LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as registered fully paid up equity shareholder(s)/Beneficial Owners of WPIL Limited. If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/Registrar to the Offer. In case you have sold your Shares in WPIL Limited, please hand over this Letter of Offer and accompanying Form of Acceptance cum acknowledgement, Form of withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

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

OPEN OFFER BY

HINDUSTHAN UDYOG LIMITED

Regd. Office: 6, Old Post Office Street, Kolkata - 700 001
Phone Nos. 033-22480941/22480942 Fax: 033-22483175 Email: hul@cal.indiax.com

to acquire from the existing (fully paid up) equity shareholders of

WPIL LIMITED

Regd. Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata - 700 001
Phone Nos.033-25533034/3276/3345/2905 Fax Nos. 033-25531276/2583/3459

FOR THE ACQUISITION OF 15,93,416 FULLY PAID-UP EQUITY SHARES REPRESENTING 20 % OF THE VOTING CAPITAL OF WPIL LIMITED AT RS. 4.05/-(RUPEES FOUR AND FIVE PAISE ONLY) PER EACH FULLY PAID UP EQUITY SHARE OF RS. 10 EACH FOR CASH

NOTES:

1. This offer is subject to the statutory approvals and conditions precedent as described in paragraph on page No.12 of this Letter of Offer for acquisition of shares of the Target Company. As of the date of this letter of offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the offer other than those indicated. If any other statutory approvals become applicable, the offer would be subject to such statutory approvals, as the case may be. In case of delay in receipt of any statutory approval, Securities and Exchange Board of India (SEBI) has the power to grant an extension of time for payment of consideration under the offer. No other approvals are required for the purpose of implementation of the offer.
2. Regulation 26 of the Takeover Regulations provides for an upward revision of Offer in respect of the price and the number of shares to be acquired, at any time up to seven workings days prior to the date of closure of the Offer i.e. July 29, 2004. The same price will be paid by the Acquirer for all the shares tendered anytime during the Open Offer. Any revision(s) in the Offer price will be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement was made.
3. The acquirers can withdraw this offer, only under circumstances as mentioned under Regulation 27(1) and in this event the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared.
4. **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 i.e. August 4, 2004.**
5. **If there is competitive bid**
   a) **The public offers under all the subsisting bids shall close on the same date.**
   b) **As the offer price cannot be revised during 7 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. However, there was no competitive bids.**
6. The Offer is not subject to minimum level of acceptance.
7. The procedure for acceptance is set out in section 8 of this letter of offer. A form of acceptance cum acknowledgement and instrument of transfer are enclosed with this letter of offer.
8. A copy of Letter of Offer (including form of acceptance cum acknowledgement) is also available on Securities and Exchange Board of India's web-site (www.sebi.gov.in) and may be downloaded and used as an application.

MERCHANT BANKER TO THE OFFER	REGISTRAR TO THE OFFER
Karvy Investor Services Limited "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034. Phone:040-23312454/23321840 Fax: 040 - 23374714 Email: mbd@karvy.com Contact person: Mr. P S Shastry	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034. Phone : 040 - 23312454/23320751 Fax: 040 - 23311968 Email: murali@karvy.com Contact person: Mr. Murali Krishna

SCHEDULE OF ACTIVITIES

Activity	Original Schedule	Revised Schedule
Public Announcement (PA) Date	April 6, 2004 (Tuesday)	April 6, 2004 (Tuesday)
Specified Date	April 30, 2004(Friday)	April 30, 2004 (Friday)
Last date for announcement of competitive bid	April 27, 2004 (Tuesday)	April 27, 2004 (Tuesday)
Date by which Letter Of Offer will be despatched to the Shareholders	May 10, 2004 (Monday)	July 8, 2004 (Thursday)
Date of Opening of the Offer	May 20, 2004 (Thursday)	July 12, 2004 (Monday)
Last date for revising offer price/number of shares	June 8, 2004 (Tuesday)	July 29, 2004 (Thursday)
Last date for withdrawal by shareholders	June 14, 2004 (Monday)	August 4, 2004 (Wednesday)
Date of Closure of the Offer	June 18, 2004 (Friday)	August 10, 2004 (Tuesday)
Date upto which communication of rejections/acceptances and payment of consideration for the applications accepted and also despatch of rejected share certificates.	July 15, 2004 (Thursday)	August 31, 2004 (Tuesday)

The Acquirer would pay interest @ 10% p.a. on the offer price from the period commencing for July 16, 2004 to the actual date of payment of consideration.

Risk Factors

1. In the event of the Acquirer acquiring more than 51% of the total equity, such acquisition is subject to permission of Banks/Financial Institutions for which, an application has already been made by the target Company. There is a risk of such permission being delayed or rejected.
2. The Target Company has not complied with the applicable SEBI (SAST) Regulations and this may result in the Company having to pay penalty for the delayed period.

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DEFINITIONS

The Acquirer/HUL	Hindusthan Udyog Limited
Target Company/WPIL	WPIL Limited
Shares	Fully paid Up Equity Shares of WPIL Limited
Offer	The Offer made by the Acquirers to the Fully Paidup Equity Shareholders of WPIL Limited
Offer Price	Rs. 4.05 per equity share of WPIL Ltd
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
RBI	Reserve Bank of India
Offer Document	Letter of Offer
BSE	The Stock Exchange, Mumbai
CSE	The Calcutta Stock Exchange Association Limited
FIPB	Foreign Investment Promotion Board
Escrow Account	Account opened with UCO Bank in terms of the Regulations
Escrow Banker	UCO Bank, Main Branch , Kolkata
FEMA	Foreign Exchange Management Act, 1999
Manager/Manager to the Offer/KISL	Karvy Investor Services Limited
Registrar to the offer/KCL	Karvy Computershare Private Limited
NRI	Non Resident Indian
Specified Date	April 30, 2004
Offer period	July 12, 2004 to August 10, 2004
Persons eligible to participate in the Offer	Registered shareholders of the Target Company and unregistered persons who own the shares of Target Company any time before the closure of the offer but not registered with Target Company, except seller promoters Viz. Metals Centre Limited.

1. **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 WPIL Limited to take an informed decision with regard to the offer. SEBI does not take any responsibility either for the financial soundness of the acquirer 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 acquirer is 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 duly discharge its responsibility adequately. In this behalf, and towards this purpose, the merchant banker, Karvy Investor Services Limited has submitted a due diligence certificate dated April 16, 2004 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 acquirers from the requirement of obtaining such statutory clearances as may be required for the purpose of the offer.

SEBI further reserves the right to take up at any point of time, with the Manager to the Offer, any irregularities or lapses in Letter of Offer. The Acquirer accepts no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any material issued by or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their risk.

2. **DETAILS OF THE OFFER**

2.1 Background of the Offer

Hindusthan Udyog Limited (hereinafter referred to as the 'Acquirer') has acquired, through market purchases 12,91,400 Equity Shares of WPIL Limited (constituting 16.21% of voting capital) at a price of Rs.4.05 (Rupees Four and paise five only) per share for cash on March 31, 2004.
Pursuant to the above referred acquisition, the Acquirer is making this open offer under the SEBI (SAST) Regulations to the shareholders of WPIL Limited to acquire from them 15,93,416 Equity Shares of Rs.10/- each (representing 20% of the voting capital of WPIL Limited) at a price of Rs.4.05 per share (Rupees Four and paise five only) for each fully paid up equity share of WPIL Limited (hereinafter referred to as the "Offer Price") payable in cash (hereinafter referred to as "Offer"). The Offer is not subject to any minimum level of acceptance and is not a conditional offer. The share capital of WPIL Limited does not consist of partly paid up shares.

The Acquirer has acquired the Equity Shares of the Target Company from the Open Market on Calcutta Stock Exchange Association Limited at a price of Rs.4.05 p per share. The pre and post shareholding of the promoter from whom the shares have been acquired are as under:

Name of the Promoter Company and its address	**Pre-acquisition**		**Post acquisition**	
	No. of Shares	**%**	**No. of Shares**	**%**
Metals Centre Limited Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001 Phone Nos. 033 – 22435391/22489434 Fax No. 033 - 22488114	2684507	33.70	1393107	17.49

The Acquirer holds 21,96,692 Equity Shares constituting 27.57% of the post issue paid up capital of the target Company as on the date of public announcement (other than the present acquisition of 12,91,400 Equity Shares), which were acquired by way of market purchase and from Open Offer at Rs.4.05 p per share, made in compliance with SEBI (SAST) Regulations in October 2003.

Other than the above, the Acquirer does not hold any equity shares of WPIL as on the date of aforesaid acquisition.

Mr. Prakash Agarwal and Mr.V.N.Agarwal existing Directors of HUL are also Directors in WPIL Limited before the Public Announcement.

The above Directors have not participated in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

The composition of the Board of Directors after the proposed Offer will be finalised on completion of offer formalities.

This offer is being made in accordance with Regulation 11(1), 12 and other provisions of Chapter III of the SEBI (SAST) Regulations, 1997 and subsequent amendments thereof for consolidation of holding and for change in control of the Management.

The acquirer, sellers or the Target Company has not been prohibited by SEBI from dealing in securities in terms of direction issued u/s. 11B of SEBI Act.

The Offer is subject to receipt by Acquirers of Approval of term lending Institutions for the proposed acquisition, if the Acquirer holding goes beyond 50%. Accordingly, the Acquirer has made an application to the term lending institutions seeking their approval for change in control of the management in the event of the Acquirer crossing to 51% acquisition mark.

The Acquirer would dispatch the consideration, if together with the response for the open offer, the Acquirer shareholding does not exceed 50%. In the event of its exceeding 51%, the Acquirer would wait for the necessary permission and will be paying interest @10% p.a. until such date.

Acquirer will not proceed with the Offer in the event the statutory approval indicated above is refused in terms of Regulation 27 of SEBI (SAST) Regulations.

2.2 Details of the proposed offer

The Acquirer is hereby making an offer to the equity shareholders of WPIL to acquire from them up to a maximum of 15,93,416 Equity Shares of Rs.10 each (representing 20% of the voting capital) at a price of Rs. 4.05(rupees four and paise five only) per each fully paid up equity share of Rs. 10/- (Rupees Ten only) payable in cash.

The Offer is not subject to any minimum level of acceptance. The Acquirer will acquire all Equity Shares of WPIL that are tendered in terms of this Offer up to a maximum of 15,93,416 fully paid-up Equity Shares.

The Public Announcement, as per Regulation 15(1) of the Regulations was made in the following newspapers on April 6, 2004

Newspaper	Language	Editions
The Financial Express	English	Ahmedabad, Bangalore, Chennai, Delhi, Kochi, Chandigarh, Kolkata and Mumbai.
Janasatta	Hindi	Kolkata and New Delhi.
Dainik Lipi	Bengali	Asansol

The Public Announcement was made in all the editions mentioned above.

The public announcement is also available on the SEBI website at www.sebi.gov.in

The Acquirer has not acquired any Equity Share of WPIL since the date of the Public Announcement to the date of this Letter of Offer. Any upward revision in the Offer with respect to the Offer Price will be announced in the above-mentioned newspapers and same price would be payable by the Acquirer for all the shares tendered anytime during the Offer.

2.3 Object and Purpose of the Acquisition

Reasons for the Acquisition and Acquirers Future Plans:

HUL is an engineering company carrying on the business of steel fabrication, material handling equipments, High and Low Alloy Steel Castings etc. HUL with a major presence in engineering sector finds synergies with WPIL business of Pump manufacturing. Steel fabrication and steel casting, being major input for the WPIL products, will yield potential cost reduction enabling to compete better in the international market.

Plants of both the companies are logistically situated in the same city, which will help in improving the efficiency of human resources and technical inputs for both the companies.

The intellectual talent within the two companies, with their diversity of skills, expertise and capabilities will be strengthened to pursue growth opportunities that are likely to emerge in the future. The acquirer feels that with its background and experience it would be able to strengthen the Target Company.

The acquirer does not have any plans to sell, dispose of or otherwise encumber any substantial assets of WPIL in the next two years, except in the ordinary course of its business. The Target Company's future policies for disposal of assets, if any, will be decided by its Board of Directors, subject to the approval of the shareholders of the company, if required.

3. Back Ground of the Acquirer

3.1 Brief History and Main areas of operation

Hindusthan Udyog Limited (HUL) was originally incorporated as Hindusthan Sheet & Metal Company Limited on September 03, 1947 with the main objective of carrying on the business of steel fabrication, manufacture and marketing of Material Handling Equipments Specially Conveyor Systems, Idler & Roller etc. Besides, this Company is manufacturer of High & Low Alloy Steel, Stainless Steel Castings for Pumps & Valves, Earth moving Equipment, defence, Cement, Paper, Sugar and general Heavy Engineering Industry. The Company was promoted by Mr. N.N.Bose and Mr. B.P.Bose and subsequently taken over by Mr. V. N. Agarwal.

The Registered Office of the Company is situated at 6, Old Post Office Street, Kolkata - 700 001, Phone Nos. (033)2248-0941 / 2248-0942

The Company has two manufacturing units in Kolkata. The Company has been maintaining strict quality control by benchmarking the facilities and the products to the international standards. Accordingly, the Company's Alloy Steel Foundry has been accredited with ISO 9002 Certification since 7th May' 2002 by RWTUV Systems Gmbh. The Company has R & D facilities, which enables the Company to target the niche market of customised designing of the products to suit the requirements of the customers.

The issued subscribed and paid up capital of HUL as on March 31, 2002 is Rs. 6,32,71,000 consisting of 63,27,100 equity shares of Rs.10/- each fully paid up. The shares of HUL are listed on The Calcutta Stock Exchange Association Limited and the Stock Exchange, Mumbai.

3.2 As on the date of the public announcement the Board of Directors of HUL was as under:

Board of Directors	Address	Experience	Date of appointment	Qualifications
Mr. V.N. Agarwal	5, Raja Santosh Road, Kolkata – 700 027.	35 years	01.11.1972	BE (Mechanical)
Mr. Promod Kumar Khaitan	1, Chittaranjan Avenue, 1st Floor, Kolkata – 700 072.	35 years	26.07.1979	Advocate
Mr. Arun Kumar Chakraborty	68/1D, Purnadas Road, Kolkata – 700 029	50 years	30.05.1997	Chartered Accountant
Mr.Prakash Agarwal	5, Raja Santosh Road, Kolkata - 700 027	10 Years	09.12.1998	Mechanical Engineer
Mrs. Ritu Agarwal	5, Raja Santosh Road, Kolkata - 700 027	7 years	30.05.2003	Graduate

Mr. Prakash Agarwal and Mr.V.N.Agarwal existing Directors of HUL are also Directors in WPIL Limited before the Public Announcement.

The above Directors have not participated in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

The Acquirer holds 21,96,692 Equity Shares constituting 27.57% of the post issue paid up capital of the target Company as on the date of public announcement (other than the present acquisition of 12,91,400 Equity Shares), which were acquired by way of market purchase and from Open Offer at Rs.4.05 p per share, made in compliance with SEBI (SAST) Regulations in October 2003.

Reasons for the Acquisition and Acquirers Future Plans:

HUL is an engineering company carrying on the business of steel fabrication, material handling equipments, High and Low Alloy Steel Castings etc. HUL with a major presence in engineering sector finds synergies with WPIL business of Pump manufacturing. Steel fabrication and steel casting, being major input for the WPIL products, will yield potential cost reduction enabling to compete better in the international market.

Plants of both the companies are logistically situated in the same city, which will help in improving the efficiency of human resources and technical inputs for both the companies.

The intellectual talent within the two companies, with their diversity of skills, expertise and capabilities will be strengthened to pursue growth opportunities that are likely to emerge in the future. The acquirer feels that with its background and experience it would be able to strengthen the Target Company.

3.3 Chapter II compliance

The Acquirer has not complied with SEBI (SAST) Regulations as applicable. SEBI may initiate action against the Acquirer for non-compliance.

3.4 The audited financial information of HUL is as under:

Profit & Loss Statement **[Rs. Lakhs]**

Particulars	01.04.2003 to 31.12.2003 *	31.03.2003	Year ended 31.03.2002	31.03.2001
Total Income	1123.40	2616.20	2520.04	2982.27
Total Expenditure	1086.92	2555.43	2396.24	2811.34
Profit /(Loss) before Depreciation, Interest and Tax	36.48	60.77	123.80	170.93
Depreciation	31.60	46.00	50.57	55.93
Interest	1.97	11.63	69.50	111.43
Profit / (Loss) Before Tax	2.91	3.14	3.73	3.57
Provision for Tax	0.22	----	1.80	3.21
Profit after Tax	2.69	3.14	1.93	0.36

Balance Sheet Statement **[Rs. Lakhs]**

Particulars	01.04.2003 to 31.12.2003 *	As on 31.03.2003	As on 31.03.2002	As on 31.03.2001
Sources of Funds				
Paid up Share Capital	632.71	632.71	632.71	632.71
Reserves and Surplus (excluding revaluation reserve)	371.43	368.74	366.77	366.16
Shareholders funds	1004.14	1001.45	999.48	998.87
Secured Loans	330.21	660.54	727.06	820.60
Unsecured Loans	-	-	-	-
Total	**1334.35**	**1661.99**	**1726.54**	**1819.46**
Uses of Funds				
Net fixed assets	369.91	385.22	418.00	441.83
Capital work in progress.	79.79	27.37	16.73	25.81
Investments	216.10	157.60	186.20	198.08
Net Current Assets	595.76	1019.01	1032.81	1080.73
Total miscellaneous expenditure not written off	72.79	72.79	72.79	73.01
Total	**1334.35**	**1661.99**	**1726.54**	**1819.46**

Other Financial Data

Particulars	31.12.2003 *	31.03.2003	31.03.2002	31.03.2001
Dividend (%)	0	0	0	0
Earnings per Share (Rs.)	0.042	0.049	0.03	0.01
Networth (Rs. in Lakhs)	931.35	928.66	926.69	925.86
Return on Net-worth	0.29	0.34	0.21	0.04
Book Value per share (Rs.)	14.72	14.68	14.65	14.63

* Subject to limited review - Certified by the Statutory Auditor

Significant accounting policies of the Company

1. i. The accounts of the Company is made under historical cost convention method on accrual concepts.
   ii. Liquidated damage or claims are accounted for on settlement of claims.
   iii. Commission on sale is accounted for on submission of claims by/receipt of confirmation from agents/principals.
2. Depreciation on fixed assets is charged on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956.
3. Investments of the Company are held as long term investment and are carried over at cost.
4. Preliminary expenses is written off at the rate of 1/10th per annum.
5. Tools and implements are written off at the rate of 25% every year.
6. Technical know how fee is written off at the rate 1/6th per annum.
7. The quantity of stock in trade, is determined from time to time by physical verification carried out by the management and the valuation of raw materials has been done at lower of cost and net realizable value. The cost formula used is FIFO. The valuation of semi finished goods/trading items has been done at lower of cost and net realizable value.
   Despatches not reaching the agents/customers within close of the year are shown as finished goods in transit and valued at estimated total cost or net realizable value whichever is lower.
8. Purchases and sales in foreign currency are recorded in equivalent rupee values at the date of transaction . unsettled transaction at the Balance Sheet date are converted at the closing rate.

3.5 Other Disclosures about the Acquirer

The Acquirer has not promoted any Company.

The Acquirer has complied with all the Provisions of the Listing Agreement with regard to the Corporate Governance.

The Compliance Officer of the Company is Mr. Hirak Bhattacharya, 6, Old Post Office Street, 4th Floor, Kolkata – 700 001.

The Acquirer is not involved in any litigations.

There was no merger/demerger, spin off during last three years involving the Company.

Change in name since incorporation/listing and dates thereof.

The company was originally incorporated as Hindusthan Sheet & Metal Company Limited on September 03, 1947 and the name was changed to Hindusthan Sheet Metal Limited w.e.f. September 08, 1987 and subsequently the name was changed to Hindusthan Udyog Limited w.e.f. April 27, 1995.

Shareholding pattern of the Company as on the date of Public Announcement.

Shareholders category	Shareholding Pattern	
	No.	%
(1) Promoter Group	3294302	52.07
(2) Public		
a. FIs/MFs, FIIs/Banks,SFIs	0	0
b. Others	3032798	47.93
Total 2(a+b)	3032798	47.93
Grand total (1+2)	6327100	100.00

4. DISCLOSURES IN TERMS OF REGULATION 21(3)

If, pursuant to the Offer, the public shareholding falls to 10% or less of the outstanding equity share capital of the Target Company, then in accordance with Regulation 21(3) of the Regulations, the Acquirer will seek to delist the Target Company and make an offer to buyout the outstanding shares remaining with the public shareholders in compliance with SEBI (Delisting of Securities) Guidelines, 2003

On completion of subsequent offer, the Acquirer will request the Target Company to approach the Stock Exchanges where the shares of the Target Company are listed to delist the shares.

5. BACKGROUND OF THE TARGET COMPANY

5.1 Brief History and Main areas of operation

WPIL Limited was originally incorporated on 26th February 1952 as Johnston Pumps India Limited consequent upon the license agreement subsequently the name of the company changed to Worthington Pump India Limited. The main objective of the Company is to manufacture all kinds of pumps for any purpose whatsoever. The Company's name was changed from Worthington Pump India Limited to WPIL Limited with effect from 11th September 1996. The Registered Office of the Company is situated at Four, Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001 Phone Nos. 2243-5391, Fax No. 2248-8114 and the Corporate Office is located at 22, Ferry Fund Road, Panihati, Kolkata - 700 114 (West Bengal).

The Company was promoted by Williamson Magor group headed by Sri. B.M. Khaitan a renowned industrialist of India having interest in Tea, Batteries and Engineering Products.

The Company's plant is located at 22, Ferry Fund Road, Panihati, Sodepur, Kolkata – 700 114, West Bengal and at A-5, Sector 22, Meerut Road, Ghaziabad 201 033. U.P. The Company has manufacturing facilities to manufacture submersible pumpsets; vertical turbine pumps; Vertical Mixed and Axial flow pumps; vertical can pumps; inclined pumps; Engineering submersible pumps and standard submersible pumps.

The Company's total income for the eighteen months period ended 31st March 2003 was Rs.5448.73 lakhs with a net profit of Rs.35.25 lakhs.

5.2 Share Capital Structure of WPIL

The authorized share capital of the Company consists of 98,60,000 Equity Shares of Rs.10/- each aggregating to Rs.986.00 lakhs and 14,000 11% redeemable cumulative preference shares of Rs.100/- each aggregating to Rs.14 lakhs. The issued, subscribed and paid up capital of WPIL is Rs.7,96,70,800/- consisting of 79,67,080 equity shares of Rs. 10 each fully paid up.

The share capital structure is as under:

Paid up equity shares of WPIL (Face Value Rs.10/- each)	No. of Shares/ Voting rights	% Of Shares	% Of Voting Rights
Fully paid up equity shares	79,67,080	100	100
Partly paid up equity shares	Nil	Nil	Nil
Total paid up equity shares	79,67,080	100	100
Total voting rights in WPIL	79,67,080	100	100

5.3 Build up of the share capital

Date of Allotment	No. and % of shares issued	Cumulative paid-up Capital	Mode of allotment	Identity of allottees (Promoters/ex-promoters/others)	Status of Compliance
--	5,05,310 6.34%	5,05,310	Original	Macneil Magor Group	Complied with
16.12.1982	3,03,000 3.81%	8,08,310	Rights Issue	Existing shareholders	Complied with
20.05.1985	8,92,000 11.20%	17,00,310	Public issue	Public	Complied with
10.05.1988	12,75,000 16.00%	29,75,310	Rights Issue	Existing Shareholders	Complied with
27.04.1992	9,91,770 12.44%	39,67,080	Rights Issue	Existing Shareholders	Complied with
31.03.2000	40,00,000 50.21%	79,67,080	Preferential Allotment	Williamson Magor Group	Complied with

5.4 There has been no suspension of trading of the shares of the Company in any Stock Exchange(s) till date.

All shares of the Company issued till date are listed on The Calcutta Stock Exchange Association Ltd. & The Stock Exchange, Mumbai.

The company has complied with all the listing requirements till date and no penal actions have been taken by any of the Stock Exchanges.

5.5 There are no outstanding convertible instruments (warrants/FCDs/PCDs etc.,) as on date. The shares of the Company are listed on Kolkata and Mumbai Stock Exchanges.

5.6 As on the date of the public announcement, the Board of Directors of WPIL comprises of the following:

Board of Directors	Address	Experience	Qualifications	Date of appointment
Mr. Deepak Khaitan	10, Queens Park, Kolkata – 700 019.	30 years experience in tea, batteries and engineering industries.	B.Com, M.B.A. (Geneva)	15.11.1991
Mr. Prakash Agarwal	5, Raja Santosh Road, Kolkata – 700 027	10 Years experience in the overall Management of Engineering Industry	B.E. (Mechanical)	01.07.2002
Mr. V N Agarwal	5, Raja Santosh Road, Kolkata – 700 027	35 years experience in the overall Industry and Business Management	B.E. (Mechanical)	26.04.2001
Mr. C K Pasari	4A, Rainey Park, Kolkata – 700 019	10 Years experience in the overall Management of various Industry	B.Com	07.03.1997
Mr. Supriyo Mukherjee	Flat No.2/2, 4RA Type Purbachal, Phase II, Salt Lake, Kolkata – 700 091	26 years of post qualification experience in various areas in finance, commercial, taxation, legal including corporate law, economic & Labour Legislation.	B.Com (Hons), F.C.A.	31.07.2000
Mr. Subir Dasgupta	1, Peck Hay Road, # 12 – 03, Casa Cairnhill Singapore – 228305	37 years of post qualification experience in global business.	B.A. (Economics)	31.10.2003
Mr. K K Ganeriwala	30, Madan Chatterjee Lane, Kolkata – 700 007.	20 years of experience in corporate finance, accounts, taxation Legal and other aspects of corporate management	B.Com (Hons), L.L.B., F.C.S. A.I.C.W.A.	26.02.2002

Mr. Prakash Agarwal and Mr.V.N.Agarwal existing Directors of HUL are also Directors in WPIL Limited before the Public Announcement.

The above Directors have not participated in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

5.7 Chapter II compliance

Promoters, Sellers and other major shareholders have complied with Chapter II of SEBI Takeover Regulations within the time limit specified in the Regulations. The Target Company has not complied with SEBI (SAST) Regulations as applicable. SEBI may initiate action against the Target Company for non-compliance.

5.8 There was no merger/demerger, spin off during last three years involving the Company.

5.9 The Company was originally incorporated as Johnston Pumps India Limited on 26th February 1952. The Company's names was changed to Worthington Pump India Limited with effect from 20th January 1983. The Company's name was further changed to WPIL Limited with effect from 17th September 1996.

5.10 The Audited financial information of WPIL is as under:

Profit & Loss Statement **(Rs.in Lacs)**

Particulars	**01.04.2003 to 31.12.2003 ***	**31.03.2003 (18 months)**	**30.09.2001**	**30.09.2000**
Income from operations	2878.90	5153.13	3694.43	5359.89
Other Income	26.97	295.60	256.05	71.03
Total Income	**2905.87**	**5448.73**	**3950.48**	**5430.92**
Total Expenditure	**2559.90**	**4654.03**	**3433.23**	**4854.50**
Profit /(Loss) before Depreciation, Interest and Tax after prior period	345.98	794.70	517.25	576.42
Depreciation	85.06	186.61	129.78	178.52
Interest	255.73	572.84	464.27	787.11
Profit / (Loss) Before Tax	5.18	35.25	(76.80)	(389.21)
Provision for Tax	0	0	0	3.60
Profit after Tax	5.18	35.25	(76.80)	(392.82)

Balance Sheet Statement **(Rs. In Lacs)**

Particulars	01.04.2003 to 31.12.2003 *	As on 31.03.2003	As on 30.09.2001	As on 30.09.2000
Sources of Funds				
Paid up Share Capital	796.70	796.70	796.70	796.70
Reserves and Surplus	32.97	32.15	5.86	89.11
Shareholders funds	829.67	828.85	802.56	885.81
Secured Loans	1828.18	1961.29	2601.87	2982.73
Unsecured Loans	319.64	320.77	191.62	377.27
Total	2977.49	3110.91	3596.05	4245.81
Uses of Funds				
Net fixed assets	1042.22	1121.35	1281.36	1349.09
Investments	5.20	7.09	9.41	9.41
Net current assets	1863.26	1892.79	2190.17	2875.00
Total miscellaneous expenditure not written off	66.81	89.68	115.11	12.31
Total	**2977.49**	**3110.91**	**3596.05**	**4245.81**

Other Financial Data

Particulars	31.12.2003 *	31.03.2003	30.09.2001	30.09.2000
Dividend (%)	0	0	0	0
Earnings per Share (Rs.) #	0.09	0.30	(0.96)	(4.93)
Networth *(Rs. in Lakhs)	762.86	739.17	687.46	873.50
Return on Networth (%)	0.68	4.77	(11.17)	(44.97)
Book Value per fully share (Rs)	9.57	9.28	8.63	10.96

Annualised

* Subject to limited Review – Certified by the Statutory Auditor

5.11 Reasons for fall/rise in total income and PAT in the relevant years:

During the year 2000-01, with continous efforts on cost control/reduction have enabled the company to economise on various items of the expenditure. As a whole, despite sluggish economic conditions, the Company has been able to achieve marginal operating profit of Rs.14.79 lacs for the year as compared to the operating loss of Rs.168.43 lacs suffered in the immediate preceding 18 months period ended 30th September 2000. However, in view of certain adjustments effected, mainly on account of previous years sales, the Company posted a net loss of Rs.76.80 lacs for the year.

During the year 2002-03, the Company has returned to positive financial health after three successive accounting years of losses. The Company has re-engineered their activities to become leaner and more efficient after drastic restructuring in the previous two years.

5.12 Pre and Post Offer Shareholding Pattern of WPIL

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)		Shareholding/ voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A) + (B) +(C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement , if any								
b. Sellers	2684507	33.70					1393107	17.49
b. Promoters other than (b) above	2094994	26.30					$	
Total 1(a+b+c)	4779501	60.00						
(2) Acquirers								
a. Main Acquirers	2196692	27.57	1291400	16.21	1593416	20.00	5081508	63.78
b. PACs								
Total 2(a+b)	2196692	27.57						
(3) Parties to the agreement other than (1) (a) (b) (c) & (2)								
(4) Public (other than parties to agreement, Sellers, Acquirers & PACs								
a. Fis/MFs, FIIs/Banks,SFIs *	1066	0.01					$	
b. Others (7685 shareholders in Public Category)	989821	12.42					$	
Total 4(a+b)	990887	12.43						
Grand total (1+2+3+4)	7967080	100.00	1291400	16.21	1593416	20.00	7967080	100.00

$ depends on the extent to which shares will be tendered. However, the Promtoers (other than sellers), Public, FIs, Banks, FIIs would hold 14,92,465 Shares, in the event the Acquirer acquires 20% under the present Open Offer.

*** Details of shares held by Banks, Financial Institutions/FIIS, MFs. etc.,**

Canara Bank Trustee – Canbank Mutual Fund	500 Shares
The Industrial Credit and Investment Co. of India	116 Shares
Bank of Baroda	250 Shares
State Bank of India	200 Shares

5.13 Change in shareholding of the promoters - status of compliance with the provisions of SEBI (SAST) Regulations (Regulation 7(3))

Date of change in the shareholding	**Compliance with SEBI (SAST) Regulations, 1997**	
	Due date of compliance	**Actual date of compliance**
04.03.1999	11.03.1999	10.03.1999
22.05.2003	29.05.2003	23.05.2003
26.03.2004	02.04.2004	01.04.2004
31.03.2004	07.04.2004	02.04.2004

5.14 The Company has complied with Corporate Governance and a compliance report to this effect for the quarter ended 31st March 2004 was submitted to the Stock Exchanges.

5.15 The Compliance Officer of the Company is Mr.Sankar Bhattacharya, Company Secretary.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Equity Shares of the Target Company are listed at the Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Limited

6.1.2 The annualised turnover during the preceding six calendar months ended March 2004 i.e. prior to the month in which the P.A. was required to be made on Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Limited is detailed below:

Name of the Stock Exchange	Total No. of shares traded during six calendar months prior to the PA	Total No. of shares listed	Annualised trading turnover (in terms of % to total shares)
BSE	61776	7967080	1.55%
CSE	1291400	7967080	32.42%

Note:

Trading volume data has been taken from the official quotations of Calcutta Stock Exchange Assn. Ltd and from the official website of BSE, www.bseindia.com.

6.1.3 Based on the above information, the Equity Shares of the Target Company are infrequently traded on the Stock Exchange _ Mumbai and frequently traded on The Calcutta Stock Exchange Association Limited, hence the offer price in respect of the shares has been determined in accordance with the provisions of Regulations 20(4) and 20(5) of the Take Over Regulations.

6.1.4 The offer price of Rs.4.05/- is justified in terms of the Regulation 20(4) of SEBI (SAST) Regulations since the same has been determined after considering the following facts:

1.	The negotiated price under the agreement	Not applicable
2.	The highest price paid by the acquirer /PAC for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of the P.A	The Acquirer has acquired 21,96,692 Equity Shares constituting 27.57% of the post issue paid up capital of the target company, which were acquired by way of market purchase and from Open Offer at Rs.4.05/- per share.
3.	The average weekly high and low of the closing prices of the shares	The twenty six weeks average price and two weeks daily average price is Rs.4.05/-.

26 weeks high and low

Week No.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	13.10.2003	0	0	0	0
2	20.10.2003	0	0	0	0
3	27.10.2003	0	0	0	0
4	03.11.2003	0	0	0	0
5	10.11.2003	0	0	0	0
6	17.11.2003	0	0	0	0
7	24.11.2003	0	0	0	0
8	01.12.2003	0	0	0	0
9	08.12.2003	0	0	0	0
10	15.12.2003	0	0	0	0
11	22.12.2003	0	0	0	0
12	29.12.2003	0	0	0	0
13	05.01.2004	0	0	0	0
14	12.01.2004	0	0	0	0
15	19.01.2004	0	0	0	0
16	26.01.2004	0	0	0	0
17	02.02.2004	0	0	0	0
18	09.02.2004	0	0	0	0
19	16.02.2004	0	0	0	0
20	23.02.2004	0	0	0	0
21	01.03.2004	0	0	0	0
22	08.03.2004	0	0	0	0
23	15.03.2004	0	0	0	0
24	22.03.2004	0	0	0	0
25	29.03.2004	0	0	0	0
26	05.04.2004	4.05	4.05	4.05	1291400
	Total			4.05	

2 weeks daily high/low

Day No.	Dates	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	23.03.2004	0	0	0	0
2	24.03.2004	0	0	0	0
3	25.03.2004	0	0	0	0
4	26.03.2004	0	0	0	0
5	27.03.2004	0	0	0	0
6	28.03.2004	0	0	0	0
7	29.03.2004	0	0	0	0
8	30.03.2004	0	0	0	0
9	31.03.2004	4.05	4.05	4.05	1291400
10	01.04.2004	0	0	0	0
11	02.04.2004	0	0	0	0
12	03.04.2004	0	0	0	0
13	04.04.2004	0	0	0	0
14	05.04.2004	0	0	0	0
Total			4.05		

6.1.5 The offer price of Rs.4.05/- is justified in terms of the Regulation 20(5) of SEBI (SAST) Regulations since the same has been determined after considering the following facts:

1. Negotiated Price: Not Applicable
2. The highest price paid by the acquirer /PAC for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of the P.A:

   The Acquirer has acquired 21,96,692 Equity Shares constituting 27.57% of the post issue paid up capital of the target company, which were acquired by way of market purchase and from Open Offer at Rs.4.05/- per share.

Further, the Acquirer has acquired 12,91,400 Equity Shares of Rs.10/- each on Calcutta Stock Exchange Association Limited at Rs.4.05/- per share on March 31, 2004.

3. Other parameters

Particulars	**As on December 31, 2003 (subject to limited review by the Statutory Auditor)**	**As on March 31, 2003 (Audited)**
Return on Networth %	0.68	4.77
Book Value (Rs.)	9.57	Rs.9.28/-
Earnings per share (Rs.)	0.07	Rs.0.29*
P/E Multiple and Industry Average	P/E multiple is 57.86 Twelve months tracking P/E of the industry is 9.6 (Source: Capital Market, Vol. XVIII/26 dated 1st to 14th March 2004	P/E multiple is 13.97 Twelve months tracking P/E of the industry is 9.6 (Source: Capital Market, Vol. XVIII/26 dated 1st to 14th March 2004

* Annualised

6.1.6 Pricing as per CCI Guidelines:

The shares of the target company are infrequently traded on the BSE and CSE (excluding the acquisition of shares by the Acquirer which triggered off the regulations). Accordingly, the fair value of shares has been arrived at by placing reliance on the Supreme Court Judgement in case of Hindusthan Lever Employee Union Vs. Hindusthan Lever Limited (1995) read with the erstwhile CCI formula for valuation of shares. As per the Supreme Court's decision the fair value can be assessed based on the following weightages to the valuations under the CCI formula.

Parameter	**Weight**
Net Asset Value	1
Earning Based Value	2
Marked Based Value	2

Accordingly, the fair value of share works out to Rs.2.19. The above working is certified by M/s. Singhi & Co., Chartered Accountants, Kolkata.

Based on the above, an offer price of Rs.4.05 per share has been justified as fair in terms of Regulations 20(5) and 20(11) of the SEBI (SAST) Regulations, 1997.

The Offer price shall not be less than the highest price paid by the Acquirer for any acquisition of shares of target company from the date of public announcement upto 7 working days prior to the closure of the offer.

There is no non-compete agreement.

6.2 Financial Arrangements

a. The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The sources of funds shall be through internal resources of the Acquirer. No borrowings from Bank/ Financial Institution is being made for the purpose. All the funds will be domestic and no foreign funds will be utilised.

b. The maximum purchase consideration payable by the Acquirer in the case of full acceptance of the offer i.e. 15,93,416 equity shares is Rs.64,53,335/- (rupees sixty four lakhs fifty three thousand three hundred and thirty five only)

c. In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account in the form of Bank Guarantee issued by UCO Bank , valid till September 30, 2004 (being valid for more than 30 days from the date of closure of the Offer) in favour of Karvy Investor Services Limited- The Manager to the offer, for an amount of Rs.16,15,000/- (rupees Sixteen Lakhs fifteen thousand Only) being in excess of 25% of the total consideration

Further, the Acquirer has also made a cash deposit of Rs. 65,000/-(rupees Sixty five Thousand Only) being in excess of 1% of the maximum purchase consideration payable under this offer, in a Bank Escrow Account with UCO Bank, Kolkata Main Branch, 10, BTM Sarani (Brabourne Road) Kolkata – 700 001. Karvy Investor Services Limited has been empowered to operate the Escrow Account in accordance with the SEBI (SAST) Regulations.

d. M/s. S Ghose & Co., Chartered Accountants (membership no. of Mr. Chandan Chatterjee is 51254) having their office at 11,Old Post Office Street, Kolkata-700 001 Telephone No. : (033) 22481201, have confirmed vide their certificate dated March 31, 2004 that sufficient resources are available to allow the Acquirer to fulfill its obligations under the offer. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer in accordance with the Regulations.

e. The Manager to the offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 a. The Offer is being made in accordance with Regulation 11(1), 12 and other applicable provisions of the Regulations and subsequent amendments for the purposes of substantial acquisition of equity shares and/or voting rights.

b. The Acquirer has made a public announcement on April 6, 2004 for the offer. The offer is made to all the shareholders of WPIL Limited (except Acquirer and M/s. Metals Centre Limited). However, the Letter of Offer is being mailed to those shareholders whose name appear on the Register of Members of WPIL Limited at the close of business on the specified date i. e. April 30, 2004

c. The acceptance of the offer made by the Acquirer is entirely at the discretion of equity shareholders of WPIL Limited and each shareholder of WPIL Limited to whom this offer is made, is free to offer his shareholding in WPIL Limited, in whole or in part, while accepting the offer.

d. Any Equity Shares of WPIL Limited that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of WPIL Limited may be precluded from transferring the equity shares during pendency of the said litigation are liable to be rejected in case directions/orders to the contrary regarding these equity shares are not received together with the equity shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible would be forwarded to the concerned statutory authorities for further action at their end.

e. The Offer will open on July 12, 2004 and close on August 10, 2004 (both days inclusive).

f. Accidental omission to despatch this letter of offer or any further communication to any person to whom this letter of offer is made or the non-receipt of this letter of offer by any such person shall not invalidate the offer in any way.

g. The instructions, authorisations and provisions contained in the form of acceptance and form of withdrawal constitute an integral part of the terms of this offer.

h. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of WPIL Limited (except the Acquirer and M/s. Metals Centre Limited) whose names appear on the Register of Members of and to the beneficial owners of the shares of WPIL Limited whose names appear on the beneficial records of the respective depositories at the close of the business on April 30, 2004 (the Specified Date).

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

j. The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centre mentioned in paragraph 8.1 under “Procedure for Acceptance and Settlement” on or before August 10, 2004. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

k. Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the equity shareholders of WPIL Limited are advised to adequately safeguard their interest in this regard.

l. As already mentioned elsewhere in this Letter of Offer, the Offer is not subject to any minimum level of acceptance and Acquirer will acquire all the paid-up equity shares of WPIL Limited that are validly tendered in terms of this Offer upto a maximum of 15,93,416 Equity Shares. Thus, the Acquirer will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the equity shares of WPIL Limited for which this Offer is made.

m. The Acquirer reserves the right of upward revision of price at any time up to seven working days prior to the closure of the Offer, as per Regulation 26 of the Regulations. If there is any upward revision in the Offer Price before the last date of revision (i.e. July 29, 2004) the same would be informed by way of Public Announcement in the newspapers mentioned in para 2.2 of this Letter of Offer. Such revised Offer Price would be payable to all shareholders who tender their shares at any time during the Offer and which are accepted under the Offer.

n. Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and Transfer Deed (s) duly signed to the Registrar to the Offer at Karvy Computershare Private Limited, “Karvy House”, 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034, either by hand delivery during normal business hours Monday to Friday 10.00 A.M to 5.00 p.m. (excluding Bank Holidays) or by Registered Post on or before the close of the offer i.e. August 10, 2004 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement.

o. Beneficial Owners and Shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e. August 10, 2004 along with photocopy of the delivery instructions in “ Off Market” mode or counterfoil of the delivery instruction in “Off Market” mode, duly acknowledged by the Depository Participant (“DP”). For further details please refer to the Letter of Offer. The market lot of shares for shareholders holding shares in demat mode is **ONE**.

p. All owners of shares, registered or unregistered (except the Acquirer and M/s.Metals Centre Limited) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

q. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. August 10, 2004.

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

s. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder. Shareholders whose shares are held in dematerialised form to the extent not accepted will be intimated by post for the non-acceptance.

t. In case the shares tendered in the offer by the shareholders of WPIL Limited are more than the shares to be acquired under the offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis irrespective of whether the shares are held in physical or dematerialised form.

u. Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at http://www.sebi.gov.in from the offer opening Date i.e. July 12, 2004 and apply in the same.

v. Shareholders who have sent their shares for demat need to ensure that the process of getting shares dematted is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e. August 10, 2004 else the application would be rejected.

w. Procedure for withdrawal of application

i) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. August 4, 2004.

ii) Shareholders who wish to withdraw their shares from the Offer will be required to send the Form of Withdrawal duly completed & signed along with the requisite documents.

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

- **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered.
- **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered, DP Name, DP ID, beneficiary account number, photocopy of the delivery instruction in "Off Market" mode duly acknowledged by the DP in favor of the special depository account.
- **In either case:** a copy of the acknowledgement received from the Registrar to the Offer upon tendering of the Shares,

So as to reach the Registrar to the Offer either by hand delivery or by registered post on or before August 4, 2004.

The shares withdrawn by the Shareholders will be returned by Registered Post.

7.2 Shares subject to Lock in

All the shares of the Company are free from lock in

7.3 Eligibility for accepting the offer

This offer is made to all the Shareholders who are the holders of fully paid up equity shares (Except Acquirers and M/s. Metals Centre Limited) whose names appear in the register of shareholders on April 30, 2004 being the specified date and also to those persons who own the fully paid up shares of WPIL Limited any time prior to the closure of the offer, but are not the registered shareholders.

7.4 Statutory approvals

7.4.1 The Offer is subject to receipt by Acquirers of Approval of term lending Institutions for the proposed acquisition, if the Acquirer holding goes beyond 50%. Accordingly, the Acquirer has made an application to the term lending institutions seeking their approval for change in control of the management in the event of the Acquirer crossing to 51% acquisition mark.

The Acquirer would dispatch the consideration, if together with the response for the open offer, the Acquirer shareholding does not exceed 50%. In the event of its exceeding 51%, the Acquirer would wait for the necessary permission and will be paying interest @10% p.a. until such date.

Acquirer will not proceed with the Offer in the event the statutory approval indicated above is refused in terms of Regulation 27 of SEBI (SAST) Regulations.

7.4.2 Approval from RBI will be required for acquisition of shares from NRI shareholders, if any.

7.4.3 To the knowledge of the Acquirers, no other statutory approvals are required to Acquire the shares that may be tendered pursuant to the Offer. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.

7.4.4 In case of delay in receipt of statutory approval, SEBI has a power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Acquirers in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER.

8.1 The Shareholders of WPIL Limited, who wish to avail themselves of this offer should forward the under mentioned documents by hand delivery or by registered post to the Registrars to the Issue at their office address mentioned on the first page of this Letter of Offer so as to reach the Registrar on or before August 10, 2004 (the Offer Closure Date) on their working days between 10.00 AM and 5.00 PM on any working day. In case of dematerialized shares, the Registrar is not bound to accept those offers, which have not yet being credited to the depository account opened for this purpose on the closure of the offer.

a) For Equity Shares held in dematerialized form:

i) Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository.

ii) Photocopy of the delivery instruction in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the relevant Depository Participant (DP).

iii) For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

iv) The details of the special depository account opened by the Manager named “THE WPIL Limited – Escrow Account – Open Offer” are as under:-

DP Name	KARVY CONSULTANTS LIMITED
DP ID	IN 300394
Beneficiary ID	12366222

Shareholders having their beneficiary account in Central Depository Services India Limited (CDSL) have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the Shareholder.

Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer (i.e. August 10, 2004)

b) For Equity Shares held in Physical form.

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/first shareholder whose names appear on the share certificate(s) (In case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s).
- Valid Share Transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with WPIL Limited and duly witnessed at the appropriate place, preferably, by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The Transfer Deed should be left blank except for the signatures as mentioned above. A blank Share Transfer Deed is enclosed along with this Letter of Offer.

Unregistered Shareholders should enclose:

- Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.
- Original share certificate(s)
- Valid share transfer form(s) as received from market
- Original contract note issued by the Broker through whom the shares were acquired.

It may be noted that if the specimen signature(s) of the acceptor differs with the specimen signature(s) recorded with WPIL or if they are not in the same order, such shares are liable to be rejected under this Offer.

Non-Residents if any, should also enclose copy of permission received from RBI for the shares held by them in WPIL Limited.

The market lot for the physical shares is 50.

Neither the share certificate(s) nor transfer deed(s) nor the form of acceptance should be sent to the acquirers or WPIL Limited or Sellers or Manager to the Offer. The same should be sent to the Registrar to the Offer only.

8.2 Procedure for acceptance of the offer by unregistered shareholders, owners of shares who have sent them for transfer or those who did not receive the Letter of Offer.

8.2 (i)(a) Persons who hold shares of WPIL but who are not registered shareholders are also eligible to participate in the offer. Such unregistered shareholders or eligible shareholders who did not receive the Letter of Offer may send their consent to the Registrar to the Offer, on a plain paper stating their Name, Address, No. of shares held, Distinctive Nos., Folio No., Number of Shares offered. Alternatively such shareholders if they so desire may apply on the form of acceptance cum acknowledgement obtained from the SEBI web site www.sebi.gov.in. The application on plain paper or on the form of acceptance should be tendered along with the original share certificates and valid share transfer deeds duly executed and witnessed as explained at 8.1 above. Shareholders whose shares have been sent for transfer but have not yet been received back by them should tender their applications as above along with documents to prove their title to the shares offered for acceptance, such as original brokers contract note, along with duly executed and witnessed transfer deed(s). The applications/documents should be sent by registered post to the Registrars to the Offer as mentioned at 8.1 above and not to the acquirers or to WPIL or to the Merchant Banker to the offer. No indemnity is required from unregistered shareholders.

(b) It may be noted that if the specimen signature(s) of the Transferor differs with the specimen signature(s) recorded with WPIL are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bonafide owner of such untransferred shares.

(c) Non-Residents if any should also enclose copy of permission received from RBI for the shares held by them in WPIL and No Objection Certificate/Tax Clearance Certificate from the Income-Tax Authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholders.

(d) Payment of consideration will be made by crossed account payee cheques/demand drafts and sent by registered post to those shareholders whose share certificates and other documents are found in order and accepted by the acquirers. All cheques/demand drafts will be drawn in the name of the First Holder in case of Joint Registered holders. In case of unregistered owner of the shares, payments will be made by crossed account payee cheque/demand draft in the name of the person specified by such unregistered owner. Such unregistered owners may at their own option provide details of their Bank accounts in the Form of Acceptance and Authority/plain paper application.

(e) The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

1. duly attested death certificate and succession certificate (in case of single shareholder) in case of the original shareholder is deceased.
2. duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s).

3. In case of Companies, the necessary corporate authorisations (including Board Resolutions).

4. any other relevant documents

8.2 (ii) If the aggregate of the valid response to the Offer exceeds 15,93,416 fully paid up equity shares, then the acquirer shall accept the offers received on a proportionate basis in accordance with Regulation 21(6) of the Regulations.

8.2 (iii) Barring unforeseen circumstances and factors beyond their control, the acquirer intends to complete all formalities pertaining to the purchase of the shares, including payment of consideration to the shareholders who have accepted the Offer, within 30 days from the date of closure of this Offer. In case of delay in receipt of RBI approval for accepting shares from Non Resident shareholders, SEBI has the power to grant extension of time for the purpose of making payments subject to the acquirer agreeing to pay interest to the shareholders for delay beyond 30 days, as may be specified by the SEBI.

8.2 (iv) In case of acceptance on proportionate basis or in cases where acceptances are rejected, the unaccepted/rejected share certificates, transfer deeds and other documents, if any, will be returned by registered post to the shareholders/unregistered owners.

8.2 (v). The Manager to the Offer will hold in trust the share certificates, on behalf of shareholders/unregistered owners of shares of WPIL who have accepted the Offer, till the acquirer completes the offer obligations in terms of the Regulations.

8.3 Withdrawal option

8.3.1 The Equity Shareholders who were desirous of withdrawing their acceptances tendered in the offer can do so upto three working days prior to the date of closure of the offer i.e. on or before August 4, 2004. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer so as to reach them on or before August 4, 2004.

8.3.2 In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper giving details of Name, Address, distinctive numbers, folio nos., no. of shares tendered/withdrawn (in case of physical shares) and name, address, number of shares tendered/withdrawn, DP Name, DP ID, Beneficiary Account No. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account .

8.3.3 The form of withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager to the Offer.

9. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following Material documents will be available during the offer period for inspection at the office of the Acquirer, Hindusthan Udyog Limited, 6, Old Post Office Street, Kolkata – 700 001 between 10 a.m. upto 1 p.m. and 2 p.m. to 5 p.m. on any working day.

1. Certificate of Incorporation and Memorandum and Articles of Association of WPIL Limited.
2. Certificate of Incorporation and Memorandum and Articles of Association of Hindusthan Udyog Limited.
3. Certificate dated March 31, 2004 by M/s. S Ghose & Co., Chartered Accountants, regarding the adequacy of financial resources with the Acquirer to fulfill the Offer obligations.
4. Audited Accounts of WPIL for the accounting years ended September 30, 2000, September 30, 2001 and March 31, 2003.
5. Audited Accounts of HUL for the accounting years ended March 31, 2001 , March 31, 2002 and March 31,2003.
6. Copies of the Board Resolution of HUL authorizing Mr. V. N. Agarwal, Managing Director to be authorized signatory to the Letter of Offer.
7. A letter from UCO Bank dated April 3, 2004 confirming the amount kept in the Escrow account and lien marked in favour of the Merchant Banker to the Offer.
8. A copy of the bank guarantee No.03/04-05 dated April 3, 2004 issued by UCO Bank, Kolkata in favour of the Merchant Banker to the Offer.
9. Copy of the Certificate dated April 3, 2004 of M/s. V.Singhi & Co, Chartered Accountants on Net Realisable Value of the share.
10. Published copy of the Public Announcement which appeared on April 6, 2004 and Corrigendum to Public Announcement which appeared on July 7, 2004.
11. Copy of the agreement entered into with Depository participant for opening a special account for the purpose of the offer.
12. Copy of SEBI Letter No. CFD/DCR/MM/TO/13720/04 dated June 28, 2004 in terms of proviso to Regulation 18(2).

10. RESPONSIBILITY STATEMENT

The Board of Directors of the Acquirer accepts full responsibility for the information contained in this Letter of Offer and Form of Acceptance and also for the obligations of the Acquirer laid down in the Regulations and any subsequent amendments made thereto. The Board of Directors of the Acquirer shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. V. N. Agarwal, Managing Director has been authorized by the Board of Directors of HUL to be authorized signatory to the Letter of Offer.

By the Order of the Board

For **HINDUSTHAN UDYOG LIMITED**

Sd/-

(V N Agarwal)

Place: Kolkata

Date : July 7, 2004

Attached: Form of Acceptance – cum- Acknowledgement.

Form of Withdrawal

Transfer Deed for Shareholders holding shares in physical form