THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Wendt (India) Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

Winterthur Technologie AG, Zug
a Swiss joint stock company incorporated under the laws of Switzerland
(Registered Office: Innere Güterstrasse 4, 6300 Zug, Switzerland
Tel: +41 52 234 4141; Fax: +41 52 234 4106)

AND

Wendt GmbH
a German limited liability company incorporated under the laws of Germany
(Registered Office: Fritz - Wendt - Strasse 1, 40670 Meerbusch, Germany
Tel: +49 21 596 710, Fax: +49 21 598 0624)

MAKE A CASH OFFER AT Rs. 785/- PER FULLY PAID UP EQUITY SHARE TO ACQUIRE
400,000 fully paid up equity shares of Rs. 10 each representing 20% of the voting equity capital of
Wendt (India) Limited
a company incorporated under the Companies Act, 1956
(Registered Office: Devatha Plaza, IV Floor, Residency Road, Bangalore – 560025
Tel: +91 80 2221 5625 Fax: +91 80 2222 4968)

Note:

- This Offer is being made pursuant to and in accordance with Regulations 10 and 12 of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- This Offer is not subject to a minimum level of acceptance by shareholders of Wendt (India) Limited.
- The Offer is subject to the statutory and regulatory approvals and clearances from RBI required to acquire Shares tendered pursuant to this Offer (described in Section VI).
- If there is any upward revision of the Offer Price by the Acquirers till the last permitted date for revision viz. October 31, 2007 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer viz. November 6, 2007.
- **If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) As the Offer Price cannot be revised during seven working days prior to the closing date of the offers / 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.**
- **There has been no competitive bid as on date.**
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance cum Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
kotak® Investment Banking **Kotak Mahindra Capital Company Limited** Bakhtawar, 3rd floor, 229, Nariman Point, Mumbai 400 021 Tel: +91 22 6634 1110 Fax: +91 22 2284 0492 Contact Person: Chandrakant Bhole Email: wil.offer@kotak.com For investor complaints: kmccredressal@kotak.com	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No 17 to 24, Vittalrao Nagar Madhapur, Hyderabad 500 081 Tel: +91 40 2342 0815, 2342 0824 Fax: +91 40 2343 1551 Contact Person: Mr. Murali Krishna Email: murali@karvy.com

Activity	Original Schedule		Revised Schedule	
	Date	**Day**	**Date**	**Day**
Issue of Public Announcement	30-Jul-07	Monday	30-Jul-07	Monday
Specified Date	3-Aug-07	Friday	3-Aug-07	Friday
Last date for a competitive bid, if any	20-Aug-07	Monday	20-Aug-07	Monday
Last date by which Letter of Offer will be dispatched to the Shareholders	10-Sep-07	Monday	19-Oct-07	Friday
Offer Opening Date	20-Sep-07	Thursday	24-Oct-07	Wednesday
Last date for revising the Offer Price/ Offer Size	27-Sep-07	Thursday	31-Oct-07	Wednesday
Last date for withdrawing acceptance of the Offer	4-Oct-07	Thursday	6-Nov-07	Tuesday
Offer Closing Date	9-Oct-07	Tuesday	12-Nov-07	Monday
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired Shares and / or the share certificate(s) / demat delivery instruction for the rejected Shares will be dispatched / issued	24-Oct-07	Wednesday	27-Nov-07	Tuesday

Risk factors:

Risks related to the Offer:

- The Offer along with any obligation to make payment for, or purchase the shares tendered and accepted is subject to the statutory and regulatory approvals and clearances from RBI required to acquire Shares tendered pursuant to this Offer. For further details see paragraph 96 of this Letter of Offer.
- In the event that either (a) a regulatory approval is not received in a timely manner (b) there is a litigation leading to stay on the Offer or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of the Target Company whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed.
- The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirers make no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer, and disclaim any responsibility with respect to any decision by shareholders on whether or not to participate in this Offer.
- 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.
- Acquirers do not accept any responsibility for statements made otherwise than in the Letter of Offer / PA/ Revised Public Announcement and anyone placing reliance on any other source of information (not released by Acquirers / PAC) would be doing so at his/her/their own risk.

Risks related to association with the Acquirers:

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

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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KEY DEFINITIONS

Acquirers	Winterthur and Wendt as defined herein below
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Shareholders	All shareholders / beneficial owners (registered or otherwise) of Shares of the Target Company except the Acquirers, parties to the agreement for the Global Acquisition, and any person deemed to be acting in concert
FEMA	Foreign Exchange Management Act 1999
Form	Form of Acceptance-cum-Acknowledgement attached to this Letter of Offer
Global Acquisition	On June 26, 2007, Winterthur acquired, through Rheinsee Zweihundervierte V V GmbH, one of its wholly owned subsidiaries, from 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 and certain other shareholders namely MIB Münnich Industrie-Beteiligungen GmbH, Lamers GmbH, Buckner KG, Verholen GmbH, Alain d'Henripret, Dreihues GmbH, the entire equity capital of Wendt Holding GmbH, which indirectly through Wendt, one of its wholly owned subsidiaries, holds 800,327 fully paid-up equity shares of face value of Rs.10/- each in Wendt (India) Limited representing 40.02% of the voting equity capital of the Target Company. This indirect acquisition of the Target Company by Winterthur was part of a global acquisition pursuant to which, Winterthur acquired from 3i Group and certain other shareholders, the equity of a holding company owning several companies and businesses involved in the development of tools and machine tools for grinding hard materials, precision steel and glass, that are located in various countries.
Letter of Offer	This Letter of Offer dated October 15, 2007
Manager to the Offer	Kotak Mahindra Capital Company Limited, the merchant bankers appointed by the Acquirers pursuant to regulation 13 of the Regulations, having its registered office at Bakhtawar, 3rd Floor, 229 Nariman Point, Mumbai – 400021
NSE	The National Stock Exchange of India Limited
Offer	Offer being made by the Acquirers for 400,000 Shares to the Shareholders of the Target Company at the Offer Price payable in cash
Offer Price	Price of Rs. 785/ - (Rupees Seven Hundred and Eighty Five only) per Share
Offer Size	400,000 Shares representing 20% of the voting equity capital of the Target Company
Offer Period	20 day period from the opening of the offer on October 24, 2007 to the closing of the offer on November 12, 2007
Public Announcement/PA	Announcement of this Offer made on behalf of the Acquirers to the shareholders of the Target Company published on July 30, 2007 which appeared in all editions of Financial Express, all editions of Jansatta, Mumbai edition of Janshakti and Bangalore edition of Samyukta Karnataka.

RBI	The Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited, the Registrar appointed by the Acquirers (Registered office: Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081; Ph.No. +91-40-2342 0815, 2342 0824; Fax No. +91-40-2343 1551)
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof
SEBI	Securities and Exchange Board of India
Sellers	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, Alain d'Henripret and Dreihues GmbH
Share	Fully paid up equity share of Target Company having a face value of Rs. 10 each
Shareholders	Shareholders of the Target Company
SPA	Share Purchase Agreement between the Acquirers and the Sellers for the Global Acquisition
Specified Date	August 03, 2007 being the date for the purpose of determining the names of the Shareholders to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE
Voting Capital	Equity share capital comprising 20,00,000 Shares of the Target Company as on date of PA (i.e. July 30, 2007)
Winterthur	Winterthur Technologie AG, Zug, Switzerland, a Swiss joint stock company incorporated under the laws of Switzerland (Registered office: Innere Güterstrasse 4, 6300 Zug, Switzerland. Tel: +41 52 234 4141; Fax: +41 52 234 4106)
Wendt	Wendt GmbH, a German limited liability company incorporated under the laws of Germany (Registered office at Fritz - Wendt - Strasse 1, 40670 Meerbusch, Germany. Tel: +49 21 596 710, Fax: +49 21 598 0624)
WIL / Target Company	Wendt (India) Limited (Registered office: Devatha Plaza, IV Floor, Residency Road, Bangalore – 560025 Tel: +91-80-2221 5625 Fax: +91-80-2222 4968
3i Group	For the purpose of this offer, the 3i Group comprises of 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

Note:

1. *All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.*

2. *Certain financial details contained in this Letter of Offer are denominated in € (Euro). The Rupee equivalent quoted for the Euro is calculated in accordance with RBI reference rate as on June 26, 2007, i.e. 1€ = Rs. 55.09 (source : www.rbi.org.in)*

I. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WENDT (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER (S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS 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 (S) IS (ARE) PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER (S) DULY DISCHARGES ITS (THEIR) RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 10, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER (S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

II. DETAILS OF THE OFFER

Background of the Offer

1. This open offer ("Offer") is being made by the Acquirers in compliance with regulations 10 and 12 of the Regulations, pursuant to the Global Acquisition resulting in the indirect acquisition of 40.02% interest in the Target Company as more particularly mentioned in paragraphs 2 and 3 below. This Offer is subject to the receipt of certain approvals as more fully set forth in the section entitled "Statutory Approvals".

2. On June 26, 2007, Winterthur acquired, through Rheinsee Zweihundervierte V V GmbH (one of its wholly owned subsidiaries), from the 3i Group (Address: 16 Palace Street, London SW1E 5JD, United Kingdom) and certain other shareholders namely MIB Münnich Industrie-Beteiligungen GmbH (Address: Alte Kornbrennerei 17, 46499, Hamminklen, Germany), Lamers GmbH (Address: Kressenstrasse 1, 47445 Moers, Germany), Buckner KG (Address: Am Bedmannsfeld 58, 47447 Moers, Germany), Verholen GmbH (Address: Bösinghovener Strasse 25, 40668 Meerbusch, Germany), Alain d'Henripret (Date of birth: November 15, 1952, resident of 14 Chemin des Pins, 1180 Brussels, Belgium), Dreihues GmbH (Address: Am Roland 22c, 40883 Ratingen, Germany), the entire equity capital of Wendt Holding GmbH, which indirectly through Wendt (one of its wholly owned subsidiaries), holds 800,327 fully paid-up equity shares of face value of Rs.10/- each in Wendt (India) Limited representing 40.02% of the voting equity capital of the Target Company. This indirect acquisition of Wendt (India) Limited by Winterthur was part of a global acquisition pursuant to which, Winterthur acquired from 3i Group and certain other shareholders, the equity of a holding company owning several companies and businesses involved in the development of tools and machine tools for grinding hard materials, precision steel and glass, that are located in various countries. The consideration paid by Winterthur pursuant to the Global Acquisition was a composite consideration and no specific consideration was allocated for the indirect interest in the Target Company during the Global Acquisition.

   Salient Features of the SPA

   a) The effective date for the economic transfer is June 30, 2007, 24:00 CET
   b) The purchase price of the transaction is Euro 152.75 Million (Rupees 841,50 Lacs) less net financial debt and provisions.
   c) No approvals from antitrust authorities were required

   The SPA is part of documents for inspection and is available for inspection by shareholders as per Section VIII of this Letter of Offer.

3. As the Global Acquisition has resulted in the Acquirers indirectly acquiring 40.02% of the Shares of the Target Company, this Offer is being made pursuant to the relevant provisions of the Regulations.

4. The Acquirers have not effected any change in the Board of Directors of the Target Company post the Global Acquisition.

5. The Acquirers 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, 1992. Since the date of the Public Announcement to the date of this Letter of Offer, the Acquirers have not acquired any Shares.

6. Other than the indirect acquisitions described in paragraph 2 above, the Acquirers have not acquired any Shares during the 12-month period prior to the date of the Public Announcement.

7. As on date of the PA, Winterthur does not hold any Shares in the Target Company and Wendt holds 800,327 Shares representing 40.02% of the Voting Capital of the Target Company.

8. The Manager to the Offer does not hold any Shares in the Target Company, as on the date of the PA.

Details of the proposed Offer

9. In accordance with regulation 14(4) of the Regulations, the Acquirers have made a Public Announcement on July 30, 2007, being within three months from the date of signing of the SPA of the Global Acquisition viz. June 26, 2007, which appeared in all editions of Financial Express, all editions of Jansatta, Mumbai edition of Janshakti and Bangalore edition of Samyukta Karnataka. A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in).

10. Pursuant to this Offer, the Acquirers propose to acquire 400,000 Shares of the Target Company representing 20% of the Voting Capital of the Target Company at a price of Rs. 785/- (Rupees Seven Hundred and Eighty Five only) for each Share to be paid in cash in accordance with the Regulations. This Offer is not conditional upon any minimum level of acceptance or any differential pricing.

11. To the extent of the Offer Size, all the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by Wendt.

12. The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

13. The Letter of Offer is being sent to those Shareholders of the Target Company whose name(s) appeared in the Register of Members of the Target Company at the close of business hours on August 03, 2007, being the Specified Date, as required under the Regulations.

14. This Offer is made to all Shareholders of the Target Company except the Acquirers, the parties to the SPA for the Global Acquisition and any person deemed to be acting in concert. Carborundum Universal Limited can participate in the Offer and its post-offer shareholding will depend upon the shares tendered, if any, and accepted under the Offer. Carborundum Universal Limited would remain a promoter of the Target Company post the Offer and would be in joint control of the Target Company along with the Acquirers.

15. There are no outstanding convertible instruments in the Target Company.

Object of the acquisition / Offer

16. On June 26, 2007 pursuant to the Global Acquisition, Winterthur acquired from 3i Group and certain other shareholders the entire equity capital of Wendt Holding GmbH, which indirectly holds 40.02% of the Voting Capital of the Target Company. No Shares of the Target Company were directly purchased in the Global Acquisition. Hence, this Offer is pursuant to the Global Acquisition resulting in an indirect acquisition, in compliance with regulations 10 and 12 of the Regulations.

17. Post completion of the Offer, the Acquirers do not propose to change the current composition of the Board of Directors of WIL. However, the Acquirers may make changes to the Board of Directors of WIL, in the best interest of WIL, subject to applicable laws.

18. The Acquirers and the Target Company are inter alia in the business of the development of tools and machine tools for grinding hard materials, precision steel for hard materials, such as steel, glass, hard metal and ceramic. The Acquirers believe that there will not be any substantial change in the market positioning and the capacity utilization of the Target Company resulting from the Global Acquisition. The Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time. The Acquirers intend to continue with the existing business plans of the Target Company without making any significant alteration.

III. BACKGROUND OF THE ACQUIRERS (INCLUDING DISCLOSURE UNDER REGULATION 21(2))

19. Winterthur, through Rheinsee Zweihundervierte V V GmbH, its wholly owned subsidiary, holds 100% of the voting equity capital of Wendt Holding GmbH. Wendt Holding GmbH directly holds 100% of the voting equity capital of Wendt GmbH, which holds 40.02% Voting Capital of the Target Company.

Details of Winterthur

20. The details of Winterthur are provided in the table below

Name	Winterthur Technologie AG, Zug
Address of the registered office	Innere Güterstrasse 4, 6300 Zug, Switzerland (Tel: +41 52 234 4141; Fax: +41 52 234 4106)
Address of the corporate office	Innere Güterstrasse 4, 6300 Zug, Switzerland (Tel: +41 52 234 4141; Fax: +41 52 234 4106)
Listing status	The equity shares of the company are currently listed on the Swiss Stock Exchange
Group	Winterthur is part of the Winterthur Technology Group (“WTG”)
Relationship with Wendt	Winterthur indirectly holds 100% of Wendt
Primary business	Winterthur is among the leading European manufacturers of high quality grinding wheels for industrial applications.
Experience	Winterthur’s history dates back to 1876 when it was founded in Austria. After several changes in its structure, it was last renamed from Abrasive Technologies Holding AG to Winterthur in 2005
Compliance with the applicable provisions of Chapter II of the Regulations/other applicable regulations under the SEBI Act, 1992	Not applicable to Winterthur, as it does not directly hold Shares of the Target Company

The ownership structure of Winterthur as on the date of the PA is set forth in the table below:-

Name of Shareholder	Percentage of Holding
Dr. Edgar Rappold	13.00%
WTG Management	2.10%
Schroeders International Selection Fund	10.19%
LODA Hentsch Fund Managers SA	7.71%
Modulus Europe (Master) Fundt Ltd	5.15%
Free Float	61.85%

History and Major Areas of Operation:

Winterthur Technology Group, a leading European provider of complex abrasive technology, is headquartered in Zug and has operations in Switzerland, Austria and Sweden. Winterthur is a holding company under Swiss law with a listing on the SWX Swiss Exchange. It has slightly more than 600 employees and in 2006 achieved sales of approximately EUR 86 million (Rupees 473,77 Lacs). Working closely with clients, the company develops and produces complex high-margin, high-tech abrasive technology consumables, primarily bonded abrasive tools used in the automotive, gas turbine and steel industries. Production takes place in Austria (Villach) and Sweden (Vastervik). In Switzerland (Winterthur) there is a finishing plant and a logistics center. The Group’s main brands are Winterthur, Rappold and SlipNaxos. WTG’s products – vitrified grinding wheels, resin bonded grinding wheels, cut-off wheels and diamond and CBN abrasive tools – are sold in all the relevant European markets as well as in North and South America and Asia.

Winterthur’s history dates back to 1876 when it was founded in Austria under the name of ‘Rappold Schleifmittel Industrie’. After several changes in its structure, it was last renamed from Abrasive Technologies Holding AG to Winterthur when it went public on the SWX Zurich on 01 July 2005.

21. The details of the Board of Directors of Winterthur are given below:

Name	Date of Appointment	Designation	Residential Address
Reto Braun	February 1999	Chairman	Rosenstrasse, CH-6300 Zug
Dr. Edgar F. Rappold	February 1999	CEO	Churerstrasse 20, CH-8808 Pfäffikon
Tim Wright	June 2004	Non-Executive member	Cherington House, Shipston On Stour, UK- Warwicks CV36 5HS

Name	Date of Appointment	Designation	Residential Address
Edmar Allitsch	April 2005	COO of Winterthur Technologie AG, Zug, and MD of Rappold Winterthur Technologie GmbH	Mösslacherstrasse 23, A-9220 Velden

None of these Directors is on the Board of Directors of the Target Company.

The details of experience and qualifications of the Board of Directors of Winterthur are given below:

Reto Braun (since 1999)

Chairman of the Board of Winterthur Technologie AG, Zug

Reto Braun (born in Switzerland in 1942) has over 35 years of experience in the information services and computer industries, including serving as Chairman and CEO of several companies. He spent 24 years with Unisys, a multinational technology company, where he served as Board Member, President, and COO for four years. Mr. Braun holds a Commercial Diploma from St. Gallen in Switzerland and was further educated in France and England. His principal activity is Chairman of Earth Council in Geneva (NGO).

Dr. Edgar F. Rappold (since 1999)

CEO of Winterthur Technologie AG, Zug

Edgar Rappold was born in Vienna in 1946 and has Swiss-Austrian dual nationality. After studying chemistry at the ETH in Zurich and Padova he set up an industrial consulting office while he was still studying business administration at the University of Zurich. In 2006 he has been given a professorship in Austria. In 1986 he acquired 100% of Rappold Schleifmittel Industrie GmbH, Austria. The takeover of WST Winterthur Schleiftechnik AG in 1992 and the subsequent integration of the Swedish SlipNaxos Group along with further acquisitions and the incorporation of new subsidiaries formed the basis for the emergence of the present day Winterthur Technology Group.

He has a large number of publications, awards and patents to show for his work. Edgar Rappold was a member of the Advisory Board of Creditanstalt-Bankverein and Bank Austria, Karnten.

Tim Wright (since 2004)

Non-executive member of the Board of Directors of Winterthur Technologie AG, Zug

Tim Wright (born in the UK in 1963) previously represented Vision Capital, an institutional investor, on the Board. He has over 15 years of private equity experience which included a role as European Operations Director for Unicorn Abrasives (now part of St. Gobain). Mr. Wright holds a 1st class honours degree in Mining Engineering from Nottingham University in the UK. Mr. Wright has sat on the Boards of numerous private equity owned companies in a wide variety of industries.

Edmar Allitsch (since 2005)

COO of Winterthur Technologie AG, Zug, and MD of Rappold Winterthur Technologie GmbH

Edmar Allitsch, born in 1963 in Graz, studied metallurgy and business administration. In 1988 he embarked on his career with Radex Austria AG, where he advanced to become the regional sales manager. He was promoted to MD at Veitsch-Radex in Stockholm as of 1993. After two years as Executive Manager Sales at RHI AG, the entity that emerged from the merger of Veitsch-Radex AG and its largest competitor Didier Werke AG, he was appointed to the board of management of North American Refractories Co. in Cleveland, Ohio in 1998. In 2001 he transferred to Pittsburgh as the company's President and Managing Director. After 14 years of professional experience with sintered and resin-bonded ceramic products in the Group, which is the worldwide leader in the refractory industry, Edmar Allitsch joined the abrasives industry in 2002. Since then, he has been MD of the Group's largest production company, Rappold Winterthur Technologie GmbH, Austria. Furthermore, he has been COO of the Winterthur Technology Group since 2003.

22. The total paid up capital of Winterthur as on June 30, 2007 is Rs. 12,92 Lacs, the face value of the shares is CHF 1 (Rs.33.56) per share and the market price of the share is CHF 85.00 (Rs.2,852) as of closing prices of date of PA. (Price converted at an exchange rate of Rs.33.5588 per CHF as on July 30, 2007 Source: www.oanda.com)

23. The consolidated financial details of Winterthur are as follows:

    The financials for the year ended December 31, 2006, 2005 and 2004 are based on audited consolidated financials of Winterthur. The financials statements for the 6 months period ended 30 June 2007 have been certified and authorized for issue by the board of directors on 20 August 2007, and the board of directors and executive committee are of the opinion that the interim consolidated financial statements give a true and fair view of the financial position, the result of operations and the cash flows of Winterthur.

Profit & Loss Statement	Six months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Income from operations (Net)	49.79	27,429.31	87.64	48,280.88	78.91	43,471.52	73.69	40,595.82
Other Income	-	-	-	-	-	-	-	-
Total Income	49.79	27,429.31	87.64	48,280.88	78.91	43,471.52	73.69	40,595.82
Total Expenditure	40.27	22,185.29	71.60	39,444.44	64.66	35,621.19	61.26	33,748.13
Profit Before Interest,Tax, Depreciation and Amortisation	9.52	5,244.02	16.04	8,836.44	14.25	7,850.32	12.43	6,847.69
Depreciation	1.64	901.82	3.36	1,851.02	3.12	1,718.81	3.21	1,768.39
Amortisation	0.10	55.09	0.25	138.83	0.20	107.43	1.67	919.45
Net Financial Income	(0.49)	(267.19)	(0.60)	(330.54)	(1.83)	(1,008.15)	(3.22)	(1,773.90)
Profit Before Tax	7.30	4,019.92	11.83	6,515.49	9.10	5,015.94	4.33	2,387.60
Income Taxes	1.89	1,042.85	2.95	1,622.95	2.05	1,131.00	0.91	501.32
Profit After Tax	5.40	2,977.06	8.88	4,892.54	7.05	3,884.95	3.42	1,884.08

Balance Sheet Statement	As on June 30, 2007		As on December 31, 2006		As on December 31, 2005		As on December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Sources of funds								
Paid up share capital	2.35	1,291.86	2.41	1,328.77	2.49	1,372.29	1.63	897.97
Reserves and Surplus (excluding revaluation reserves)	52.11	28,705.75	50.08	27,590.17	42.41	23,363.12	13.36	7,362.23
Shareholders' Equity	54.45	29,997.61	52.49	28,918.94	44.90	24,735.41	14.99	8,260.19
Minority Interest	0.07	37.46	-	-	-	-	-	-
Current Liabilities	127.16	70,051.89	19.80	10,907.82	18.64	10,268.78	18.56	10,224.70
Non-Current Liabilities	127.28	70,118.00	19.72	10,864.85	26.04	14,343.78	57.59	31,726.33
Total Liabilities & Equity	308.96	170,204.96	92.01	50,688.31	89.58	49,349.62	91.14	50,209.03
Uses of funds								
Non-Current Assets	203.00	111,832.15	54.54	30,046.09	54.07	29,786.06	55.13	30,372.77
Investments	10.93	6,020.79	0.42	231.38	0.37	202.73	0.35	192.82
Current assets	95.03	52,352.03	37.05	20,410.84	35.14	19,358.63	35.66	19,645.09
Total miscellaneous expenditure not written off	-	-	-	-	-	-	-	-
Total Assets	308.96	170,204.96	92.01	50,688.31	89.58	49,349.62	91.14	50,209.03

Other Financial Data	Six months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Dividend (%)	-		110.00%		75.00%		-	
Earning Per Share[1] (Euro/Rs)	1.39	76.58	2.29	126.16	2.21	121.75	1.36	74.92
Return on Networth[2] (%)	9.92%		16.92%		15.71%		22.81%	
Book Value Per Share[3] (Euro/Rs.)	14.01	771.82	13.51	744.07	11.55	636.43	5.96	328.15

All financial statements presented above are stated in IFRS Accounting standard

[1] Earnings per share for the 6 months ended June 30, 2007 is not annualized

[2] Return on Networth calculated as: Profit After Tax / Closing Networth. The Return on Networth for the 6 months ended June 30, 2007 is not annualized.

[3] Book Value per Share calculated as: Closing Networth after reducing Miscellaneous Expenditure / Total No. of shares registered at the end of the period.

Note: For converting its financials from Euro to Rupees we have maintained a uniform exchange rate of Rs. 55.09/Euro, being the RBI reference rate as on June 26, 2007. (Source: www.rbi.org.in)

24. Details of Contingent Liabilities:

As on December 31, 2006 there were 2 contingent liabilities set out in the annual report:

Environmental clean up obligations EUR 100,000 (Rupees 55 Lacs)

Two Guarantees in favour of a Pension fund related to SlipNaxos AB, Sweden in total EUR 2.31 Million (Rupees 12,75 Lacs).

25. An analysis of the financial performance of Winterthur for the last three years is given below:

2006

Sales

In 2006, Winterthur achieved consolidated net sales of EUR 86.3 million (Rupees 475,43 Lacs). The increase from 2005 amounts to 10.4 % on a EURO basis, or 12.5 % in Swiss francs. The difference in increase resulted from a strong EURO during 2006. The slightly stronger Swedish Krona did not compensate for the weakness of the US dollar within Winterthur's currency mix. Winterthur was not able to compensate part of this negative currency development by a hedging position. However, by developing more suppliers in the dollar area Winterthur increased its natural currency hedging.

Earnings

Winterthur concentrated its activities on innovative high technology products. The excellent acceptance of these products is reflected in the EBITDA margin, that is earnings before interest, tax, depreciation and amortisation. While this value represented EUR 14.25 million or Rupees 78,50 Lacs (margin 18.3%) in 2005, for 2006, a value of EUR 16.04 million or Rupees 88,36 Lacs (margin 18.6%) was realized. This corresponds to an increase of 12.6%. Depreciation increased by 8.0% in comparison to 2005. The earnings before interest, tax and amortisation (EBITA) represent a profit of EUR 12.67 million (Rupees 69,83 Lacs). This stands in comparison to EUR 11.13 million (Rupees 61,32 Lacs) for the reporting year of 2005. The increase of 13.9% in comparison to 2005 corresponds to EUR 1.54 million (Rupees 8,51 Lacs). The operating result expressed in earnings before interest and tax (EBIT) increased by 13.6%, i.e. from EUR 10.93 million (Rupees 60,24 Lacs) (margin 14.0%) to EUR 12.42 million (Rupees 68,44 Lacs) (margin 14.4%). The net profit of EUR 8.88 million (Rupees 48,93 Lacs) (10.3% of sales) for the first time, crossed over into the two-figure percentage range. For 2005, the net profit was EUR 7.05 million (Rupees 38,85 Lacs) (9.0% of sales) which resulted in an improvement of the net result of 25.9%.

2005

Sales

Winterthur recorded a consolidated sales turnover of EUR 78.1 million (Rupees 430,25 Lacs) in 2005. This represents a rise of 7.8% in comparison to 2004. This growth of a purely organic character corresponds to an increase of 8.4% in terms of stable exchange rates. The cash flow implies a surplus of US-Dollars, which did not, however, result in any increase in profit due to the hedging efforts of Winterthur's risk management department. On the other hand, in 2005, a weakening of the Swedish Krona against the Euro of approximately 4% was experienced which cut the contribution to sales turnover and profit of the second largest company in the Winterthur group.

Raw Materials

Winterthur faced sharp rises in the prices of raw materials in the 2005 business year. However, since this situation also prevailed in all the industries to which Winterthur sells, customers showed a certain degree of understanding with regard to price increases. In particular because Winterthur at the same time was able to show that it took exceptional measures and was successful in reducing costs. The trend towards higher prices for raw materials continued to persist in 2006, but is unlikely to reach the same intensity as in the previous business year. Moreover, the successful development of new suppliers will have a neutralising influence. The implementation of modern sintering processes will also help to counteract escalating power costs in 2006.

Earnings

Winterthur's focus on its target customers and specific markets was clearly reflected in earnings before tax, interest, depreciation and amortisation (EBITDA). In 2004 this benchmark amounted to EUR 12.43 million (Rupees 68,48 Lacs), whereas the past year produced an EBITDA of EUR 14.25 million (Rupees 78,50 Lacs). This represents an increase of 14.6%. Earnings before interest, tax and amortisation (EBITA) amounted to EUR 11.13 million (Rupees 61,32 Lacs) in 2005. The increase of 20.7% in comparison to 2004 amounted to EUR 1.91 million (Rupees 10,51 Lacs). An increase of 44.7% was recorded in earnings before interest and tax (EBIT), i.e. the operational result. In this connection it has to be taken into consideration that in 2004 goodwill of EUR 1.47 million (Rupees 8,10 Lacs) had to be written down. The 2005 figure of EUR 11.13 million (Rupees 61,32 Lacs) compared particularly favourably with EUR 9.22 million (Rupees 50,81 Lacs) in the year 2004. The same applies to the net result of EUR 7.05 million (Rupees 38,85 Lacs) against EUR 3.42 million (Rupees 18,84 Lacs) in 2004, representing a disproportionately high increase of 106.2%. In view of this pleasing situation the Board of Directors proposed a dividend of CHF 0.70 (Rs. 23.49) per share to the General Shareholders Meeting. This corresponded to a pay-out ratio of 25% (Exchange rate used is Rs.33.5588 per CHF as on July 30, 2007 Source: www.oanda.com).

2004

Sales

Consolidated net sales increased from EUR 67.9 million (Rupees 374,06 Lacs) in 2003 to EUR 72.4 million (Rupees 398,85 Lacs) in 2004 an increase of 6.6%. Growth was experienced across all product groups. In local currencies the increase amounted to approximately 9%. The strongest growth was seen in hot-pressed resinoid wheels contributing 37% or EUR 1.7 million (Rupees 9,37 Lacs) to total sales growth mainly from exploring new geographic markets, in particular China. The first industrial sale of the new Raposteel-wheels successfully supported sales development of large diameter cutting-off wheels. Total sales in cutting-off wheels were the second largest sales driver contributing a total of EUR 1.3 million (Rupees 7,16 Lacs) to the increase in Group sales. Overall sales mix remained constant as compared to 2003.

Earnings

Group EBITDA increase by 3.3% of EUR 0.4 million (Rupees 2,20 Lacs) from EUR 12.0 million (Rupees 66,11 Lacs) to EUR 12.43 million (Rupees 68,48 Lacs) mainly driven by increased sales.

26. Earlier acquisitions in Target Company made by Winterthur

There were no earlier acquisitions made in the Target Company by Winterthur. Winterthur has neither acquired nor has been allotted any share of the Target Company in the 12 months period prior to date of the PA. As on date of the PA, Winterthur does not hold any Shares in the Target Company.

27. Significant accounting policies of Winterthur

The Winterthur Technology Group prepares consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). In

addition, the consolidated financial statements comply with the requirements of Swiss law. The consolidated financial statements have been prepared under the historical cost convention except for financial instruments where IFRS requires the use of fair values.

Impairment of Non-current Assets

The Group's non-current assets consist primarily of property, plant and equipment, goodwill arising from past acquisitions and other intangible assets. The carrying amounts of the Group's non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised in the income statement whenever the carrying amount exceeds its recoverable amount, which is the higher of value in use or fair value less cost to sell.

Employee Benefits

The Group sponsors pension and other post-retirement benefit plans for certain of its employees in Austria, Sweden and Switzerland. The pension plans cover most of the Group's employees in these countries and provide pension payments to eligible employees upon retirement. Pension benefits for employees are generally based on years of services.

Principles of Consolidation

The consolidated financial statements of the Group include Winterthur Technologie AG, Zug and all subsidiaries that it controls. Control exists where the parent owns either directly or indirectly through subsidiaries more than one half of the voting power of a subsidiary. Newly acquired companies are consolidated from the date of acquisition. The results of companies that have been disposed of are taken into account up to the date of sale.

Inventories

Raw material is measured at average purchase price. Work in progress and finished goods of the production companies are measured at average cost, based on a standard costing system. Sales subsidiaries use the first-in-first-out method as a cost formula. Inventories are measured at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. For non-current items in inventory, a valuation adjustment is made.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. Assets held under long-term lease contracts are capitalized at the lower of minimum lease payments and fair value. They are depreciated over the expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Intangible Assets / Research and Development

Acquired intangible assets (software, patents and other) are measured initially at cost and amortized on a straight-line basis over their estimated useful lives (software 3 to 10 years, other 3 to 20 years, depending on their nature).

Impairment of Property, Plant and Equipment, Intangible Assets and Goodwill

Property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill is reviewed for impairment at each year end. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in the income statement. The recoverable amount is the higher of an assets' net selling price and value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Deferred Income and Accrued Expenses

Deferred income and accrued expenses are normally pro rata period adjustments for expenses relating to the current period, payable in following periods or for income received relating to following periods. They consist mainly of personnel expenses (e.g. for salaries, bonuses, vacation and overtime) and goods and services received for which no invoice has been received.

Revenue Recognition

Sales of goods are recognised when goods are delivered and title has passed to the customer. Gross sales are stated before value added tax and any deductions of discounts and rebates. Interest income is accrued on a time basis. Dividend income from investments is recognised when the rights to receive the payment have been established.

Cost of Goods Sold

Cost of goods sold includes the cost of material and supplies consumed during the reporting period. They include: supplies purchased or consumed; procurement costs such as freight, insurance, customs duty; physical inventory differences and losses; changes in work in progress and finished goods; direct labour costs; depreciation on assets used for production; allocated production overhead costs.

Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred. They are not capitalized in the construction or production of assets.

28. Status of Corporate Governance:

In addition to the relevant provisions in the Swiss Code of Obligations, two sets of rules regarding corporate governance were introduced in Switzerland in July 2002: (i) the Swiss Code of Best Practice for Corporate Governance (the "Swiss Code") of Economiesuisse, the largest umbrella organization representing Swiss business establishments, and (ii) the Corporate Governance Directive of the SWX. The Swiss Code is non-binding and recommends good corporate standards in line with international business practice. The Corporate Governance

Directive of the SWX is binding for Swiss companies whose shares are listed on SWX and sets forth certain reporting standards.

29. Winterthur does not have any pending litigation matters against it.

30. There were no merger/ demerger / spin offs in last three years in Winterthur.

31. Company Secretary: Markus Brüetsch, c/o Winterthur Technologie AG, Zug, Innere Güterstrasse 4, CH-6300 Zug. Tel: +41 52 234 41 41, Fax: +41 52 234 41 06

32. The Shareholding pattern of Winterthur as of date of Public Announcement is as follows:

Sl. No	Shareholder Category	Number of Shares	Percentage
1	Promoters	590,625	15.10%
2	FII/ Mutual-Funds/ FIs/Banks	901,695	23.05%
3	Public	2,419,528	61.85%
	Total Paid Up Capital	**3,911,848**	**100%**

33. Details of all companies promoted by Winterthur:

The details of all companies promoted by Winterthur are given below:

(*Exchange rate used is the RBI reference rate as on June 26, 2007 i.e. Rs. 55.09 / Euro (Source: www.rbi.org.in)*)

Name: Winterthur Technologie AG, Zug

Date of Incorporation: December 11, 1998

Nature of Business: Holding Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	2.35	1,292.08	2.41	1,328.92	2.49	1,373.84	1.63	898.15
Reserves (excluding revaluation reserves)	28.26	15,570.93	28.59	15,749.77	26.10	14,380.48	0.97	533.11
Total Income	3.95	2,175.56	6.69	3,685.29	3.72	2,050.80	1.86	1,024.13
Profit After Tax	2.82	1,555.67	4.90	2,697.57	2.08	1,143.20	0.33	183.39
Earning Per Share (Euro/Rs.)	0.73	40.06	1.26	69.41	0.53	29.41	0.09	4.72
Net Asset Value per share (NAV) (Euro/Rs.)	7.88	434.24	7.98	439.42	7.36	405.35	0.67	36.83

Audited financials on a standalone basis for Winterthur Technologie AG, Zug

Name: Winterthur Holding (WST Zug) AG

Date of Incorporation: May 1, 1974

Nature of Business: Holding Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.16	89.20	0.16	89.20	0.16	89.20	0.16	89.20
Reserves (excluding revaluation reserves)	6.09	3,355.72	5.84	3,219.03	6.32	3,479.73	6.34	3,494.20
Total Income	0.37	203.47	2.89	1,589.59	1.58	868.98	1.62	893.11
Profit After Tax	0.33	184.27	2.80	1,541.97	1.51	832.92	1.54	849.18
Earning Per Share (Euro/Rs.)	1,337.95	73,707.56	11,196.02	616,788.74	6,047.70	333,167.79	6,165.76	339,671.50
Net Asset Value per share (NAV) (Euro/Rs.)	25,013.04	1,377,968.15	24,020.58	1,323,293.53	25,913.42	1,427,570.31	26,018.52	1,433,360.27

Name: Winterthur Schleiftechnik AG

Date of Incorporation: February 25, 1993

Nature of Business: Sales and Finishing Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	1.46	802.80	1.46	802.80	1.46	802.80	1.46	802.80
Reserves (excluding revaluation reserves)	5.21	2,872.64	4.37	2,406.42	4.85	2,672.09	4.52	2,490.49
Total Income	7.62	4,195.61	12.78	7,041.21	12.12	6,678.82	12.05	6,640.73
Profit After Tax	1.04	571.87	1.62	891.54	1.22	671.79	1.10	604.09
Earning Per Share (Euro/Rs.)	415.23	22,874.82	647.34	35,661.74	487.78	26,871.69	438.62	24,163.47
Net Asset Value per share (NAV) (Euro/Rs.)	2,668.68	147,017.76	2,330.16	128,368.67	2,523.07	138,995.73	2,391.20	131,731.43

Name: Winterthur Schleiftechnik GmbH

Date of Incorporation: August 16, 1985

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.06	33.05	0.06	33.05	0.06	33.05	0.06	33.05
Reserves (excluding revaluation reserves)	1.57	865.81	1.27	700.51	0.88	482.45	0.60	330.44
Total Income	8.85	4,877.32	16.19	8,920.78	14.26	7,858.23	12.17	6,706.98
Profit After Tax	0.30	165.30	0.40	218.07	0.28	152.00	0.17	95.57
Earning Per Share (Euro/Rs.)	300,048.00	16,529,644.32	395,835.00	21,806,550.15	275,912.00	15,199,992.08	173,485.00	9,557,288.65
Net Asset Value per share (NAV) (Euro/Rs.)	1,631,623.00	89,886,111.07	1,331,575.00	73,356,466.75	935,740.00	51,549,916.60	659,827.00	36,349,869.43

Name: Winterthur Corporation

Date of Incorporation: November 25, 1985

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.02	10.10	0.02	10.10	0.02	10.10	0.02	10.10
Reserves (excluding revaluation reserves)	1.09	598.83	1.08	593.05	1.10	603.36	0.84	462.69
Total Income	2.36	1,300.58	5.22	2,873.30	4.69	2,585.23	4.38	2,411.22
Profit After Tax	0.03	18.79	0.10	55.32	0.13	68.87	0.13	69.67
Earning Per Share (Euro/Rs.)	34,113.00	1,879,285.17	100,412.00	5,531,697.08	125,020.00	6,887,351.80	126,472.00	6,967,342.48
Net Asset Value per share (NAV) (Euro/Rs.)	1,105,336.00	60,892,960.24	1,094,833.00	60,314,349.97	1,113,552.00	61,345,579.68	858,213.00	47,278,954.17

Name: Rappold (Int. Sales) AG

Date of Incorporation: September 15, 1995

Nature of Business: Domicile Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	1.36	749.28	1.36	749.28	1.36	749.28	1.36	749.28
Reserves (excluding revaluation reserves)	0.20	109.56	0.22	118.66	0.27	149.45	0.17	91.98
Total Income	0.07	40.54	0.28	156.24	0.32	176.85	0.24	134.56
Profit After Tax	0.03	15.50	0.20	109.74	0.23	125.39	0.13	71.13
Earning Per Share (Euro/Rs.)	13.40	738.21	94.86	5,225.86	108.39	5,970.97	61.48	3,387.01
Net Asset Value per share (NAV) (Euro/Rs.)	742.37	40,897.03	750.24	41,330.62	776.85	42,796.67	727.18	40,060.14

Name: Winterthur Technologie Sarl

Date of Incorporation: June 28, 2001

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.03	17.08	0.03	17.08	0.03	17.08	0.03	17.08
Reserves (excluding revaluation reserves)	0.04	20.55	0.02	9.58	0.02	8.46	0.01	8.01
Total Income	1.31	721.32	2.26	1,245.94	2.04	1,124.13	1.94	1,066.15
Profit After Tax	0.02	10.97	0.00	1.12	0.00	0.45	0.01	6.49
Earning Per Share (Euro/Rs.)	19,920.00	1,097,392.80	2,035.00	112,108.15	810.00	44,622.90	11,783.00	649,125.47
Net Asset Value per share (NAV) (Euro/Rs.)	68,310.00	3,763,197.90	48,390.00	2,665,805.10	46,355.00	2,553,696.95	45,544.00	2,509,018.96

Name*: Rappold Winterthur Technologie GmbH, WST Winterthur Schleiftechnik GmbH, SlipNaxos GmbH

Date of Incorporation: December 9, 1998, August 3, 1993 and January 13, 2001 respectively

Nature of Business: Production and Sales Companies

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	2.80	1,542.52	2.80	1,542.52	2.80	1,542.52	2.80	1,542.52
Reserves (excluding revaluation reserves)	7.39	4,071.72	6.17	3,397.44	3.45	1,902.33	0.81	448.21
Total Income	27.25	15,011.92	48.54	26,739.50	43.25	23,827.68	39.75	21,898.57
Profit After Tax	2.72	1,500.63	3.71	2,046.01	2.61	1,435.45	1.07	591.49
Earning Per Share (Euro/Rs.)	2,723,963.00	150,063,121.67	3,713,941.00	204,601,009.69	2,605,643.00	143,544,872.87	1,073,688.00	59,149,471.92
Net Asset Value per share(NAV) (Euro/Rs.)	10,191,041.00	561,424,448.69	8,967,077.00	493,996,271.93	6,253,136.00	344,485,262.24	3,613,601.00	199,073,279.09

* The accounts for Rappold Winterthur Technologie GmbH, WST Winterthur Schleiftechnik GmbH, SlipNaxos GmbH are reported on a combined basis

Name: Rappold Winterthur Sliptechnik AB

Date of Incorporation: November 24, 1994

Nature of Business: Dormant Company liquidated 2006

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	NA	NA	NA	NA	0.10	56.63	0.10	56.63
Reserves (excluding revaluation reserves)	NA	NA	NA	NA	0.03	13.78	0.02	13.60
Total Income	NA	NA	NA	NA	0.00	0.00	0.00	0.00
Profit After Tax	NA	NA	NA	NA	(0.00)	(0.18)	(0.04)	(22.74)
Earning Per Share (Euro/Rs.)	NA	NA	NA	NA	(0.03)	(1.75)	(4.13)	(227.37)
Net Asset Value per share (NAV) (Euro/Rs.)	NA	NA	NA	NA	12.78	704.11	12.75	702.36

Name: Rappold Brno S.r.o

Date of Incorporation: March 18, 1998

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.01	7.86	0.01	7.86	0.01	7.86	0.01	7.86
Reserves (excluding revaluation reserves)	0.23	125.88	0.18	97.59	0.09	49.69	0.05	28.28
Total Income	0.98	539.23	1.88	1,034.81	1.52	836.39	1.38	759.08
Profit After Tax	0.06	31.38	0.08	41.69	0.04	21.41	0.05	26.88
Earning Per Share (Euro/Rs.)	56,954.00	3,137,595.86	75,677.00	4,169,045.93	38,858.00	2,140,687.22	48,787.00	2,687,675.83
Net Asset Value per share (NAV) (Euro/Rs.)	242,773.00	13,374,364.57	191,419.00	10,545,272.71	104,474.00	5,755,472.66	65,616.00	3,614,785.44

Name: RWSN Sp. Z.o.o

Date of Incorporation: October 8, 2003

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.01	6.84	0.01	6.84	0.01	6.84	0.01	6.84
Reserves (excluding revaluation reserves)	0.26	143.30	0.21	117.88	0.17	95.58	0.06	31.08
Total Income	0.49	269.35	0.79	434.16	0.77	424.16	0.41	224.59
Profit After Tax	0.04	22.69	0.04	21.47	0.12	64.50	(0.14)	(77.34)
Earning Per Share (Euro/Rs.)	411.84	22,688.27	389.71	21,469.12	1,170.76	64,497.17	(1,403.91)	(77,341.40)
Net Asset Value per share (NAV) (Euro/Rs.)	2,725.31	150,137.33	2,263.79	124,712.19	1,859.00	102,412.31	688.24	37,915.14

Name: Rappold Winterthur brousilna tehnik d.o.o.

Date of Incorporation: March 26, 2003

Nature of Business: Sales company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.01	5.07	0.01	5.07	0.01	5.07	0.01	5.07
Reserves (excluding revaluation reserves)	0.04	23.40	0.03	19.13	0.01	6.48	(0.00)	(1.51)
Total Income	0.60	329.52	1.06	582.48	1.02	562.63	0.15	80.40
Profit After Tax	0.01	4.27	0.02	12.68	0.01	7.99	0.00	0.00
Earning Per Share (Euro/Rs.)	7,754.00	427,167.86	23,016.00	1,267,951.44	14,500.00	798,805.00	0.00	0.00
Net Asset Value per share (NAV) (Euro/Rs.)	51,684.00	2,847,271.56	43,929.00	2,420,048.61	20,963.00	1,154,851.67	6,463.00	356,046.67

Name: OOO Rappold Winterthur

Date of Incorporation: November 25, 2005

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.02	12.99	0.02	12.99	NA	NA	NA	NA
Reserves (excluding revaluation reserves)	(0.02)	(11.86)	(0.01)	(5.46)	NA	NA	NA	NA
Total Income	0.07	39.28	0.16	90.26	NA	NA	NA	NA
Profit After Tax	(0.01)	(6.44)	(0.01)	(4.38)	NA	NA	NA	NA
Earning Per Share (Euro/Rs.)	(11,684.00)	(643,671.56)	(7,954.00)	(438,185.86)	NA	NA	NA	NA
Net Asset Value per share (NAV) (Euro/Rs.)	2,058.00	113,375.22	13,660.00	752,529.40	NA	NA	NA	NA

Name: Naxos International AB

Date of Incorporation: April 2, 1996

Nature of Business: Holding Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	1.35	741.08	1.35	741.08	1.35	741.08	1.35	741.08
Reserves (excluding revaluation reserves)	5.97	3,286.68	7.34	4,044.35	7.99	4,399.03	7.97	4,392.31
Total Income	0.00	0.00	1.13	622.35	1.25	688.10	2.72	1,499.32
Profit After Tax	(0.59)	(326.47)	0.00	0.00	0.00	0.00	1.54	850.01
Earning Per Share (Euro/Rs.)	(0.05)	(26.93)	0.00	0.00	0.00	0.00	0.13	7.01
Net Asset Value per share (NAV) (Euro/Rs.)	0.60	33.22	0.72	39.47	0.77	42.39	0.77	42.34

Name: SlipNaxos AB

Date of Incorporation: December 12, 1913

Nature of Business: Production and Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**
Equity Capital	1.00	550.08	1.00	550.08	1.00	550.08	1.00	550.08
Reserves (excluding revaluation reserves)	10.67	5,875.49	9.53	5,249.58	7.78	4,286.69	3.65	2,010.32
Total Income	16.63	9,160.64	28.64	15,776.43	30.05	16,556.24	25.59	14,095.64
Profit After Tax	1.32	727.52	1.39	765.44	4.13	2,276.37	0.06	30.36
Earning Per Share (Euro/Rs.)	14.67	808.35	15.44	850.49	45.91	2,529.30	0.61	33.73
Net Asset Value per share (NAV) (Euro/Rs.)	129.60	7,139.52	116.97	6,444.07	97.55	5,374.19	51.64	2,844.89

Name: Eknäs Industriestad AB

Date of Incorporation: October 11, 1915

Nature of Business: Real Estate Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**
Equity Capital	0.04	22.92	0.04	22.92	0.04	22.92	0.04	22.92
Reserves (excluding revaluation reserves)	0.70	387.43	0.33	183.84	0.30	164.01	0.27	150.56
Total Income	0.89	491.97	1.61	889.03	1.58	868.55	1.65	908.70
Profit After Tax	0.27	148.13	0.02	11.37	0.02	13.45	0.05	29.75
Earning Per Share (Euro/Rs.)	35.85	1,975.09	2.75	151.59	3.26	179.34	7.20	396.65
Net Asset Value per share (NAV) (Euro/Rs.)	99.32	5,471.30	50.04	2,756.76	45.24	2,492.34	41.99	2,313.00

Name: Naxos Finans AB

Date of Incorporation: March 14, 1984

Nature of Business: Domicile Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**
Equity Capital	0.01	6.11	0.01	6.11	0.01	6.11	0.01	6.11
Reserves (excluding revaluation reserves)	0.00	2.01	0.00	2.27	0.00	1.93	0.00	1.92
Total Income	0.00	0.00	0.00	0.01	0.00	0.47	0.00	1.94
Profit After Tax	(0.00)	(0.10)	0.00	0.01	0.00	0.00	0.00	0.00
Earning Per Share (Euro/Rs.)	(0.02)	(9.70)	0.00	0.14	0.00	0.01	0.00	0.00
Net Asset Value per share (NAV) (Euro/Rs.)	1.47	81.18	1.52	83.79	1.46	80.41	1.46	80.35

Name: SlipNaxos Winterthur (GB) Ltd.

Date of Incorporation: December 20, 1973

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.08	45.84	0.08	45.84	0.08	45.84	0.08	45.84
Reserves (excluding revaluation reserves)	0.29	157.63	0.21	114.45	0.15	80.49	0.15	82.64
Total Income	1.00	549.27	1.80	990.24	1.55	853.14	1.69	933.53
Profit After Tax	0.08	43.62	0.05	30.25	(0.00)	(2.15)	0.03	15.92
Earning Per Share (Euro/Rs.)	0.79	43.62	0.55	30.25	(0.04)	(2.15)	0.29	15.92
Net Asset Value per share (NAV) (Euro/Rs.)	3.69	203.47	2.91	160.29	2.29	126.33	2.33	128.48

Name: SlipNaxos A/S

Date of Incorporation: October 20, 1976

Nature of Business: Sales Company

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	0.03	15.95	0.03	15.95	0.03	15.95	0.03	15.95
Reserves (excluding revaluation reserves)	(0.01)	(6.19)	(0.02)	(13.33)	(0.07)	(38.85)	(0.09)	(51.65)
Total Income	1.09	600.56	2.11	1,163.41	2.09	1,148.79	2.06	1,136.17
Profit After Tax	0.01	7.12	0.05	25.53	0.02	12.80	(0.03)	(17.85)
Earning Per Share (Euro/Rs.)	25.84	1,423.53	92.68	5,105.63	46.48	2,560.47	(64.81)	(3,570.60)
Net Asset Value per share (NAV) (Euro/Rs.)	35.42	1,951.51	9.50	523.58	(83.13)	(4,579.63)	(129.61)	(7,140.10)

Details of Wendt

34. The details of Wendt are provided in the table below

Name	Wendt GmbH
Address of the registered/ corporate office	Fritz - Wendt - Strasse 1 40670, Meerbusch, Germany (Tel: +49 21 596 710, Fax: +49 21 598 0624)
Listing Status	Unlisted
Group	Belongs to the Wendt group, now the WTG
Relationship with Winterthur	Winterthur indirectly holds 100% of Wendt
Primary Business	Wendt specializes in the development of grinding technologies for hard materials, such as steel, glass, hard metal, ceramic, and the polycrystalline materials PCD and Cubic Boron Nitride.
Experience	Founded in 1920 as a trading company for diamond grinding tools, the Wendt group developed rapidly after extending the manufacturing program and starting the development and production of grinding machines.

35. Brief History & Major areas of operations

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 Wendt 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 Wendt 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 Wendt acquired the business operations of Diamant Werkzeuge Hameln GmbH, Germany.

Wendt 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 Wendt's leading position in the specific market segments.

36. The details of the Board of Directors of Wendt are given below:

Name	Date of Appointment	Designation	Residential Address
Norbert Lamers	May 2000	Managing Director (Geschäftsführer) and Chief Executive Officer	Kressenstrasse 1, 47445 Moers, Germany
Peter Verholen	March 2003	Managing Director (Geschäftsführer).	Bösinghovener Strasse 25, 40668 Meerbusch, Germany

Mr. Norbert Lamers, Managing Director (Geschäftsführer) of Wendt, is on the board of WIL

Mr. Norbert Lamers shall not participate in any matter concerning or relating to the Offer including any preparatory steps leading to the Offer.

Mr. Norbert Lamers

He has a degree in Mechanical and Software Engineering (Diplom- Ingenieur: Master's Degree in Engineering). He also holds a degree in 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 Wendt since 1989. Mr. Lamers has also been appointed as Chief Executive Officer and Managing Director of Wendt Holding GmbH from March 2005.

Peter Verholen

He has a degree in Mechanical and Software Engineering (Diplom- Ingenieur: Master's Degree in Engineering).

He was first elected a director of Wendt 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 Wendt since 1980.

37. The financial details of Wendt are as follows:

Financials for the year ended December 31, 2006, 2005 and 2004 are based on audited standalone financials of Wendt and financials for 6 months ended June 30, 2007 are subjected to a limited review by auditors.

Profit & Loss Statement	Six months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**	**Euro Mn**	**Rs. Lacs**
Sales	40.28	22,189.11	79.08	43,567.17	74.88	41,252.79	60.47	33,314.87
Increase in finished good inventories and work in process	(0.92)	(506.88)	0.86	472.22	3.47	1,912.56	1.91	1,049.52
Other operating income	0.80	441.65	1.05	579.70	1.76	969.11	0.49	267.89
Income from participations	0.22	119.10	0.87	478.44	0.25	137.54	0.46	253.96
Cost of materials	(13.47)	(7,422.63)	(32.21)	(17,746.05)	(29.48)	(16,241.68)	(23.78)	(13,101.91)
Personnel expenses	(13.09)	(7,211.95)	(25.02)	(13,783.50)	(24.81)	(13,666.10)	(22.87)	(12,598.19)
Other operating expenses	(5.54)	(3,049.60)	(10.44)	(5,754.11)	(10.89)	(6,000.37)	(8.41)	(4,634.18)
Depreciation	(0.69)	(382.42)	(1.56)	(856.78)	(2.05)	(1,128.10)	(2.04)	(1,124.74)
Interest and similar income	0.14	76.83	0.11	62.30	0.20	108.49	0.11	59.36
Interest and similar expenses	(0.09)	(52.28)	(0.18)	(97.69)	(0.17)	(95.36)	(0.17)	(95.51)
Result from activities	7.63	4,200.91	12.56	6,921.69	13.16	7,248.89	6.16	3,391.07
Exceptional expenses	0.00	0.00	(4.90)*	(2,699.41)	0.00	0.00	0.00	0.00
Taxes on income	(0.06)	(33.31)	(0.10)	(52.59)	(2.71)	(1,492.59)	(2.40)	(1,322.15)
Other taxes	(0.01)	(5.78)	(0.02)	(9.01)	(0.02)	(11.60)	(0.02)	(10.43)
Income before profit and loss transfer	7.55	4,161.82	7.55	4,160.68	10.43	5,744.69	3.74	2,058.49
Profit and loss transfer	0.00	0.00	(7.55)	(4,160.68)	(7.06)	(3,891.49)	(3.74)	(2,058.49)
Net income for the year	7.55	4,161.82	(0.00)	(0.00)	3.36	1,853.20	0.00	0.00

* Relates to an extraordinary loss due to a waiver of a claim by Wendt GmbH against Wendt Holding GmbH

Balance Sheet Statement	As on June 30, 2007		As on December 31, 2006		As on December 31, 2005		As on December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Fixed Assets	11.62	6,402.96	11.88	6,543.19	11.81	6,504.56	13.36	7,360.92
Investments	1.62	892.28	1.62	892.28	1.58	872.64	1.48	816.29
Inventories	15.24	8,395.08	15.84	8,727.01	17.02	9,375.64	12.84	7,072.12
Receivables and other assets	10.83	5,967.54	7.60	4,188.54	7.28	4,009.33	9.25	5,097.30
Cash	5.44	2,996.20	4.74	2,612.44	3.60	1,981.48	0.30	162.52
Prepaid expenses	0.19	106.19	0.10	54.38	0.09	50.87	0.12	66.58
Total	**44.95**	**24,760.24**	**41.78**	**23,017.84**	**41.38**	**22,794.53**	**37.35**	**20,575.74**
Subscribed capital	3.07	1,690.02	3.07	1,690.02	3.07	1,690.02	3.07	1,690.02
Capital Reserves	10.21	5,622.82	10.21	5,622.82	10.21	5,622.82	10.21	5,622.82
Retained profits brought forward	4.03	2,219.63	4.03	2,219.63	0.67	366.42	0.67	366.42
Net income for the year	7.55	4,161.82	0.00	0.00	3.36	1,853.20	0.00	0.00
Total Equity	**24.86**	**13,694.29**	**17.30**	**9,532.47**	**17.30**	**9,532.47**	**13.94**	**7,679.27**
Accruals	12.93	7,123.93	12.98	7,149.03	11.10	6,114.26	9.87	5,438.32
Liabilities	7.16	3,942.02	11.50	6,336.34	12.97	7,147.79	13.54	7,458.15
Total (Equity+ Accrual + Liabilities)	**44.95**	**24,760.24**	**41.78**	**23,017.84**	**41.38**	**22,794.53**	**37.35**	**20,575.74**

Other Financial Data	Six months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Dividend [1] (%)	Nil		Nil		Nil		Nil	
Earning Per Share [2] (Euro/Rs)	62.95	3,468.19	62.94	3,467.23	86.90	4,787.24	31.14	1,715.41
Return on Networth[3] (%)	30.39%		43.65%		60.26%		26.81%	
Book Value Per Share[4] (Euro/Rs.)	207.15	11,411.91	144.20	7,943.73	144.20	7,943.73	116.16	6,399.39

All financials statements presented above are stated in German Generally accepted Accounting Standards

[1] No dividend was declared by the company for years 2006, 2005 and 2004. In 2006 and 2004, Wendt had a Profit and Loss transfer agreement wherein the entire profit of the company was transferred to the Parent Company. In 2005, the year was divided into three accounting periods, for the first and the third period 100% profit was transferred to the Parent company under a similar Profit and Loss transfer agreement

[2] Earnings per share for the 6 months ended June 30, 2007 is not annualized

[3] Return on Networth calculated as: Profit After Tax / Closing Networth. The Return on Networth for the 6 months ended June 30, 2007 is not annualized.

[4] Book Value per Share calculated as: Closing Networth after reducing Miscellaneous Expenditure / Total No. of shares outstanding. The share capital of Wendt is not divided into separate shares. For this calculation we assumed that the share capital consists of 120,000 shares of 50.00 DM each, which is the smallest amount a single share can have.

Note: For converting its financials from Euro to Rupees we have maintained a uniform exchange rate of Rs. 55.09/Euro, being the RBI reference rate as on June 26, 2007. (Source: www.rbi.org.in)

38. An analysis of the financial performance of Wendt for the last three years is given below:

<u>2006</u>

Total sales went up by 5.6% during the year to EUR 79.08 mn (Rupees 435,67 Lacs) due to increases in the tools and machine business. In the machine business the newly developed 5-axis-grinding machine CENTRO was very successful. In the tool business new sales initiatives as well as a strong worldwide economic situation led to an increase in sales. Especially due to lower margins in the machine business (product/customer mix) the profit before tax was lower than in prior year. Wendt GmbH waived a claim against its parent company Wendt Holding GmbH which lead to exceptional expenses in an amount of EUR 4.9 mn (Rupees 26,99 Lacs). Total equity was unchanged in comparison to prior year because of the profit and loss transfer agreement with Wendt Holding GmbH.

<u>2005</u>

The twelve months period 2005 consisted of 3 short fiscal years (Jan-Mar, Apr-Jun, Jul-Dec). In this 12 months period total sales increased by 23.8%. This exceptional increase was mainly caused by the machine business. However, the tool business increased as well but at a substantial lower percentage. Due to this huge increase in sales with high margins income before taxes could be increased by 113.8%

<u>2004</u>

Income from operations increased by 35.8% during the year to EUR 60.96 mn (Rupees 335,83 Lacs). Sales also increased by 35.8% to EUR 60.47 mn (Rupees 333,15 Lacs). 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 mn (Rupees 33,91 Lacs) while notional Net Income before profit transfer increased by 102.2% to EUR 3.74 mn (Rupees 20,58 Lacs). 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%.

39. Wendt does not have any contingent liabilities.

40. Earlier acquisitions in Target Company made by Wendt

Mr. S C Khatau and Wendt jointly promoted the Target Company. Subsequently, in the year 1990-91, Carborundum Universal Limited (“CUMI”), a public listed company belonging to the Murugappa Group acquired the then 30% holding of Mr. S. C. Khatau and further purchased additional shares from the public through market purchases and became joint promoters of Wendt (India) Limited along with Wendt. Subsequently, CUMI sold 49,338 of the Shares to Wendt after obtaining the necessary approvals of the Reserve Bank of India to maintain parity between the joint venture partners at 39.87% each. In March 2005, Wendt Holding GmbH entered into an agreement to acquire Wendt. Pursuant to the acquisition, Wendt Holding GmbH along with Wendt made an open offer in accordance with the Regulations to acquire 20% Shares of the Target Company. Subsequent to the said open offer, Wendt acquired an additional 2,975 shares tendered in the open offer which increased its shareholding in Wendt (India) Ltd to 40.02%.

41. Significant accounting policies of Wendt

A. Accounting and measurement principles

Intangible assets acquired are measured at acquisition cost reduced by regular straight-line amortization 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 recognized 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 recognized 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 recognized.

For the other current assets, recognizable risks are taken into account by appropriate individual adjustments. In addition, the general credit risk is accounted for by recognizing 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 recognizable risks and uncertain obligations based on prudent commercial judgement.

Liabilities are recognized using the repayment amount.

B. 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.

42. Shareholding pattern as of date of Public Announcement:

100% of Wendt is held by Wendt Holding GmbH which is held 100% by Rheinsee Zweihundertvierte V V GmbH which is held 100% by Winterthur.

43. Wendt has complied with the provisions of Chapter II of the Regulations except for the following delays:

a. Filing under regulation 8(1) and 8(2) of Regulations for the year 1999, filed on May 5, 1999, delay of 14 days

b. Filing under regulation 8(1) and 8(2) of Regulations for the year 2005, filed on April 25, 2005, delay of 4 days

44. Details of all companies promoted by Wendt:

The details of all companies promoted by Wendt are given below

Name: Wendt Slipteknik AB, Sweden

Date of Incorporation: June 2, 1980

Nature of Business: Wendt Slipteknik AB focuses on the sale and trading of Wendt grinding and diamond tools and grinding machines and all parts and accessories of the same

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	SEK Mn	**Rs. Lacs**	**SEK Mn**	**Rs. Lacs**	**SEK Mn**	**Rs. Lacs**	**SEK Mn**	**Rs. Lacs**
Equity Capital	0.50	29.75	0.50	29.75	0.50	29.75	0.50	29.75
Reserves (excluding revaluation reserves)	0.46	27.12	2.16	128.53	1.41	83.90	0.82	48.79
Total Income	4.96	295.38	9.39	558.73	7.55	449.25	7.34	436.75
Profit After Tax	0.30	17.65	0.76	45.22	0.58	34.51	0.40	23.80
Earning Per Share(SEK/Rs.)	593.21	3,529.77	1,520.00	9,044.43	1,160.00	6,902.32	800.00	4,760.22
Net Asset Value per share (NAV) (SEK/Rs.)	1,911.59	11,374.50	5,320.00	31,655.49	3,820.00	22,730.07	2,640.00	15,708.74

Exchange rate used is Rs.5.95 per SEK (Swedish Krona) as on June 26, 2007 Source: www.oanda.com

Name: Wendt Boart France snc, France

Date of Incorporation: September 1, 1999

Nature of Business: Wendt Boart France snc focuses on the sale and trading of Wendt grinding and diamond tools and grinding machines and all parts and accessories of the same

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs	Euro Mn	Rs. Lacs
Equity Capital	1.52	834.77	1.52	837.37	1.52	837.37	1.52	837.37
Reserves (excluding revaluation reserves)	0.67	366.82	0.35	192.82	0.73	402.16	0.39	214.85
Total Income	4.09	2,251.61	6.26	3,448.63	6.50	3,580.85	6.90	3,801.21
Profit After Tax	0.31	169.27	0.29	159.76	0.34	187.31	0.23	126.71
Earning Per Share(Euro/Rs.)	3.04	167.47	2.87	158.11	3.37	185.65	2.28	125.61
Net Asset Value per share (NAV) (Euro/Rs.)	21.59	1,189.39	18.51	1,019.72	22.27	1,226.85	18.91	1,041.75

Exchange rate used is the RBI reference rate as on June 26, 2007 i.e. Rs. 55.09 / Euro (Source: www.rbi.org.in)

Name: Stankowendt, Russia

Date of Incorporation: December 18, 1988

Nature of Business: Stankowendt focuses on the manufacturing of machines and on the sales and trading of Wendt grinding and diamond tools and of all parts and accessories of the same

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	RUB Mn	Rs. Lacs	RUB Mn	Rs. Lacs	RUB Mn	Rs. Lacs	RUB Mn	Rs. Lacs
Equity Capital	0.15	2.37	0.15	2.37	0.15	2.37	0.15	2.37
Reserves (excluding revaluation reserves)	10.23	161.63	14.14	223.29	13.72	216.71	2.79	44.07
Total Income	26.38	416.67	86.04	1,359.00	87.99	1,389.79	61.41	970.03
Profit After Tax	(3.87)	(61.09)	0.42	6.60	10.93	172.70	0.32	5.01
Earning Per Share(RUB/Rs.)	(25.78)	(40.72)	2.79	4.41	72.89	115.13	2.11	3.33
Net Asset Value per share (NAV) (RUB/Rs.)	69.22	109.33	95.25	150.45	92.47	146.06	19.60	30.96

Exchange rate used is Rs.1.58 per RUB (Russian Rouble) as on June 26, 2007 Source: www.oanda.com

Name: Wendt Grinding Taicang, China

Date of Incorporation: October 9, 2005

Nature of Business: Wendt Grinding Taicang focuses on the reprofiling of diamond tools.

Mention whether sick industrial company: No

	Six Months ended June 30, 2007		Year ended December 31, 2006		Year ended December 31, 2005		Year ended December 31, 2004	
	RMB Mn	Rs. Lacs	RMB Mn	Rs. Lacs	RMB Mn	Rs. Lacs	RMB Mn	Rs. Lacs
Equity Capital	0.98	52.79	0.98	52.65	0.98	52.65	NA	NA
Reserves (excluding revaluation reserves)	(0.30)	(16.01)	(0.27)	(14.51)	0.00	0.00	NA	NA
Total Income	0.09	4.82	0.14	7.52	0.00	0.00	NA	NA
Profit After Tax	(0.03)	(1.64)	(0.27)	(14.51)	0.00	0.00	NA	NA
Earning Per Share(RMB/Rs.)	(0.30)	(1.61)	(2.70)	(14.51)	0.00	0.00	NA	NA
Net Asset Value per share (NAV) (RMB/Rs.)	6.85	36.80	7.10	38.15	9.80	52.65	NA	NA

Exchange rate used is Rs.5.37 per RMB (Chinese Renminbi) as on June 26, 2007 Source: www.oanda.com

45. Identity of the promoters/shareholders having control over Wendt:

Winterthur indirectly holds 100% of Wendt

Disclosure in terms of regulation 16(ix)

46. As of date of this Letter of Offer, the Acquirers do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.

47. Other than in the ordinary course of business, the Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

Option in Terms of regulation 21(2)

48. If consequent to this Offer, the public shareholding falls to a level below the limit specified in the listing agreement with the Stock Exchanges for the purpose of listing on continuous basis, the Acquirers undertake to raise the level of public shareholding, in terms of the provisions of regulation 21(2), in accordance with and within the timelines specified in the listing agreement with the Stock Exchanges where the Target Company is listed. While, the Acquirers may have and may plan to enter into arrangements with other promoters of the Target Company in this regard, it remains the sole responsibility of the Acquirers to ensure the same.

IV. BACKGROUND OF THE TARGET COMPANY

49. The Target Company was incorporated in India on August 21, 1980 as a public limited company under the Companies Act, 1956. It was promoted by Mr. S C Khatau and Wendt jointly. The registered office and the corporate office of the Target Company is located at Devatha Plaza, IV Floor, Residency Road, Bangalore – 560025. Tel: +91-80-22215625 Fax: +91-80-22224968 (Source: Annual Reports of Target Company)

50. Brief History and major areas of operations: Mr. S C Khatau and Wendt GmbH, Germany jointly promoted Wendt (India) Limited. 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 Wendt (India) Limited along with Wendt GmbH. Subsequently, CUMI sold 49,338 of the Shares to Wendt GmbH, Germany 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%. In March 2005, Wendt Holding GmbH entered into an agreement to acquire Wendt GmbH. Pursuant to the acquisition, Wendt Holding GmbH along with Wendt GmbH made an open offer in accordance with the Regulations to acquire 20% Shares of Wendt (India) Limited. Subsequent to the said open offer, Wendt GmbH acquired an additional 2,975 Shares tendered in the open offer which increased its shareholding in Wendt (India) Limited to 40.02%.

    The Target Company is a leading manufacturer of super-abrasive grinding wheels and tools (Diamond and Cubic Boron Nitride). Super-abrasive products of Diamond (DIA) and Cubic Boron Nitride (CBN) are used by a wide spectrum of industries from automobile, cutting tool, engineering, steel, tile, ferrite, glass, ceramics and watch manufacturers. From the state-of-the-art production facility at Hosur near Bangalore, the Target Company produces resin, metal, electroplated, vitrified bonded, diamond and CBN tools, diamond dressers and hones.

51. Description of locations and manufacturing facilities :

    a. The Target Company's registered office is located in Bangalore at 407 Devatha Plaza, Residency Road, Bangalore 560025, Karnataka.

    b. 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.

    c. The Target Company has one subsidiary company named "Wendt Grinding Technologies Limited". Address: 109/21, Moo4, Tambol Pluakdaeng, Ampur Pluakdaeng, Rayong- 21140, Thailand.

52. As of July 30, 2007, the total paid up share capital of the Target Company was Rs. 2 Crore consisting of 20,00,000 fully paid up shares. (Source: Information provided by the Target Company, Annual Report of the Target Company for FY07). The share capital structure of the Target Company is as follows:

Paid up equity shares of the Target Company	Number of shares / voting rights	% of equity shares / voting rights
Fully paid up equity shares	20,00,000	100
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	20,00,000	100
Total voting rights in the Target Company	20,00,000	100

53. Build-up of the current capital structure of the Company since inception is as under:

Date of Allotment	No. and % of shares issued	Cumulative paid-up share capital	Mode of allotment	Identity of allotees	Status of Compliance
Oct 3, 1983	150,000 (30%)	1,500,000	Reserved for Foreign Promoters	Foreign Promoters	Complied as per CCI order dated March 14, 1983
Oct 3, 1983	150,000 (30%)	3,000,000	Reserved for Indian Promoters	Indian Promoters & Associates	Complied as per CCI order dated March 14, 1983
Oct 3, 1983	200,000 (40%)	5,000,000	Through Prospectus	Public	Complied as per CCI order dated March 14, 1983
Dec 23, 1996	500,000 (100%)	10,000,000	1:1 Bonus	All existing Shareholders	Complied as per SEBI Regulations
Sep 18, 2003	1,000,000 (100%)	20,000,000	1:1 Bonus	All existing Shareholders	Complied as per SEBI Regulations

54. There are no equity-linked instruments, which are outstanding in the Target Company as of date of PA. No person, directly or indirectly, is entitled to subscribe to or be allotted any equity share in the Target Company, by virtue of any agreement / option / right.

55. The Shares of the Target Company are listed on BSE and NSE. The Target Company has complied with the listing requirements and trading of the company's stock has never been suspended from the Stock Exchanges. Further, no penal / punitive actions have been taken by the Stock Exchanges.

    In an earlier open offer made in May 2005 by Wendt Holding GmbH and Wendt to shareholders of the Target Company, Wendt Holding GmbH and Wendt had undertaken to raise the public shareholding to 25% within a period of one year from closure of the Offer. However, according to the Target Company and Wendt, the requirement to increase public shareholding to 25% did not apply to the Target Company and a detailed analysis in its support was submitted to SEBI via their letter dated January 5, 2007. Pursuant to that, SEBI via its letter dated June 5, 2007 advised the company to approach BSE for seeking appropriate clarifications. The Target Company and Wendt sought clarification from BSE and submitted a letter to BSE on June 26, 2007 in this regard. Additionally, in view of the current Offer, the Target Company had requested BSE to keep the matter in abeyance till the Offer is completed. BSE, vide their letter dated September 14, 2007, have stated that they would consider the matter on completion of the Offer.

56. The Target Company has complied with the provisions of Chapter II of the Regulations except for the following delays:

    a. Filing under regulation 8(3) of Regulations for the year 1998, filed on May 4, 1998, delay of 4 days

    b. Filing under regulation 8(3) of Regulations for the year 1999, filed on May 5, 1999, delay of 5 days

    c. Filing under regulation 8(3) of Regulations for the year 2001, filed on June 16, 2001, delay of 46 days

57. The Target Company has confirmed that it has not been prohibited by SEBI from dealing in securities in terms of section 11B of the Securities and Exchange Board of India Act, 1992, as amended.

58. The Board of Directors of the Target Company, as of the date of the Public Announcement, is as under:

Name of director	Residential address	Work experience & profile	Qualifications	Date of appointment
MM Murugappan (Chairman)	"Dare House",234, N.S.C Bose Road, Chennai – 600001	MM Murugappan holds a Masters Degree in Chemical Engineering and has been successfully involved with the various businesses of the Murugappa Group for the past three decades. He played a pivotal role in transforming CUMI into a process oriented and cohesive organization. Mr MM Murugappan is on the boards of several companies within & outside the Murugappa Group such as Mahindra & Mahindra Ltd, Infotech Enterprises Ltd etc.	B Tech. M.Sc (Engg)	January 29, 2001
Norbert Lamers	Kressenstrasse 1, 47445 Moers, Germany	Mr. Lamers has worked with Wendt since 1989. Mr. Lamers has also been appointed as Chief Executive Officer and Managing Director of Wendt Holding GmbH from March 2005.	Mr. Lamers is a Mechanical & Software Engineer (Diplom-Ingenieur: Master's Degree in Engineering). He also has an Economics, PED (Program for Executive development) degree from IMD, Lausanne	January 29, 2001
Kiran A Sheth	41, Usha Kiran, 20th Floor, Carmichal Road, Mumbai – 400020	30 years as a partner in premier textile processors, 26 years as partner in A Sheth & Co which is a finance & investment company.	B.Sc	February 25, 1991
Shrinivas G Shirgurkar	"Raj Krupa" No. 586, 1st Main, 2nd Stage, 3rd Block, Rajamahal Vilas Extn, Bangalore-560 094	36 years of experience in Machine tool Designing. Instrumental in starting the ACE Designers and presently he is the Managing Director of ACE Designers Ltd., one of the largest manufacturers of CNC turning machines in India with a market share of over 40%	B.E. (Mechanical)	April 17, 2006
K Srinivasan	"Parry House" 6th floor 43, Moore Street, Chennai -600001	Mr K Srinivasan holds a bachelors degree in Mechanical Engineering. He has nearly 26 years of experience in the machine tools and abrasives industries in sales, technical, production and general management. He was a part of the team that turned around the industrial ceramic business of CUMI. Presently he is the Managing Director of CUMI.	B Tech (Mechanical)	January 29, 2001
Mahesh R Chhabria	11, Golden Beach Ruia Park, Juhu, Mumbai -400 049	19 Years of Experience in Investment Banking Business and headed an investment bank ENAM Financial Consultants Pvt Ltd prior to joining 3i India (P) Ltd. Worked 13 years in ENAM, where he had worked on various facets of corporate finance, compliance & origination	B.Com, ACA	April 10, 2006

**None of the Directors are representatives of the Acquirers except Mr Norbert Lamers who is the Managing Director of Wendt GmbH, Germany.*

59. The Target Company's Board comprises of 6 Directors of which none are Whole Time Directors.
60. There were no mergers, demergers and / or spin-offs involving the Target Company during the last three years.
61. The shares of WIL were delisted from Bangalore Stock Exchange with effect from September 10, 2005
62. The financials of the Target Company are as follows:

Data for the years FY 2007, FY 2006 and FY 2005 are based on audited financials of the Target Company

Profit & Loss Statement (All figures in Rs. lacs, except per share data)	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Income from operations (Net)	5,074.19	4,162.87	3,783.85
Other Income	155.39	100.26	128.05
Total Income	5,229.58	4,263.13	3,911.90
Total Expenditure	3,733.85	3,048.18	2,620.54
Profit Before Depreciation Interest and Tax	1,495.73	1,214.95	1,291.36
Depreciation	185.02	135.61	114.63
Interest	0.92	0.37	0.72
Profit Before Tax	1,309.79	1,078.97	1,176.01
Provision for Tax	438.57	363.37	402.90
Profit After Tax	871.22	715.60	773.11

Balance Sheet Statement (All figures in Rs. lacs, except per share data)	**As on March 31, 2007**	**As on March 31, 2006**	**As on March 31, 2005**
Sources of funds			
Paid up share capital	200.00	200.00	200.00
Reserves and Surplus (excluding revaluation reserves)	3,438.20	2,976.46	2,602.94
Networth	3,638.20	3,176.46	2,802.94
Secured loans	10.01	23.84	22.57
Unsecured loans	38.48	42.64	42.64
Deferred Tax Liabilities	235.17	206.10	193.23
Total	3,921.86	3,449.04	3,061.38
Uses of funds			
Net fixed assets	1,911.38	1,629.37	1,280.24
Investments	1,204.12	1,182.95	1,205.07
Net current assets	806.36	636.72	576.07
Total miscellaneous expenditure not written off	-	-	-
Total	3,921.86	3,449.04	3,061.38

Other Financial Data	**Year ended March 31, 2007**	**Year ended March 31, 2006**	**Year ended March 31, 2005**
Dividend (%)	175%	150%	150%
Earning Per Share (Rs.)	43.56	35.78	38.66
Return on Networth[1] (%)	23.95%	22.53%	27.58%
Book Value Per Share[2] (Rs.)	181.91	158.82	140.15

[1] Return on Networth calculated as: Profit after Tax/ Closing Networth

[2] Book Value per Share calculated as: Networth/ Total number of shares

63. An analysis of financial performance for the last 3 years is given below:

FY 2007

During the year the Target Company achieved a turnover of Rs 50,74 lacs, registering a growth of 22% over the previous year. The domestic sales grew by 34% while maintaining the export sales almost at last year's level. The Profit before tax and Profit after tax has grown by 21% and 22% respectively over the previous year.

The Target Company's redefined business objective from being a mere super abrasive product manufacturer to being a Provider of Products / Services for sizing, forming and surface improvements on materials has resulted into opening new avenues and widening its customer base in the domestic market in various industry segments.

The Target Company's exports constituted 26% of the total sales, however during the year exports did not grow as per plan. This was due to the shift in manufacturing base which is being noticed globally - most of the international players in Automotive, Tooling and Engineering segment shifting their manufacturing bases to the developing countries like India. This has resulted into lower off-take by some of the major international customers, while giving buoyancy to the Domestic market.

FY 2006

During the year the Target Company achieved a turnover of Rs 41,63 lacs, registering a growth of 10% over the previous year. The domestic sales grew by 13% and export sales grew by 5% over the previous year. The Profit before tax and Profit after tax has been lower by 8% and 7% respectively over the previous year. This was mainly due to higher sales of low contribution products and the price pressure from customers of certain industry segments on account of low cost imports of their products.

The Target Company during the year has increased its customer base in the domestic market. It has successfully introduced new products which have started yielding additional business, which are expected to grow further in coming years. With a view to accelerate its growth, the Target Company has redefined its business objective from being a mere super abrasive product manufacturer to being a Provider of Products / Services for sizing, forming and surface improvements on materials.

FY 2005

During Fiscal 2005, the Target Company 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 user industries like Automobile, Engineering and Steel, Cutting Tool, Glass Ceramics continued during this fiscal year, the demand for the Target Company's products and revenue from Vitrified Tile Industries was severely affected due to cheaper imports. Further, the Target Company has exited from Software Business with a view to concentrate on core activities. However the various proactive steps and initiatives taken by the Target 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 Target Company's revenues. By leveraging its international connections and with the close cooperation of its Foreign Collaborators, M/s. Wendt GmbH, Germany, the Target Company has been constantly striving to expand its export, both in terms of earnings and geographical spread.

64. Pre and post Offer share holding pattern of the Target Company as on the date of the PA is 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 open offer (Assuming full acceptances)		Share holding/ voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		=(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Acquirers								
(a) Winterthur	-	-	-	-	-	-	-	-
(b) Wendt	8,00,327	40.02	-	-	4,00,000	20.00	12,00,327	60.02
Total 1 (a+b)	8,00,327	40.02	-	-	4,00,000	20.00	12,00,327	60.02
(2) Promoter Group								
(a) Parties to agreement, if any	-	-	-	-	-	-	-	-
(b) Promoters other than (a) above:								
Carborundum Universal Limited	7,97,352	39.87	-	-	-	-	-**	-**
Total 2 (a+b)	7,97,352	39.87	-	-	-	-	-**	-**
(3) Parties to the agreement other than (1) and (2) above	-	-	-	-	-	-	-	-
(4) Institutions (Other than 1 to 3)							This will depend on response from and within each category of (4) and (5)*	
(a) Financial Institutions/ Banks	1,850	0.09						
(b) Mutual Funds/ UTI	-	-						
(c) FIIs	-	-						
(5) Public (other than 1 to 4)								
NRIs/ OCBs	1,284	0.06						
Any Other	399,187	19.96						
Total (4+5)	402,321	20.11						
GRAND TOTAL (1+2+3+4+5)	**20,00,000**	**100.00**	**-**	**-**	**4,00,000**	**20.00**	**20,00,000**	**100.00**

** If consequent to this Offer, the public shareholding falls to a level below the limit specified in the listing agreement with the Stock Exchanges for the purpose of listing on continuous basis, the Acquirers undertake to raise the level of public shareholding, in terms of the provisions of Regulation 21(2), to the levels specified for continuous listing specified in the listing agreement with the Stock Exchanges, within a period of twelve months from the date of closure of this Open Offer. While, the Acquirers may have and may plan to enter into arrangements with other promoters of the Target Company in this regard, it remains the sole responsibility of the Acquirers to ensure the same.*

*** This will depend on response from Carborundum Universal Limited, if any.*

65. There are 2,757 public shareholders holding 402,321 shares of the Target Company.

66. As of the date of the PA, no Shares of the Target Company are under lock-in.

67. Corporate Governance: The Target Company is in compliance with the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges.

68. Pending Litigations: The following is the list of material litigations by and against the Target Company as on July 30, 2007:

There are no pending litigations or penalty imposed by SEBI on the Target Company.

Labour Cases

There are four labour cases decided against the Target Company by the Labour Court against which the Target Company obtained stay from the Chennai High Court. In two out of four cases, the High Court has granted stay after directing the Target Company to deposit the back wages and also payment of wages under section 17(B) of I.D. Act which the Target Company has complied with / will comply with.

Income Tax Cases

FY 2000-01 (AY 2001-02)

A demand notice for Rs 4,40,171/- received from the IT department for the inclusion of the Excise Duty in computation of deduction under section 80HHC. Appeal made to ITAT by the department was dismissed and hence the department filed an appeal before the Karnataka High Court which is pending.

FY 2001-02 (AY 2002-03)

A demand notice for Rs 2,26,292/- received from the IT department for the inclusion of the Excise Duty in computation of deduction under section 80HHC. Appeal made against this order and the CIA (A) allowed Target Company's appeal.

The department filed an appeal before the ITAT, which was dismissed & the final order is pending.

FY 2003-04 (AY 2004-05)

Assessment order u/s 143(3) dt.2.11.06 has been received. Department included ED in total turnover in computing 80HHC. Demand notice received for Rs.2,85,635/- and Stay application filed for collection of the amount. Also Appeal filed with Commissioner of Income Tax (Appeals).

The aggregate amount involved in the above mentioned Income Tax cases is approximately Rs.9.6 lacs

69. Compliance Officer:

N Sri Sai Kumar, Compliance Officer and Company Secretary; Plot No. 69/70 SIPCOT Industrial Estate, Hosur-631126, Tamilnadu Tel: +91 4344 276851/52, 405500, Email: Srisaikumarn@wendtindia.com

70. The change in shareholding of the promoters of the Target Company since 1983 is shown in the table below:

Wendt GmbH, Germany

Date of transaction	Initial number of shares	Number of shares transacted	Balance number of shares	Percentage of Shareholding in Target Company	Details of transaction
Initial Public offer (1983)	1,50,000	-	1,50,000	30.00%	IPO
31-5-1993	-	49,338	1,99,338	39.87%	Transfer from Carborundum Universal Limited
23-12-1996	-	1,99,338	3,98,676	39.87%	1:1 Bonus
18-9-2003	-	3,98,676	7,97,352	39.87%	1:1 Bonus
7-1-2006	-	2,975	8,00,327	40.02%	Open offer (2005)
Balance as on the date of the PA					**Closing Balance 800,327**

In this regard, the company has complied with the applicable provisions of the SEBI (SAST) Regulations.

Carborundum Universal Limited

Date of transaction	Initial number of shares	Number of shares transacted	Balance number of shares	Percentage of Shareholding in Target Company	Details of transaction
31-5-1993	-	1,99,338	1,99,338	39.87%	Open market purchase
23-12-1996	-	1,99,338	3,98,676	39.87%	1:1 Bonus
18-9-2003	-	3,98,676	7,97,352	39.87%	1:1 Bonus
Balance as on the date of the PA					**Closing Balance 797,352**

In this regard, the company has complied with the applicable provisions of the SEBI (SAST) Regulations.

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

Justification of Offer Price

71. The Shares of the Target Company are listed on BSE and NSE. The Shares of the Target Company are infrequently traded on BSE and NSE as on the date of the PA.

72. **Pricing with reference to PA for Target Company:** The Acquirers have made a Public Announcement on July 30, 2007. The annualized trading turnover during the period January 2007 to June 2007, the six calendar months prior to the month in which the Public Announcement was made, is as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the month of the Public Announcement (six months ending June 2007)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	42,068	20,00,000	4.2%
NSE	20,113	20,00,000	2.0%

Source: BSE and NSE Websites

As the annualized trading turnover (by number of Shares) on BSE and NSE is less than 5% of the total number of listed Shares of the Target Company, the Shares of the Target Company are deemed to be infrequently traded as per the explanation to regulation 20(5) of the Regulations.

73. **Pricing with respect to date of Global Acquisition:** The Global Acquisition was initially entered into on June 26, 2007 and, as such, announced to the public on that date. The annualized trading turnover during the period December 2006 to May 2007, the six calendar months prior to the month in which the SPA was entered into, is as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the date of the Global Acquisition (six months ending May 31, 2007)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	55,133	20,00,000	5.5%
NSE	20,270	20,00,000	2.0%

Source: BSE and NSE Websites

As the annualized trading turnover (by number of Shares) on BSE is greater than 5% and on NSE is less than 5% of the total number of listed Shares of the Target Company, the Shares of the Target Company are deemed to be frequently traded on BSE and infrequently traded on NSE as per the explanation to regulation 20(5) of the Regulations.

74. **Justification for pricing based on norms for infrequently traded stocks:** Based on the parameters set out in the Regulations for infrequently traded stocks, as per the date of the Global Acquisition and as per the date of the PA, the Offer Price is justified, as it is higher than:

a)	The price computed by applying the average of the market multiples (Price to Earnings Ratio and Price to Book Value Ratio) for comparable companies (Carborundum Universal Limited, Grindwell Norton Limited, Orient Abrasive Limited) to the relevant metrics for the Target Company. The details are given in the table below	Rs. 724.10 / Share
b)	The negotiated price during the Global Acquisition *	Not Applicable
c)	The highest price paid by the Acquirers or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the last 26 weeks **	Not Applicable

** The consideration paid by the Acquirers pursuant to the Global Acquisition was a composite consideration and no specific consideration was allocated for interest in the Target Company during the Global Acquisition.*

*** There has been no acquisition or allotment of Shares by/to the Acquirers during the last 12 months prior to the date of PA*

Other parameters:

Parameter	Based on audited results for the year ended March 2007
Return on Net Worth	23.94%
Book Value (Rs. Lacs)	3,638.00
Book Value per Share (Rs.)	181.90
Earnings per Share (Rs.)	43.56
PE (based on Offer Price)	18.02
Industry PE (Average)*	16.86
P/B (based on Offer Price)	4.32
Industry P/B (Average)**	3.92

** Industry PE calculated as an average of PE's of comparable companies (Carborundum Universal Limited, Grindwell Norton Limited, Orient Abrasive Limited). PE for company calculated as closing price of June 26, 2007 / annual EPS for FY07*

*** Industry P/B calculated as an average of P/B's of comparable companies (Carborundum Universal Limited, Grindwell Norton Limited, Orient Abrasive Limited). P/B for company calculated as closing price of June 26, 2007 / Book Values per share for FY07*

75. **Justification for pricing based on norms for frequently traded stocks:** Based on the parameters set out in the Regulations for frequently traded stocks, as per the date of the Global Acquisition, the Offer Price is justified, as it is higher than:

a) The average of the weekly high and low of closing prices for Shares of the Target Company on BSE for the 26 weeks before the date of the Public Announcement	Rs. 692.83/ Share
b) The average of the daily high and low of the Shares of the Target Company on BSE for the two week period before the date of the Public Announcement	Rs. 703.90/ Share
c) The negotiated price during the Global Acquisition *	Not Applicable
d) The highest price paid by the Acquirers or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the last 26 weeks **	Not Applicable

** The consideration paid by the Acquirers pursuant to the Global Acquisition was a composite consideration and no specific consideration was allocated for interest in the Target Company during the Global Acquisition.*

*** There has been no acquisition or allotment of Shares by/to the Acquirers during the last 12 months prior to the date of PA.*

76. The details of closing prices and volume on BSE for the 26-week period prior to June 26, 2007 are as under:

Week Number	Week-ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Total Volume (Number of Shares)
1	1-Jan-07	709.00	694.30	701.65	9,853
2	8-Jan-07	710.70	700.00	705.35	1,354
3	15-Jan-07	724.55	706.45	715.50	3,008
4	22-Jan-07	711.35	706.00	708.68	1,464
5	29-Jan-07	714.05	701.75	707.90	439
6	5-Feb-07	712.60	699.00	705.80	2,894
7	12-Feb-07	697.95	690.00	693.98	1,181
8	19-Feb-07	699.95	681.45	690.70	450
9	26-Feb-07	690.00	660.00	675.00	2,103
10	5-Mar-07	683.90	661.00	672.45	726
11	12-Mar-07	658.95	639.65	649.30	975
12	19-Mar-07	650.00	630.00	640.00	1,520
13	26-Mar-07	665.50	645.00	655.25	1,675
14	2-Apr-07	667.00	650.90	658.95	6,026
15	9-Apr-07	676.00	633.70	654.85	351
16	16-Apr-07	714.55	684.55	699.55	1,646
17	23-Apr-07	720.00	692.70	706.35	653

Week Number	Week-ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Total Volume (Number of Shares)
18	30-Apr-07	701.70	643.15	672.43	6,362
19	7-May-07	704.95	697.25	701.10	677
20	14-May-07	713.65	698.05	705.85	608
21	21-May-07	716.00	703.35	709.68	1,093
22	28-May-07	734.45	700.10	717.28	1,895
23	4-Jun-07	742.75	725.00	733.88	982
24	11-Jun-07	728.50	705.00	716.75	625
25	18-Jun-07	710.00	695.15	702.58	464
26	25-Jun-07	729.00	696.80	712.90	644
			Average	**692.83**	

Source: BSE Website

The details of intra-day price and volume on BSE for the 2-week period prior to June 26, 2007 are as under:

Day No.	Date	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	12-Jun-2007	705.05	695.15	700.10	84
2	13-Jun-2007	700.00	695.00	697.50	150
3	14-Jun-2007	710.00	695.00	702.50	26
4	15-Jun-2007	705.50	690.00	697.75	175
5	18-Jun-2007	717.50	700.00	708.75	29
6	19-Jun-2007	710.00	700.05	705.03	53
7	20-Jun-2007	700.00	696.00	698.00	137
8	21-Jun-2007	711.70	700.00	705.85	196
9	22-Jun-2007	729.00	680.55	704.78	24
10	25-Jun-2007	727.00	710.50	718.75	234
			Average	**703.90**	

Source: BSE Website

77. There was no non-compete fee paid by the Acquirers and their affiliates in the agreement for the Global Acquisition.

78. Mr. Anish Shah membership no. 42649, Partner of M/s V. C. Shah & Co. Chartered Accountants have certified via their letter dated August 7, 2007 that the Offer Price is justified in terms of the Regulations for determining the Offer Price for the Offer.

79. Based on the above and in the opinion of the Managers to the Offer and the Acquirers, the Offer Price is justified as per the Regulations.

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

81. The Acquirers shall not acquire any Shares of the Target Company outside the Offer, prior to the closure of Offer.

Financial Arrangements

82. The total financial resources required for this Offer, assuming full acceptance will be Rs.31,40,00,000/-(Rupees Thirty One Crores and Forty Lacs only) ("Maximum Consideration"). The Acquirers, being companies incorporated outside India, would use foreign funds for the Offer. The Acquirers propose to fund the Offer from their internal resources. The Acquirers have made firm financing arrangements for the Offer by way of a deposit placed with Dresdner Bank AG, Koenigswall 21, 44137 Dortmund, Germany, Tel. +49(0)23191525924 ("Bank"), and the Cash Deposit as set out in paragraph 83. The Acquirers have undertaken to keep the firm financing arrangements made for the Offer by the way of deposit detailed above and the Cash Deposit at a level equal to or more than the Maximum Consideration at all times, irrespective of the foreign exchange fluctuations. Mr. Anish Shah membership no. 42649, Partner of M/s V. C. Shah & Co. Chartered Accountants (Rajgir Chambers, 3rd Floor,12-14,Shahid Bhagat Singh Road. Opposite Old Custom House, Mumbai-400 001), have confirmed vide their letter

dated July 24, 2007 that the Acquirers have adequate financial resources available for meeting their obligations under the Regulations for a value up to the Maximum Consideration.

83. By way of security for performance of its obligations under the Regulations, the Acquirers have made escrow arrangements by depositing in an account with Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227 Nariman Point, Mumbai – 400 021 ("Deposit Bank"), an amount of Rs. 7,85,00,000 (Rupees Seven Crores and Eighty Five Lacs only) in cash (the "Cash Deposit"). The Cash Deposit represents 25% of the Maximum Consideration in accordance with the Regulations. The Manager to the Offer is empowered to instruct the Deposit Bank to issue bankers cheques or demand drafts for amounts as provided in the Regulations.

84. On the basis of the aforesaid financial arrangements and based on the confirmations received from the Bank, the Deposit Bank and the certificate received from the Accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirers through verifiable means to implement this Offer in full.

VI. TERMS AND CONDITIONS OF THE OFFER

85. This Offer is made to all shareholders of the Target Company and also to persons who acquire shares before the closure of the Offer and tender these shares into the Offer in accordance with the PA on or before November 12, 2007 except the Acquirers, parties to the agreement for the Global Acquisition, and any person deemed to be acting in concert.

86. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the Shareholders of the Target Company whose names appear on the Register of Members of the Target Company and the beneficial owners of the Shares of the Target Company, whose names appear as beneficiaries on the records of the respective depositories on August 03, 2007, except the Acquirers, parties to the agreement for the Global Acquisition, and any person deemed to be acting in concert. Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

87. The Acquirers will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

88. To the extent of the Offer Size, all the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by Wendt.

89. The Regulations provide for an upward revision of the Offer Price and the number of Shares to be acquired, at any time up to seven working days prior to the closure of the Offer viz. up to October 31, 2007 and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers where the original Public Announcement appeared. In case of revision, the revised price will be payable by the Acquirers for all the Shares that are validly tendered pursuant to the Offer.

90. Each shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

91. Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer entitled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at its collection center, mentioned under paragraph 107 of this Letter of Offer, either by hand delivery during Business Hours or by registered post so that the same are received on or before the closing date i.e. November 12, 2007.

92. In respect of dematerialised Shares the credit for the Shares tendered must be received in the special account (as specified in paragraph 100) by end of day on November 12, 2007. If the Shareholders hold their Shares through NSDL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to NSDL for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL as mentioned in paragraph 100 below.

93. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and/or Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

94. In case of non-receipt of the Letter of Offer, the Eligible Shareholder may send his consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, distinctive numbers, folio number, number of Shares offered, along with the necessary documents (as mentioned in paragraph 100) so as to reach the Registrar to the Offer at the registered office at Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 on or before the closure of the Offer.

95. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of this Letter of Offer.

Statutory Approvals

96. This Offer is subject to the Acquirers' obtaining the approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999, as amended from time to time, for the acquisition / transfer of Shares tendered pursuant to this Offer, if required. The Acquirers have made an application to RBI vide letter dated August 21, 2007 to obtain their approval for the acquisition / transfer of Shares validly tendered pursuant to this Offer. RBI, vide their letter dated October 3, 2007, have stated that they have no objection to Winterthur Technologie AG and Wendt GmbH acquiring upto 4,00,000 equity shares of Wendt (India) Limited through Open Offer in accordance with the SEBI (SAST) Regulations, 1997. To the best of the knowledge of the Acquirers, there are no other statutory approvals required to acquire the Shares that are validly tendered pursuant to this Offer.

97. There are no approvals required from financial institutions or banks for the Offer.

98. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a the power to grant an extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations. Further if the delay occurs due to willful default of the Acquirers in obtaining the requisite approvals, regulation 22(13) of the Regulations will become applicable.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

99. The Shareholders of the Target Company, who wish to avail of and accept this Offer should deliver the documents mentioned below as soon as possible by Registered Post with acknowledgement due or in person or by courier, so as to reach the Registrar to the Offer or the Registrar's Collection Center at the address mentioned in paragraph 107 before 3:00 pm Indian Standard Time on November 12, 2007 or such other extended date in case there is any competitive bid. Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respect 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 close of the offer. The Form of Acceptance-cum-Acknowledgment of such dematerialised Shares not credited in favour of the special depository account before the close of the Offer is liable to be rejected.

100. Documents to be delivered by all shareholders

(a) For Shares held in the DEMATERIALIZED FORM

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").

(ii) Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP. The details of the special depository account are as follows:

Depository Name	Central Depository Services Limited (CDSL)
DP Name	CIL Securities Limited
DP ID Number	13500
Account name	KCPL ESCROW A/C – WENDT (INDIA) LIMITED OPEN OFFER
Beneficiary Account Number	1201350000053337
ISIN	INE274C01019
Market	Off-Market
Date of Credit	On or before November 12, 2007

** Shareholders should ensure that the Shares are credited in the aforementioned account by the end of day on November 12, 2007.*

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Acceptance Form.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account or for shares that are credited in the above special account but the corresponding Form of Acceptance has not been received as on the date of closure of the Offer.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original equity share certificate(s); and

(iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

(c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

(iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

(iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

(v) No indemnity is required from persons not registered as Shareholders.

101. Non-resident Shareholders should, in addition to above, enclose copy(ies) of permission(s) received from Reserve Bank of India to acquire Shares held by them in the Target Company.

102. Shareholders who have sent their physical Shares for dematerialization may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical 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 duly instructed by the shareholder should be received on or before the close of the Offer, i.e. November 12, 2007, else the application will be rejected.

103. In case of non-receipt of the Letter of Offer, the eligible shareholders may obtain a copy of the Letter of Offer from the SEBI website "www.sebi.gov.in", or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the Shares. Alternatively those desirous of tendering their Shares to the Acquirers may participate in the Offer as follows:

(a) In case Shares are held in the dematerialized form by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer before 3:00 p.m. Indian Standard Time on November 12, 2007, stating the name, address, no. of Shares held, no. of Shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the DP, in favour of "KCPL ESCROW A/C – WENDT (INDIA) LIMITED OPEN OFFER " filled as specified in paragraph 100 above. No indemnity would be required from unregistered Shareholders.

(b) In case of Shares held in the physical mode by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of Shares offered, distinctive nos., folio no., the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed (as specified in paragraph 100, as applicable, above), either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer before 3:00 p.m. Indian Standard Time on November 12, 2007.

104. 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):

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

105. While tendering Shares under the Offer, non resident shareholders will be required to submit the previous approvals from the RBI (specific or general) that they would have obtained for acquiring the Shares. In case the previous approvals from the RBI are not submitted, the Acquirers reserve the right to reject such Shares tendered.

106. While tendering the Shares under the Offer, non resident shareholders will be required to submit a Tax Clearance certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the IT Act before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum rate as may be applicable to the category of the shareholder under the IT Act, on the entire consideration amount payable to such non resident shareholders.

107. The Form of Acceptance-cum-Acknowledgement along with all the relevant documents should be submitted at the collection center below:

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1.	Hyderabad	Plot No.17 to 24, Vittalrao Nagar, Madhapur, Hyderabad- 500 081	Ms. Rinki Sareen	rinky.sareen@karvy.com	+91-40-23420818	+91-40-23420814	Hand Delivery/ Registered Post

Working hours: Monday to Friday 11.00 am to 3:00 pm and 11:00 am to 1:00 pm on Saturday (not being a bank holiday)

NO SHARES OR DOCUMENTS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS / TARGET COMPANY / MANAGER TO THE OFFER / PARTIES TO THE AGREEMENT FOR THE GLOBAL ACQUISITION

108. Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at its address Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081; Ph.No. +91-40-2342 0815, 2342 0824; Fax No. +91-40-2343 1551

109. The Registrar to the Offer will hold in trust the share certificates, credit of dematerialized Shares, form of acceptance duly filled in and the transfer deed(s) on behalf of the Shareholders of the Target Company who have accepted the Offer, till such time as the Acquirers complete the obligations under the Offer.

110. In case the number of Shares validly tendered in the Offer by the Shareholders of the Target Company are more than the Shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be, as per the provisions of Regulation 21(6) of the Regulations, on a proportional basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the Shares is 1 (one).

111. The payment of consideration for accepted applications will be made by the Acquirers in cash through account payee cheques, drafts, warrants, etc. sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by UPC in accordance with the Regulations, and the same will be drawn in the name of the first named person in case of joint shareholders. It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.

112. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details furnished in the Form of Acceptance.

113. Subject to the Statutory Approvals as stated in Paragraph 96 above, the Acquirers intend to complete all formalities, including the payment of consideration within a period of 15 days from the closure of the Offer, i.e. November 27, 2007 and for the purpose open a special account as provided under regulation 29, provided that

where the Acquirers are unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond 20 days, as may be specified by SEBI from time to time.

114. A copy of this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is expected to be available on SEBI's web-site (www.sebi.gov.in) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

115. In terms of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer i.e. up to November 6, 2007. The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions below so as to reach the Registrar to the Offer at its address Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081; Ph.No. +91-40-2342 0815, 2342 0824; Fax No. +91-40-2343 1551 either by hand delivery or by registered post

116. In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper along with details as mentioned in paragraph 100 above.

VIII. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer at 3rd floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm from the date of opening of the Offer up to the closure of this Offer.

- Certified true copy of Certificate of Incorporation and Articles of Association of the Acquirers.
- Audited Annual reports of the Acquirers for the last three years, as applicable.
- Certificate from Mr. Anish Shah, membership no. 42649, Partner of Chartered Accountants M/s V. C. Shah & Co. (Rajgir Chambers, 3rd Floor,12-14,Shahid Bhagat Singh Road. Opposite Old Custom House, Mumbai-400 001), dated July 24, 2007, confirming that the Acquirers have adequate financial resources available for meeting their obligations under the Regulations for a value up to the Maximum Consideration
- Bank Certificate issued by Dresdner Bank AG, Koenigswall 21, 44137 Dortmund, Germany, Tel. +49(0)23191525924 confirming firm financing arrangements made for the Offer by the way of a Cash Deposit at a level equal to or more than the Maximum Consideration at all times, irrespective of the foreign exchange fluctuations.
- Letter from Kotak Mahindra Bank Limited,36-38A, Nariman Bhavan, 227 Nariman Point, Mumbai – 400 021, confirming the deposit of the Escrow amount in the Escrow account for an amount representing 25% of the Maximum Consideration in accordance with the Regulations
- Copy of share purchase agreement with regard to the Global Acquisition.
- Published copy of the Public Announcement.
- SEBI observation letter dated September 28, 2007.
- Agreement regarding the special depository account with the depository participant.
- Audited annual reports of the Target Company for the last three years.

IX. DECLARATION BY THE ACQUIRERS

The Acquirers accept full responsibility for the information contained in this Letter of Offer as evidenced by the signature of their authorized representative for this purpose. The Acquirers would be responsible for ensuring compliance with the Regulations.

Signed by

Sd-

For Winterthur Technologie AG, Zug

Name	: Dr. Edgar Rappold
Designation	: CEO, Winterthur Technologie AG, Zug
Date	: October 15, 2007
Place	: Zug, Switzerland

Sd-

For Wendt GmbH

Name	: Markus Dreihues
Designation	: CFO, Wendt Holding GmbH
Date	: October 15, 2007
Place	: Meerbusch, Germany

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Winterthur and Wendt – WIL Open Offer

From

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**24-Oct-2007 (Wednesday)**
OFFER CLOSES ON	**12-Nov-2007 (Monday)**

To

The Acquirers: Winterthur and Wendt – WIL Open Offer
C/ o Karvy Computershare Private Limited
Plot No 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500 081;
Ph.No. +91-40-2342 0815, 2342 0824
Fax No. +91-40-2343 1551

Dear Sir,

Sub: Open Offer for purchase of up to 400,000 Shares, representing up to 20% of the equity share capital of Wendt (India) Limited, at the Offer Price by Winterthur Technologie AG, Zug ("Winterthur") and Wendt GmbH ("Wendt"), (Winterthur collectively with Wendt, the "Acquirers") in accordance with the Public Announcement dated July 30, 2007 ("PA") and the Letter of Offer ("Offer")

I/We refer to the public announcement dated July 30, 2007 and the Letter of Offer for acquiring the equity shares held by me/us in Wendt (India) Limited. I/We, the undersigned have read the PA and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

☐ SHARES IN DEMATERIALIZED FORM

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my Shares as detailed below:

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

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

☐ via a delivery instruction from my account with CDSL

☐ via an inter-depository delivery instruction from my account with NSDL

Depository Name	Central Depository Services Limited (CDSL)
DP Name	CIL Securities Limited
DP ID Number	13500
Beneficiary Account Name	KCPL ESCROW A/C – WENDT (INDIA) LIMITED OPEN OFFER
Beneficiary Account Number	1201350000053337
ISIN	INE274C01019
Market	Off-Market
Execution date	On or before November 12, 2007

I/We note and understand that the Shares would lie in the special depository account until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

TEAR HERE

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Acknowledgement Slip

Winterthur and Wendt – WIL Open Offer

Received from Mr./Ms. ____________________ residing at ____________________ a Form of Acceptance cum Acknowledgement for ____________________ Shares along with:

☐ copy of depository instruction slip from DP ID ____________________ Client ID ____________________

☐ Share certificate(s) ____________________ transfer deed(s) under folio number(s) ____________________
for accepting the Offer made by the Acquirers.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

☐ SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
(In case the space provided is inadequate, please attach a separate sheet with details.) **Total No. of Equity Shares**					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring Shares of Wendt (India) Limited hereby tendered in the Offer.

I/We confirm that the equity shares of Wendt (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 authorize the Acquirers 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 authorize the Acquirers to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers 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 Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Name(s) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder______________________________

Place:

Date:

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited
Plot No 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500 081;
Ph.No. +91-40-2342 0815, 2342 0824
Fax No. +91-40-2343 1551

(Please attach this page with page 1 of this Form to receive Acknowledgement Slip)

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

<table>
<tr><td colspan="2">Name of the Bank</td><td colspan="2">Branch</td></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td>Account Number</td><td></td><td>Savings/Current/(Others: please specify)</td><td></td></tr>
</table>

Collection Centre

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of Delivery
1	Hyderabad	Plot No. 17 to 24, Vithal Rao Nagar, Madhapur Hyderabad - 500 081	Ms. Rinki Sareen	rinky.sareen@karvy.com	+91-40-2342 0818	+91-40-2342 0814	Hand Delivery/ Registered Post

Working hours for the above collection centres: 11 a.m. to 3 p.m. from Monday to Friday and 11 a.m. to 1 p.m. on Saturday(not being a bank holiday)

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to this Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered physical Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.

(3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").

(4) **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.

(5) **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.

(6) **Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar at their offices as mentioned above.

The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.

(7) **Non-resident Shareholders** should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company.

(8) **Non-resident Shareholders** are advised to refer to the clause on taxation in Section VII of the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.

(9) **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.

(10) **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.

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FORM OF WITHDRAWAL

Winterthur and Wendt – WIL Open Offer

From:

Folio No./DP ID No./Client ID No.:

OFFER SCHEDULE	
OFFER OPENS ON	**24-Oct-2007 (Wednesday)**
LAST DATE OF WITHDRAWAL	**6-Nov-2007 (Tuesday)**
OFFER CLOSES ON	**12-Nov-2007 (Monday)**

To,

The Acquirers: Winterthur and Wendt – WIL Open Offer
C/ o Karvy Computershare Private Limited, Plot No 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081;
Ph.No. +91-40-2342 0815, 2342 0824 Fax No. +91-40-2343 1551

Dear Sir

Sub: Open Offer for purchase of up to 400,000 Shares, representing up to 20% of the equity share capital of Wendt (India) Limited, at the Offer Price by Winterthur Technologie AG, Zug ("Winterthur") and Wendt GmbH ("Wendt"), (Winterthur collectively with Wendt, the "Acquirers") in accordance with the Public Announcement dated July 30, 2007 ("PA") and the Letter of Offer ("Offer")

I/We refer to the public announcement dated July 30, 2007 ("PA") and the Letter of Offer for acquiring the equity shares held by me/us in Wendt (India) Limited. I / We, the undersigned have read the aforementioned Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirers to return to me / us, the tendered 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 Acquirers / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. November 6, 2007.

I / We note the Acquirers / 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 dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

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

S. No.	Folio No.	Certificate No.	Distinctive Nos.		No of Shares
			From	To	
		Tendered			
1					
2					
3					
		Withdrawn			
1					
2					
3					
(In case the space provided is inadequate, please attach a separate sheet with details.) Total No. of Equity Shares					

TEAR HERE

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Acknowledgement Slip - Withdrawal : Winterthur and Wendt – WIL Open Offer **Sr. No.**

Received from M/s / Mr./Ms. __________

Residing at __________

a Form of Withdrawal for __________ Shares along with:

☐ copy of depository instruction slip from DP ID __________ Client ID __________

☐ copy of acknowledgement slip issued when depositing dematerialized Shares

☐ copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Acquirers.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the "KCPL ESCROW A/C – WENDT (INDIA) LIMITED OPEN OFFER". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	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 dematerialized 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) of the shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place:

Date:

Collection Centre

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of Delivery
1	Hyderabad	Plot No. 17 to 24, Vithal Rao Nagar, Madhapur Hyderabad - 500 081	Ms. Rinki Sareen	rinky.sareen@karvy.com	+91-40-2342 0818	+91-40-2342 0814	Hand Delivery/ Registered Post

Working hours for the above collection centres: 11 a.m. to 3 p.m. from Monday to Friday and 11 a.m. to 1 p.m. on Saturday(not being a bank holiday)

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — — —

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited
Plot No 17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad 500 081;
Ph.No. +91-40-2342 0815, 2342 0824
Fax No. +91-40-2343 1551

INSTRUCTIONS

(1) All queries **pertaining to this Offer may be directed to the Registrar to the Offer.**

(2) **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.

(3) **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.

(4) **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.

(5) **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).

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