedged by forward exchange transactions. Exchange losses are recognised.

o) Information on earlier acquisitions made in WIL, change in shareholding pursuant to acquisition, status of compliance with SEBI regulations :

WIL was jointly promoted by Mr. S C Khatau and WG with an initial shareholding of 30% each. Subsequently in the year 1990-91, Carborundum Universal Limited (**"CUMI"**), a public listed company belonging to the Murugappa Group acquired the then 30% holdings of Mr. S. C. Khatau and further purchased additional shares from the public through market purchases and became joint promoters of WIL along with WG. Subsequently CUMI sold 49,338 of the shares to WG after obtaining the necessary approvals of the Reserve Bank of India to maintain parity between the joint venture partners at 39.87% each. There has been no change in the shareholding of WG since May 31, 1993, till the date of PA and both the promoters continue to hold 39.87% of the equity each.

p) The details of companies in which PAC is a promoter are as follows

	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004	12 months ended December 31, 2002	12 months ended December 31, 2003	12 months ended December 31, 2004
	€/SEK/RUB in mm except Earnings per Share			Rs in lakhs except Earnings per Share (Rupee Translation of €/SEK/RUB)		
Wendt Slipteknik AB						
Date of Incorporation	June 2, 1980					
Nature of Business	The sale and trading of Wendt products, in particular grinding and diamond tools and grinding machines in Sweden.					
Equity (SEK in mm)	0.50	0.50	0.50	28.52	28.52	28.52
Reserves (excluding Revaluation reserves)	1.10	0.42	0.82	62.74	23.95	46.77
Total Income	7.54	7.29	7.35	430.02	415.77	419.19
Profit After Tax	0.19	0.33	0.39	10.84	18.82	22.24
Net Asset Value	1.60	0.92	1.32	91.25	52.47	75.28
Earnings per Share (SEK)	380.00	660.00	780.00	2,167.23	3,764.13	4,448.52
Stankowendt						
Date of Incorporation	December 18, 1988					
Nature of Business	The main aim for founding the company is the realisation of profits through maximum satisfaction of business needs through the products, works and services produced by it. In accordance with the target of their activity the Company shall carry out the following: (i) Production, sale and maintaining of machine tool for handling hard metal match plates and other work pieces made from materials that are difficult to work with; (ii) Engineering and construction works; (iii) Market research; (iv) Repair and maintenance works; (v) Sale of spare and vendor parts; (vi) Sale of tools for grinding and trimming; (vii) As well as other types of activity, which are not forbidden by the applicable legislation.					
Equity (RUB in mm)	1.57	1.57	1.57	23.94	23.94	23.94
Reserves (excluding Revaluation reserves)	9.64	6.95	8.33	147.00	105.98	127.02
Total Income	65.47	47.12	61.41	998.35	718.53	936.44
Profit After Tax	(2.68)	(2.69)	1.38	(40.87)	(41.02)	21.04
Net Asset Value	11.21	8.52	9.90	170.94	129.92	150.96
Earnings per Share (RUB)	(17.87)	(17.93)	9.20	(27.24)	(27.35)	14.03
Wendt Boart France s.n.c.						
Date of Incorporation	September 1, 1999					
Nature of Business	i)Sale and retail of any equipment, device and pieces relating to the drilling in general and in particular the diamond drilling with diamond bits; (ii) Sale and retail of mill, grinding wheels and any accessories and derived products for the processing of "hard" materials such as steel, glass and ceramic; (iii) The use of such equipments for any services; (iv) The importation and exportation of such equipments, spare parts as well as the manufacturing of any equipment and tool relating to the drilling and the mining.					
Equity (€ in mm)	1.52	1.52	1.52	809.10	809.10	809.10
Reserves (excluding Revaluation reserves)	0.18	0.48	0.39	95.81	255.50	207.60
Total Income	7.92	6.88	7.09	4,215.82	3,662.22	3,774.01
Profit After Tax	0.48	0.30	0.23	255.50	159.69	122.43
Net Asset Value	1.70	2.00	1.91	904.91	1,064.60	1,016.69
Earnings per Share (€)	4.75	2.97	2.28	252.93	158.08	121.19

5 DISCLOSURE IN TERMS OF REGULATION 21(3)

Pursuant to the Offer and the indirect acquisition under the Global Transaction described under paragraph 2.1 a) above, if the public shareholding in WIL falls below 25%, Acquirer/PAC will undertake to raise the public shareholding to 25%, within a period of one year from the date of the closure of the Offer.

6 BACKGROUND OF THE TARGET COMPANY

Wendt (India) Limited ("WIL"/ "Target Company"/ "the Company")

a) WIL was incorporated on August 21, 1980 as a public limited company and has its registered office at 4th floor, Devatha Plaza, Residency Road, Bangalore - 560 025 Telephone number +91-80-2221-5625 Fax: + 91-80-2221-3020.

b) Brief History: The main objects of WIL are to manufacture and market all kinds of diamond tools, diamond products, other connected tools and accessories and to set up a modern sophisticated plant for manufacture of the above products in collaboration with WG. WIL has set up a state-of-the-art manufacturing facility at Hosur in the year 1983 and has since been running the same successfully.

c) The Company was jointly promoted by Mr. S C Khatau and WG. Subsequently in the year 1990-91, CUMI, a public listed company belonging to the Murugappa Group acquired the then 30% holdings of Mr. S. C. Khatau and further purchased additional shares from the public through market purchases and became joint promoters of WIL along with WG. Subsequently CUMI sold 49,338 of the shares to WG after obtaining the necessary approvals of the Reserve Bank of India to maintain parity between the joint venture partners at 39.87% each. In this process the public shareholding reduced from 40% to 20.26%. There has not been any change in the shareholding pattern of either promoter, namely, CUMI and WG since May 31, 1993, till the date of the PA and both the promoters continue to hold 39.87% each of the equity each and collectively 79.74% of the total equity. The remaining 20.26% of the shares are held by public at large and WIL has been continuously listed on stock exchanges.

d) Description of locations and manufacturing facilities :

- The Company's registered office is located in Bangalore at 407 Devatha Plaza, Residency Road, Bangalore 560025, Karnataka .
- WIL has one manufacturing plant located in Hosur at 69/70 SIPCOT Industrial Complex, Hosur 635126, Tamil Nadu. The plant is located on 16.38 acres of land owned by WIL.
- The Company has one windmill situated on its own land in Kumarapuram, Perungudi Village, Radhapuram Taluk, Thirunalveli Dt. TamilNadu.

e) Merger/de-merger/spin-off in the last 3 years :

There has been no merger, de-merger or spin-off by WIL in the last 3 years. There has been no change of name of WIL since listing.

f) The share capital structure of WIL is as follows:

	No. of Shares/voting rights	% of Shares
Fully Paid-up Equity Shares	2,000,000	100%
Partly paid-up Equity Shares	Nil	0%
Total paid-up Equity Shares	2,000,000	100%
Total voting rights in Target Company	2,000,000	100%

g) Current 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:

Date of	No. and % of Shares issued		Cumulative Paid up Capital		Mode of Allotment	Identity of Allottees	Status of Compliance
Allotment	Equity (Face Value Rs.10)	Preference (Face Value Rs.100)	Equity (FV Rs.10)	Pref. (FV Rs.100)		(promoters/ex-promoters/others)	
Oct 3, 1983	150,000 (30%)		Rs 15 lakhs		Reserved for Foreign Promoters	Foreign Promoters	Complied as per CCI order dated March 14, 1983
Oct 3, 1983	150,000 (30%)		Rs 15 lakhs		Reserved for Indian Promoters	Indian Promoters and associates	Complied as per CCI order dated March 14, 1983

Date of	No. and % of Shares issued		Cumulative Paid up	Mode of Allotment Capital	Identity of Allottees	Status of Compliance	Allotment
	Equity (Face Value Rs.10)	Preference (Face Value Rs.100)	Equity (FV Rs.10)	Pref. (FV Rs.100)		(promoters/ex-promoters/others)	
Oct 3, 1983	200,000 (40%)		Rs 20 lakhs		Through Prospectus	Public	Complied as per CCI order dated March 14, 1983
Oct 3, 1983	10,000		Rs 10 lakhs		Through Prospectus	Public	Complied as per CCI order dated March 14, 1983
Dec 23, 1996	5,00,000 (100%)		Rs.50 lakhs		1:1 Bonus	All existing shareholders	Complied as per CCI order
Sep 18, 2003	10,00,000 (100%)		Rs.100 lakhs		1:1 Bonus	All existing shareholders	Complied as per CCI order

h) There was no suspension of trading of the shares of WIL in any Stock Exchange(s).

i) All the shares of WIL were listed on BSE and Bangalore Stock Exchange as on the date of the PA. The shares of WIL were delisted from Bangalore Stock Exchange with effect from September 10, 2005.

j) There are no partly paid-up equity shares or outstanding convertible instruments (warrants/FCDs/PCDs, etc.) as on date of the PA.

k) WIL and its promoters and major shareholders have complied with applicable provisions of Chapter II of SEBI (SAST) Regulations except the following :

* Promoter (WG) : Please refer to point 4(g) above
* WIL :

Sl.No	Regulation/Sub Regulation	Due Date For Compliance as Mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col.4 - col.3
1	2	3	4	5
1	8(3)	4/30/1998	5/4/1998	4 Days
2	8(3)	4/30/1999	5/5/1999	5 Days
3	8(3)	4/30/2001	6/16/2001	46 Days

Necessary action would be initiated in respect of non-compliance with disclosure requirements under Chapter II by WIL.

There were no proceedings, initiated or penalty imposed by SEBI on the Target Company.

The Target Company has complied with the Regulations under SEBI.

l) WIL is in compliance with the listing agreement as on the date of the PA and no punitive action has been initiated against WIL by the stock exchanges where its shares are listed.

m) The board of directors of WIL as on the date of the PA was as follows:

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
M. M. Murugappan	Chairman January 29, 2001	27 years of Industrial experience	B Tech. M.Sc (Engg.)	Dare House 234, NSC Bose Road, Chennai, 600 001
M. V. Wagle	Director February 25, 1991	35 years experience in various Industries	B.Com. ACA, D B M	No. 4, Indradut, 8th Cross, Dahanukar Colony, Kothrud, Pune, 411 029

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
N. Lamers	Director January 29, 2001	Mr. Lamers has worked with WG since 1989. He has served as Chief Executive Officer and Managing Director (*Geschäftsführer*) of WG since May 2000 and of Wendt Holding since March 2005.	Mr. Lamers is a Mechanical and Software Engineer (Diplom-Ingenieur: Master's Degree in Engineering). He also has an Economics, PED (Program for Executive Development) degree from IMD, Lausanne	Kressenstrasse 1, 47455 Moers, Germany
Kiran A. Sheth	Director February 25, 1991	30 years as Partner in Premier Textile Processors 25 years as Partner in A Seth & Co which is Finance & Investment Company	B.Sc	41, Usha Kiran, 20th Floor, Carmichael Road, Mumbai, 400 020
K. Srinivasan	Director January 29, 2001	25 years of Industrial experience	B Tech (Mechanical)	Parry House, 43, Moore Street, Chennai, 600 001

n) Key financials of WIL (on stand-alone basis) (Rs in lakhs) :

Profit & Loss Statement for the year ended March 31,	**2003 Audited**	**2004 Audited**	**2005 Audited**	**Q1 2006 (3 months - unaudited)**
Net Sales	2,541	3,268	3,784	901
Other Income	59	124	128	21
Total Income	**2,600**	**3,392**	**3,912**	**922**
Total Expenses	1,826	2,254	2,620	642
PBDIT	**774**	**1,138**	**1,292**	**280**
Depreciation	91	102	115	30
Interest	1	1	1	0
PBT and Exceptional Items	**682**	**1,035**	**1,176**	**250**
Tax	218	321	403	81
PAT	**464**	**714**	**773**	**169**

Balance Sheet as on March 31,	**Audited 2003**	**Audited 2004**	**Audited 2005**
Sources of Funds			
Equity share capital	100	200	200
Reserves & Surplus (excluding Revaluation Reserve)	**1,896**	**2,172**	**2,603**
Net Worth (NW)	1,996	2,372	2,803
Deferred tax liability	166	184	193
Secured Loans	7	14	22
Unsecured Loans	43	43	43
Total Liabilities	**215**	**241**	**258**
Total	**2,211**	**2,613**	**3,061**
Application of funds			
Net Fixed Assets	1,015	1,152	1,280
Investments	626	1,069	1,205
Net Current Assets	570	392	576
Less: Misc. expenses & loss for the year	-	-	-
Total Assets	**2,211**	**2,613**	**3,061**
Other Financial Data			
Dividend (%)	100%	150%	150%
Earning per Share (Rs)	23.21	35.71	38.66
Return on Net Worth (PAT/NW)	23%	30%	28%
Book Value per Share (Rs)	199.6	118.6	140.15

o) During Fiscal 2005 WIL's sales recorded a growth of 16% with export sales surging to 21% and the domestic sales achieving a growth of 13% as compared to the previous year. The profit before tax and profit after tax increased by 14% and 8% respectively. While the up-trend in the Indian Economy and users Industries like Automobile, Engineering and Steel, Cutting Tool, Glass Ceramics continued during this fiscal year, the demands for the Company's products and revenue from Vitrified Tile Industries was severely effected due to cheaper imports. Further the Company has exited from Software Business with a view to concentrate on core activities. However the various proactive steps and initiatives taken by the Company to meet the dynamics and challenges of global competition and changing customer needs have resulted in satisfactory performance. Export earnings constitute a substantial portion of Company's revenues. By leveraging its international connections and with the close co-operation of its Foreign Collaborators, M/s. Wendt GmbH, Germany, the Company has been constantly striving to expand its export, both in terms of earnings and geographical spread.

During the fiscal 2004, sales recorded a growth of 29% with domestic sales achieving a growth of 34% and Export sales recording a growth of 19% compared to the previous financial year. Profit before tax and Profit after tax increased by 52% and 54% respectively. The various pro-active steps initiated by the Company, aided by the up trend in the Indian economy specially in the Automobile, Engineering, Steel and Ceramics Industries have resulted in the commendable performance of the Company. In the Domestic market, new applications were developed for automotive, ceramic, tiling plants, glass grinding, industrial applications and new customers were added. The Company focused on Exports, by leveraging its international connections and working closely with its Foreign Collaborators, M/s. Wendt GmbH, Germany for Technology Transfer and manufacture of various market specific products.

p) The shareholding pattern of WIL as on August 25, 2005 was as follows:

Shareholders' category	Shareholding & Voting rights prior to the agreement/ acquisition and Offer	Shares/ Voting rights agreed to be acquired which triggered off the Regulations	Shares/ Voting rights to be acquired in the open Offer (Assuming full acceptances)	Shareholding/ Voting rights after the acquisition and Offer
	(A)	(B)	(C)	(A)+(B)+(C) = (D)
1) Promoter Group				
a) Indian Promoters (CUMI)	797,352(39.87%)			797,352(39.87%)
b) Foreign Promoters (WG/PAC) - Note 1	797,352(39.87%)		400,000(20.00%)	1,197,352(59.87%)
Total (1)	1,594,704(79.74%)			
2) Acquirer		Note 1		
3) Public				5,296 (0.26%)
a) FIs/FIIs/MFs/UTI/ Banks	5900(0.3%)			
b) NRIs/Pvt. Corp. Bodies/ OCBs/other	18,571(0.93%)			
c) Public	380,825(19.04%)			
Total (3) (a)+(b)+(c)	405,296(20.26%)			
Grand Total (1+2+3)	2,000,000(100.00%)			

Note 1: As described in paragraph 2.1 (a) to 2.1 (d), Acquirer has indirectly acquired 39.87% shares and control in Target Company through WG. WG being the 100% subsidiary of Acquirer intends to acquire the Shares tendered in this Offer.

Total number of public shareholders was 2,527 as on August 26 2005

q) Details of changes in the shareholding of the promoters in the Target Company as and when they happened:

	S C Khatau	WG	CUMI	Public
Initial Public Offer (1983)	30.00%	30.00%		40.00%
May 31, 1993		39.87%	39.87%	20.26%

r) 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 except delays in compliance with continual disclosure requirements under Chapter II of the SEBI (SAST) Regulations as specified in Paragraph 6.(k) above.

s) WIL has not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the regulations made under the SEBI Act.

t) The details regarding the corporate governance norms for the 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

All of the above clauses on corporate governance come into force with effect from 31st December 2005. Hence would be complied with by then by the Target Company.

u) The details of the pending litigation for the Company as on the date of the PA are as follows:

Description of Outstanding Litigation / Default / Material Development	Amount(in Rs. Lakhs)
Civil case: Filed by Bank of Tokyo and pending before Debt Recovery Tribunal (DRT), Mumbai, claiming amount from WIL - as acceptor of hundies, since the drawer has not paid the amount.The Company contested its non-liability	25.92
Labour cases: 4 cases pending before Labour Court, Salem and 1 before Civil Court, Hosur	N.A.
Income Tax cases: Appeals before CIT (A) and Tribunal pending in respect of Income Tax for assessment years 92-93, 97-98 and 98-99.	23.00 (approx.)

v) No penalty has been levied by SEBI or any other regulatory body or any other authority in India or abroad as on the date of the PA.

No disciplinary action/ investigation has been taken by the Securities and Exchange Board of India/ Stock Exchange against the Company, its directors, promoters and their other business ventures (irrespective of the fact whether they fall under the purview of Sec 370 (1B) of the Companies Act, 1956) as on the date of the PA.

w) The shares of WIL were listed on BSE and BISE as on the date of the PA. The closing price of the shares of WIL as on August 25, 2005 was Rs. 653.45 on BSE. The shares of WIL were delisted from Bangalore Stock Exchange with effect from September 10, 2005.

x) The compliance officer of the Target Company is Mr. S. Viswanathan, Company Secretary and can be contacted at Wendt India Ltd., 407, Devatha Plaza, Residency Road, Bangalore - 560 025, Phone : +91-080-2221 5625, email - mn@wendt.co.in

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

a) The shares of WIL were listed on the Bombay Stock Exchange Limited(**"BSE"**) and Bangalore Stock Exchange Limited (**"BISE"**) as on the date of the PA. The shares of WIL were delisted from Bangalore Stock Exchange with effect from September 10, 2005. Based on the information available, the shares of WIL were frequently traded on BSE (Source: www.bseindia.com) and infrequently traded on BISE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations as on the date of the PA.

b) The annualized 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	Annualized trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
March 30, 2005	BSE*	54,089	2,000,000	5.4%	Frequently Traded
March 30, 2005	BISE	Nil	2,000,000	0%	Infrequently Traded
August 26, 2005	BSE*	75,788	2,000,000	7.6%	Frequently Traded
August 26, 2005	BISE	Nil	2,000,000	0%	Infrequently Traded

(*Source: www.bseindia.com)

c) Regulations 20 (12) read with Regulation 20 (4) of the SEBI (SAST) Regulations specifies that the offer price for indirect acquisition or control shall be determined with reference to the date of the public announcement for the parent company and the date of the public announcement for acquisition of shares of the target company whichever is higher. Under the laws of the jurisdiction of Acquirer, no formal public announcement of the Global Transaction is required. However customers of WG were informed about the Global Transaction, followed by a press release on March 31, 2005. For the purpose of determining the Offer Price, the date of signing of the SPA (i.e., March 30, 2005) has been considered, as shown below:

Particulars	Date of the public announcement for	
	WG which is the holding company of WIL March 30, 2005	This Offer to the Shareholders August 26, 2005
i. Negotiated price : If Acquirer /PAC has entered into any agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the prescribed percentage	No specific value has been ascribed to WIL in the Global Transaction and the consideration paid by the Acquirer pursuant to the Global Acquisition was a composite consideration. However, on a pro rata basis, the value per equity share of WIL derived by the Acquirer is a maximum of Rs.524 per equity share	
ii. Price paid by Acquirer /PAC for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of this PA	Nil	Nil
iii. Higher of (A) or (B) below	Rs. 426.58	Rs. 641.21
Share price data of WIL on BSE, where it is most frequently traded, is as under:		
A. The average of the weekly high and low of the closing prices of the shares of WIL during the 26-weeks preceding the announcement	Rs. 421.97	Rs. 530.25
B. The average of the daily high and low of the shares of WIL during the 2-weeks preceding the announcement	Rs. 426.58	Rs. 641.21
iv. The value of the share of WIL based on other parameters as specified in Regulation 20 (5) of SEBI (SAST) Regulation as the shares of WIL are infrequently traded on BISE (refer Note 1 below)	Rs. 402.00	Rs. 451.00
The Offer is required to be made at the higher of the above (i), (ii) , (iii) and (iv)	**Rs. 426.58**	**Rs. 641.21**

Note 1: Mr. Sujal Shah (Membership no. 45816), Partner of M/s N. M. Raiji & Co., Chartered Accountants, Universal Insurance Building, 6th Floor, P. M. Road, Fort, Mumbai 400 001 has certified the value of the shares of WIL as Rs. 402.00/- per share with reference to the date of public announcement for the holding company, WG, and Rs. 451.00/- per share with reference to the date of PA of this Offer to the Shareholders, based on the methodology laid down by Supreme Court decision in the Hindustan Lever Employee Union Vs Hindustan Lever Ltd. (1995) 83 Com Case 30.

The financial parameters based on the audited financials for the year ended March 31, 2005 of WIL are: Return on average Networth of 29.87 %, Book Value of Rs. 140.2, Earnings per Share of Rs. 38.66, Price Earnings (P/E) multiple of 16.6 (based on the Offer Price of Rs. 642.00/- per Share). The P/E multiple for the industry is 16.2 (source : Capital Market Aug 1-14, 2005 Vol. XX/11 Industry: Abrasive & Grind Wheels).

d) Price data on BSE (frequently traded Stock Exchange)

d.1: Global Transaction date (March 30, 2005) :

d.1.1: 26 weeks weekly high/low data

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	06-Oct-04 Wed	424.95	420.00	422.48	1,989
2	13-Oct-04 Wed	420.50	414.60	417.55	1,264
3	20-Oct-04 Wed	419.85	405.10	412.48	616
4	27-Oct-04 Wed	400.00	391.95	395.98	566

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
5	03-Nov-04 Wed	399.50	391.95	395.73	1,268
6	10-Nov-04 Wed	403.00	390.00	396.50	994
7	17-Nov-04 Wed	416.00	395.00	405.50	1,133
8	24-Nov-04 Wed	443.25	416.00	429.63	5,382
9	01-Dec-04 Wed	439.70	417.65	428.68	3,028
10	08-Dec-04 Wed	433.65	421.05	427.35	3,592
11	15-Dec-04 Wed	425.45	420.10	422.78	1,453
12	22-Dec-04 Wed	429.00	418.10	423.55	955
13	29-Dec-04 Wed	430.50	422.70	426.60	851
14	05-Jan-05 Wed	433.50	430.00	431.75	1,485
15	12-Jan-05 Wed	444.70	421.35	433.03	4,199
16	19-Jan-05 Wed	438.00	419.55	428.78	1,723
17	26-Jan-05 Wed	426.00	420.85	423.43	1,432
18	02-Feb-05 Wed	434.60	423.95	429.28	2,478
19	09-Feb-05 Wed	426.85	413.60	420.23	3,885
20	16-Feb-05 Wed	430.75	421.35	426.05	2,190
21	23-Feb-05 Wed	431.95	425.90	428.93	3,538
22	02-Mar-05 Wed	437.15	423.15	430.15	3,367
23	09-Mar-05 Wed	437.00	430.40	433.70	3,608
24	16-Mar-05 Wed	433.50	427.00	430.25	2,368
25	23-Mar-05 Wed	435.40	421.35	428.38	3,241
26	30-Mar-05 Wed	425.05	420.00	422.53	1,180
		26 week average		**421.97**	

d.1.2: 2 weeks daily high/low data

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	17-Mar-05 Thu	438.00	421.00	429.50	475
2	18-Mar-05 Fri	450.00	432.20	441.10	770
3	21-Mar-05 Mon	439.00	431.05	435.03	364
4	22-Mar-05 Tue	436.75	415.00	425.88	1,151
5	23-Mar-05 Wed	429.00	401.00	415.00	481
6	24-Mar-05 Thu	433.70	416.05	424.88	255
7	25-Mar-05 Fri				
8	28-Mar-05 Mon	430.10	419.55	424.83	177
9	29-Mar-05 Tue	425.00	421.00	423.00	723
10	30-Mar-05 Wed	420.00	420.00	420.00	25
			Average	**426.58**	

d.2 : PA date for WIL (August 26, 2005) :

d.2.1 : 26 weeks weekly high/low data

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	03-Mar-05 Thu	437.00	423.15	430.08	3,448
2	10-Mar-05 Thu	436.60	430.40	433.50	3,566
3	17-Mar-05 Thu	433.00	427.00	430.00	2,388

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
4	24-Mar-05 Thu	435.40	421.35	428.38	3,021
5	31-Mar-05 Thu	425.05	420.00	422.53	1,091
6	07-Apr-05 Thu	440.00	428.00	434.00	641
7	14-Apr-05 Thu	451.75	435.00	443.38	935
8	21-Apr-05 Thu	457.45	432.25	444.85	2,638
9	28-Apr-05 Thu	513.50	472.65	493.08	5,839
10	05-May-05 Thu	500.00	485.00	492.50	2,293
11	12-May-05 Thu	504.35	495.00	499.68	1,040
12	19-May-05 Thu	518.70	500.05	509.38	2,295
13	26-May-05 Thu	520.35	500.00	510.18	1,532
14	02-Jun-05 Thu	533.75	495.75	514.75	2,111
15	09-Jun-05 Thu	637.45	529.00	583.23	8,702
16	16-Jun-05 Thu	641.95	614.00	627.98	5,832
17	23-Jun-05 Thu	625.05	593.40	609.23	7,705
18	30-Jun-05 Thu	605.00	590.00	597.50	1,144
19	07-Jul-05 Thu	603.95	594.35	599.15	2,223
20	14-Jul-05 Thu	603.10	595.00	599.05	2,568
21	21-Jul-05 Thu	596.00	577.35	586.68	1,456
22	28-Jul-05 Thu	589.90	577.10	583.50	1,390
23	04-Aug-05 Thu	619.15	580.00	599.58	2,410
24	11-Aug-05 Thu	641.90	622.00	631.95	3,274
25	18-Aug-05 Thu	651.00	626.05	638.53	2,132
26	25-Aug-05 Thu	653.45	634.20	643.83	4,274
			26 week average	**530.25**	

d.2.2: 2 weeks daily high/low data

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	12-Aug-05 Fri	631.00	615.10	623.05	130
2	15-Aug-05 Mon				
3	16-Aug-05 Tue	645.00	615.50	630.25	205
4	17-Aug-05 Wed	651.00	640.25	645.63	1,298
5	18-Aug-05 Thu	660.00	647.75	653.88	499
6	19-Aug-05 Fri	658.00	643.20	650.60	1,688
7	22-Aug-05 Mon	640.00	625.00	632.50	401
8	23-Aug-05 Tue	640.00	631.05	635.53	450
9	24-Aug-05 Wed	648.00	635.00	641.50	543
10	25-Aug-05 Thu	675.00	641.00	658.00	1,192
			Average	**641.21**	

e) In the opinion of the Manager to the Offer and Acquirer, the Offer Price of Rs 642.00 per fully paid-up equity Share is justified.

f) If Acquirer acquires shares after the date of the PA upto 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.

7.2 Financial Arrangements

a) The total fund requirement for the acquisition of up to 400,000 Shares held by Shareholders in WIL at Rs. 642 per share is Rs. 25,68,00,000 (Rupees twenty-five crore sixty-eight lakhs only). This would be funded by PAC through its internal resources. As per the audited financial statements of WG for the business year ended December 31, 2004, the equity (Shareholders funds) of WG as on December 31, 2004 is EUR 13.94 million (Rs 742.0 mm). The auditor of PAC, Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, Germany has vide in its letter dated August 25, 2005 stated that the auditor has received (i) bank confirmations that state that at August 25, 2005, PAC has a minimum amount of EUR 6, 000,000 at its disposal (either in liquid funds or in credit lines available at that date) and (ii) a confirmation of the management of WG that sufficient funds are and will be available for the funding of the acquisition of up to 400,000 equity Shares of WIL. Based on the foregoing, nothing came to the auditor's attention that caused him to believe that at August 25, 2005, PAC does not have sufficient funds for the funding of the acquisition. Based on the above, the Manager to the Offer is satisfied about the ability of Acquirer / PAC to implement the Offer in accordance with the SEBI (SAST) Regulations as PAC has adequate resources to meet the financial requirement of the Offer in terms of Regulation 16(xiv) of the SEBI (SAST) Regulations, and that firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

b) In accordance with Regulation 28 of the SEBI (SAST) Regulations, PAC has created an escrow account in the form of a cash deposit in a bank account with HSBC Trinkaus & Burkhardt KGaA, Duesseldorf for EUR 1.4 mm (EUR one million and four hundred thousand only) in favor of DSPML - the Manager to the Offer, being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% of the maximum consideration payable. EUR 1.4 mm is equivalent to Rs. 74.5 mm (Rupees seven crore forty-five lakhs twenty two thousand only) as calculated in accordance with the RBI reference rate as on August 24, 2005.

   DSPML has been authorized to realize the value of the aforesaid bank account. This amount will be transferred from the aforesaid bank account to HSBC, Mumbai after the requisite approval has been obtained from RBI for opening and operating the escrow account in India. PAC is in the process of applying to RBI for such approval.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory approvals required for the Offer

a) PAC has obtained the FIPB approval to the Offer, and is in the process of applying to the RBI for its approval. 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 the approval of the Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA").

   The purchase of Shares tendered by non-resident Shareholders of WIL by PAC may require RBI approval under the FEMA.

   Besides this, as on the date of the PA, no other statutory approval is required to acquire the Shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Acquirer and PAC will not proceed with the Offer in the event that any statutory approval indicated above is not obtained.

b) In case of delay in receipt of any statutory approval(s), SEBI has power to grant extension of time to Acquirer/ PAC for payment of consideration to Shareholders, subject to Acquirer /PAC 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 Acquirer/PAC in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

c) Acquirer/PAC does not require any approvals from financial institutions or banks for the Offer.

8.2 Others

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of WIL (except PAC, the promoters of WIL and the parties to the SPA referred to in paragraph 2.1. a above), whose names appear on the Register of Members of WIL and to the beneficial owners of the shares of WIL, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on September 23, 2005 ("Specified Date"). Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favor of the special depository account with NSDL.

b) All owners (registered or unregistered) of shares of WIL (except PAC, the parties to the SPA referred in 2.1. a) above and the promoters of WIL, i.e., Carborundum Universal Ltd.) are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, number of shares held, number of shares offered, Distinctive numbers, Folio number, together with the original Share Certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners. The acceptance of the Offer is entirely at the discretion of the Shareholders of WIL. Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit and the Shareholders of WIL are advised to adequately safeguard their interest in this regard.

c) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Pvt. Ltd., 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad, 500 034, Tel: +91 40 2331 2454, Fax: +91 40 2331 1968, either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e., no later than January 7, 2006 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

b) Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favor of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares, not credited in favor of the special depository account before the closure of the Offer, will be rejected.

i. For Equity shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with “WIL” and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

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.

ii. For Equity shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

c) The Registrar to the Offer, Karvy Computershare Pvt. Ltd., have opened a special depository account at NSDL as detailed below (“Special Depository Account”) :

DP Name	Karvy Consultants Ltd
Special DP Account	Escrow Account - Wendt Offer
DP ID	IN302470
Client ID	40201863

d) 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, Acquirer or WIL.

e) 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 close of the Offer, i.e., no later than January 7, 2006 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 favor of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement 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 close of the Offer, i.e., no later than January 7, 2006. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement 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 cum Acknowledgement from the SEBI's website and apply using the same.

f) If the aggregate of the valid responses to the Offer exceeds the Offer size of 400,000 fully paid-up equity shares of WIL (representing 20% of the paid-up equity share capital of WIL), then Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of WIL are compulsorily traded in dematerialized form, hence minimum acceptance will be one share.

g) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting 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 January 7, 2006, else the application would be rejected.

h) 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 WIL. ***In case of previous RBI Approvals not being submitted, Acquirer / PAC reserve the right to reject such Shares tendered.***

i) 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 Acquirer /PAC under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Acquirer / PAC 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.

j) In addition to the above mentioned address, the equity Shareholders of WIL, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at the collection center below ("Collection Center"). The center mentioned herein below would be open as follows: *(Monday to Friday 10 am to 5 pm & Saturdays 10 am to 1pm.)*

Address	Contact Person	Delivery Mode	Phone	Fax
16/22, Bake House, Maharashtra Chamber of Commerce Lane, Kalaghoda, Fort, Mumbai - 400 023	Ms. Nutan Shirke	Hand delivery	(22) 5638 2666	(22)56331135

k) Shareholders who cannot hand deliver their documents at the Collection Center 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:

Karvy Computershare Pvt. Ltd., 46, Avenue 4, Street No 1, Banjara Hills, Hyderabad, 500 034, Tel: +91 40 2331 2454, Fax: +91 40 2331 1968

l) 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 center mentioned above as per the mode of delivery indicated therein on or before January 4, 2006:

i. For Equity Shares held in demat form:

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 cum Acknowledgement in case delivered by registered post.
- 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:

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 cum Acknowledgement in case delivered by registered post.
- 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 WIL and duly witnessed at the appropriate place.

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 cum Acknowledgement in case delivered by registered post.

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

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
- In case of dematerialized 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 favor of the special depository account.

1) 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.
2) The intimation of returned shares to the Shareholders will be at the address through registered post as per the records of WIL/Depository as the case may be.
3) 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 WIL.
4) Partial withdrawal of tendered shares can be done only by the Registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
5) ***Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.***

m) In case of delay in receipt of statutory approvals beyond January 21, 2006, interest will be payable for the delayed period in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Acquirer PAC in obtaining the requisite approvals, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

n) 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 Acquirer PAC. 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 Acknowledgement, so that same can be incorporated in the cheque / demand draft.***

o) 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’ depositary account with the respective depositary participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

p) 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 cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of WIL, 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 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

a) Copy of the agreement between Acquirer and Anglo American Luxembourg S.A. referred in paragraph 2.1 (a) above.

b) Constitution and Certificate of Incorporation for Acquirer

c) Constitution and Certificate of Incorporation for WG

d) Memorandum and Articles of Association of Acquirer

e) Memorandum and Articles of Association of WG

f) Memorandum and Articles of Association of WIL

g) Letter from M/s Deloitte & Touche GmbH Wirtschaftsprüfungsgesellschaft, referred to in Paragraph 7.2 (a) above

h) Valuation letter from Mr. Sujal Shah, Partner of M/s N. M. Raiji & Co., Chartered Accountants, referred in paragraph 7.1 (c) above

i) Audited financial statements of WG for three years ended December 31, 2002, 2003 & 2004

j) Audited results of WIL for three years ended March 31, 2003, 2004 & 2005

k) Unaudited (limited review) results of WIL for the 3 months ended June 30, 2005

l) Escrow agreement entered into amongst PAC, HSBC Bank and DSPML confirming the deposit referred in paragraph 7.2 (b) above

m) A copy of the agreement with Depository Participant for opening a Special Depository Account for the purpose of the Offer

n) Published copy of PA dated August 26, 2005 and the corrigendum to the PA dated December 10, 2005

o) SEBI observation letters

11 DECLARATION BY ACQUIRER

Acquirer and PAC accept responsibility for the information contained in this Letter of Offer. Acquirer and PAC are jointly and severally responsible for fulfillment of their obligations under the SEBI (SAST) Regulations.

Acquirer

Sd/-

Authorized Signatory

PAC

Sd/-

Authorized Signatory

Date: December 10, 2005

Encl.:

1. Form of Acceptance cum Acknowledgement

2. Form of Withdrawal

3. Transfer deed for Shareholders holding Shares in physical form