Thinking beyond Today...

... laying foundation for tomorrow

Today's VUCA (volatile, uncertain, complex, and ambiguous) world, emerging mega trends & rapid change in technologies are causing disruption in industries. While on one hand these are posing many challenges, on the other hand they are unfolding many new opportunities.

There is a need for thinking beyond today and laying foundation for tomorrow by embracing digitization, technologies like additive manufacturing, 3D Printing, robotics, artificial Intelligence (AI), automation, IoT (Internet of Things) ... setting Industry 4.0 into action.

We are committed to leverage all these into a new way of doing business ... a key, to gain a competitive edge.

WENDT

WENDT (INDIA) LTD

69/70, Sipcot Industrial Complex, Hosur-635 126, Tamil Nadu., Ph: +91-4344-276851, 276852, 276254, 405500, 405501.
Fax: +91-4344-405620, E-mail:wil@wendtindia.com Visit us : www.wendtindia.com

WENDT

Thinking beyond Today...

... laying foundation for tomorrow

36th ANNUAL REPORT 2017-18

WENDT (INDIA) LTD

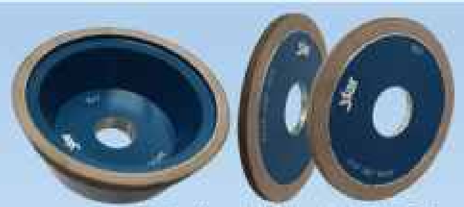
New Product Developments & Launches - Machine Tools

CNC Profile Dressing Machine - PDM 400

Cylindrical Grinding Machine - Precigrind SWH

Twin Spindle Vertical Honing Machine - E3500TS

New Product Developments & Launches - Super Abrasive Tools



Resin Bonded Wheels- CNC Series
Rotary Tool Industry

Glass Grinding Wheels
- Solar, Automotive & Structural Glass Industry

Double Disc Grinding Wheel
- Engineering, Ceramic & Auto Industry

Brazed Wheel
- Textile Industry

HPG Series
- Rotary Tool Industry

Fine Grinding Wheel - Engineering, Ceramic & Auto Industry

Spiral Grinding Wheel
- Razor Blade Industry

Glimpses of 35th Annual General Meeting

WENDT

BOARD OF DIRECTORS

Chairman	M M MURUGAPPAN
Director	EDMAR ALLITSCH
Director	K SRINIVASAN
Independent Director	SHRINIVAS G SHIRGURKAR
Independent Director	K S SHETTY
Independent Director	HIMA SRINIVAS
Independent Director	M LAKSHMINARAYAN
Alternate Director to (Edmar Allitsch)	PETER VERHOLEN

SENIOR MANAGEMENT

Chief Executive	RAJESH KHANNA
Unit Head	M S VENKATESH
Business Head - Superabrasives	D K HOTTA
Business Head – Non - Superabrasives	S SUNDARIYA
Chief Financial Officer	MUKESH KUMAR HAMIRWASIA
Head – Technology and R & D	Dr. PRABHU RAMANUJAM

COMPANY SECRETARY

AKANKSHA BIJAWAT

BANKERS

STATE BANK OF INDIA

AUDITORS

PRICE WATERHOUSE
CHARTERED ACCOUNTANTS LLP,
Bangalore

INTERNAL AUDITORS

ERNST & YOUNG LLP, Chennai.

REGISTERED OFFICE

Flat No.105, 1st Floor, Cauvery Block
National Games Housing Complex,
Koramangala
Bangalore - 560047
Ph: 080 - 25701423
Fax: 080 - 25701425
akankshab@wendtindia.com
investorservices@wendtindia.com

FACTORY

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SIPCOT Industrial Estate,
Hosur-635 126
Tamilnadu
Ph: 04344-276851/ 52,405500
Fax: 04344-405620, 405610

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare (P) Ltd.

WENDT

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Engineering Flair with Environmental Care...

FINANCIAL TRACK RECORD

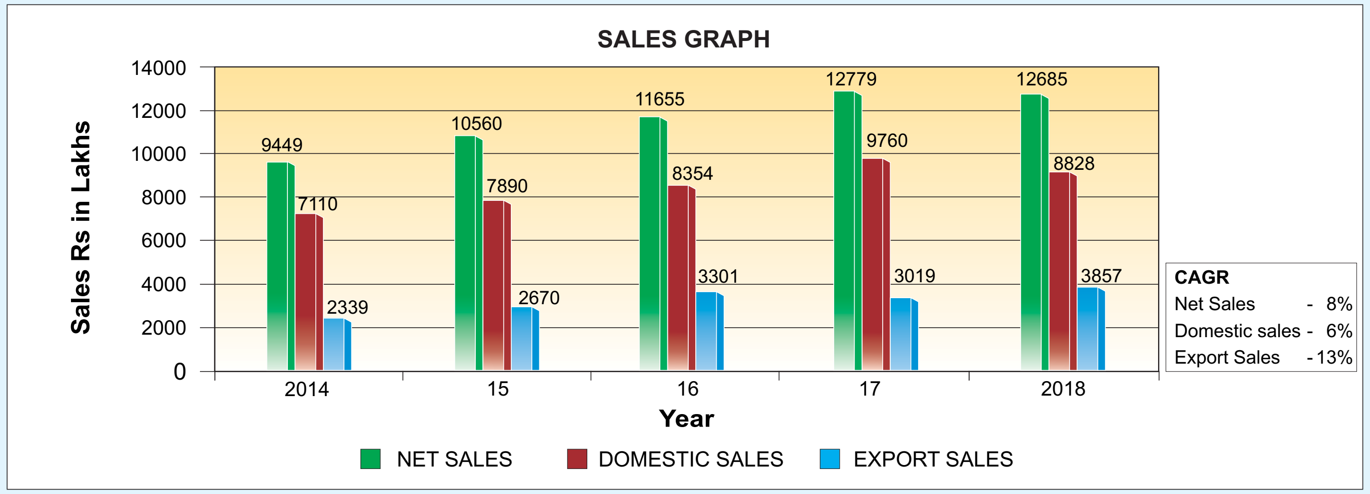
Rs. in Lakhs

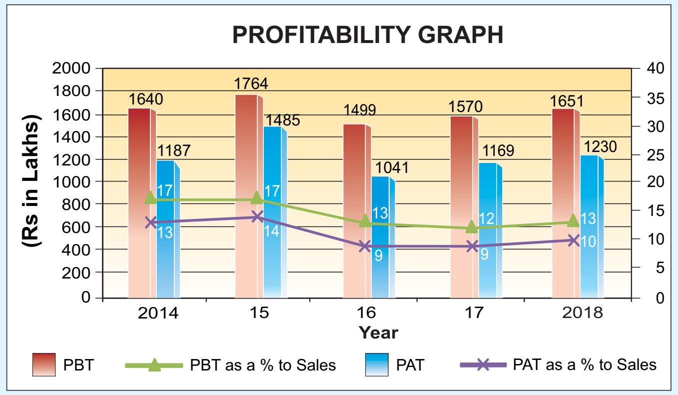
Year ending 31st March	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUE										
Net sales	5136	5609	8173	10001	8895	9449	10560	11655	12779	12685
Domestic sales	3389	4368	6727	8055	7176	7110	7890	8354	9760	8828
Export sales	1747	1241	1446	1946	1719	2339	2670	3301	3019	3857
Other Income	309	222	299	278	225	611	800	648	543	685
PROFITABILITY										
Profit before depreciation	1517	1714	2654	2888	1930	2098	2556	2335	2534	2668
Profit before tax	1297	1455	2356	2552	1528	1640	1764	1499	1570	1651
Profit after tax	884	983	1595	1729	1012	1187	1485	1041	1169	1230
Dividend %	200	250	250	250	150	250	250	250	250	250
EPS (Rs.)	44.21	49.12	79.76	86.45	50.59	59.34	74.24	52.06	58.47	61.49
ASSETS EMPLOYED										
Fixed assets	2610	2950	3264	4363	5027	5510	5608	6060	6078	5595
Investments	1200	1672	2257	1370	1496	1703	1866	1360	1502	2229
Net current assets	858	413	531	1532	1485	1505*	2047*	1505*	3077*	3233*
Non- current assets	-	-	-	-	-	-	-	470	339	338
Total assets	4668	5035	6052	7265	8008	8718	9521	9395	10996	11395
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	4203	4602	5614	6762	7425	8031	8790	9544	10043	10707
Loan funds	36	-	-	-	-	-	-	-	-	-
Non- current liability	-	-	-	-	-	-	-	127	187	91
Deferred tax liability	229	233	238	303	383	487	531	553	566	397
Total funds	4668	5035	6052	7265	8008	8718	9521	10424	10996	11395

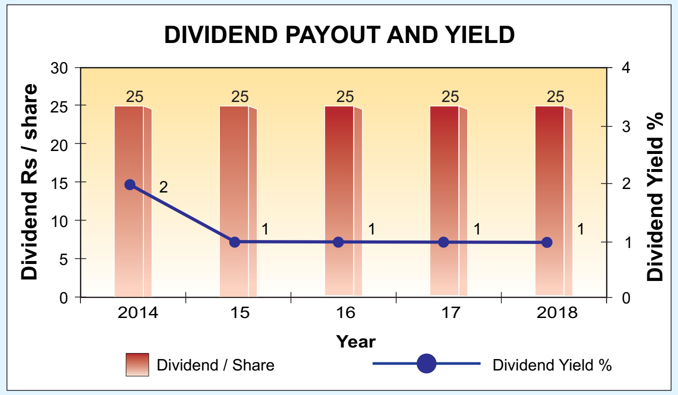
* Net current assets is arrived after reducing current liabilities, long term liabilities and provisions from current assets(excluding current investments) and long term loans and advances for 2013, 2014 and 2015

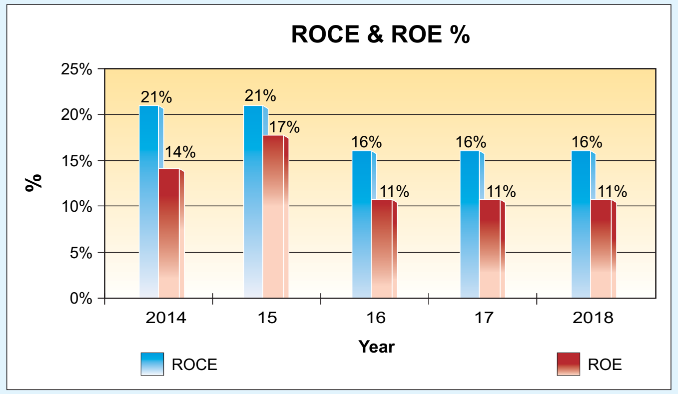
Note : 2016, 2017 and 2018 figures are as per IND AS

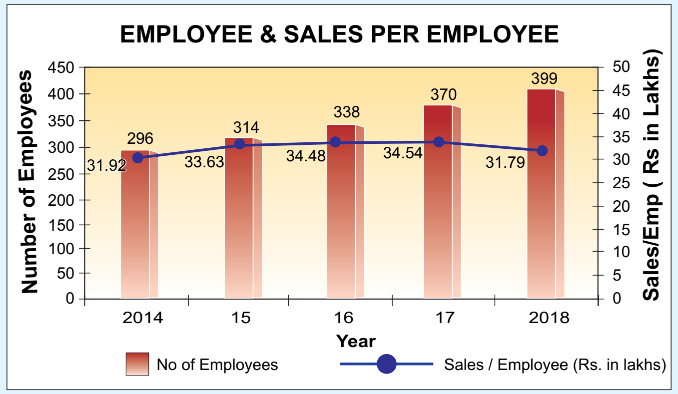
Engineering Flair with Environmental Care...



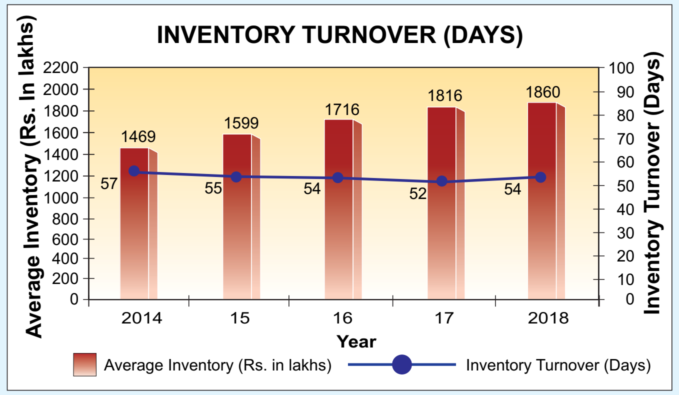


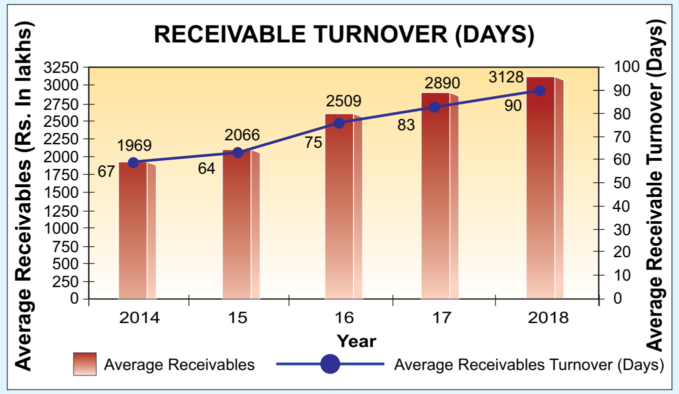


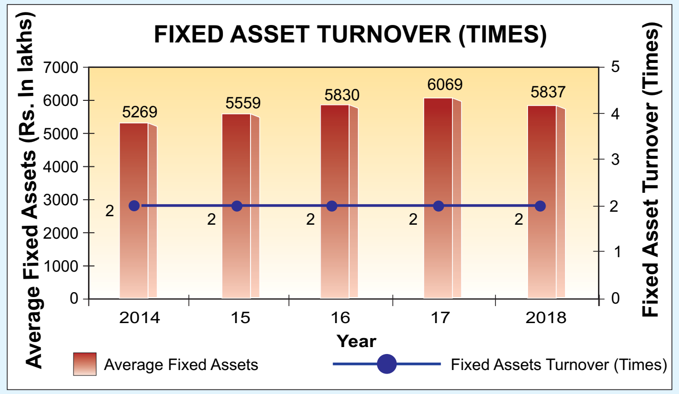


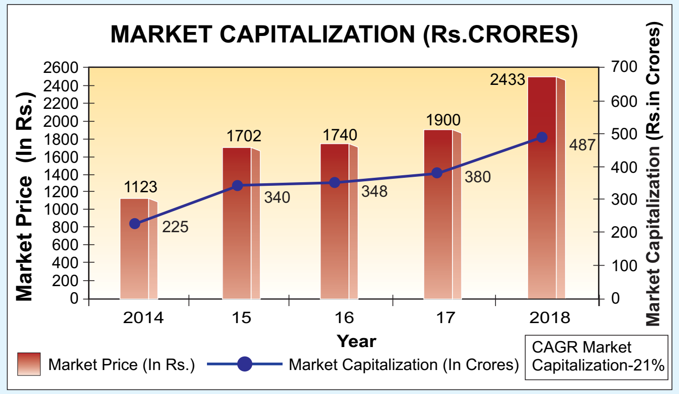


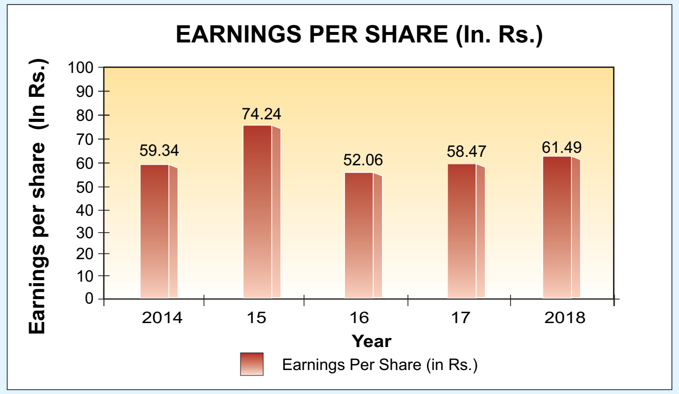
...Total Grinding and Honing Solutions





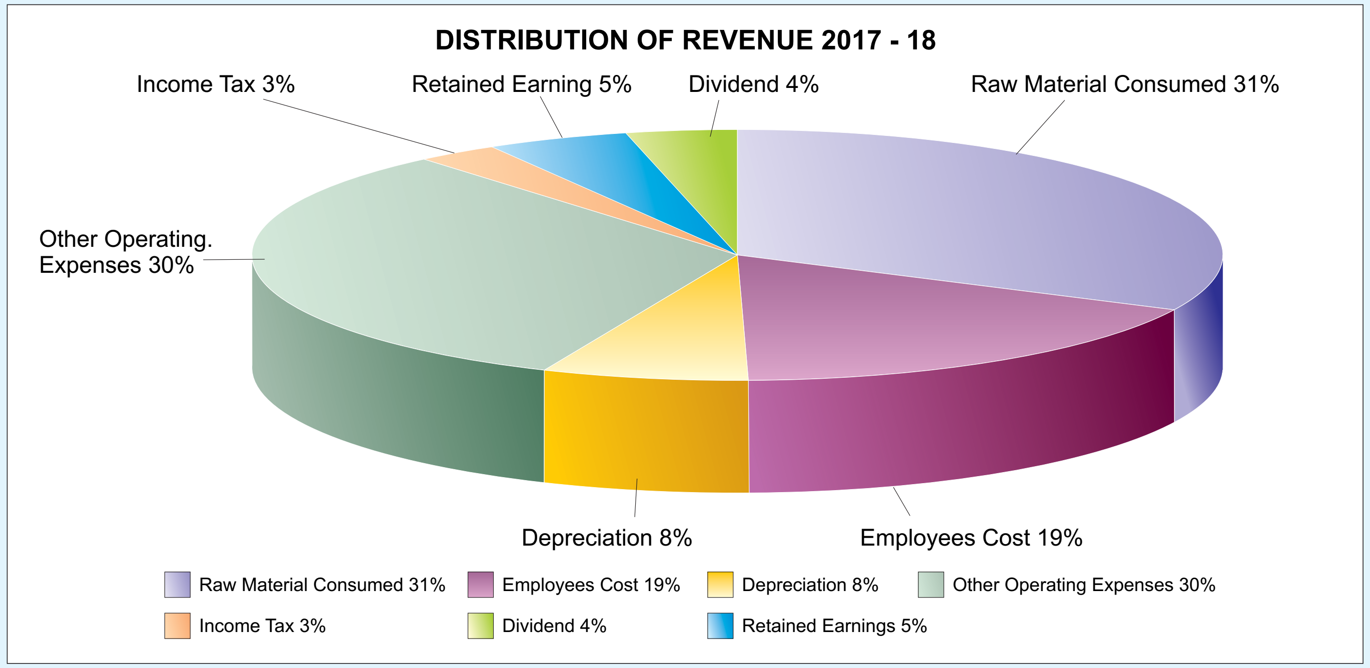


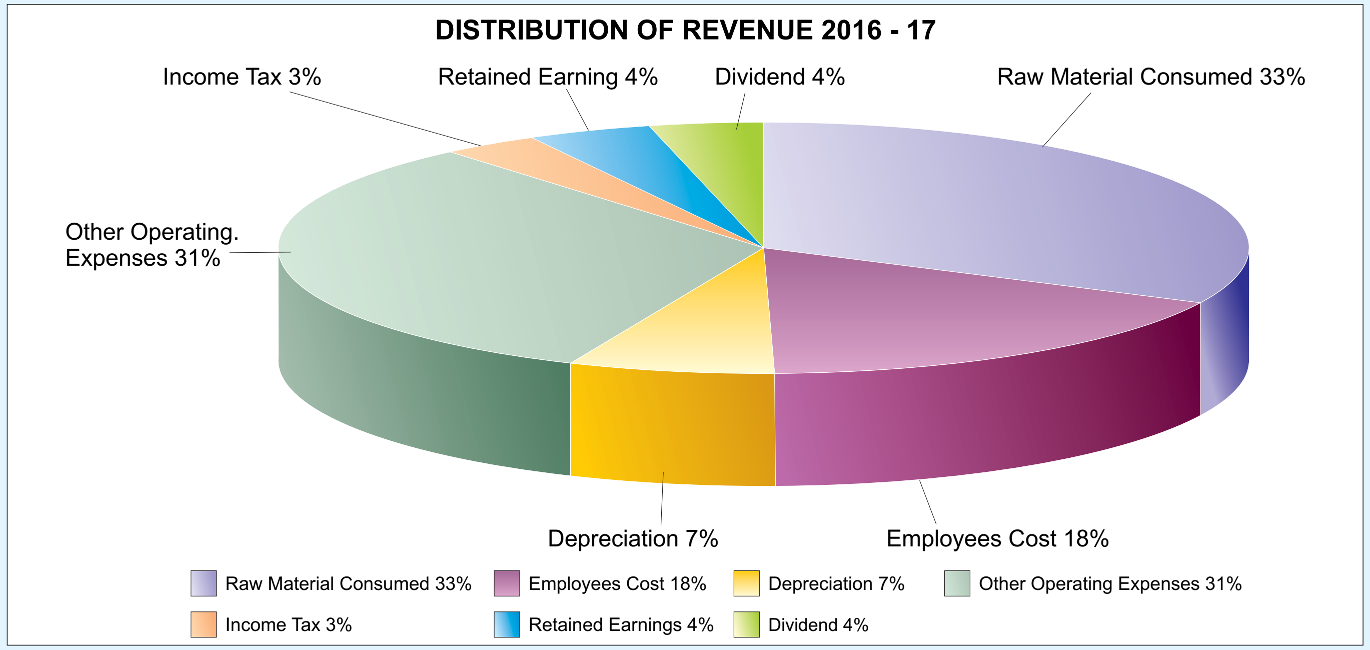




Engineering Flair with Environmental Care...

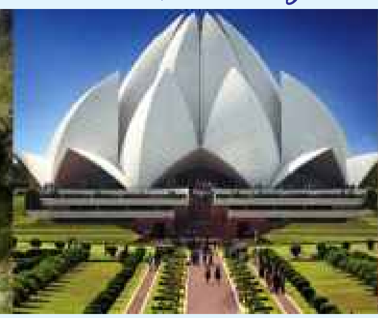




...Total Grinding and Honing Solutions






REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

TO THE MEMBERS OF WENDT INDIA LTD

The Board of Directors have pleasure in presenting the 36th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2018. The *Management Discussion & Analysis Report* which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been included in the Directors Report to avoid duplication and repetition.

ECONOMIC OVERVIEW

According to the International Monetary Fund (IMF), the global economy is experiencing a near synchronous recovery. Roughly three-quarters of the countries experienced improvements in their growth rates. The recovery is driven by improvement in world trade in goods and services, upswing in commodity prices, accommodative monetary policies in advanced regions, buoyant demand conditions, etc. However, there are geopolitical and geo-economics risks due to war in the Korean peninsula; political upheaval in the Middle East; aggressive output cuts by Saudi Arabia (and Russia) which could force oil prices even higher; China's unprecedented credit surge in the form of capital controls, and trade tension.

India can be rated as among the best performing economies in the world as the average growth during the last three years being around 4 percentage points higher than global growth and nearly 3 percentage points higher than that of Emerging Market and Developing Economies.

The Indian Government underlines that due to the launch of transformational Goods and Services Tax (GST) reform on July 1, 2017, resolution of the long-festering Twin Balance Sheet (TBS) problem by sending the major stressed companies for resolution under the new Indian Bankruptcy Code, implementing a major recapitalization package to strengthen the public sector banks, further liberalization of FDI and the export uplift from the global recovery, the economy began to accelerate in the second half of the year. The Central Statistics Office (CSO) has estimated the GDP growth to be 6.5% in 2017-18. Also, India improved its ranking by 30 spots on the World Bank's Ease of Doing Business rankings.

GST Go Live

COMPANY PERFORMANCE OVERVIEW

(Rs in Lakhs)

	FY 2017- 2018	FY 2016- 2017
Sales	12,685	12,779
Other Income	685	543
Profit Before Tax	1,651	1,570
Profit After Tax	1,230	1,169
Earnings per Share - Rs	61.49	58.47

RESULTS OF OPERATIONS

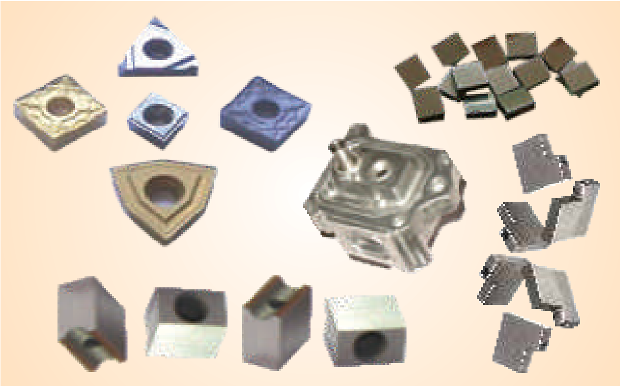
Your company achieved a Top line of Rs.12685 Lakhs, compared to Rs.12779 Lakhs (net) during the previous year. While On the export front, we have achieved an appreciable growth of 28%, with increase in demand from major countries like China, UK, Russia, Thailand, Korea, Indonesia, Singapore, etc. However, the domestic business has seen a de-growth because of shrinkage in demand in some of the markets. The major contributory industry segments in the domestic business which had their adverse impact on your company's sales are Defense, Steel, Cutting Tools, Engineering Sector.

Your Company continued its efforts on pursuing business in its major verticals namely Super abrasives and Machines and Components. The current slowdown being considered temporary and in keeping with your Company's long-term growth, would continue to commit the required investments and resources in identified growth areas.

The Super Abrasives business vertical consisting of Diamond/CBN grinding Wheels in various bonding systems, Rotary Dressers, Stationary Dressers, Hones and Segmented products witnessed a growth of 4% over the last year mirroring the growth of the key industrial segments. This has been possible due to continued focus by your Company on the development of new products and new applications. Your company successfully launched new products such as Glass grinding wheel for Structural, Solar and Automotive Glass, Resin Bond Spiral CBN Wheels for Razor Blade grinding, Double Disc Fine grinding Wheels for certain Ceramic, Automotive and Engineering applications. During the year company launched Standard products under **Star Brand**.

The Machines and Components business performance was lower than previous year mainly due to softening of demand on Components from certain Auto Component manufacturers. While Machine sales in the export market achieved an impressive growth of 63%. The domestic sector faced brunt of Capex postponement/ Capex freeze resulting in lower machine sales during the year. However, your company continued to develop & launch new models / variants like Twin Spindle Honing Machine (E3500), Straight Wheel Head Cylindrical Grinding Machine (Precigrind) and CNC Profile Dressing Machine (PDM 400). These Machines have been received well by the customers, and the company expects to get good business in coming years.

On the Precision Components front, your Company has successfully



completed and added new components for both existing and new customers. These components have received the final approval for the bulk supplies during the fourth quarter. Your company also focused on de-risking & enhancing the product basket by adding components for Non-Auto Industry, and Non – Ferrous components. These initiatives have started yielding results and is expected to contribute exponentially to the overall precision component business in coming years.

FOCUS ON PROCESS EFFICIENCY

Your company continues to drive Lean Practices in both Manufacturing and Support functions for improving operational efficiency. This initiative has benefitted in addressing some of the key areas like Productivity & Process improvement, Effective planning & Scheduling, improving Reliability of Delivery, maintaining outsourcing cost, controlling cost on Consumables, WIP and Raw material inventory.

One of the key focus of your company has also been on **Sweating of the assets** and thereby ensuring effective utilization, reducing dependency on sub-contracting for core processes and working round the clock or 3 Shifts basis for major product group. Your company has taken special initiative to reduce overall cost in value chain by re-allocating common machines and facilities of all product cells and doing all precision machining internally, while outsourcing only Non-Precision machining. This also helped in having a control on capex spend.

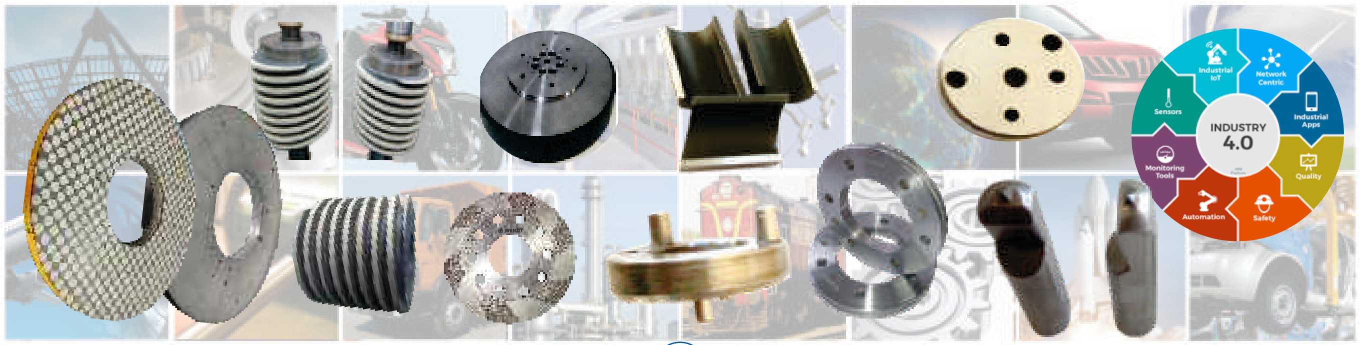
FUTURE PROSPECTS

Super Abrasive Tooling Industry and Grinding & Honing Machine Industry performance is driven by GDP growth, with major demand primarily coming from Auto, Engineering sector, Steel, Glass and Cutting Tools industry. Besides this with the emergence of Aerospace, Defence and Infrastructure sector, Tooling & Machine Tool Industry is expected to benefit this industry immensely.

Further, The ***Make in India*** initiative, too is expected to propel requisite growth in coming years.

Your company continues its focus on product and process innovation for delivering superior performances and sustainable growth. Adoption and deployment of appropriate technologies for indigenous Bond development, streamlining processes, introducing automation in critical areas and working on industry 4.0 would also be the key focus areas for the year to address the growth for your Company.

The Company would continue to seize new business opportunities in new growing industrial segments by



addressing New Products for existing & new Markets and geographies.

Future growth of your company lies in constantly watching and monitoring changes in the external environment and customer needs that are emerging. Accordingly, your company has been tracking the **Mega trends** and underlying new opportunities that unfolds. The company accordingly, would continue focusing on new products for industry segments such as Construction, Aerospace, Defense, Infrastructure and allied industries. Your company would fully complement these efforts and maximize the benefits by participation in major national and international exhibitions, trade shows, including digital initiatives and collaborations.

The acquisition of Winterthur Technology Group (WTG) by the US multinational 3M Corporation and resultant indirect acquisition of 40% equity shareholding in your Company continues to be a matter of contention while not being an issue. The matter has been moved to The National Company Law Tribunal (NCLT), Bangalore and matter remains *sub-judice*.

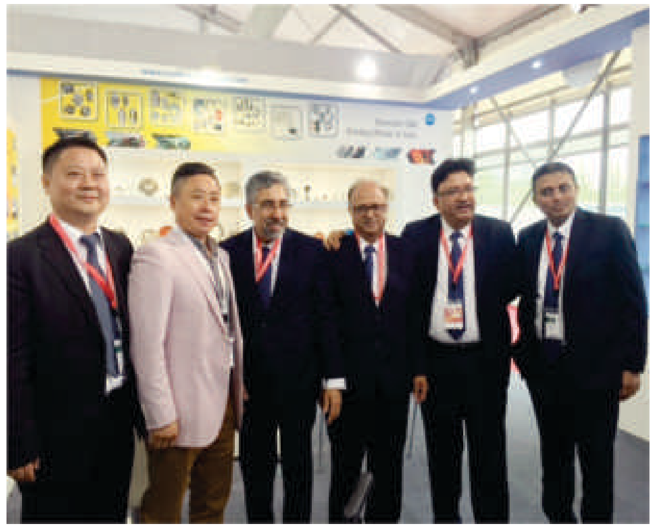
SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

Your company's 100% owned Thailand subsidiary, Wendt Grinding Technologies Limited, has yet again delivered sustained results in line with the plan both in terms of sales and profitability, despite continued industry slowdown, falling export and political issues and all odds. It is a demonstration of its strong resolve and business acumen challenging the unfavorable conditions.

During the year, your subsidiary achieved sales of Thai Baht 946 Lakhs (Rs.1844 Lakhs), 12% growth over last year. Profit After Tax of Thai Baht 141 Lakhs (Rs.283 Lakhs), a creditable growth of 32% over last year.

Your subsidiary maintained its dominant position in re-profiling business in Thailand for glass industry with its 70% share of business, where it operates. The subsidiary, during the year, focused on exploring new opportunities in Indonesia market. The focus on enhancing the product basket, new customer additions, etc. have yielded good results.



Your subsidiary continues to participate in the important Industrial and Trade Exhibitions & prospecting for new businesses, while strengthening networking with industry leaders for business promotion and development.

Wendt Middle East FZE, Sharjah

Wendt Middle East FZE, Sharjah, the other wholly owned subsidiary of your company, has clocked an annual sale of AED 23 Lakhs (Rs.412 Lakhs) which is 8% lower than the previous year. The lower topline is attributable to the continuing oil crisis, political disturbance and a slowdown in new projects in the region. Also, due to the worsening credit situation in the Middle East, the subsidiary has been cautious in growing the topline. Accordingly, the Profits have also been lower at AED 0.4 Lakhs (Rs.7 Lakhs).

During the year, your subsidiary has embarked on strategic initiatives to consolidate and grow its business with focus on industrial ceramic products and non-standard abrasive and super abrasive products. The subsidiary's increased focus on these strategic initiatives with robust receivables management is expected to deliver results in the coming year.

APPROPRIATIONS

Available for appropriation	(Rs in Lakhs)
Profit After Tax	1230
Add: Other Comprehensive Income	36
Add: Balance brought forward from previous year	4326
Total	**5592**
Recommended appropriations	
Transfer to General Reserve	130
Dividend	
-Interim Rs 10/-per share	200
-Final (Dividend paid for 2016-17 Rs 15/- per share of face value of Rs 10/- each)	300
Dividend Tax	
-Interim	41
-Final (for 2016-17)	61
Balance carried forward	4860
Total	**5592**

CORPORATE SOCIAL RESPONSIBILITY

Inclusive growth and Sustainable Community development are strong pillars of your Company's responsible corporate citizenship. Your Company being a part of the Murugappa Group has been upholding this tradition by allocating a part of its income for carrying out its social responsibilities.

Your company's Skill Development Program has been a major initiative towards addressing the social responsibility. The main objective being to provide high quality vocational and technical training towards uplifting the lives of young children from underprivileged community and weaker sections of the society. This training program is designed based on the coaching methodology defined by Government of India, Ministry of Skill Development and Entrepreneurship. This program also includes stipend payment along with free meals and providing boarding facilities to the enrolled students, ensuring that they *earn while they learn*. Not only does this initiative help in imparting formal education, but also helps them in honing them to become a valuable citizen & while help them in seeking gainful employment upon successful completion of the course.

The company continues to make contributions to the society extending to communities in its vicinity like to local schools, orphanages, homes for destitute, etc. This is based on your company's firm belief that an organization's true value lies beyond its business and is reflected by the services it extends to the society. Your company also gives importance to green environment and tree plantation in the nearby communities by holding seminars, educating and distributing and planting free saplings every year.

The company employees are encouraged to participate in activities

like blood donation camps, taking classes on computer education in municipality schools, bring awareness on road safety, nominating employees with RTO as traffic warden, 5S campaigns towards the cleaner environment, imparting special education to the school children to name a few.

In accordance with requirements of the Companies Act 2013, your Company has a CSR policy incorporating the requirements therein which is also available on Company's website at the following link http://www.wendtindia.com/pdf/csrpolicy.pdf

Your company, during the year 2017-18 has spent of Rs 32.36 Lakhs towards the CSR activities in line with the provisions of the Companies Act, 2013.

The Annual Report on CSR activities in the prescribed format is annexed herewith as ANNEXURE C.

DIVIDEND

The Company has voluntarily adopted the Dividend Distribution Policy as approved by the Board in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the same is available on Company's website viz. www.wendtindia.com.

In line with the policy, the Board of Directors has recommended a Final Dividend of Rs 15/- per equity share of face value Rs 10/- each (150%) for the year ended 31st March 2018. This is in addition to the Interim Dividend of Rs 10/- per equity share of face value of Rs 10/- each which was paid on 19th February 2018.

The Final Dividend, is subject to approval of members at the 36th Annual General Meeting & will be paid to those shareholders whose names appear on the register of members of the company as on 1st August 2018. If approved, the total Dividend for the financial year, including the interim dividend, amounts to Rs 25/- per equity share and will absorb Rs 602 lakhs including dividend distribution tax of Rs 102 Lakhs.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 130 lakhs to the General Reserve. An amount of Rs. 4941 Lakhs is proposed to be retained in the Statement of Profit & Loss.

FIXED DEPOSITS

During the year, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder.

INVESTMENTS

Details of investments covered under section 186 of the Companies Act 2013 are given in the note no. 6 to the financial statements.

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 124 (5) of the Companies Act, 2013, an amount of Rs. 3.78 lakhs being unclaimed dividend during the year, pertaining to the financial year 2009-10 was transferred to IEPF after sending due reminders to the shareholders.

CONSOLIDATED FINANCIAL RESULTS

The Consolidated Financial Statements of the company (incorporating the operations of the Company and its two wholly owned overseas subsidiaries), for the financial year 2017-18 are prepared in compliance with the applicable provisions of the Companies Act, Accounting Standards as prescribed by Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared based on the audited financial statements of the company, its subsidiaries, as approved by their respective Board of Directors.

Pursuant to provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements, along with the relevant documents and the Auditors' Report thereon form part of this Annual Report. A statement of summarized financials of all subsidiaries of your company including capital, reserves, total assets, total liabilities, details of investment, turnover etc. pursuant to General Circular issued by MCA forms part of this report. The audited annual accounts and related information of the subsidiaries is available in our website- www.wendtindia.com.

The key financial data for the consolidated operations are as follows: -

KEY CONSOLIDATED FINANCIAL SUMMARY

(Rs in Lakhs)

	FY 2017-2018	FY 2016-2017
Sales	14,432	14,466
Other Income	492	313
Profit Before Tax	1,804	1,657
Profit After Tax	1,312	1,205
Earnings per share-Rs.	65.62	60.26

QUALITY

Your Company manufactures products that embed a high level of precision and accuracy as demanded by the customers of various industry segments. While the Super Abrasives Product range consists of Diamond & CBN Grinding Wheels and Special Tools; the Machines includes customized range of high precision machines such as CNC Grinding, Notch Milling, TC Ring Grinding, Honing and Accessories fulfilling the requirements of international standards and including CE certifications. Precision Components are manufactured with significant degree of precision and very precise, close tolerances necessitating them to passing through the stringent quality standards and measurements through the stringent production process and control.

To ensure that your company meet this requirement, Quality Management standards are put in place such as ISO 9001 and TS 16949. TS 16949 pertains to manufacturing of precision components. Further, in order to comply with the safety norms and requirements of overseas customers, your company has also successfully implemented EN 13236 Standards. Quality being the uncompromised differentiator for your Company, the company attempts hard to ensure that final product quality is built by deployment and embracing effective quality control management, process robustness, quality assurance and discipline at every stage of material flow.

The Company continues to place higher emphasis on training in latest trends besides investment in high-end equipment, machineries & application software and modern tools.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

Your company accords high importance towards safety and health of employees and ensures that the work environment is conducive for smooth operations. Towards this, the top management stays ever committed for maintaining high standards for safety, health and environment management by being fully compliant to applicable statutory requirements as per OHSAS 18001 and ISO 14001 EMS standards and guideline.

During this year, the company has upgraded to new standard on Social accountability SA 8000:2014 and adopted a new Standard on product safety EN-13236:2010+A1:2015 for meeting Safety requirements of the European standard of Super Abrasive products. Every year, Wendt observes a **Safety Week** with sprawling events spread over the week to emphasize on importance of safety to the employees. This year it was held on 5th March 2018 which included competitions on slogans, posters, skits, and mock drills.

Recognizing that the employees are the most valuable assets of your company and that the Safety and Health of each employee is of utmost importance. The company continues to undertake initiatives and pursue programs, including Annual health check-up for employees and their family, special medical attention for employees working in special process & sensitive areas. The company conducted special awareness program on use of personal protection equipment (PPEs), zero discharge of ETP/STP and hazardous waste handling, so that the employees and their family maintain good health and overall wellness.

Your company continues to periodically conduct safety mock drill and various training programs to educate and prepare towards chemical, electrical and medical urgencies.

RECOGNITIONS AND AWARDS

The employees are encouraged to participate in customer audits, group competitions, various national and international events & competitions. Your Company continues to get accolades and awards from its customers and other prestigious domestic/international forums. Some of the awards and recognitions your Company received during the year under review:

- **"Regional Award for Export Excellence"**

  Conferred with **"Star Performer – Large Enterprises"** for outstanding export performance during year 2015-16 by Engineering Export and Promotion Council

- **Lean Management Practices**

  Conferred with **Silver Award** for Lean Management Practices from ABK AOTS
- **Quality Circle Awards**

  Your Company's employees continued to exhibit their skills in various Quality Circle competitions as below

  International Level: Organized by QCFI, Philippines

  - "Gold" Award in ICQCC for Kaizen- 1 team

  National Level: Organized by QCFI, Hosur

  - "Gold" Award for Kaizen in CCQC - 4 teams
  - "Gold Award" for SGA (Small group Activity) in CCQC: 2 teams.

- **MGTC Volley Ball Tournament**

  Your company's employees participated in the Group Level Volley Ball tournament and won the **"Winners"** Trophy during the year.

- **MGTC Women Sports Tournament**

  Your company's women employees participated in the Group level sports competition and won awards in **Carom, Chess and Relay** competitions.

- **Cufest 2017 Awards**

Your Company's employees participated in Group-level Quality competition **"Cufest 2017"** (Quality Festival of CUMI), and won awards for 5S, Poster, Innovation, Idea King, SGA and Theme Video

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In the sections that follow, the information required to be given in the **Management Discussion and Analysis Report** have been provided

GENERAL PERFORMANCE REVIEW

The year 2017-18 just ended with positive sentiments resulting in a modest growth among various industry segments. Your company started the year with many bright prospects & many hopes, but as we progressed over the year, it had many ups and downs resulting in a rather moderate growth for most industrial sectors, except a few.

Further on the Domestic front, the demonetization effect & the roll out of GST by the Government during the first half of the year resulted in the unpredictability in the demand & a resultant reduction in order inflow.

During the year, your company continued to focus on the new initiatives, be it building new machine models, pursuing projects in precision components, Lean Management, new product developments, research & development and strengthening our export business. In addition to this, your company worked closely with customers for new opportunities including import substitutions to maintain its leading position in the domestic market.

ECONOMIC OUTLOOK

If macro-economic stability is kept under control, the ongoing reforms are stabilized, and the world economy remains buoyant, growth could start recovering towards its medium term economic potential of at least 8 percent.

Improvement in Economy will be supported by an increase in global growth in 2018 which will further boost India's exports. Remittances are expected to increase, owing to the rising trend in oil prices. Stable policy rates along with the favorable interest rate regime in the global markets could provide

greater certainty to the investment climate. The reform measures undertaken in 2017-18 are expected to strengthen further in 2018-19 and will reinforce growth momentum.

However, downside risk to higher growth emanate from higher crude oil prices, protectionist tendencies in some of the countries, and possibility of tightening of monetary conditions in the developed countries which could lead to lower capital inflows and financial stress.

INDUSTRY STRUCTURE & DEVELOPMENTS

The increasing usage of CNC machines and better performance of super abrasives tools are the main factors that are expected to drive the super abrasives market. The main drivers for the super abrasives market is the growing trend on the usage of tough to grind & exotic materials super alloys, closer tolerances on component, which necessitates the use of super abrasives in the automobile sector, where the demand has increased at higher rate with more usage in grinding wheels, cutting tools, files, dressing tools, gears, bearing and so on. These super abrasive materials (diamond, CBN) are used for better finishing and addressing higher exacting component requirements, as they surface in automotive sector with the increase in demand for Electrical and fuel-efficient vehicles.

As a major supplier of the most comprehensive range of Super abrasive products and **Total Grinding Solution Provider,** your company enjoys single- source supplier status with many customers for a wide spectrum of industry. A major contribution to your company's top line in the coming year is expected to come from sector such as Automobile, Engineering, Cutting Tools, Refractory, Aerospace, Defense, Steel, Ceramics and Construction. Therefore, your company's performance will also be in congruence with the performance levels of these industry in coming years.

In order to minimize dependency on certain industry segment, your company will strive to focus on exploring new opportunities and has added some new products to enhance the products basket especially in the precision grinding area. The effect of this endeavor is evident from the fact that your company has developed many new products for the precision application for industries like Automobile, Aerospace, Defense, Glass, Bearing, Paint, Razor Blade, Ceramics and Precision components.

PERFORMANCE OVERVIEW

Key Financial Summary

(Rs. in Lakhs)

Particulars	2017-18	2016-17	% change
Domestic Sales	8,828	9,760	(10)
Export Sales	3,857	3,019	28
Total Sales	12,685	12,779	(1)
Operating Profit before Finance cost	1,243	1,209	3
Capital Employed	10,908	10,243	6

OPPORTUNITIES & THREATS

Opportunities:

Despite the recent announcement of a slew of reforms, policy measures and fiscal consolidation by the Government, the Indian growth is expected to remain modest in the near term. However, the medium and the long-term expectation from the economy is bullish. After suffering from a temporary setback following the de-monetization and GST implementation reforms, the economy is bouncing back.

As for your company, the confidence levels would continue to be positive because of the spread of its business across varied industrial segments and not dependent only on few industry segments.

Your company would continue to leverage upon its vast experience and technical expertise team, deep understanding of customer requirements, comprehensive product range, superior technology and the resultant competitive edge emerging out of its two complementary business verticals namely Super Abrasives and Machine Tools and Precision Component.

With the **Make in India** initiative, liberalization of civil aviation policy, Aerospace and Defense industry too is likely to grow at high pace. Your company provides state of art innovative solution to meet the customers Grinding, Dressing and Honing requirements. Developing products and aligning the business with strong signals of **Mega trends** would be another area of focus going forward.

To address the huge price sensitive market of Standard and mass consumed Super Abrasives product, your company has also started promoting and selling the standard products under STAR Brand which it had acquired during the previous year. This is expected to help your company to acquire the untapped market of the price sensitive range of products.

Threats

The Domestic Super Abrasives Tool market is characterized by presence of both organized as well as unorganized players. At the one end we have many

unorganized, regional propriety-run entities that are smaller in size and operation with limited offering, which address customers' requirements in specific region and compromise with lower price and often unhealthy business practices. On the other end, the presence of well-established players with high brand value across the globe focusing on technology, application engineering and product development. The investment in R&D activities by major players to innovate the existing products and to develop new technologies to sustain competition in the market is very high.

This has been a unique challenge for your company. To address this, your company continues to adopt its distinctive method of offering low cost mass products for the low end. Enhancing standard range of products under Star Brand is one of the initiative to cater to the mass market, and for the high-end segment, company focuses on its technological solutions, application engineering and product development by offering import substitutes and value additions. For addressing the high performance, quality conscious segment, your company is working with foreign Research Institutes and is on lookout for product specific, niche manufacturers for acquiring state of the art technology.

BUSINESS OUTLOOK

The Central Statistics Office has estimated the GDP growth in 2017-18 to be 6.5 per cent. However, the growth during 2018-19 could be higher depending on several factors. Taking advantage of the emerging opportunities, your company is fully geared up to retain its leadership position by offering its comprehensive range of products, increased market reach & penetration and adding new products in baskets.

In the Superabrasive Business, your company continues to focus on building capability / capacity in identified products cells including enhancing self-sufficiency. Development of new products, Research and Development will continue be our focus in the coming year. Your company have enhanced the existing product basket by adding more standard products to be offered under STAR Brand through the distribution channel, which is expected to make significant contribution to the overall growth of your company.

On Machines and Precision components, your company will continue to work towards strengthening our Machine Tool business by consolidating various machine models / range to increase the customer / industry base and overall offering.

The precision Component business is being strengthened and enhanced by adding new components and new customers. The initial test and approval for new projects have been encouraging and we expect to benefit from this during coming year.

Your Company's 100% owned Subsidiary, **Wendt Grinding Technologies Ltd**, Thailand, continues to show creditable performance year on year albeit Thailand being affected by slowdown specially in export depended countries, political disturbances, falling demand, shifting of base by many Japanese companies. It demonstrates enough confidence for even better performance in the coming year. Certainly, this has been possible due to continuous efforts in exploring newer opportunities, scanning new industry segments, enhancing product basket as well

as delivering superior value propositions to the customers in Thailand and adjoining countries.

Your second subsidiary, **Wendt Middle East FZE,** Sharjah has been consistent in its performance over the last few years. For the last two years, the business environment in the region has been very challenging in items of political issues, war, down slide in oil price, stalled projects and very few new investments and project expansions. Despite these difficulties and hardships, your subsidiary continues to put all its efforts on certain markets and industries that have given good results during these tough times. Your subsidiary would continue to operate as the Product Availability Point (PAP) for the entire GCC region with focus on General Engineering, Aerospace, Steel, Ceramics, Auto component & associated industry segments and holds enough promise for better performance in the coming year.

ENTERPRISE VALUE ADDITION (EVA)

(Rs. in Lakhs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Generation of Gross Value added	5272	4902	4417	4373	3868
Breakup on Application of Value added					
Payment to Employees	2588	2363	2077	1812	1768
Payment to Shareholders (on payment basis)	500	500	500	500	500
Payment to Government	692	490	539	270	431
Payment to Directors	16	5	5	5	2
Towards replacement and expansion	1476	1544	1296	1787	1167
Total	5272	4902	4417	4373	3868

- Gross Value Added is Revenue less Expenditure (excluding depreciation, expenditure on employee & directors service)
- Payment to Government is Current tax + Dividend distribution tax
- Replacement and expansion is Retained earnings + Depreciation + Deferred tax

Payment to Employees grew at a CAGR of 10% over the last 5 years. Payment to Government grew at 13% CAGR over the similar period. The Company had been constantly investing towards replacement and expansion expenditure at a CAGR of 6% to ensure fulfilment of market demand.

RISK & CONCERN

Your Company has a robust risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the company. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the company's competitive advantage. This framework also defines the risk management approach across the enterprise across various levels including documentation and reporting. The framework has different risk models which help in identifying risk trends, exposure and potential impact analysis at a company level as also

separately for the business segments. Risk Management forms an integral part of the Company's Business Plan.

The Senior Management of your Company analyze the potential areas of risks and on the current business portfolio and decide which business should receive more focus, where to invest, what needs to be added or discontinued from the product portfolio etc. to mitigate the risks.

The Risk management process for your Company encompasses the following sequence:

- Identify, recognize and describe risks that might affect project or its outcomes
- Understanding nature of risk and its potential to affect project goal and objectives.
- Evaluate or rank the risk by determining the risk magnitude.
- Development of risk mitigation plans.
- Periodic monitoring and review of risk mitigation plans

These are routinely tested and certified by the Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

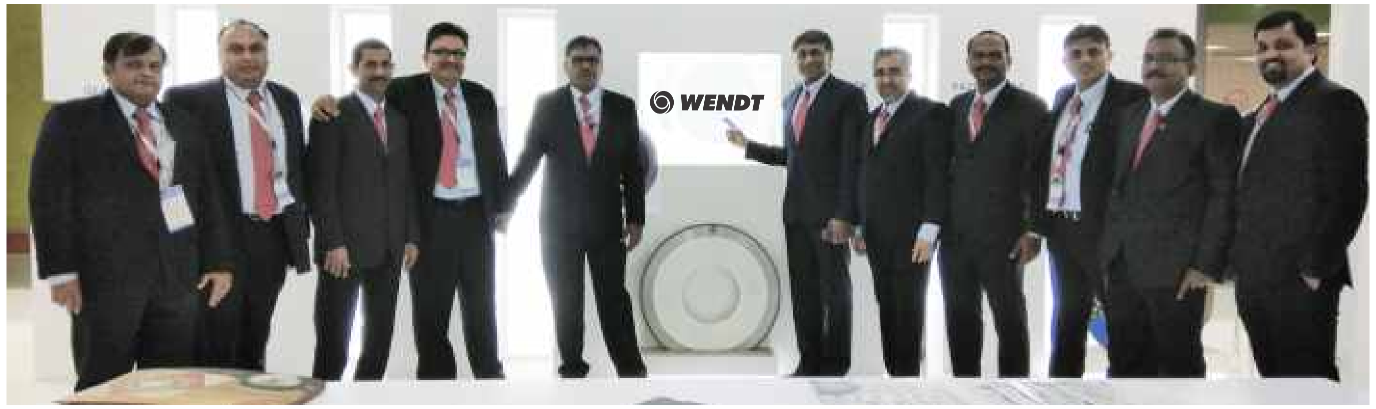
Risk Factors Related to the Markets/Industry We Serve

Why is it considered as a Risk?

- We could be adversely impacted by our significant exposure to selected few sectors like auto and auto ancillaries
- We could be adversely impacted by the loss of any of our significant customers, changes in their requirements for our products or change in ownership
- Failure to sustain a continuing economic recovery could have a substantial adverse effect on our business
- We could be adversely impacted by new laws, regulations or policies of governmental organizations
- Rebranding of products and the resultant delay in brand establishment
- Disruptive innovation & process changes

Mitigation Plan / Counter Measure to address

- Widening the customer base / new industry segment & new geographies thereby De-risking the business



- Identify alternate Industrial Focus segment like Aerospace, Bearing, Razor Blade, Glass, etc., based on Mega Trends.
- Aligning strategy towards delighting most significant customers both in domestic and as well as overseas market.
- Leveraging relationship and Engagement with the customer - e.g. WOW initiative / Exhibitions like IMTEX, participation in international exhibitions like GRINDTEC – Germany, MAC – United Kingdom, IMTS – USA, CIMT - China, **CRM & Knowledge Management** application
- Setting up of In-house DSIR approved R&D centre. Also, thrust on innovation with focus on New Product Development, is now well embraced at Wendt to yield long term results.
- Branding, promoting and selling Standard range of products under STAR Brand.

Competition Risk

Why is it considered as a Risk?

- Direct Imports through OEM route
- Cheaper Imports from countries like China and Taiwan.
- Presence of many unorganized regional players often adopting Low pricing strategy, free samples, higher credit days etc.
- New Organized Players entry by setting up manufacturing base in India consequent to Make in India Drive.

Mitigation Plan / Counter Measure to address

- Offer sustained competitive advantage to customer ` through operational efficiencies
- Focus on Lean & Address QCD – Superior **Quality, Cost** competitive products & Reliable, Faster **Delivery**
- Internal Efficiency Measures/ process automation/ Reduce throughput time
- Creating entry barriers for competition / exit barriers for customers - key account management
- Increased focus on New product development
- Enhancing value added services
- Increasing the product basket & offerings

- Building agile Supply chain by capitalizing on CUMI dealer network
- Explore E-Commerce and online sales
- Automation and Robotization to address Lower manufacturing cost and enhance Competitiveness

Technology Risk

Why is it considered as a Risk?

- The rapid changes taking place in the fields of grinding / honing technology and material science.

- Access to New Alternate technology following the expiry & Non- renewal of technical collaboration agreement with Wendt GmbH post Sept 2012.
- Adoption of Disruptive technologies like 3D printing.
- Technology gap in certain products range as a result of product upgradation by global competitors.

Mitigation Plan / Counter Measure to address

- Indigenous development of Bonds with external consultant support and working with Research Institutes.
- Collaboration with external consultants
- Established DSIR approved R&D center and build on self-sufficiency in technology
- Association with external Research laboratories / Technical institutes for technology upgradation.
- Working on Product and Process Innovations

HR & Legal Risk

Why is it considered as a Risk?

- Attrition of skilled / trained manpower leading to disruption of operations or knowledge gap
- Contractual liability, e.g. Product liability

Mitigation Plan / Mitigation Plan / Counter Measure to address

- Succession planning
- Career Development
- **Knowledge Management Portal** whereby all major established applications are safely documented for reference and trail
- CCSD (CUMI Centre for Skill Development) providing employable technicians
- Market linked revision in Compensation
- Focus on multi skilling & skill upgradation.
- All contracts cleared by the Legal team

Online Data & Information Security Risk

Why is it considered as a Risk?

- Data breach leading to loss and critical information infrastructure breakdown

Mitigation Plan / Counter Measure to address

- Policy in place for Technical Controls
- Disaster Recovery Strategy & Business Continuity Plan in place.
- Data center access limited to authorized personnel
- Crisis Management Group in Place.

INFORMATION TECHNOLOGY

One of the key success factors for your company's sustainability and consistent operations has been the use of technology and SAP ERP system. During the year, configuration has been made within SAP modules to meet **GST Compliance**, thus leveraging on the benefits for smooth functioning and steady flow of information across various functions. Your company could smoothly implement GST with the modification in SAP in record time.

Your company has implemented **SIEM (Security Information and Event Management)** for identifying, monitoring, recording and analyzing security events or incidents in a real-time IT environment and **Document Management System** for Management Standards, which supports in retrieval of documents during Audit and provides alert mechanism for legal / statutory / calibrations / MRM / NC / Compliance along with action plans as per timelines.

INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has put in place adequate system of internal controls commensurate with its size and the nature of its operations. The Company's internal control system covers the following aspects:

- Financial proprietary of business transactions.
- Safeguarding the assets of the Company.
- Compliance with prevalent statues, regulations, policies and procedures.

The Internal Audit team evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements, if any. The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

During the year, there were no changes in internal control over financial reporting that have materially affected or are likely to have any financial reporting lapse.

Internal Financial Controls

As per Section 134 of the Companies Act'2013, the term 'Internal Financial Control '(IFC) means the policies and the procedures adopted by the Company for ensuring:

a) Orderly and efficient conduct of its business, including adherence to accounting policies,
b) Safeguarding of its assets,
c) Prevention and detection of frauds and errors,
d) Accuracy and completeness of accounting records, and
e) Timely preparation of reliable financial information.

The key components of IFC followed by the Company are:

1. Entity Level Controls (ELC) that the management relies on to establish appropriate -Code of Conduct, Hiring and Retention practices, Whistle Blower mechanism, Delegation of Authority and other policies and procedure.
2. Process Level Controls (PLC) to ensure process are stable, predictable and consistently operating at targeted level of performance classified into Manual or Automated Controls.
3. General IT Controls to ensure appropriate functioning of IT applications and systems built by company to enable accurate and timely processing of financial data are -User Access rights Management and Logical Access, Change Management controls; password policies and practices, Patch management and License management; backup and recovery of data.

The adequacy of IFC is ensured by:

- Documentation of risks and controls associated with major processes.

- Validation of existing Controls to mitigate risks.
- Identification of improvements and upgradation of the controls
- Improving the effectiveness of controls through data analytics
- Performing testing of controls by Independent Internal Audit firm.
- Implementation of sustainable solutions to Audit observations.

FINANCIAL REVIEW

Earnings

Revenues

During the year, your company achieved total sales of Rs.12685 Lakhs, similar to previous year. While the domestic sales were lower by 10% over the last year at Rs.8828 Lakhs, the export sales were higher by 28% compared to the previous year at Rs.3857 Lakhs. As briefed earlier, the major industry segments which contributed to the de-growth of the domestic business are steel, auto ancillaries, engineering, trading etc. The higher export was due to higher sales to 10 focus countries like Russia, China, Singapore, UK, Thailand, Indonesia, Korea etc. during the year.

Profit before Tax

The profit before tax is higher by 5% at Rs.1651 Lakhs compared to Rs.1570 Lakhs in 2016-17. The higher profit is because of the improved product and process efficiency measures taken by the Company and control over the fixed cost.

Profit after Tax

The profit after tax is higher by 5%, at Rs.1230 Lakhs, compared to Rs.1169 Lakhs in 2016-17.

Liquidity and Cash Equivalents

Your company continues to be debt free company, maintaining sufficient cash and cash equivalents to meet its futuristic strategic initiatives. This is achieved by being prudent in its investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enable the company to completely eliminate short and medium-term liquidity risks.

The Company has a robust Cash Management Policy whereby it:

a. Conserves sufficient cash as reserves that will aid the company in venturing into meaningful business opportunities that unfold during the year.
b. Use cash to provide sufficient working capital to address business objectives of the company & to add value to all stakeholders by continued enhancement.
c. Prudently Invest surplus funds that the business generates in debt schemes of mutual funds as per Group norms and prior approval from the Board. This ensures availability, safety and liquidity of Company's funds while allowing reasonable yield as per the prevailing market rates. The surplus funds are generated through stringent control on working capital.

During the year, your company's investment in mutual funds increased from Rs.1072 Lakhs to Rs.1799 Lakhs as on 31st March'2018 i.e. a growth of 68%.

As the earnings are ploughed back, the capital expenditure need of your company for the year was met entirely from the mutual funds investment.

Costs

Your Company has done judicious cost control whereby the fixed cost excluding depreciation as percentage of sales has been controlled at 33% similar to last year's level.

The variable costs have been controlled during the year through indigenization of raw material and other input costs which has helped in improving the margins of the company. The Lean Management Initiative undertaken by your company has also helped in significant savings during the year. Your company's price correction initiative from both customers domestic and exports and key suppliers has improved its profitability in the current year.

Financial Position

Share Capital

The paid-up equity share capital as on March 31, 2018 was Rs.200 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Share-holders Funds

The shareholders fund as on 31.03.2018 was Rs.10908 Lakhs against Rs.10243 Lakhs of previous year, an increase of 6%. Accordingly, the book value of the share stands at Rs.545/- as compared to Rs.512/- during the previous year.

Loan Funds

Your Company continues to utilize its cash credit limit with State Bank of India to bridge the short-term fund requirement and for meeting the temporary mismatches in its cash flow. Your Company does not have any interest-bearing term loan.

During current year too, the working capital limits of your Company continues to be rated by ICRA as AA- (pronounced ICRA double A minus) rating assigned to the Rs.2 crore Long-term Fund facilities of your Company which signifies low credit risk and stable. The short-term Rating assigned to the Rs 6 crore Non-Fund Based working capital limit also continued to be reaffirmed as A1+ (pronounced ICRA A one plus). Overall your Company's rating continues to be stable and low credit risk.

ASSETS

FIXED ASSETS

Your company continues with the policy of being prudent in its capex spend. During the current year, the capital expenditure was Rs.547 Lakhs. The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and new products capacity enhancements, which are critical for the future growth of the company. Company follows the policy of funding all the capex through the internal accruals.

Inventories and Sundry Debtors

The Company follows rigorous Working Capital Management, based on a well-organized process of continuous monitoring and control on Receivables, Inventories and other parameters. The overall inventory levels as on 31st Mar'2018 is Rs. 1876 Lakhs, similar to last year.

Receivables (Gross) as on 31st March'2018, were at Rs. 3421 Lakhs against last year's figure of Rs.2902 Lakhs. Despite the tough liquidity position, your Company has been able to maintain the receivable average credit days at 79 days similar to previous year. This is possible through aggressive receivable management system including close follow ups and credit lock through the SAP system to ensure that receivables are kept under control and payments received in time.

Foreign Exchange Hedging

Your Company, being a net exporter, continues to follow the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers. The net forex gain during the year has been Rs.115 lakhs (Previous Year Rs.20 Lakhs).

Financial Performance with respect to Operational Performance

Your Company kept its Operating profit and Contribution better than the industry average by adopting stringent control measures for improved operational efficiency led by the LEAN Initiative. This was aided by accurate information & customer data, centralized drawing management system, better planning & scheduling through SAP

ERP System and effective vendor management. Your Company's improved MIS reporting and ability to respond to customer with real time information helped in giving rich experience to the customers there by providing value addition to the customer.

INSURANCE

As in the past, your company continued its adequate care in providing required insurance cover for company's assets - buildings, plant and machinery including inventories, and for liabilities under legislative enactments. Besides, adequate Group Personnel Accident (GPA), Group Mediclaim (GMC) insurance coverage is taken for the employees and their dependents to cover the risk arising out of accidents or sickness.

HUMAN RESOURCE

The human capital is the most precious asset in any organization. Your Company is determined to accelerate its growth story by consistently changing the needs of diverse workgroup by fostering an engaging work environment, to constantly build the unique capabilities and skills of the people. The company has a strong and diverse workforce where every employee is involved as “partners” in the progress. The intangible asset comprises all the competencies of the people within the organization in terms of education, experience, potential and capacity. For High Potential Individuals, company encourages them to undergo mentoring and personality development programs, to prepare them for leadership roles and bigger business challenges in future.

The Company is proud to deliver value to its customers, investors and society at large. The unmatched employee commitment and ownership that employees have towards the organization has translated in growth of the company over the years.

Talent recruitment and retention is something that Wendt focuses on. Proper and step by step induction is given to all new employees to familiarize them with the group norms. The company's GET batch of 2017-18, were part of a blended learning initiative called YOLO (You Only Learn Once), to manage their transition into a workplace in a systematic and effective manner.

The company encourages the employees to enhance their knowledge, skills & competencies in respective field, by way of their pursuing higher education while continuing his job. Your company sponsors such of the befitting employees by partially sharing the course / education fee. This helps the employee to enhance his knowledge and skill to address his growth and the required changing job competency.

Your Company also lays emphasis on developing its existing manpower through training and development programs carried out at regular intervals. Skill management is stressed upon and is an ongoing process at all levels. The organization takes interest in nurturing talent through mentorship & process specific trainings & modules. For development of Supervisor, company has taken initiative - “Unnatham” and “Super Appu” for Personality Development and Team Building. The organization ensures all-round development of an individual through regular synergy activities along with festival celebrations which are organized at regular intervals. This helps in engaging the employees and provides them a level playing field to interact with fellow colleagues and their families.

Your company focuses on Business Excellence and continual improvement journey (TQM) in its quest to improve the quality of products, processes and systems. All this requires ongoing learning, job enrichment, aligning rewards and recognition with performance, high engagement levels, conducive work environment and a cordial industrial relationship.

Employee relations continue to be smooth and cordial and the work atmosphere remained congenial throughout the year. The manpower strength of confirmed employees of your company as on 31st March 2018 was 399.

RELATED PARTY TRANSACTIONS

All related party Transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of business. During the year, there were no materially significant related party transactions made by the Company with Promoters, Directors, key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Powers) Rules, 2014, prior omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature. The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors have appointed Mr. M Lakshminarayan as an Additional Director on the Board of the Company with effect from 20th March 2018 and he holds office till the date of the ensuing Annual General meeting. The Company is proposing to appoint him as an Independent Director under section 149 of the Companies Act, 2013 for a term of 5 years. Mr. Lakshminarayan has offered himself for this appointment. The Company has received a notice from a shareholder proposing his candidature as Director in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. K Srinivasan, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The necessary Resolution is being placed before the shareholders for approval. The Board of Directors of your company believes that his continued association with the Board will be beneficial to the company and recommends his re-election.

All the Directors of the company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013. All the independent Directors have given a declaration under section 149(6) of the Companies Act 2013, confirming their independence.

KEY MANAGERIAL PERSONNEL

Mr. Rajesh Khanna, Chief Executive, Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer and Ms. Akanksha Bijawat, Company Secretary continue to be the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013 and there were no changes during the year.

BOARD MEETINGS

A calendar of Board Meetings is prepared and circulated in advance to the Directors.

During the year, five Board Meetings were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

COMMITTEES OF THE BOARD

In compliance with the provisions of Sections 135, 177, 178 of the Companies Act, 2013, the Board constituted Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee (Committees). The details of composition of the Committees, their meeting and attendance of the members are given in the Corporate Governance Report forming an integral part of this report.

BOARD EVALUATION

Pursuant to the provision of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had carried out an annual evaluation of its own performance, the Directors individually and the Committees of the Board. Structured assessment forms which were duly reviewed were used in the overall Board evaluation process comprising various aspects.

The manner in which evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration policy is stated in the Corporate Governance Report.

PARTICULARS OF REMUNERATION

The information required pursuant to Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 and forming part of Directors report for the year ended 31st March 2018 is annexed in Annexure D.

STATUTORY AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act 2013 and the rules framed thereafter, M/s Price Waterhouse, Chartered Accountants LLP, were appointed as Statutory Auditors for a term of 5 consecutive years at the 35th Annual General Meeting of the Company held on July 24, 2017, subject to ratification of their appointment at every AGM.

M/s Price Waterhouse, Chartered Accountants LLP, have furnished a certificate of their eligibility as per Section 141 of the Companies Act, 2013.

The Report given by M/s Price Waterhouse, Chartered Accountants LLP on the Financial Statements of the Company for the year ended 31st March 2018 is provided in the financial section of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report. The notes on the accounts referred to in the Auditors' Report are self- explanatory and do not call for any further comments.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act, and the Rules framed thereunder, the Company has appointed Ms. Apeksha Nagori, Practicing Company Secretary to undertake the secretarial audit for the financial year 2017-18. The Report of the Secretarial Auditor confirming compliance with the applicable provisions of the Companies Act 2013 and other rules and regulations issued by SEBI/other regulatory authorities forms part of the Annual Report.

The Company also adheres to the various Secretarial Standards issued by the Institute of Companies Secretaries of India.

CORPORATE GOVERNANCE

Your Company has inculcated strong culture of values, ethics and integrity living with the **Five Lights- The Spirit of Murugappa Group**. The Governance Philosophy of your Company is firmed up on a bedrock of ethical values and professionalism which in more than 3 decades of the Company's existence has become a part of its culture. Wendt (India) Limited, looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation.

The Company practices and policies reflect true spirit of Corporate Governance initiatives.

In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on Corporate Governance including the certificate from a Practicing Company Secretary confirming compliance is annexed to and forms an integral part of this Report.

CEO/CFO CERTIFICATE

The Chief Executive and the Chief Financial Officer have submitted a certificate to the Board on the integrity of the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations.

VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

The Company has a well-established whistle blower policy as part of vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT 9 as required under Section 92(3) of the Act and the Rules framed thereafter is annexed to and forms part of this report. (FORMAT IN ANNEXURE B).

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3) (c) of the Companies Act, 2013, the Board of Directors of your Company, make the following statements, to the best of their knowledge and belief and according to the information furnished and explanations obtained by them:

- That in the preparation of the annual financial statements for the year ended 31st March 2018, the applicable accounting standards have been followed and there have been no material departures therefrom.
- That they have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of accounting year and of the profits of the Company for the year ended 31st March 2018.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the annual financial statements have been prepared on a going concern basis.
- That proper internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on energy conservation, technology absorption, expenditure incurred on Research & Development and forex earnings/outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to and forms part of this Report (refer Annexure A).

ACKNOWLEDGEMENTS

Your Board of Directors would like to place on record their sincere appreciation for the cooperation received from various stakeholders of the Company viz., customers, suppliers, bankers, investors, government and other statutory authorities, auditors, business associates and shareholders. Your Directors extend their gratitude to all the regulatory agencies like SEBI, Registrar of Companies, stock exchanges and other Central and state Government authorities/agencies, vendors and sub-contracting partners for their support. The Board also acknowledges the unstinted co-operation, commitment and dedication made by all the employees of the Company.

The Directors also wish to place on record their gratitude to the members of the Company for their unrelenting support & confidence.

By order of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: 25th April 2018

M M Murugappan
Chairman

Annexure to the Directors Report

A) Information under section 134(3)(m) of the Companies Act,2013, read with Rules 8(3) of The Companies (Accounts) Rules 2014 and forming part of Director's Report.

a) Conservation of Energy

Your company pursued energy conservation efforts relentlessly during the year, although company does not fall under the category of power intensive industries. The organization is an ISO 14001 certified company which is an International Management System Standard. The environmental policy of your Company focuses on conservation of natural resources and minimization of pollution. The following energy conservation measures were considered by your Company during the year:

- Installation of LED and Induction Lights, replacing the conventional high energy consumption lightening.
- Introduction of LDR (Light Dependent Resistance), for switch OFF the loads, based on daylight's intensity by employing a light sensor.
- Introduction of Natural Turbo Ventilation, which reckoned as a perfect and natural air exhausting options for your industries.
- Installing Solar Heater in Canteen Area, to wash vessels and Utensils.
- Installation of APFC (Automatic Power Factor Controllers) to improve/stabilize Power factor.
- Installation of occupancy sensors in washrooms & lavatories.
- Optimum utilization of energy through process redesigning as well as maximum utilization of equipment that offers improved energy efficiency.
- Time switches installed at various places for automatic control of street lights.
- Your company has taken measures to save water whereby 100% of the domestic effluent and the trade effluent are treated and used for gardening and electroplating processes (Zero discharge).

b) Technology Absorption, Adaptation and Innovation

Your company is pioneer in the field of Super Abrasives, Machines and Precision Components in India and quickly adopts latest technologies in its applications to sustain the front line for the business development. Few years back, the techno-commercial agreement between Wendt GmbH and Wendt India Ltd had come to an end and the R&D had put in efforts and indigenized the bonding systems suitable for different verticals in Super abrasives.

Today R&D has taken initiatives to develop our own technologies and patent novel concepts/designs to become the front-line runners in the Super-abrasives technology. It has established collaborations with the world-renowned Universities and research Institutes to gain more insights into the abrasive products and corroboratively developing new products in India to the world standards. Consequently, your company developed customized products and extended its boundaries in Aerospace, Automotive, Refractories, Construction, Cutting Tools and Textile & Paper industries.

Your Company has also recognized and started some more areas for bond development for industries such as Rotary Tools, CAM/Crank shaft and Flat glass with the help of a well-qualified and experienced external consultants.

As you are aware that your Company also work closely with the other R&Ds units of their Indian Joint venture partner Carborundum Universal, who are the pioneers in the field on conventional abrasive & material science for some of the application growths for specific areas. One of the primary objective of your Company is to work on cost effective alternate raw materials to improve operational efficiency, thereby reducing costs and waste elimination. Based on your company's requirements for modern technology and growth prospect, strategic acquisitions/collaborations in related areas are being explored.

RESEARCH & DEVELOPMENT

With the advancement of science and technologies at a greater extent in automobile, aerospace and in electronic sectors, the need of manufacturing solutions with modern technologies are vital to sustain in the current market. In such industries, Research & Development plays a crucial role for innovation and development of new competitive technology to maintain the pace with the rapid changing needs of the Market. At your company, the Research & Development involved in the advancement of Materials Science & Machining Techniques towards providing the **"Complete Grinding Solutions"** to its Customers & related Market accordingly. Your Company's in-house R&D Centre is certified by DSIR under the Ministry of Department of Science and Technology, Government of India, valid up to 31st March'18, which has been renewed for another two years till March 31, 2020.

Your R & D venture continues to carry out indigenous Bond development in a major way and to help the organization to be ahead of competition with launch of newer products. Being DSIR approved, your company gets a new recognition amongst the peers and the customers. It ensures that the products developed in-house are up to the standards. Your Company's R&D is equipped with advanced testing equipment and qualified competent employees to carry out requisite product research on Super abrasives. The focus is to develop new products to the Indian market to facilitate import substitutions along with increased share of export market. One of the major achievements of R&D is the self-indigenization of the bonding material for super abrasive products. In the fast-growing technologies, moving targets are the big challenges for sustainability; your Company's R&D team has been putting a lot of effort to develop new products with superior performance. Projects such as glass grinding, Camshaft/Crankshaft grinding, and double disc fine grinding requires high competency and efforts to develop & standardize against benchmark products.

The DSIR recognized R&D also provides opportunities to form consortiums with research laboratories in India and abroad to develop next generation smart grinding solutions. Few projects have already been initiated to accomplish nano-finishing with CMMRF (Chemical Mechanical Magneto Rheological Finishing) fluids with BARC-Mumbai, nano-machining using single crystal diamonds, light weight grinding wheels for high speed grinding applications, self-dressing & self-lubricating grinding wheels and Modelling & Simulation of different grinding applications to understand their underlying mechanisms and to gain insights into the working conditions required for effective grinding solutions.

Your company's R&D is equipped with state-of-the-art research facilities for the development of Technology/Product/Process/Validation and is very well supported by a highly qualified, experienced and dedicated team. Being fully equipped, company's R&D has taken initiatives to work on most expedient objectives of the company with a view to add key features to the grinding & finishing applications by the advancement of the new/existing products with technology up-gradation. Research on cost-effective grits and alternative raw materials are carried out in-house with a view to offer a better value proposition to its customers.

Apart from product development, your company is also addressing process improvement/process development such as hot pressing, induction heating, vacuum brazing and electroplating & electroless plating process. These processes substantially improved the quality of the products being manufactured in an economical way and offers high productivity without sacrificing the quality of products.

Your company's R&D is more focused on filing patents and publishes papers in the peer reviewed SCI journals. They are having their network around the world attending national & international conferences and continuously developing & upgrading skills by undertaking essential training and workshops.

Projects completed in R&D: -

- Create state-of-the-art testing and R&D infrastructure for internal validation.
- Development and manufacture of high performance vitrified Diamond grinding wheels for Bruiting applications.
- Indigenization of Resin Bond for CBN/ Diamond Wheel.
- Development of indigenized Polyamide Bonds.
- Development and manufacture of various types of vitrified CBN general purpose cylindrical grinding wheels for grinding steel rolls/ pipes of 55 HRC and above.
- Development of vitrified superfinishing honing sticks.
- Development and manufacture of Dicing and slicing blades.
- Development of Bonding material for Resin bonded wheel.

Following projects are under progress in R&D: -

- Development of Vitrified bond for Crankshaft and Camshaft applications.
- Development of glass grinding wheels for Auto, Solar and Structural applications.
- Development of CFRP super abrasive wheels for high speed grinding applications.
- Development of Carbide Insert grinding wheels
- Developing nanometric surface finishing of optical lenses, electro ceramics and bio-implants using Chemo-Mechanical Magneto-Rheological Finishing (CMMRF).
- Development of Electroplated wheels to enhance the life by using secondary grits.
- Development of super abrasive (SA) grits / modified SA grits.
- Development of Double disc fine grinding wheel for the thickness grinding of sintered ceramic & metal parts.
- Development of Bonds for Razor blade grinding.
- Development of Hybrid bonding system for Fluting applications.

Benefits derived as a result of the above R & D

Business organization gain considerable benefit through investing in research and development. Furthermore, ongoing research in your company's R&D brings new opportunities in the market.

Following are the benefits accruing out of R&D activities:

- Development of bonds & self sufficiency
- Indigenization of Bonding Materials for super abrasives as an import Substitute.
- Grinding Solutions for New application
- Upgrading Manufacturing Technologies with current Needs
- Development of Futuristic products in Super abrasives
- Development of new body materials for our products machine parts & components
- Since the company's R&D facility has got the recognition and approval from DSIR, your company gets tax benefit on the R&D capital & revenue expenditure.

Your Company's continued investment in research and development has resulted in development of some of the new products with special features for the grinding and finishing applications in the previous year.

Some of the new products and processes developed by your company last year are –

- Double disc fine grinding wheels for thickness grinding of ceramics and sintered metal parts
- Vitrified bonded CBN ID grinding wheels for fuel injection nozzle bore and seat face grinding applications.
- Glass grinding wheels for Structural and Solar applications.
- CFRP grinding wheels for high speed grinding applications.
- Development of metal bonded wheels using hot pressing system.
- Firing of Alumina dressing sticks using Microwave system.
- Adopted bi-axial pressing of vitrified segments.

Benefits derived: Your Company mainly caters to niche market where majority of customers are OEMs and look for technologically superior products with consistent performance. With majority of the customers considering your Company as a One-Stop Shop for **Complete Grinding and Honing Solutions offering technologically superior products with reliable performance.** Your company can address the ever-changing needs & expectations of the customers, by virtue of its strong focus on R&D and focus on customer centricity. This facilitates your Company to retain its dominant position in the market and also enable to justify the due premium for its product reflecting on your company's profitability.

(i) Expenditure on R&D (Rs. In Lakhs)

Sl. No	Particulars	2017-18	2016-17
a)	Capital Expenditure	64	42
b)	Recurring (revenue expenditure)	163	202
c)	Total Expenditure	227	243
d)	Total R&D Expenditure as a percentage of turnover (net of excise duty)	1.79%	1.90%

(ii) Foreign Exchange Earnings and Outgo (Rs. In Lakhs)

Sl. No	Particulars	2017-18	2016-17
a)	Foreign Exchange Used	2804	3025
b)	Foreign Exchange Earned	4061	3321

By order of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: 25th April 2018

M M Murugappan
Chairman

Safe Harbor

This communication contains statements relating to future business developments and economic performance that could constitute 'forward looking statements'. While these forward-looking statements represent the Company's judgments and future expectations, several factors could cause actual developments and results to differ materially from expectations. Your Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. Further investors are requested to exercise their own judgment in assessing various risks associated with the Company and the effectiveness of the measures being taken by the Company in tackling them as those enumerated in this report are only as perceived by the management.

ANNEXURE B
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31/03/2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

Form No. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L85110KA1980PLC003913
Registration Date	21/08/1980
Name of the Company	Wendt (India) Limited
Category / Sub -Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Flat No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Kormangala, Bangalore - 560047 Telephone No.: 080 25701423
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 40 67162222-1510-1512 Fax:+91 40 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the Company
1	Grinding Wheels and Abrasives	23993	51.17
2	Grinding, Dressing, Lapping, Honing & Polishing	23993	27.24
3	Special Purpose Machine, Components & Accessories	3590	9.91
4	Machine Tools & Accessories	3570	9.83

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Wendt Middle East FZE, UAE Warehouse No. W3 - 8 PO Box No.50732, Hamriyah Free Zone - Sharjah, United Arab Emirates	Foreign Company UIN: BGWAZ20080859	Subsidiary	100%	2 (46)
2	Wendt Grinding Technologies Limited, Thailand 109/21 Moo.4, Tambon Pluakdaeng Aumpur Pluakdaeng Rayong 21140	Foreign Company UIN: BGWAZ20060179	Subsidiary	99.99%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2017)				No. of Shares held at the end of the year (31st March 2018)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	15,94,704	-	15,94,704	79.74	15,94,704	-	15,94,704	79.74	-

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2017)				No. of Shares held at the end of the year (31st March 2018)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	1850	-	1850	0.09	2514	-	2514	0.13	0.04
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**1850**	**-**	**1850**	**0.09**	**2514**	**-**	**2514**	**0.13**	**0.04**

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2017)				No. of Shares held at the end of the year (31st March 2018)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp	15281	200	15481	0.77	15627	200	15827	0.79	0.02
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 2 lakh	337171	44600	381771	19.09	339473	34233	373706	18.69	(0.4)
ii. Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
(C) Others (Specify)									
i) Trust	-	-	-	-	-	-	-	-	-
ii) NBFC Registered with RBI	100	-	100	0.01	25	-	25	0.001	(0.009)
iii) Clearing Members	351	-	351	0.02	427	-	427	0.02	-
iv) Non Resident Indians	5743	-	5743	0.29	4747	-	4747	0.24	(0.05)
v) IEPF	-	-	-	-	8050	-	8050	0.04	-
Sub-Total (B)(2)	**358646**	**44800**	**403446**	**20.17**	**368349**	**34433**	**402782**	**20.14**	(0.03)
Total Public Shareholding = (B) (1) + (B) (2)	**360496**	**44800**	**405296**	**20.26**	**370863**	**34433**	**405296**	**20.26**	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1955200**	**44800**	**2000000**	**100**	**1965567**	**34433**	**2000000**	**100**	-

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year (1st April 2017)			Shareholding at the end of the year (31st March 2018)			% of Change during the Year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Carborundum Universal Limited	7,97,352	39.87	-	7,97,352	39.87	-	-
2	Wendt Gmbh	7,97,352	39.87	-	7,97,352	39.87	-	-
	Total	**15,94,704**	**79.74**	-	**15,94,704**	**79.74**	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Particulars	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No change during the year			
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	No change during the year			
At the End of the year	No change during the year			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1st April 2017)		Shareholding at the beginning of the year (1st April 2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAM KRISHAN KHANDELWAL	14075	0.70	14075	0.70
2	TARA CHAND JAIN	4811	0.24	4811	0.24
3	BHUMESH KUMAR GAUR	4016	0.20	4016	0.20
4	RAM KRISHAN KHANDELWAL	4000	0.20	3800	0.20
5	PAYAL PREM RAHEJA	1581	0.08	3300	0.17
6	ANITA KHANDELWAL	3253	0.16	3100	0.16
7	OM PRAKASH RAWAT	2400	0.12	3000	0.15
8	KIRIT MODI	2818	0.14	2818	0.14
9	HAFEEZ SORAB CONTRACTOR	2354	0.12	2500	0.13
10	SHAILESH BHAGVATI PRASAD DAVE	2000	0.10	2000	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	**Mr. M M Murugappan**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April 2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	**Mr. Edmar Allitsch**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
3.	**Mr. Shrinivas G Shirgurkar**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
4.	**Mr. K S Shetty**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
5.	**Mr. K Srinivasan**				
	At the beginning of the year	**2650**	**0.13**	**2650**	**0.13**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	**2650**	**0.13**	**2650**	**0.13**
6.	**Mr. Peter Verholen**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

7.	**Ms. Hima Srinivas**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
8.	**Mr. M Lakshminarayan**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

S.No	**For Each of the Directors and KMP**	**Shareholding at the beginning of the year (1st April 2017)**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	KMP				
1.	**Mr. Rajesh Khanna, Chief Executive**				
	At the beginning of the year	**240**	**0.01**	**240**	**0.01**
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	**240**	**0.01**	**240**	**0.01**
2.	**Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-
3.	**Ms. Akanksha Bijawat, Company Secretary**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

V. *INDEBTEDNESS:*

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		None	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	**NIL**	
(b)	Value of perquisites u/s 17(2) Income - tax Act, 1961		
(c)	Profits in lieu of salary under section 17(3) Income - tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
Total (A)			
Ceiling as per the Act			

B. Remuneration to other Directors:

1. Independent Directors

S.No	Particulars of Remuneration	Name of Directors				Total Amount (Rs. In Lakhs)
		Mr. Shrinivas G Shirgurkar	Mr. K S Shetty	Ms. Hima Srinivas	Mr. M Lakshminarayan	
a.	Fee for attending board / committee meetings	2.30	2.40	1.40	0.20	6.30
b.	Commission *	3.00	3.00	2.81	0.10	8.91
c.	Others, please specify	-	-	-	-	-
Total B (1)						**15.21**

*Commission for the year will be paid after approval of shareholders and adoption of accounts by the shareholders at the 36th Annual General Meeting.

2. *Non-Executive Directors*

S.No	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In Lakhs)
		Mr. M M Murguppan	Mr. Edmar Allitsch	Mr. K Srinivasan	
a.	Fee for attending board / committee meetings	0.90	-	-	0.90
b.	Commission	-	-	-	-
c.	Others, please specify	-	-	-	-
Total B (2)					**0.90**
Total (B) = (1)+(2)					**16.11**

C. *Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:*

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Rajesh Khanna, CEO	Mr. Mukesh Kumar Hamirwasia, CFO	Ms. Akanksha Bijawat, C S	Total (Rs. In Lakhs)
1 (a)	Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	97.45	30.09	7.46	135.00
1 (b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	15.36	2.37	-	17.73
1 (c)	Profits in lieu of salary under section 17(3) Income -tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-
5	Others, please specify -Retirals benefit	12.80	3.34	0.90	17.04
Total (C)		**125.61**	**35.80**	**8.36**	**169.77**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					

ANNEXURE C
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects / programs	Refer Section Corporate Social Responsibility
2.	Website link where the CSR policy is uploaded http://www.wendtindia.com/pdf/csrpolicy.pdf	
3.	The Composition of the CSR Committee Mr. K S Shetty, Chairman (Independent Director) Mr. Shrinivas G Shirgurkar, Member (Independent Director) Mr. K Srinivasan, Member (Non-Executive Director)	
4.	Average net profit of the company for last three financial years	Rs. 1618.05 Lakhs
5.	Prescribed CSR Expenditure (two per cent of the amount as in item 4 above)	Rs. 32.36 Lakhs
6.	Details of CSR spent during the financial year (a) Total amount spent for the financial year (b) Amount unspent, if any	Rs. 32.36 Lakhs -

(c) Manner in which the amount spent during the financial year is detailed below

(Rs. In Lakhs)

Sl No	CSR project or activity identified.	Sector	Location	Amount outlay (budget) project wise	Amount spent on the projects / programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Promoting Education including special education and employment enhancing vocation skills	Promoting Literacy among children	Local Area. Hosur, Tamilnadu	30.36	30.36	30.36	Direct
2	Research & Development in the areas of food and sustainable agriculture, environment management and renewable energy to create livelihood opportunities in rural India.	Rural Development Projects	Chennai, Tamilnadu	2.00	2.00	2.00	AMM Research Centre
	TOTAL			**32.36**	**32.36**	**32.36**	

7. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: N.A.
8. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

K S Shetty
Chairman of CSR Committee

K Srinivasan
Director

Place: Bengaluru
Date: 25th April 2018

ANNEXURE – D

STATEMENT OF EMPLOYEES' REMUNERATION

A. The details of top ten employees in terms of remuneration drawn during the financial year 2017-18 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

Sl. No.	Name and Age	Designation/ Nature of duties	Gross remuneration paid (Rs in Lakhs)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1	Rajesh Khanna (57)	Chief Executive Officer	125.61	B.E (Mech), PGDBA (35 years)	01 - 10 - 1982	NIL
2	M S Venkatesh (52)	Unit Head	52.28	B.E. (28 years)	25 - 03 - 1996	Mysore Kirloskar Ltd.
3	S Sundariya (53)	Business Head-Machine & Precision Components	37.21	IIIE (35 years)	03 - 08 - 1992	Rane Brake Lining Limited
4	Mukesh Kumar Hamirwasia (46)	Chief Financial Officer	35 .80	B.COM (Hons), ACA, AICWA (20 years)	15 - 04 - 2010	Ecom Gill Coffee Trading Pvt. Ltd.
5	D K Hotta (54)	Business Head-Super Abrasives	29 .45	B.E., PGDBA (27 years)	16 - 09 - 2002	ICFAI Business School
6	Santosh Kulkarni P (47)	Marketing Head - SA - Domestic & Exports	24 .35	B.E. (25 years)	02 - 05 - 1997	Ultra Filter Pvt. Ltd.
7	Uday R B (48)	Senior General Manager - SA Manufacturing	24 .05	B.E. (26 years)	08 - 01 - 2005	Sundram Fasteners
8	Satish Kumar S (50)	General Manager - Machine Tools	21 .90	B.E. (Mech) (26 years)	06 - 10 - 1995	Gedee Weiler Pvt. Ltd.
9	Prasanna Kumar H K (56)	General Manager - TQM, Lean & Management Standards	21 .71	DME (33 years)	09 - 09 - 1985	WIDIA
10	Ponnuvel C (57)	General Manager - Precision Components	21 .51	DME (33 years)	10 - 12 - 1984	Usha Telehoist Ltd.

a) None of the employees of the Company other than the Chief Executive were in receipt of remuneration for the FY 2017-18 in excess of Rupees One crore and two lakh rupees per year or eight lakhs and fifty thousand rupees per month.

B. The details of remuneration during the year 2017-18 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 as are as follows:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	N.A. The directors are paid only sitting fees and a fixed sum as commission* for attending Board and Committee Meetings. * subject to the shareholders' approval at the 36th AGM of the Company.
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year.	Director: N.A. CEO: 7.90% CFO: 8% CS: 8%
(iii) the percentage increase in the median remuneration of employees in the financial year.	8.47%
(iv) the number of permanent employees on the rolls of company.	399
(v) (a) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: N.A. The directors are paid sitting fees and a fixed sum as commission for attending Board and Committee Meetings. (b) Percentile increase in the managerial remuneration: N.A. (c) Comparison of the above and justification thereof: N.A. (d) Point out if there are any exceptional circumstances for increase in the managerial remuneration: None	
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	The Company is in compliance with its Remuneration Policy.

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

(Pursuant to Section 204 (1) of the Companies Act 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules 2014)

To,

The Members

Wendt (India) Limited
Flat No. 105, 1st Floor, Cauvery Block,
National Games Housing Complex, Koramangala,
Bangalore – 560 047

I have conducted the secretarial audit of the compliance of statutory provisions and the adherence to the good corporate practices by **WENDT (INDIA) LIMITED,** (Corporate Identity No. L85110KA1980PLC003913 **(herein after called "the Company").** Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinions thereon.

Based on my verification of **WENDT (INDIA) LIMITED** books, papers minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according the provisions of:

i) The Companies Act 2013 (the Act) and rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) During the year under review the Company has complied with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. There was no external Commercial Borrowings during the year under review;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, as amended from time to time;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;

  c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, as amended from time to time, regarding the Companies Act and dealing with client;

  d) During the year the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, as amended from time to time; and

  e) During the year under review, the Company has not delisted its securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Securities) Regulations, as amended from time to time is not applicable.

I have also reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the

Company and categorized under the following major heads/groups:

1. Factories Act, 1948;
2. Labour Laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis relating to the wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation, etc.;
3. Industries (Development& Regulation) Act, 1991;
4. Acts and Rules prescribed under prevention and control of pollution;
5. Acts relating to the protection of IPR;

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by the Institute of Company Secretaries of India

ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I) As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 there should be a minimum public shareholding of 25% of the paid up capital of the Company. As on March 31, 2018 the Promoters' Shareholding is 79.74% of the total paid up share capital whereas the Public holds the balance 20.26% of the paid up share capital of the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all the Directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda before the meeting and for meaningful participation at the meeting. The quorum was maintained at all the meetings.

Based on the verification of records and minutes, the decisions were carried out with the consent of majority of Board of Directors / Committee Members and there were no dissenting members' views recorded in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Apeksha Nagori
ACS No. A21952
C.P. No. A13639

Place: Bengaluru
Date: 25th April, 2018

Certificate on Corporate governance

To

The Members

WENDT (INDIA) LIMITED

I have examined the compliance of conditions of Corporate Governance by **Wendt (India) Limited ("the Company")** for the year ended 31st March 2018, as per Regulations 17-27, Clause (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit or expression of an opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given, I certify that the Company has complied with the Corporate Governance as per Regulations 17-27, Clause (b) to (i) of Regulations 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of Listing Regulations, as applicable.

I state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Apeksha Nagori
ACS No. A21952
C.P. No. A13639

Place: Bengaluru
Date: 25th April, 2018

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Corporate Governance is based on good principles and practices such that the affairs of the Company are being managed in a way which ensures integrity, accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Effective corporate governance practices build the strong foundation on which commercial enterprises are built to succeed and sustain.

Governance broadly refers to the mechanism, relations, and processes by which a corporation is controlled and is directed and involves balancing the many interests of the stakeholders of a corporation.

Company's Philosophy on Corporate Governance

Wendt (India) Limited ("the Company") is committed to the adoption of best governance practices and to its adherence in the business of the Company. The Company's corporate governance practices are driven by timely disclosures, transparent accounting policies, internal control on operations and high levels of integrity in decision making with an objective to enhance the value to the stakeholders.

Your Company strives to follow the best corporate governance practices, develop the best policies/ guidelines, communicate and train all its employees in order to foster a culture of compliance and obligation at every level of the organization. We have established processes to ensure our Board functions effectively, promoting efficient and balanced decision-making, to effectively fulfill its duties in the best interest of our shareholders, employees and all other stakeholders.

The driving forces of Corporate Governance at Wendt are its core values, belief in people, entrepreneurship, customer orientation and pursuit of excellence. Your Company views its Corporate Governance policies not only to comply with the statutory requirements in letter and spirit, but also to aim at implementing the best practices, keeping in view the overall interest of all its stakeholders. Your Company considers Corporate Governance as a critical tool to enhance trust of its Customers, Employees, Investors, Government and the Community at large and achieve its goal of maximizing value for its stakeholders.

The Wendt Code of Conduct contains the fundamental principles and rules concerning ethical business conduct. The Company has adopted a Code of Conduct for its Directors, employees and officers, which is subject to regular audits to ensure controls and compliances are maintained at a high standard. Over the years, the Company has further strengthened its governance framework. This includes various procedures and practices which determine the way business is to be conducted and value generated.

In terms of distributing wealth to the shareholders, apart from having a track record of constant dividend payout, the Company has also delivered consistent unmatched shareholder returns since its listing.

Our commitment to adoption of best practices of Corporate Governance makes us compliant with the Companies Act 2013 as well as with the provisions of Corporate Governance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below:

Company's Corporate Governance approach is based on the following:

The flow of content in this Report is as follows

Report on Corporate Governance

A. Board of Directors
B. Board Committees
C. Disclosures
D. Means of Communication
E. Non-Mandatory Requirements

A. BOARD OF DIRECTORS

We believe that an active, well informed and independent Board is necessary to ensure the highest standard of Corporate Governance. The Board of Directors of your Company is the core of our Corporate Governance practices. The Board being aware of its fiduciary responsibilities, recognises its responsibilities towards all stakeholders and to uphold highest standards in all matters concerning the Company. The Board of Directors along with its Committees provides leadership and strategic guidance to your Company's management as also direct, supervise, monitor and review the performance of the Company. The Independent Directors provide an objective judgement on matters placed before them.

The Company's Governance structure comprises a dual layer, the Board of Directors and the Committees of the Board at the apex level and the Management structure at an operational level. This brings about a consistent balance in governance. The Company's day to day affairs are managed by the Chief Executive, assisted by a competent Management team under the overall supervision of the Board.

a) Attributes of a Board

It is important to consider a variety of personal attributes among the Board incumbents including intellect, judgment, openness, honesty and the ability to develop trust. A Board requires Directors who have the intellectual capability to question status quo and debate any new policy/strategy and also offer suggestions and alternatives which are in the best interests of the Company.

b) Size and Composition of the Board

The key to good Corporate Governance is the optimum combination of the executive and non-executive Directors on the Board along with appropriate balance of professionalism, knowledge and experience.

The Board of Directors of your Company has an optimal mix of executive and non-executive Directors. As of March 31, 2018, the Board at Wendt (India) comprises of 7 Non-Executive Directors out of which 4 are non-executive Independent Directors including 1 Women Director. The Company is fully compliant with the Corporate Governance norms in terms of constitution of the Board of Directors ("the Board"). The Executive Directors of your Company have more than two decades of hands on experience in the Machine Tooling business. The Non-Executive Independent Directors are eminent professionals with wide range of knowledge and experience in various spheres of business and industry and finance. All Independent Directors, with their diverse knowledge and expertise, provide valuable contribution in the deliberations and decisions of the Board, maintaining the requisite independence.

Directorships and Committee Memberships:

None of the Directors on the Board hold Directorships in more than twenty (20) companies or in more than ten (10) public companies. Further, none of them is a member of more than ten (10) committees or chairman of more than five (5) committees across all the public companies in which he or she is a Director. All the independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013 ("Act"). The maximum tenure of the Independent Director is in compliance with the Act. Independent Directors do not hold office as an Independent Director in more than seven (7) listed companies. None of the Non-Executive Independent Director who is serving as a Whole time Director in a listed entity is acting as an Independent Director in more than three (3) listed entities.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

The total number of Directorships held by the Directors and the position of Membership / Chairmanship on Committees as on 31st March 2018 is given below. All the Directors are compliant with the provisions of the Companies Act, 2013 (hereinafter referred to as "the Act") and "SEBI Regulations" in this regard.

Such declarations are placed at the Board meeting.

Name of the Director	Category	No. of Directorships/ Chairmanships (Excluding Wendt India)	No. of Committee Memberships/ Chairmanships (Excluding Wendt India)
		Public Limited Companies	
M.M Murugappan Chairman DIN: 00170478	Promoter and Non Executive Director (PD)	9 (6 as Chairman)	7 (out of which 4 as Chairman)
Edmar Allitsch (Alternate Director- Peter Verholen)- (AD) DIN: 03073511	Promoter and Non Executive Director (PD)	-	-
K Srinivasan DIN: 00088424	Non Executive Director (NED)	3 (1 as Chairman)	1
Shrinivas G.Shirgurkar DIN: 00173944	Non Executive/ Independent Director (ID)	4	1
K S Shetty DIN: 01759936	Non Executive/ Independent Director (ID)	-	-
Hima Srinivas DIN: 07556717	Non Executive/ Independent Director (ID)	-	-
M Lakshminarayan DIN: 00064750	Non Executive/ Independent Director (ID)	6 (1 as Chairman)	4 (1 as Chairman)

Note:

- Independent Director means a Director as defined under SEBI (LODR) Regulations, 2015.
- Number of other Directorships indicated above is exclusive of Directorships on the Board of Private Limited Companies (which are not holding or subsidiaries of Public Companies)/ Foreign Companies/ Alternate Directorship/ Section 8 Companies.
- The details of the Committee membership/ Chairmanship are in relation to the specified committees viz. Audit Committee & Stakeholder Relationship Committee (SRC) of Indian Public Limited Companies.
- None of the Directors holds any shares of the Company except for Mr. K Srinivasan who holds 2650 shares as on 31st March 2018.
- None of the Directors are related to each other.

Changes in Board composition during the financial year 2017-18

During the year ended 31st March 2018, there were no other changes in the Board composition other than as detailed below:

Name	Category	Nature of Change	Remarks
Hima Srinivas	Non Executive/ Independent Director	Appointed as an Additional and Independent Director	Shareholders' approved the appointment at the 35th AGM of the Company.
M Lakshminarayan	Non Executive/ Independent Director	Appointed as an Additional Director	Shareholders' approval for his appointment as an Independent Director u/s 149 of the Companies Act, 2013 is being sought at the 36th AGM.

C) Diversity in Board

It is believed that a diverse board is able to make decisions more effectively by reducing the risk of 'groupthink', paying more attention to managing and controlling risks as well as having a better understanding of the company's stakeholders. Diversifying the board is said to have the following benefits:

- More effective decision making.
- Better utilisation of the talent pool.
- Enhancement of corporate reputation and investor relations by establishing the company as a responsible corporate citizen

The Wendt Board comprises of eminent professionals of integrity with relevant skills and experience. The parameters of diversity comprise of academic qualifications, technical expertise, relevant industry knowledge, experience, nationality and age.

D) Board Meetings

As per the legal requirement, minimum of four Board Meetings are required to be held each year and the gap between two Board Meetings shall not exceed four months. During the FY 2017-18, five (5) Board meetings were held and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present for all the meetings. The dates on which the said meetings were held are as follows:

24th April 2017,
24th July 2017,
23rd October 2017,
24th January 2018,
20th March 2018.

The tentative annual calendar of Board Meetings for the ensuing year is decided in advance by the Board which is to be held after the end of each financial quarter. Apart from the above, additional Board meetings will be convened to address specific needs, if any, of the Company otherwise the Board's approval will be taken by passing resolution by circulation, as permitted by law, which will be approved in the ensuing Board Meeting. Committees of the Board meet whenever required.

The Board Meetings are governed by a structured Agenda. Agenda for each meeting along with the explanatory notes are drafted and distributed well in advance to the Directors. Presentations are made by the CEO and the Senior

Management Team on the Company's performance, operations, plans and other matters of importance on quarterly basis. The Board has complete access to any information within your Company and they are updated about their roles and responsibilities in the Company.

The Company Secretary, records the minutes of the proceedings of Committee and Board Meetings. The draft minutes are circulated to all Board members within the stipulated time for their comments. The final minutes are entered in the Minutes Book and signed by the Chairman within 30 days from the conclusion of each meeting.

The attendance of each Director at the Board meetings and at the last Annual General Meeting (AGM) is as under:

Name	Category	No. of Board Meetings during the year 17-18		Attended last AGM held on 24.07.2017
		Held	Attended	
M M Murugappan- Chairman	PD	5	5#	Yes
Edmar Allitsch	PD	5	-	No
Peter Verholen (Alternate to Edmar Allitsch)	AD	5	-	No
K Srinivasan	NED	5	5	Yes
Shrinivas G Shirgurkar	ID	5	5	Yes
K S Shetty	ID	5	5	Yes
Hima Srinivas*	ID	5	4	Yes
M Lakshminarayan**	ID	5	1	No

Mr M M Murugappan attended the Board Meeting dated 24th January 2018 through audio means.
* Ms. Hima Srinivas was inducted as a member on 24th April 2017.
** Mr. M Lakshminarayan was inducted as a member on 20th March 2018.

Independent Directors

Independent Directors play an important role in the governance processes of the Board. With different points of views flowing from their expertise and experience they enrich the decision making process at the Board and prevent conflicts of interest in the decision making process. All the board members including Independent Directors have the opportunity and access to interact with the management. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations.

A meeting of Independent Directors was held on 20th March 2018 in terms of requirements of the Companies Act 2013 and Rules made thereunder regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointment and Tenure

The appointment of Independent Directors is carried out in a structured manner. The Nomination & Remuneration Committee identifies potential candidates based on certain laid down criteria and takes into consideration the diversity of the Board. As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- Wendt Board has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.
- The Independent Directors will serve a maximum of two terms of five years each.
- None of the Independent Directors serve as "Independent Directors" in more than seven listed companies.
- In the process of transition to the Companies Act, 2013, which is effective 1st April 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years.

This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years.

Board Evaluation

Pursuant to the provisions of the Act and the SEBI Regulations, the Board of Directors (Board) has carried out an annual evaluation of its own performance, and that of its committees and individual directors. A structured questionnaire was prepared after taking into consideration the inputs received from the Directors, covering aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Individual Director including the Chairman of the Board. The Directors performance was evaluated on parameters such as level of engagement and contribution in safeguarding the interest of the Company, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc.

In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization and governance duties and performance of specific duties.

The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors/ committee members wherever applicable.

Board Familiarization Process

An appropriate induction program for new Directors and an ongoing familiarization with respect to the business / working of the Company for all Directors is a major contributor for meaningful Board level deliberations and sound business decisions. At the time of appointing a Director, a formal letter of appointment is given to the Director, inter alia, explaining the role, function, duties and responsibilities of the Director and the Board's expectations from the Director. The Director is also explained in detail the compliances required from him / her under the Act, SEBI Regulations and other relevant regulations and his / her affirmation taken with respect to the same.

A presentation is also shared with the newly appointed director giving an overarching perspective of the industry, organizational set up of the Company, the functioning of various divisions / departments, Company's market share and the markets in which it operates, brand equity, governance and internal control processes and other relevant information pertaining to the Company's business.

Further, as an ongoing process, the Board of Directors is updated on a quarterly basis through presentations and discussions on the overall economic trends, the performance of the Company, analysis of the circumstances which helped or adversely impacted the Company's performance, comparison of the Company's performance and the initiatives taken / proposed to be taken to bring about an overall improvement in the performance of the Company, marketing strategy, business risks and mitigation plan etc.

The familiarization program for Independent Directors is disclosed on the Company's website www.wendtindia.com.

e) Information supplied to the Board of Directors

All the information that is required to be made available, as applicable to the Company, in terms of Schedule II Part A of the SEBI (LODR) Regulations, 2015, is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings. There is a structured manner in which the agenda items are prepared and

distributed for the Board meetings. During the Board meetings, the senior management is invited to present the plans and achievements relating to their respective areas of responsibility.

Information Placed before the Board:

The following information is regularly provided to the Board, as part of agenda papers for the Board meetings:

- All matter covered under the Listing Requirements.
- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- Quarterly update on wholly owned subsidiaries.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Purchase and Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of investments by the Company in liquid mutual funds and returns thereon.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Update on order book position.
- Updates on R & D, Lean manufacturing and major sales initiatives taken by Company.
- Updates on HR related activities.
- Updates on any regulatory or statutory requirements.

The Board has established procedures to periodically review compliance reports pertaining to all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

B. BOARD COMMITTEES

Committees are a means of improving Board effectiveness in areas where more focused, specialized and extensive discussions are required. Some of the Board functions are performed through specially constituted Board Committees consisting of Non-Executive / Independent Directors, which then report to the Board. The Board's Committees include **Audit Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee**.

All Committees have formally established terms of reference/ charter, subject to revision/amendment as and when required and are in line with the requirements of Companies Act, 2013 and the SEBI Regulations. The Chairman of each Committee fulfills an important leadership role similar to that of the Chairman of the Board, particularly in creating an environment for effective contribution of each Committee member. While each Committees follows its charter, it also takes up for discussions, matters referred to it by the Board. The minutes of each Committee's meeting are submitted to the Board for information and appropriate action.

a. AUDIT COMMITTEE

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the internal control and financial reporting process. The Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems & processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. Majority of the Members on the Committee, including the Chairman are Independent Directors.

The Committee is constituted and governed by a Charter which is in line with the provisions of Regulation 18 of SEBI (LODR) Regulations 2015, read with section 177 of the Companies Act 2013. The functions performed by the Committee are broadly as under:

Terms of Reference/Charter of the Audit Committee

A. Powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the audit committee shall include the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Approval or any subsequent modification of transactions of the Company with related parties;
7. Scrutiny of inter-corporate loans and investments;
8. Evaluation of internal financial controls and risk management systems;
9. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

11. Discussion with internal auditors of any significant findings and follow up there on;
12. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
13. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
14. Valuation of undertakings or assets of the Company, wherever it is necessary;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

C. The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:

(a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Meetings of the Audit Committee

During the year 2017-18, the Audit Committee met (4) four times during the year. As per the statutory requirement, the maximum gap between two Audit Committee Meetings did not exceed the mandatory four months. The dates on which the said meetings were held are as follows:

24th April 2017,
24th July 2017,
23rd October 2017,
24th January 2018.

The necessary quorum was present for all the meetings. All the members on the Audit Committee possess the requisite qualification for appointment on the Committee and have sound knowledge of finance, accounting practices and internal controls and are financially literate and have requisite experience in financial management.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee Meetings held during the year. The CEO and CFO are also the permanent invitees to the Committee and the Internal Auditors and the senior management executives are invited to participate in the meetings of the Audit Committee wherever necessary, as decided by the Committee.

The Chairman of the Audit committee was present at the last Annual General Meeting held on 24th July 2017.

The Company Secretary officiates as the Secretary of the Committee.

The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of Member*	Category	No. of Committee meetings during the year 2017-18	
		Held	Attended
Shrinivas G Shirgurkar (Chairman)	ID	4	4
K S Shetty	ID	4	4
Hima Srinivas	ID	4	3
K Srinivasan	NED	4	4

*Mr. M Lakshminarayan was inducted as a member on 20th March 2018.

b. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations 2015 read with section 178 of the Act. The Stakeholder Relationship Committee has been constituted to assist the Board in safeguarding the interests of and redressing the grievances of the security holders of the Company.

Terms of Reference/Charter of the Stakeholder Relationship Committee

The Stakeholder Relationship Committee of the Board is constituted with powers and responsibilities including, but not limited to:

- To approve/ reject registration of transfer/ transmission/transposition of shares.
- To monitor and review the mechanism for redressal of shareholders' / investors' grievances.
- To approve/ reject for demat/ remat of shares.
- To authorize issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation / Rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit or worn out
- To monitor and review the performance and service standards of the Registrar and Share Transfer Agents of the Company and provide continuous guidance to improve the service levels.
- To authorise Company Secretary to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend/interest, change of address for correspondence etc and to monitor action taken;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Stakeholders Relationship Committee comprises of Mr M M Murugappan as Chairman, Mr K Srinivasan and Mr K S Shetty as members. The Committee meets as often as required to discharge its function. Details of share transfers/ transmissions, approved by the Committee are placed before the Board on a regular basis.

During the year, the Stakeholder Relationship Committee met on 20th March 2018 and the details of the attendance by the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2017-18	
		Held	Attended
M M Murugappan, Chairman	PD	1	1
K Srinivasan	NED	1	1
K S Shetty	ID	1	1

Details of complaints received, and the number of pending complaints are furnished in the "General Shareholder Information" section of this Annual Report.

As per SEBI Circular an exclusive mail id investorservices@wendtindia.com has been created to address the Investor Grievances.

The Company Secretary acts as the Secretary to the Committee.

The Board has appointed the Company Secretary of the Company as the Compliance Officer for the purpose of compliance with the requirements of the SEBI Regulations.

c. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee's responsibility is to assist the Board in undertaking CSR Activities by way of formulating and monitoring spending on CSR Activities by the Company. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013. The Board has approved a CSR policy formulated and recommended by the Committee which is uploaded and available on the Company's website www.wendtindia.com.

The CSR Committee comprises of Mr. K S Shetty as Chairman, Mr. Shrinivas G Shirgurkar and Mr. K Srinivasan as members.

Terms of Reference/Charter of the Corporate Social Responsibility Committee

The responsibilities of the Corporate Social Responsibility Committee are to:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Review and recommend the amount of expenditure to be incurred on the activities referred to above.
- Institute a transparent monitoring mechanism for implementation of the CSR activities.
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.
- To monitor the implementation of the CSR Policy of the Company from time to time.
- Review the performance of the Company in the area of Corporate Social Responsibility.
- To make amendments or modifications in CSR Policy as required by law or otherwise.
- Carry out any other function or activity as may be considered for ensuring corporate social responsibility objectives are met.

Meetings of the Corporate Social Responsibility Committee

The Committee met 2 (two) times during the financial year 2017-18 on 23rd October 2017 and 20th March 2018. The composition and attendance of the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2017-18	
		Held	Attended
K S Shetty, Chairman	ID	2	2
Shrinivas G Shirgurkar	ID	2	2
K Srinivasan	NED	2	2

The Company Secretary of the Company officiates as the Secretary of the Committee.

d. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations 2015, read with section 178 of the Companies Act 2013. It is the responsibility of the Committee to determine the composition of the Board based on need and requirements of the Company from time to time and to identify and nominate suitable candidates for Board membership. The Committee also formulated policies relating to the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

The Nomination & Remuneration Committee comprises of Mr. K S Shetty as Chairman, Mr. Shrinivas G Shirgurkar and Mr. K Srinivasan as members.

Terms of Reference/Charter of the Nomination & Remuneration (N&R) Committee

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Devising a policy on diversity of Board of Directors;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Carrying out any other function as is mandated by the Board from time to time and / or is enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, the Nomination & Remuneration Committee met on 24th April 2017, 23rd October 2017 and 20th March 2018 and the details of the attendance by the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2017-18	
		Held	Attended
K S Shetty, Chairman	ID	3	3
Shrinivas G Shirgurkar	ID	3	3
K Srinivasan	NED	3	3

The Company Secretary of the Company officiates as the Secretary of the Committee.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination & Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO and their remuneration. This Policy is accordingly derived from the said charter.

1. **Criteria for Selection & Remuneration of Non-Executive Directors**

   a. Nomination and Remuneration Committee while evaluating the potential candidates, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and match these with the requirements set out by the Board.

   b. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with directors having qualifications in terms of personal traits, experience & background, fit & proper, positive attributes and independence standards.

   c. In case of appointment of Independent Directors, the N&R Committee shall certify itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its function and duties effectively.

   d. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

   e. **Remuneration of Non-Executive Directors:**

   - The Non-Executive Directors ("NEDs") are paid remuneration by way of Sitting Fees within the limits prescribed under the Companies Act, 2013 for every Board/ Committee meeting attended by them.
   - Non-Executive and Independent Directors will be paid an amount up to Rs. 3.00 lakhs not exceeding 3% of the net profits of the Company for the year, in accordance with section 197 of the Companies Act, 2013. Commission for the year 2017-18 will be paid after approval of shareholders and adoption of accounts by the shareholders at the 36th Annual General Meeting.

2. **Criteria for Selection & Remuneration of Key Management Personnel / Senior Executives**

   a. The Company's total compensation for Key Management Personnel / Senior Executives consists of:
   - Fixed compensation
   - Variable compensation in the form of annual incentive
   - Benefits
   - Work related facilities and perquisites

   b. Fixed compensation is determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance and a cash allowance.

   c. The Annual Incentive (variable pay) of senior executives is linked directly to the performance of the Business Unit and the Company through a Balanced Score Card in accordance with the Employees Incentive Scheme of the Company. The Balanced Score Card comprises goals under four perspectives – Financial, Customer, Internal Process and Learning and Growth Perspective. The objective is to reward current performance as reflected in the financial perspective as well as to focus on initiatives to secure the long-term health of the Company as encapsulated in the other three Perspectives.

   d. A formal annual performance management process is applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings of individual executives.

   e. Overall compensation is subject to periodic reviews which take into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.

A copy of Remuneration Policy is made available on the website of the Company www.wendtindia.com

C DISCLOSURES

(A) WENDT (INDIA) CODE OF CONDUCT

Your Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Company has adopted a Code of Conduct which applies to all its Directors and employees in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015.

All the Board Members and the Senior Management Personnel of your Company have affirmed their compliance with the Code of Conduct for the current year. A declaration signed by the Chief Executive has been submitted to the Board.

A copy of the Code of Conduct is made available on the website of the Company www.wendtindia.com..

(B) PREVENTION OF INSIDER TRADING

The Company has adopted a "Code of Conduct for prevention of Insider Trading" to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations 2015. The Code requires pre-clearance for dealing in the Company's shares for all transactions by Directors and designated employees (together called Designated Persons) and prohibits the purchase or sale of Company securities by Designated Persons while in possession of unpublished price sensitive information in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. The Company also has in place a Code for practices and procedures for fair disclosure of unpublished price sensitive information which is hosted on the website of the Company.

(C) WHISTLE BLOWER POLICY

Wendt is committed to the highest standards of Corporate Governance and stakeholder responsibility. It has adopted a Whistle Blower Policy under Vigil mechanism and has established the necessary mechanism in line with the requirements under the Companies Act, 2013, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company has a well established whistle blower policy as part of a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s) / employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

The Company takes a Quarterly Report from the Ombudsman appointed for the Group.

A copy of Whistle Blower Policy is made available on the website of the Company www.wendtindia.com

(D) SUBSIDIARY COMPANIES

The Company has two wholly owned overseas subsidiaries. The Company does not have any material non-listed Indian Subsidiary Company, whose turnover or net worth (paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth of the holding company in the immediately preceding accounting year or has generated 20% of the consolidated income of the Company. Both the subsidiary companies are managed with their Board having the rights and obligations to manage such companies. The Board of Directors of the subsidiary companies meet quarterly to review the quarterly performance and subsequently the same are being placed before the Board of Directors of your Company.

A copy of Policy for determining Material Subsidiaries is made available on the website of the Company www.wendtindia.com

(E) RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party transactions were placed before the Audit Committee for approval. The Audit Committee has granted omnibus approval for Related Party transactions as per the provisions and restrictions contained in the Listing Regulations. Details of Related Party Transactions are provided in the Financial Statements of the Company.

A copy of Policy on Related Party Transactions is made available on the website of the Company www.wendtindia.com

(F) COMPLIANCE OF MATTER RELATING TO CAPITAL MARKET

Your Company has complied with all requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the past three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities relating to the above.

(G) ADHERENCE TO ACCOUNTING STANDARDS

Your Company follows the mandatory Accounting Standards notified under the Companies Act, 2013 and

prescribed by The Institute of Chartered Accountants of India and to the best of its knowledge, there are no deviations in the accounting treatment that require specific disclosure.

(H) INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

As a voluntary approach, the Company has adopted "IND AS" w.e.f. the financial year 2016-17 and the same has been followed for the financial year 2017-18.

(I) GOING CONCERN

The Directors are satisfied that your Company has adequate resources to continue its business for the foreseeable future and consequently consider it appropriate to adopt the going concern basis in preparing the financial statements.

(J) RISK MANAGEMENT

The Company has been addressing various risks impacting the Company. The Company has comprehensive risk management policy and the same is periodically reviewed by the Board of Directors. The Risk Management Issues are discussed in the Management Discussion and Analysis Report.

(K) REMUNERATION OF DIRECTORS

Your Company has no pecuniary relationship or transaction with its non-executive Directors other than payment of sitting fees and commission for attending Board and Committee Meetings.

The Company has from this year onwards introduced payment of commission to Non-Executive and Independent Directors subject to approval by the shareholders at the ensuing AGM. For any successful organization, overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

The actual commission will be paid to the Non-Executive and Independent Directors based on the time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors and it will be restricted to a fixed sum as decided by the Board of Directors and approved by the shareholders within the ceiling as per the Act.

Details of Remuneration paid to Directors for the period under review are as follows.

(Rs. In Lakhs)

Director	Sitting Fee*	Commission #
M M Murugappan- Chairman	0.90	Nil
Edmar Allitsch	Nil	Nil
Peter Verholen (Alternate to Edmar Allitsch)	Nil	Nil
K Srinivasan	Nil	Nil
Shrinivas G Shirgurkar	2.30	3.00
K S Shetty	2.40	3.00
Hima Srinivas	1.40	2.81
M Lakshminarayan	0.20	0.10

*Sitting Fee includes Board, Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee fees.

Commission will be paid subject to shareholder's approval and after adoption of accounts by shareholders at the 36th Annual General Meeting.

Details of Shareholding of Directors as on 31st March 2018 is as below:

Director	No. of Shares (Rs. 10/- Paid up)
M M Murugappan- Chairman	Nil
Edmar Allitsch	Nil
Peter Verholen (Alternate to Edmar Allitsch)	Nil
K Srinivasan	2,650
Shrinivas G Shirgurkar	Nil
K S Shetty	Nil
Hima Srinivas	Nil
M Lakshminarayan	Nil

(L) MANAGEMENT

(i) To avoid duplication and overlap between the Director's Report and a separate Management Discussion and Analysis Report, the information required to be provided has been given in the Directors Report itself as required by the SEBI Regulations.

(ii) No material transaction has been entered into by the Company with the Promoters Directors or the senior management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the Company at large. The declaration to this effect has been submitted by all the senior management.

(M) SHAREHOLDERS

As required under the SEBI Regulations and as per the Companies Act, 2013, the brief profile of the Director who is recommended by the Board for appointment is as follows:

Name	M Lakshminarayan
Date of Birth	7th September 1946
Date of appointment	20th March 2018
Qualification	Masters degree in Mechanical Engineering from IIT, Mumbai
Experience in Specific functional areas	Mr. Lakshminarayan holds a Master's degree in Mechanical Engineering from IIT, Mumbai and is a fellow member of the Indian Institute of Production Engineering. He has served as the Joint Managing Director of Bosch Limited. Besides being the Chairman of WABCO India, he is also on the Boards of several companies like Rane (Madras), TVS Electronics and Kirloskar Oil Engines India Limited. He has been the Chairman of Confederation of Indian Industry, Southern Region Council & Karnataka State Council besides being a member of Karnataka State Industrial Policy Board and an Executive Council Member of Indian Machine Tool Manufacturer's Association.

As required under the SEBI Regulations and as per the Companies Act, 2013, the brief profile of the Director who is retiring by rotation and eligible for re-appointment is as follows:

Name	K Srinivasan
Date of Birth	22nd November 1957
Date of appointment	30th January 2002
Qualification	B Tech(Mechanical)
Experience in Specific functional areas	Mr K Srinivasan holds a bachelor's degree in mechanical engineering. He has over 35 years of experience in the machine tools and abrasive industries in sales, technical, production and general management. He was part of the Management Council of the Wendt Group Global. He was a part of the team that turned around the Industrial Ceramics Business of CUMI. He was handling the Marketing and Business Development function at Abrasives before taking over the mantle of President & Wholetime Director of CUMI. Presently he is the Managing Director of CUMI and director in other group and associate companies.

(N) SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the year 2017-18 which, inter alia, includes audit of compliance with the Companies Act, 2013, and Regulations and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report forms part of this Report.

CEO/CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the SEBI Regulations, 2015, Mr Rajesh Khanna, Chief Executive and Mr Mukesh Kumar Hamirwasia, Chief Financial Officer of the Company have certified to the Board regarding the fairness of the financial statements and other matters as required under the above regulation.

REPORT ON CORPORATE GOVERNANCE

Along with this report on Corporate Governance, certificate from the Auditor is annexed as required by the SEBI Regulations.

GENERAL BODY MEETINGS

Details of Annual General Meetings

Location and time, where last three Annual General Meetings held:

Year	Date	Time	Venue	Ordinary Resolution
2016-17	24.07.2017	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	• Adoption of Annual Accounts for the year ended March 31, 2017. • Re-appointment of Mr. K Srinivasan as Director. • Appointment of M/s PWC as the Statutory Auditors of the Company for a term of 5 years. • Declaration of Dividend on equity shares. **Special Business** • Appointment of Ms. Hima Srinivas as an Independent Director of the Company for a term of 5 consecutive years.
2015-16	26.07.2016	02:30 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	• Adoption of Annual Accounts for the year ended March 31, 2016. • Re-appointment of Mr. K Srinivasan as Director. • Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company for the year 2016-17. • Declaration of Dividend on equity shares.
2014-15	23.07.2015	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	• Adoption of Annual Accounts for the year ended March 31, 2015. • Re-appointment of Mr. K Srinivasan as a Director • Ratification of Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company for the year 2015-16. • Declaration of Dividend on equity shares.

No postal ballot was conducted by the Company during the last three financial years.

No special resolution was passed during the last three financial years.

D. MEANS OF COMMUNICATION

Your Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it displays multiple channels of communications viz. through dissemination of information on the on-line portal of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website www.wendtindia.com. Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

a) **Quarterly/Half Yearly/Annual Results:** The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year, as required under SEBI Regulations. The aforesaid financial results are announced to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved.

b) **Stock Exchange:** Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information. All information is filed electronically on BSE's on-line Portal - BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

c) **NEAPS (NSE Electronic Application Processing System):** NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

d) **BSE Corporate Compliance & Listing Centre:** BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are also filed electronically on the Listing Centre.

e) **Publication of Quarterly/Half Yearly/Annual Results:** The Quarterly/ Half Yearly/Annual Financial Results of the Company are published in the prescribed format within 48 hours of the conclusion of the Board Meeting, one in English newspaper having nationwide circulation and one in Vernacular newspaper of the State of Karnataka, where the registered office of Your Company is situated.

The quarterly financial results during the financial year 2017-18 were published as detailed below:

Quarter (F.Y. 2017-18)	Date of Board Meeting	Date of Publication	Name of the newspaper
1st Quarter ended 30th June, 2017	24.07.2017	25.07.2017	Business Standard and Vijay Karnataka
2nd Quarter ended 30th September, 2017	23.10.2017	24.10.2017	Business Standard and Vijay Karnataka
3rd Quarter ended 31st December, 2017	24.01.2018	25.01.2018	Business Standard and Vijay Karnataka

f) **Website:** Your Company's website www.wendtindia.com contains a dedicated section "Investor Relations" where information for shareholders is available. The quarterly/half yearly/Annual Financial Results are promptly and prominently posted on the website. The Annual Reports of the subsidiary companies are also posted on the website of the Company. The Quarterly Corporate Governance Report, Shareholding Pattern, Policies, status of unclaimed dividend and other communications made to the Stock Exchanges are also available on the website. This results in prompt information disposal to the shareholders and also contributes in saving paper thus saving trees and helps in making the planet greener.

g) **Annual Report:** Annual Report of your Company containing, inter alia, Audited Standalone and Consolidated Financial Statements, Directors' Report, Report on Corporate Governance, Auditors' Report and other important information is circulated to all the Members and other entitled thereto within the statutory period and well in advance of the Annual General Meeting. The Management Discussion and Analysis Report (MDAR) forms part of the Annual Report. The Annual Report is also available on the Company's website www.wendtindia.com in downloadable pdf format for ease of use.

h) **Reminder to Investors:** Reminders to encash the unclaimed dividend on shares and unclaimed shares are sent to the shareholders as per records every year.

i) **Designated email id for investors:** Your Company has a designated exclusive email id for investors at investorservices@wendtindia.com.

j) **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are Centralized database of all complaints, online upload of Action Taken Reports by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

E. NON MANDATORY REQUIREMENTS

a) Shareholders' Rights

Annual, Half yearly and other quarterly financial statements are published in newspaper, one in English newspaper having nationwide circulation and one in Vernacular newspaper of the State of Karnataka, where the registered office of the Company is situated, and posted on Your Company's website (www.wendtindia.com).

Any major developments are conveyed through Press Release issued by the Company and posted on the Company's website.

b) Audit qualifications

During the year under audit, there is no audit qualification.

c) Training of Board Members

At the Board/Committee Meetings, detailed presentations are being shared by the management on the business related matters, risks, opportunities, strategy and effect of the regulatory changes etc.

d) Separation of the Office of Chairman and the Chief Executive Officer (CEO)

As recommended in Part E of schedule II to Regulation 27(1) of the Listing Regulations, the post of Chairman and CEO are held by separate persons. This promotes the right balance and prevents unfettered decision making power with a single individual. For greater efficiency, there is also a clear demarcation of the role and responsibilities of the Chairman and the CEO.

The Chairman provides the necessary guidance and support to the CEO, and both have regular and structured access to the executive and management team. CEO is the principal executive of the Company and is accountable for the management and operations of the Company and implementation of business policies and strategies agreed to by the Board of Directors in a manner that is consistent with best business practices. CEO leads internally, with the Chairman adding value in strategy and structure, and ensuring that the Company is represented with integrity to institutions, investors, analysts and other stakeholders.

e) Shareholders Satisfaction Survey

Your Company carries out Shareholders Satisfaction Survey every year. The questionnaire forms part of the Annual Report and it comprises of various areas on investor services, corporate governance, etc. The Management compiles the feedback received from shareholders and takes necessary action.

f) Social Accountability Policy

Your Company recognizes the need and is committed to provide a safe, healthy and respectable work environment to all its employees. Your Company strives to provide an environment, which is free of discrimination, intimidation and abuse. Your Company has put in place SA 8000 System & Social Accountability Policy. As per the policy, the Company will not engage, support or tolerate the use of Child Labour, Forced or Compulsory Labour, Discrimination based on Race, National or Social origin, Caste, Birth, Religion, Disability, Gender etc., Corporal punishment, Mental or Physical coercion, verbal abuse, harsh or inhumane treatment of personnel and will comply with all the requirements as outlined by applicable Law.

GENERAL SHAREHOLDER INFORMATION

This is annexed.

By order of the Board
For Wendt (India) Limited

Bengaluru
25th April 2018

M M Murugappan
Chairman

GENERAL SHAREHOLDER INFORMATION

1. Date of Incorporation: 21st August, 1980

2. Annual General Meeting

Date and time : Tuesday, July 24th, 2018 at 03.00 P.M

Venue : Bharatiya Vidya Bhavan
Race Course Road,
Bangalore- 560 001, Karnataka

Last date of receipt of Proxy forms: 22nd July 2018 before 03.00 p.m.

3. Financial Calendar

The financial year of the Company commences from 1st April every year and ends on 31st March in the succeeding year. Results for the financial year 2018-19 shall be declared as per the following schedule:

Particulars	Quarter	Due date
Unaudited results	30th June 2018	15th August 2018
Unaudited results	30th September 2018	15th November 2018
Unaudited results	31st December 2018	15th February 2019
Audited Results	31st March 2019	31st May 2019

4. Book Closure Date

14th July 2018 to 24th July 2018 (both days inclusive)

5. Dividend Payment Date

The Company declared an interim dividend of Rs. 10/- per share in its Board Meeting held on 24th January 2018 for the financial year 2017-18 to those members whose names were appearing in the Register of Members on 8th February 2018. The Board of Directors of the Company has proposed a dividend of Rs. 15 per share (150%) on equity shares of Rs. 10/- each. The dividend will be paid on 1st August 2018 after approval by the shareholders at the Annual General Meeting.

6. Registered Office Adress

Flat No. 105, 1st Floor, Cauvery Block,
National Games Housing Complex,
Kormanagala
Bangalore-560047, Karnataka
Tel: +91 80 25701423/1424
Fax: +91 80 25701425

7. Auditors

Statutory Auditor
Price Waterhouse Chartered Accountants LLP,
5th Floor, Tower 'D', The Millenia,
1 & 2 Murphy Road, Ulsoor,
Bangalore - 560 008

Internal Auditor (for the FY 2017-18)
Ernst & Young LLP Chartered Accountants
6th & 7th Floor, A Block, Tidel Park,
4, Rajiv Gandhi Salai, Taramani, Chennai 600 113

Secretarial Auditor (for the FY 2017-18)
Ms. Apeksha Nagori
Veera 506, SJR – Verity,
Kasavanahalli,
Bangalore – 560035

8. Listing Details & Codes

Bombay Stock Exchange : 505412
National Stock Exchange : WENDT
Listing Fee (FY 17-18) : Paid

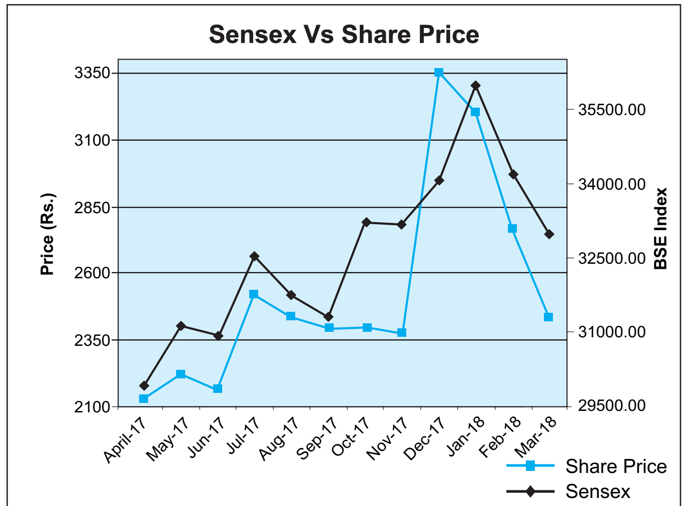
9. Corporate Identification Number: L85110KA1980PLC003913

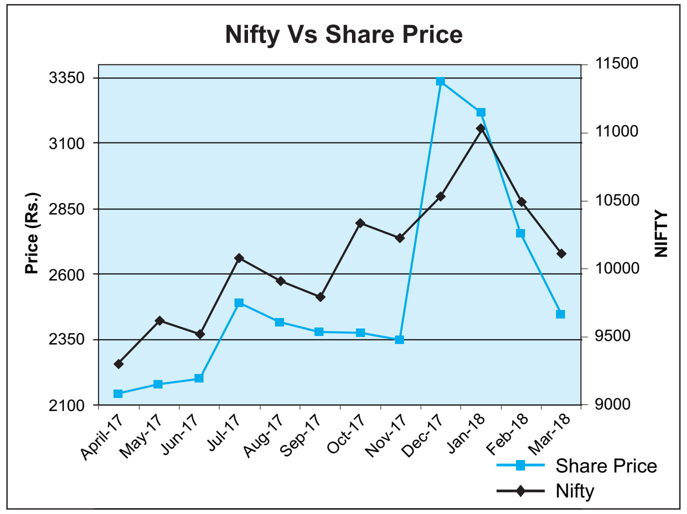
10.NSDL & CDSL (ISIN): INE274C01019

11. Share Price Data

Month		Bombay Stock Exchange		National Stock Exchange	
		High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2017	APRIL	2445.00	1939.70	2444.95	1905.00
	MAY	2475.00	2028.30	2511.95	2059.95
	JUNE	2360.00	2113.00	2350.00	2112.20
	JULY	2809.85	2178.10	2817.85	2160.25
	AUGUST	2592.00	2305.45	2593.95	2300.00
	SEPTEMBER	2565.00	2313.00	2558.00	2329.95
	OCTOBER	2499.00	2336.20	2505.70	2302.00
	NOVEMBER	2470.00	2303.00	2495.00	2293.70
	DECEMBER	3544.00	2270.05	3455.70	2275.00
2018	JANUARY	4260.00	3150.00	4270.00	3137.85
	FEBRUARY	3301.00	2654.85	3291.15	2615.00
	MARCH	2761.05	2372.00	2796.85	2340.00

12. Stock Performances in comparison to broad based indices:



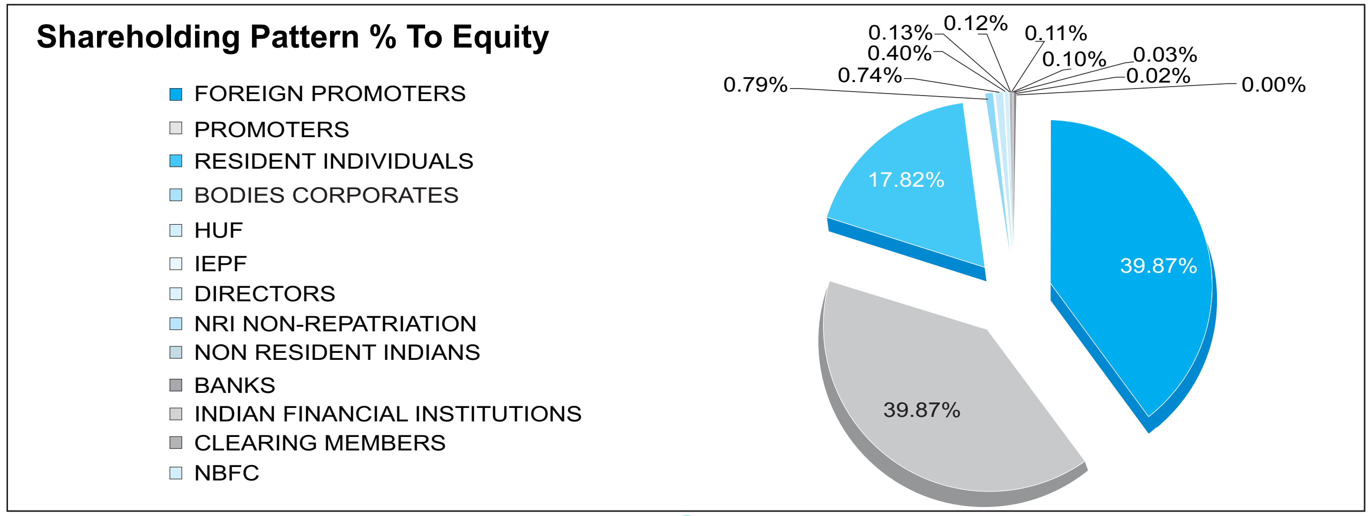


13. Distribution of Shareholding as on 31st March, 2018

Category (Amount) (Rs.)	No. of shareholders	% of shareholders	Total Shares	Amount (Rs.)	% of Amount
1-5,000	6,307	98.28	2,60,588	2605880.00	13.03%
5,001-10,000	70	1.09	53,484	534840.00	2.67%
10,001-20,000	27	0.42	39,104	391040.00	1.96%
20,001-30,000	4	0.06	10,968	109680.00	0.55%
30,001-40,000	3	0.05	10,200	102000.00	0.51%
40,001-50,000	2	0.03	8,827	88270.00	0.44%
50,001-1,00,000	1	0.02	8,050	80500.00	0.40%
1,00,001 & Above	3	0.05	16,08,779	16087790.00	80.44%
TOTAL	**6,417**	**100%**	**20,00,000**	**2,00,00,000**	**100%**

14. Shareholding Pattern as on 31st March 2018

Category	No. of shareholders	Total no. of Shares held	% of Share Capital
PROMOTERS (PRO)	1	7,97,352	39.87%
FOREIGN PROMOTERS (FPR)	1	7,97,352	39.87%
RESIDENT INDIVIDUALS (PUB)	5,835	3,56,339	17.81%
BODIES CORPORATE (LTD)	185	15,827	0.79%
HUF	265	14,717	0.74%
DIRECTORS	1	2,650	0.13%
BANKS (BNK)	4	1,919	0.10%
NON RESIDENT INDIANS	64	2,258	0.11%
NRI NON-REPATRIATION	36	2,489	0.12%
CLEARING MEMBERS	21	427	0.02%
NBFC	2	25	0.01%
IEPF	1	8,050	0.40%
INDIAN FINANCIAL INSTITUTIONS	1	595	0.03%
TOTAL	**6,417**	**20,00,000**	**100%**



15. Dematerialisation of Shares

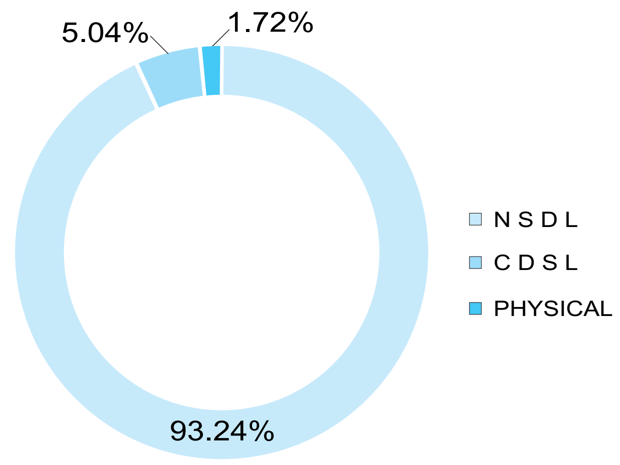
Your Company has signed agreements with both National Securities Depositories Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form with either of the two depositories.

As per SEBI's instruction, the Company's shares can be sold through stock exchanges only in dematerialized form.

As on 31st March 2018, 19,65,567 Shares constituting 98.28 % of the total paid up capital of the company are in demat form.

Shareholding Summary as on 31/03/2018			
Category	No. of share holders	Total no. of Shares	% to share capital
PHYSICAL	293	34,433	1.72
NSDL	3,843	1,864,786	93.24
CDSL	2,281	1,00,781	5.04
TOTAL	**6,417**	**2,000,000**	**100.00**

% To Equity



16. Outstanding GDRS/ADRS/Warrants or any convertible Instruments conversion date and likely impact on equity.

The Company has not issued any GDRS/ADRS/Warrants or any convertible Instruments during the financial year 2017-18.

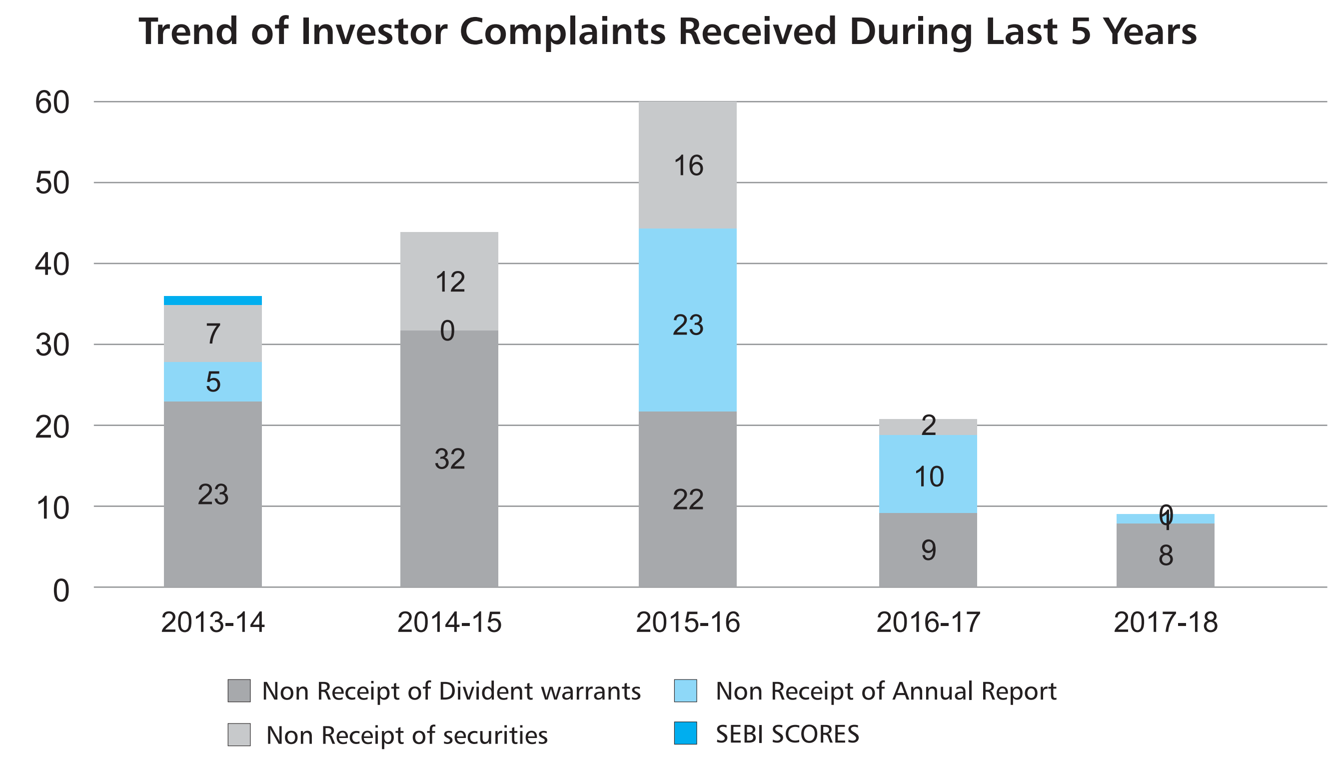
17. Share Transfer Process

Share transfers in physical form are processed by the Registrar and Transfer Agent, Karvy Computershare Private Limited and are approved by the Stakeholders Relationship Committee of the Company. The status on share transfer is reported to the Board on regular basis. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The depository system handles share transfers in dematerialised form.

The Company obtains from a Company Secretary in practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

18. Complaints received during the financial year ended 31st March 2018 by the Company and the Registrar and Transfer Agents of the Company.

Nature of Complaints	No. of complaints		
	Received	Resolved	Pending
Non receipt of Dividend Warrants	8	8	Nil
Non receipt of Share Certificates	0	0	Nil
Non receipt of Annual Report	1	1	Nil
Total	**9**	**9**	**Nil**



19. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates that companies have to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the **Investor Education and Protection Fund (IEPF)**. In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF. No claim shall lie against the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Shareholders who have not claimed their dividend are requested to approach M/s Karvy Computershare Private Limited, for issue of demand drafts in lieu of the revalidated dividend warrants.

Year	Type of Dividend	Dividend per share (Rs)	Date of declaration	Due date for transfer
2010-11	Final	25.00	27/07/2011	02-09-2018
2011-12	Final	25.00	13/07/2012	19-08-2019
2012-13	Final	15.00	25/07/2013	31-08-2020
2013-14	Interim	10.00	22/01/2014	28-02-2021
2013-14	Final	15.00	24/07/2014	30-08-2021
2014-15	Interim	10.00	27/01/2015	05-03-2022
2014-15	Final	15.00	23/07/2015	29-08-2022
2015-16	Interim	10.00	25/01/2016	03-03-2023
2015-16	Final	15.00	26/07/2016	01-09-2023
2016-17	Interim	10.00	24/01/2017	02-03-2024
2016-17	Final	15.00	24/07/2017	30-08-2024
2017-18	Interim	10.00	24/01/2018	02-03-2025

A separate communication was sent in February 2018 to the shareholders, who have not encashed their dividends for the year 2010-11, providing them details of their uncashed dividends and requesting them to comply with the procedure for seeking payment of the same.

A sum of Rs. 3,78,125/- have been transferred to the Investor Education and Protection Fund during the year 2017 -18 towards unclaimed/unpaid dividend for the year 2009-10.

20. Unclaimed Shares

In accordance with the requirement of SEBI Regulations, the Company reports that there are 2 allottees pertaining to a holding of 75 shares which are lying unclaimed. The shares with regard to the same are lying in the Escrow Account.

The voting rights on the shares outstanding in the Escrow account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

21. Transfer of Shares into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company had published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communication to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter.

The Company has within the due date, transferred the required number of shares during the year to the IEPF.

22. Reconciliation of Share Capital Audit

The Company obtains from a Company Secretary in practice, a quarterly certificate of reconciliation of share capital audit with regard to the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and held in physical form, with

the issued and listed capital under Regulation 55A of The Securities and Exchange Board of India (Depositories and Participants) Regulation, 1996. The Certificate is submitted to BSE Limited and NSE Limited and is also placed before the Board of Directors.

23. Company's Recommendation to the Shareholders

Your Company recommends the following to the shareholders to mitigate/avoid risks while dealing with securities and related matters.

i) Dematerialize (Demat) your shares

The Equity shares of the Company are under compulsory dematerialisation ("Demat") category and can be traded only in electronic form. Shareholders are requested to convert their physical holding to demat/electronic form through any of the Depository Participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in shares. Holding shares in demat form helps investors to get immediate transfer to securities. No stamp duty is payable on transfer of shares held in demat form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

ii) Register your National Electronic Clearing Service(NECS)/Electronic Clearing Service(ECS)

SEBI vide its circular dated 21st March 2013 has emphasized on the usage of electronic mode for payments to the members for various purposes. To ensure compliance, members are requested to provide an NECS/ECS mandate to the Company in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the depository participant (DP) in case of share held in demat form. This would also facilitate in receiving direct credits of dividends etc from companies and avoiding postal delays and loss in transit.

iii) Nomination facility

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form from the RTA of the Company, Karvy Computershare Private Limited. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard. The members can approach the Company or Karvy Computershare Private Limited with regard to the same.

iv) Permanent Account Number (PAN)

Members holding shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferees, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transmission and issue of duplicate share certificates.

v) Encash your Dividend in time

Please encash your dividends promptly to avoid hassles of revalidation/losing your right of claim owing to transfer of unclaimed dividends beyond seven years to **Investors Education and Protection Fund.**

vi) Support the Green Initiative

To support the 'Green Initiative', your Company has proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future vide its letter dated 9th June 2014 and 10th February 2012 to all the shareholders at their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the members in electronic mode at their email addresses.

Members holding shares in demat form are requested to provide their email id to the depository through their concerned depository participant and members holding shares in physical form are requested to provide email id to the Company at investorservices@wendtindia.com or at cs.wendt@karvy.com and also update the email address as and when there is any change.

vii) Quoting the Folio No./DP Id - Client ID

Members are requested to quote their Folio No. / DP & Client ID Nos., as the case may be, their Contact nos./ Fax nos. and email id in all correspondence with the Company. All correspondences regarding shares of the Company should be addressed to the Company's Registrar, Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

viii) Specimen Signature

Please maintain a record of your specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

ix) Updation of details

Members holding shares in physical form are requested to notify promptly any change in address/ pin code and bank account details. Beneficial owners of shares in dematerialized form are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by the DPs.

x) Consolidation of securities

Member(s) of the Company who have multiple accounts in identical name(s) or more than one share certificate in the same name under different ledger folio(s) are requested to apply for the consolidation of such folio(s) and send the relevant share certificates to the Company.

xi) Queries at the AGM

Members desiring any information with regard to the accounts are requested to write to the Company at least a week in advance of the Annual General Meeting date so as to enable the management to keep the information ready. However, the queries relating to operational and financial performance may be raised at the Annual General Meeting.

xii) Lodging investor complaint with SCORES

SEBI has started an online investor grievance redressal forum **"SEBI Complaints Redress System-SCORES".** Investors, have to first approach the Company/Registrar & Share Transfer Agent for their complaints redressal and in case they are dissatisfied with the response, they can log on to http://scores.gov.in/ and lodge their complaint by doing one time registration.

24. Plant Location

Wendt (India) Limited
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
Tel: +91 4344 276851/52, 405500
Fax: +91 4344 405620, 405630

25. SUBSIDIARIES

(i) **Wendt Grinding Technologies Limited, Thailand**
109/21, Moo.4, Tambon Pluakdaeng,
Aumpur Pluakdaeng,
Rayong 21140
Thailand

(ii) **Wendt Middle East FZE, Sharjah**
Warehouse No. W3-8
PO Box No.50732
Hamriyah Free Zone - Sharjah
United Arab Emirates

26. Addresses for Communication

(a) **Compliance Officer & Company Secretary**

Akanksha Bijawat
Wendt (India) Limited
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
Tel: +91 4344 405500

Email: Investorservices@wendtindia.com
akankshab@wendtindia.com

(b) **Registrar and Share Transfer Agent**

Karvy Computershare Private Limited
Unit: Wendt (India) Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Tel: +91 40 67162222-1510-1512
Fax:+91 40 23001153
Email: mailmanager@karvy.com
Website: www.karvy.com

(c) **Toll Free number of Registrar & Share Transfer Agent's exclusive call centre**

1-800-3454001

(d) **Web based Query redressal system**

A new facility has been extended by Registrar & Share Transfer Agent for redressal of shareholders' queries. The shareholder can visit http://karisma.karvy.com/ and click on "Investors" options for query registration after free identity registration

The above report has been placed before the Board at its meeting held on April 25th, 2018 and the same was approved.

By order of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: 25th April 2018

M M Murugappan
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED.

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Wendt (India) Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of The Companies Act , 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in Equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements .The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as on March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act , 2013 who, vide their report dated April 24, 2017, expressed an unmodified opinion on those standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order , 2016 issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that :
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules , 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
        i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind As financial statements – Refer Note 37;
        ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
        iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner
Membership Number: 209136

Bengaluru
April 25, 2018

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Wendt (India) Limited on the standalone financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Wendt (India) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards of Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner
Membership Number: 209136

Bengaluru
April 25, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Wendt (India) Limited on the standalone financial statements as of and for the year ended March 31, 2018.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of the immovable properties, as disclosed in Note 3 on fixed assets to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii) (b), and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74. 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs and duty of excise, or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3 (viii) of the Order are not applicable to the Company.

ix. The Company has not raised any monies by way of initials public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3 (ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, Related Party Disclosures, specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner
Membership Number: 209136

Bengaluru
April 25, 2018

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Financial

Statements

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	**5,170.69**	5,635.74
(b) Capital work-in-progress		**200.46**	194.39
(c) Goodwill	4	**10.27**	10.27
(d) Other Intangible assets	5	**214.31**	237.59
(e) Financial Assets - Investments	6	**430.55**	430.55
(f) Other non-current assets	8	**50.21**	44.51
(g) Income Tax Assets (Net)	9	**287.87**	294.99
Total Non - Current Assets (1)		**6,364.36**	**6,848.04**
2 Current assets			
(a) Inventories	10	**1,876.15**	1,844.31
(b) Financial Assets			
(i) Investments	6	**1,798.82**	1,071.50
(ii) Trade receivables	11	**3,382.96**	2,872.26
(iii) Cash and cash equivalents	12A	**205.22**	36.90
(iv) Bank balances other than (iii) above	12B	**431.55**	230.13
(v) Other Financial Assets	7	**99.73**	110.36
(c) Other Current assets	8	**400.29**	358.55
Total Current Assets (2)		**8,194.72**	**6,524.01**
Total Assets (1+2)		**14,559.08**	**13,372.05**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	13	**200.00**	200.00
(b) Other Equity	14	**10,707.51**	10,043.37
Total Equity (1)		**10,907.51**	**10,243.37**
LIABILITIES			
2 Non-current liabilities			
(a) Provisions	15	**91.21**	187.42
(b) Deferred tax liabilities (Net)	16	**397.37**	565.62
Total Non - Current Liabilities (2)		**488.58**	**753.04**
3 Current liabilities			
(a) Financial Liabilities			
(i) Trade payables	17	**1,742.40**	1,242.95
(ii) Other financial liabilities	18	**717.12**	612.56
(b) Provisions	15	**94.93**	128.92
(c) Income Tax Liabilities (Net)	9	**279.81**	116.71
(d) Other current liabilities	19	**328.73**	274.50
Total Current Liabilities (3)		**3,162.99**	**2,375.64**
Total Equity and Liabilities (1+2+3)		**14,559.08**	**13,372.05**

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in lakhs)

	Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
1	Revenue from operations	20	**13,167.88**	14,080.64
2	Other Income	21	**428.42**	372.98
3	**Total Revenue (1 + 2)**		**13,596.30**	**14,453.62**
4	**EXPENSES**			
	(a) Cost of materials consumed	22	**3,899.75**	4,197.78
	(b) Purchases of Stock-in-trade	23	**185.13**	275.67
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	**37.23**	(139.63)
	(d) Excise duty on sale of goods		**225.72**	1,130.90
	(e) Employee benefit expense	25	**2,588.04**	2,362.98
	(f) Finance costs	26	**19.64**	12.20
	(g) Depreciation and amortisation expense	27	**1,016.13**	963.53
	(h) Other expenses	28	**3,973.21**	4,080.06
	Total Expenses (4)		**11,944.85**	**12,883.49**
5	**Profit before tax (3 - 4)**		**1,651.45**	**1,570.13**
6	**Tax Expense**			
	(a) Current tax	29	**590.00**	439.10
	(b) Income tax for earlier years	29	**-**	(50.74)
	(c) Deferred tax	29	**(168.25)**	12.44
	Total tax expense (6)		**421.75**	**400.80**
7	**Profit for the period (5 - 6)**		**1,229.70**	**1,169.33**
8	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**36.23**	(68.62)
	Total Other Comprehensive Income (8)		**36.23**	**(68.62)**
9	**Total comprehensive income for the period (7 + 8)**		**1,265.93**	**1,100.71**
10	**Earnings per equity share:**	36		
	(1) Basic		**61.49**	58.47
	(2) Diluted		**61.49**	58.47

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

(A) Equity Share Capital

Balance as at April 1, 2016	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2017	**200.00**
Balance as at April 1, 2017	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2018	**200.00**

(B) Other Equity

Particulars	General Reserve	Retained Earnings	Items of other comprehensive income: Remeasurement of defined benefit plan	Total
Balance as at April 1, 2016	**5,597.73**	**3,995.06**	**(48.34)**	**9,544.45**
Profit for the year	-	1,169.33	-	1,169.33
Other comprehensive income for the year, net of income tax	-	-	(68.62)	(68.62)
Total comprehensive income for the year	**-**	**1,169.33**	**(68.62)**	**1,100.71**
Payment of Final Dividend for the preceding financial year	-	(300.00)	-	(300.00)
Payment of Dividend tax on Final Dividend for the preceding financial year	-	(61.07)	-	(61.07)
Payment of Interim Dividend for the current year	-	(200.00)	-	(200.00)
Payment of Dividend tax on Interim Dividend for the current year	-	(40.72)	-	(40.72)
Transfer to General Reserve	120.00	(120.00)	-	-
Balance as at March 31, 2017	**5,717.73**	**4,442.60**	**(116.96)**	**10,043.37**
Profit for the year	-	1,229.70	-	1,229.70
Other comprehensive income for the year, net of income tax	-	-	36.23	36.23
Transfer from Retained earnings	-	-	-	-
Total comprehensive income for the year	**-**	**1,229.70**	**36.23**	**1,265.93**
Payment of Final Dividend for the preceding financial year	-	(300.00)	-	(300.00)
Payment of Dividend tax on Final Dividend for the preceding financial year	-	(61.07)	-	(61.07)
Payment of Interim Dividend for the current year	-	(200.00)	-	(200.00)
Payment of Dividend tax on Interim Dividend for the current year	-	(40.72)	-	(40.72)
Transfer to General Reserve	130.00	(130.00)	-	-
Balance as at March 31, 2018	**5,847.73**	**4,940.51**	**(80.73)**	**10,707.51**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in lakhs)

Particulars		Year ended 31.03.2018	Year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1,651.45**	**1,570.13**
Adjustments for :			
Depreciation and amortisation expense		1,016.13	963.53
Provision for trade receivables (net of reversal)		16.32	(16.54)
Bad Debts written off		2.39	8.79
Finance costs		19.64	12.20
Interest Income on Deposits		(1.39)	(4.68)
Dividend from current investments - mutual funds		(52.60)	(23.67)
Dividend from long term investments in subsidiaries		(197.01)	(223.48)
Loss / (Profit) on sale / discarding of tangible fixed assets (net)		0.11	0.13
Provisions and Liabilities no longer required, written back		(10.94)	(8.68)
Net Gain on sale / fair valuation of current investments (net)		(8.02)	(30.96)
Unrealised exchange loss / (gain)		(21.08)	4.98
Operating profit before working capital changes		**2,415.00**	**2,251.75**
Changes in working capital :			
(Increase)/Decrease in Inventories		(31.84)	(56.95)
(Increase)/Decrease in Trade receivables		(505.03)	26.04
(Increase)/Decrease in Other financial assets		10.63	3.51
(Increase)/Decrease in Other non-current assets		(5.70)	(14.59)
(Increase)/Decrease in Other current assets		(5.51)	(1.43)
Increase/(Decrease) in Trade payables		507.08	(380.57)
Increase/(Decrease) in Other current financial liabilities		212.27	200.43
Increase/(Decrease) in Other non-current liabilities and Provisions		(96.21)	30.49
Increase/(Decrease) in Other current liabilities and provisions		20.25	(72.64)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**2,520.94**	**1,986.04**
Income Taxes Paid (net of refunds)		(433.90)	(344.19)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**(A)**	**2,087.04**	**1,641.85**
Cash flow from investing activities			
Capital expenditure on tangible fixed assets		(483.50)	(1,001.07)
Capital expenditure on intangible fixed assets		(36.92)	(37.85)
Proceeds from Sale of tangible fixed assets		3.61	4.84
Sale / (Purchase) of current investments (net)		(719.30)	(110.70)
Interest Income on Deposits		1.39	4.68
Dividend from long term investment in subsidiaries		197.01	223.48
Dividend from current investments - mutual funds		52.60	23.67
Bank balances not considered as cash and cash equivalents			
- Placed		(500.00)	(500.00)
- Matured / encashed		298.58	298.53
NET CASH USED IN FROM INVESTING ACTIVITIES	**(B)**	**(1,186.53)**	**(1,094.42)**
Cash flow from financing activities			
Finance costs		(5.52)	(12.20)
Dividend Paid (including tax thereon)		(601.79)	(601.79)
NET CASH USED IN FINANCING ACTIVITIES	**(C)**	**(607.31)**	**(613.99)**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**293.20**	**(66.56)**
Cash and cash equivalents at the beginning of the year	**D**	**(87.98)**	**(21.42)**
Cash and cash equivalents at the end of the year	**(A+B+C+D)**	**205.22`**	**(87.98)**

Reconciliation of Cash and cash equivalents as per cash flow statement

Cash and cash equivalents as per above comprise of the following:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Cash and cash equivalents (Note 12A)	205.22	36.90
Book Overdrafts (Note 18)	-	(124.88)
Balance as per statement of cash flows	**205.22**	**(87.98)**

The above cash flow statement should be read in conjunction with the accompanying notes.
This is the cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP Firm Registration Number : 012754N/N500016	**For and on behalf of the Board of Directors** M M MURUGAPPAN Chairman	SHRINIVAS G SHIRGURKAR Director
MOHAN DANIVAS S A Partner Membership Number : 209136	K SRINIVASAN Director	MUKESH KUMAR HAMIRWASIA Chief Financial Officer
Bengaluru April 25, 2018	Bengaluru April 25, 2018	AKANKSHA BIJAWAT Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE No.1

1 COMPANY OVERVIEW

Wendt (India) Limited was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH Germany and Carborundum Universal Limited, India. Wendt (India) Limited is a leading manufacturer of Super Abrasives, High precision Grinding, Honing and Special Purpose Machines and High Precision components. The Company`s registered office is in Bangalore and factory is situated in Hosur, Tamilnadu.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the act) [Indian Accounting Standards Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2 Critical Estimates and Judgements

The preparation of these financial statements requires the use of accounting estimates which could differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting

policies. These note provides an overview of the areas that involved higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:
(i) Estimation of useful life of Tangible and Intangible assets - Note 2.14 & 2.15
(ii) Impairment of Trade receivables - Note 11 & Note 2.21.4
(iii) Estimation of defined benefit obligation - Note 34

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values of the assets transferred, liabilities incurred to the former owners of the acquired business , equity interests issued by the company and fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

2.4 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the acquisition date fair value of any previous equity interest in the acquired entity (if any),over the fair value of the net identifiable assets acquired.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained above facts and circumstances that existed at the acquisition date that, if known, would have affect the amounts recognised at that date.

Goodwill arising on acquisition of a business is carried at costs as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated to reduce the carrying amount of the goodwill. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts & rebates. Amounts collected on behalf of third parties such as value added taxes, goods and service tax (GST) are excluded from revenue.

2.5.1 Sale of goods

Revenue from the sale of goods are recognised when the goods are despatched and titles have passed to the buyer, which generally coincides with dispatch of goods, at which time all the following conditions are satisfied :

- the company has transferred to the buyer the significant risk and rewards of ownership of the goods
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably

- it is probable that the economic benefits associated with the transaction will flow to the company and
- the cost incurred or to be incurred in respect of the transactions can be measured reliably.

2.5.2 Rendering of services

Revenue from rendering of services priced on a time and material basis is recognized on rendering of services as per the terms of contracts with customers.

2.5.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued on time proportion basis.

2.5.4 Rental income

The company's policy for recognition of revenue from operating lease is described in note 2.6.1

2.6 Leasing - Operating

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

2.6.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6.2 The Company as lessee

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.7 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

The export incentives from the Government are recognized based on eligibility at their fair value where there is a reasonable assurance that the incentive will be received and the company will comply with all attached conditions.

2.8 Foreign Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (INR), the national currency for India, which is the functional and presentation currency of the company.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss.

2.9 Borrowing Costs

Borrowing costs, other than that are directly attributable to the acquisition, construction or production of a qualifying asset are expensed in the period in which they are incurred.

2.10 Employee Benefits

2.10.1 Long Term Employee Benefits

Long -Term Employee Benefits - Compensated Absences

Accumulated Compensated absences which fall due beyond 12 months is provided for in the books on actuarial valuation basis at the year end using projected unit credit method.

Defined Contribution Plans

Superannuation fund, Provident fund and Pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust, and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plan

The liability or asset recognised for gratuity as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet. Defined benefit costs are categorised as follows :

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurement

Termination benefits are recognized as an expense as and when incurred.

2.10.2 Short Term Employee Benefits

Short term employee benefits including performance incentive and compensated absences which are expected to be settled within 12 months after the end of the period in which the employee renders related service, are determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

2.11.1 Current Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

2.11.2 Deferred Tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.12 Earning per Share

The basic earnings/ (loss) per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Research and development costs

Revenue expenditure pertaining to research are charged to the respective heads in Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

2.14 Property, Plant and equipment

Freehold Land is carried at historical cost.

All other items of Property, Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses

and interest on borrowings attributable to acquisition of qualifying tangible assets up to the date the asset is ready for its intended use. Machinery spares which can be used exclusively in connection with an item of tangible asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

<u>Capital work-in-progress:</u>

Items of assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

Depreciation

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and assets under progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the tangible assets are as follows:-

Buildings	
(i) Factory Building	30 years
(ii) Residential Building	60 years
Plant and equipment	
(i) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the used / second hand machines & process bath equipments , in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis from the month of addition or up to the month prior to the month of disposal, as applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.15 Intangible Assets

2.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.15.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination other than goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:-

Technical Knowhow	5 years
Computer Software	5 years
Brands and Trademarks	5 years
Patents	5 years

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset(or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour, and an appropriate proportion of overheads. Cost of inventories also include all other costs incurred in bringing the inventories to the present location and condition. Cost is computed on weighted average basis.

Net realisable value represents the estimated selling price for inventories less the estimated costs of completion and estimated costs necessary to make the sale.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturity of 3 months or less that are readily convertible into known

amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts and Book overdrafts are disclosed under "Other financial liabilities".

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Provisions and Contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

2.20 Financial Instruments

Financial assets and financial liabilities are recognised when the company become a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.21 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.21.1. Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by security deposits, cash and cash equivalents and eligible current and non-current assets. Cash and cash equivalent comprise cash on hand and in banks and demand deposit with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.21.4

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.21.2 Investment in equity instruments at FVTOCI

On initial recognition, the group can make an irrevocable election (on an instrument- by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value. Subsequently, they are measured at fair value with gain and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.21.3. Financial assets at fair value through profit or loss (FVTPL)

Financial asset at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included under 'Other income'. Dividend on financial asset at FVTPL is recognised when the company's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

FVTPL is a residual category for financial assets. Any financial categorisation as at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

2.21.4. Impairment of financial assets

The company measures the loss allowance for a financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on that financial instruments has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the company measures the loss allowance for that financial instruments at an amount equal to 12 month

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months. For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Refer Note 32 for segment information presented.

2.23 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III, unless otherwise stated.

2.24 New standards and interpretations not yet adopted

2.24.1 Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is evaluating the requirements of the amendment and the impact on the financial statements.

2.24.2 Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

-Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

-Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is evaluating the requirements of the standard and the impact on the financial statements.

Note 3 - Property, Plant and Equipment

(Rs. in lakhs)

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Cost as at April 1, 2016	**3.66**	**1,557.74**	**7,192.38**	**724.42**	**247.34**	**93.85**	**9,819.39**
Acquisitions through business combinations (Note 30)	-	-	17.60	-	-	-	17.60
Additions	-	24.90	868.22	189.11	13.68	33.97	1,129.88
Disposals	-	-	(147.78)	(60.26)	-	(8.50)	(216.54)
Balance as at March 31, 2017	**3.66**	**1,582.64**	**7,930.42**	**853.27**	**261.02**	**119.32**	**10,750.33**
Balance as at April 1, 2017	**3.66**	**1,582.64**	**7,930.42**	**853.27**	**261.02**	**119.32**	**10,750.33**
Additions	-	7.45	382.98	52.65	22.94	13.58	479.60
Disposals	-	-	(21.65)	(43.60)	-	(7.50)	(72.75)
Balance as at March 31, 2018	**3.66**	**1,590.09**	**8,291.75**	**862.32**	**283.96**	**125.40**	**11,157.18**
II. Accumulated depreciation							
Balance as at April 1, 2016	-	**365.35**	**3,477.46**	**431.03**	**115.91**	**40.38**	**4,430.13**
Depreciation expense for the year (Note 27)	-	52.05	658.37	150.66	21.20	13.74	896.02
Eliminated on disposal of assets	-	-	(147.13)	(60.26)	-	(4.17)	(211.56)
Balance as at March 31, 2017	-	**417.40**	**3,988.70**	**521.43**	**137.11**	**49.95**	**5,114.59**
Balance as at April 1, 2017	-	**417.40**	**3,988.70**	**521.43**	**137.11**	**49.95**	**5,114.59**
Depreciation expense for the year (Note 27)	-	53.79	704.90	145.52	21.54	15.18	940.93
Eliminated on disposal of assets	-	-	(21.65)	(43.60)	-	(3.78)	(69.03)
Balance as at March 31, 2018	-	**471.19**	**4,671.95**	**623.35**	**158.65**	**61.35**	**5,986.49**
Net Carrying Value as at March 31, 2017	**3.66**	**1,165.24**	**3,941.72**	**331.84**	**123.91**	**69.37**	**5,635.74**
Net Carrying Value as at March 31, 2018	**3.66**	**1,118.90**	**3,619.80**	**238.97**	**125.31**	**64.05**	**5,170.69**

a) Refer to Note 37.3 for information on property, plant and equipment pledged as security by the Company.

Note 4 - Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

(Rs. in lakhs)

Description of Assets	As at March 31, 2018	As at March 31, 2017
Cost		
Balance at beginning of year	10.27	-
Additional amounts recognised from business combinations occurred during the year (Note 30)	-	10.27
Balance at end of year	**10.27**	**10.27**
Accumulated Impairment		
Balance at beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at end of year	-	-
Net Carrying Value	**10.27**	**10.27**

Note 5 - Other Intangible Assests

Description of Assets	Technical Knowhow	Computer Software	Brands/ Trademarks	Patents	Total
I. Gross Block					
Cost as at April 1, 2016	**202.27**	**217.14**	-	-	**419.41**
Additions through business combination (Refer Note 30)	-		81.00	50.00	131.00
Additions	-	53.13	-	-	53.13
Balance as at March 31, 2017	**202.27**	**270.27**	**81.00**	**50.00**	**603.54**
Balance as at April 1, 2017	**202.27**	**270.27**	**81.00**	**50.00**	**603.54**
Additions	-	51.92	-	-	51.92
Balance as at March 31, 2018	**202.27**	**322.19**	**81.00**	**50.00**	**655.46**
II. Accumulated amortisation					
Balance as at April 1, 2016	**145.77**	**152.67**	-	-	**298.44**
Amortisation expense for the year (Refer Note 27)	18.52	29.34	12.15	7.50	67.51
Balance as at March 31, 2017	**164.29**	**182.01**	**12.15**	**7.50**	**365.95**
Balance as at April 1, 2017	**164.29**	**182.01**	**12.15**	**7.50**	**365.95**
Amortisation expense for the year (Refer Note 27)	14.65	34.35	16.20	10.00	75.20
Balance as at March 31, 2018	**178.94**	**216.36**	**28.35**	**17.50**	**441.15**
Net Carrying Value as at March 31, 2017	**37.98**	**88.26**	**68.85**	**42.50**	**237.59**
Net Carrying Value as at March 31, 2018	**23.33**	**105.83**	**52.65**	**32.50**	**214.31**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 6 - Investments

(Rs. in lakhs)

Sl No.	Particulars	As at March 31, 2018				As at March 31, 2017			
		Current		Non Current		Current		Non Current	
		Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount
A	COST								
	I. Unquoted Investments								
	Investments in Equity Instruments								
	- of Subsidiaries								
	i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND (10,299,993 equity shares of face value Baht 10/- each (previous year 10,299,993), partly paid up @ 2.5 Baht per share)	-	-	10,299,993.00	277.39	-	-	10,299,993.00	277.39
	ii) WENDT MIDDLE EAST FZE, SHARJAH (8 equity shares of face value of AED 150,000 each (previous year 8) fully paid up)	-	-	8.00	153.16	-	-	8.00	153.16
	TOTAL UNQUOTED INVESTMENTS CARRIED AT COST [A]		-		430.55		-		430.55
B	Designated as Fair Value Through Profit and Loss								
	I. Quoted Investments								
	Investments in Mutual Funds								
1	ICICI Prudential Money Market Fund - Daily Dividend	33,053	33.11	-	-	19,997	20.02	-	-
2	ICICI Prudential Savings Fund - Daily Dividend	30,858	31.15	-	-	125,467	127.26	-	-
3	ICICI Prudential Regular Income Fund - Growth	667,437	117.04	-	-	-	-	-	-
4	Aditya Birla Sun Life Savings Fund - Daily Dividend - Regular Plan - Reinvestment	49,579	49.71	-	-	-	-	-	-
5	Aditya Birla Sun Life Interval Income Fund-Qrtly Plan-Series 1 Dividend-Reg Plan-Payout	490,000	49.39	-	-	-	-	-	-
6	Aditya Birla Sun Life Floating Rate Fund-STP-IP-Daily Dividend Renivestment	-	-	-	-	49,179	49.19	-	-
7	Reliance Medium Term Fund - Daily Dividend Plan- Dividend Reinvestment	595,696	101.89	-	-	-	-	-	-
8	Reliance Liquid Fund Treasury Plan - Daily Dividend Option Dividend Reinvestment	3,229	49.39	-	-	4,002	61.18	-	-
9	Reliance Fixed Horizon Fund - XXXVI-Series4-Dividend Plan-Dividend Payout	400,000	40.32	-	-	-	-	-	-
10	TATA Short Term Bond Fund Plan A - Growth	295,555	95.43	-	-	295,555	90.35	-	-
11	TATA Short Term Bond Fund Direct Plan - Growth	186,618	62.58	-	-	186,618	58.75	-	-
12	Baroda Pioneer Credit Opportunities Fund -Plan A Monthly Dividend-Reinvestment	4,277,045	461.47	-	-	3,531,867	385.27	-	-
13	Baroda Pioneer Treasury Advantage Fund-Plan A Daily Dividend -Reinvestment	21,758	224.26	-	-	14,125	145.45	-	-
14	Baroda Pioneer Liquid Fund-Plan A Daily Dividend-Reinvestment	4,960	49.67	-	-	-	-	-	-
15	DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	-	-	-	-	2,998	30.01	-	-
16	DSP BlackRock Money Manager Fund - Regular -Daily Dividend	-	-	-	-	3,983	40.00	-	-
17	DSP BlackRock FMP - Series 222-3m-Reg-Div-Reg Pay	311,803	31.42	-	-	-	-	-	-
18	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment	33,007	330.45	-	-	1,500	15.02	-	-
19	Indiabulls Ultra Short Term Fund - Existing Plan Daily Dividend - Reinvestment	5,104	51.22	-	-	4,883	49.00	-	-
20	SBI Magnum Insta Cash Fund - Regular Plan- Daily Dividend	1,213	20.32	-	-	-	-	-	-
	TOTAL INVESTMENTS CARRIED AT FVTPL [B]		1,798.82		-		1,071.50		-
	TOTAL INVESTMENTS (A) + (B)		1,798.82		430.55		1,071.50		430.55
	TOTAL INVESTMENTS CARRYING VALUE (A) + (B)		1,798.82		430.55		1,071.50		430.55
	Other disclosures								
	Aggregate cost of quoted investments		1,756.36		-		1,032.85		-
	Aggregate market value of quoted investments		1,798.82		-		1,071.50		-
	Aggregate value of unquoted investments		-		430.55		-		430.55
	Aggregate amount of impairment in value of investments		-		-		-		-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 7 - Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Security Deposits	7.02	9.50
(b) Employee advances	62.36	57.60
(c) Receivables from subsidiaries	27.21	41.99
(d) Rent receivable	3.14	1.27
Total	**99.73**	**110.36**

Note 8 - Other non-current and current assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good				
(a) Advances to suppliers	39.55	-	44.85	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat receivable	2.71	-	82.66	-
(ii) GST credit receivable	7.59	-	-	-
(iii) VAT credit receivable	-	-	9.92	-
(iv) Service tax credit receivable	-	-	93.23	-
(c) Other loans and advances	27.76	-	22.11	-
(d) Prepayments	232.40	-	105.78	-
(e) Security Deposits with Government	-	50.21	-	44.51
(f) Export Incentive receivable	90.28	-	-	-
Unsecured, considered doubtful				
(a) Other loans and advances	34.19	-	39.09	-
Less: Provisions for doubtful loans and advances	(34.19)	-	(39.09)	-
Total	**400.29**	**50.21**	**358.55**	**44.51**

Note 9 - Income tax Assets & Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax Assets - Non Current		
Advance Income tax paid (net)	287.87	294.99
Total	**287.87**	**294.99**
Income tax Liabilities - Current		
Provision for Income Tax (net)	279.81	116.71
Total	**279.81**	**116.71**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 10 - Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Raw materials	892.46	852.31
(b) Work-in-progress	693.05	644.95
(c) Finished goods	55.39	130.61
(d) Stock-in-trade	45.26	55.37
(e) Stores and spares	189.99	161.07
Total	**1,876.15**	**1,844.31**
Included above, goods-in-transit:		
(i) Raw materials	46.53	24.35
Total goods-in-transit	**46.53**	**24.35**

Notes

1) Write down of inventories to net realisable value amounted to Rs 31.32 Lacs (March 31, 2017: Rs.37.57 lakhs). These were recognised as an expense during the year and included in 'Change in inventories of finished goods, work-in-progress and stock-in-trade' in Statement of Profit and Loss account.

Note 11 - Trade receivables

Particulars	As at March 31, 2018 Current	As at March 31, 2017 Current
(Unsecured)		
(a) Considered good	3,382.96	2,872.26
(b) Considered doubtful	37.78	29.69
	3,420.74	2,901.95
Less: Allowance for doubtful debts	37.78	29.69
Total	**3,382.96**	**2,872.26**

Note 11(a) - Movement in the allowance for doubtful debts

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	29.69	60.98
Impairment losses recognised in the year		
- Other receivables	31.35	20.05
Amounts written off during the year as uncollectable	(8.23)	(14.75)
Amounts recovered during the year	(15.03)	(36.59)
Balance at end of the year	**37.78**	**29.69**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 11(b) - Trade Receivables breakup

Particulars	As at March 31, 2018	As at March 31, 2017
Of the above, trade receivables from:		
- Related Parties	419.93	253.95
- Others	3,000.81	2,648.00
Total	**3,420.74**	**2,901.95**

Note 11(c) - Expected Credit Loss (%)

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	-	-
1-30 days past due	1	1
31-60 days past due	2	1
61-90 days past due	2	2
More than 90 days past due	6	5

Note 11(d) - Ageing of Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	2,259.53	1,916.60
1-30 days past due	416.36	404.57
31-60 days past due	202.85	228.74
61-90 days past due	88.65	94.48
More than 90 days past due	453.35	257.56
Total	**3,420.74**	**2,901.95**

Note 12A - Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unrestricted Balances with banks	199.66	22.78
(b) Cheques on hand	5.06	13.57
(c) Cash in hand	0.50	0.55
Total	**205.22**	**36.90**

Note 12B - Bank balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deposit accounts	0.70	0.70
(b) Earmarked balances in Dividend accounts	430.85	229.43
Total	**431.55**	**230.13**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs, except for number of shares)

Note - 13: Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised: 30,00,000 (March 31, 2017: 30,00,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, Subscribed and Fully Paid: 20,00,000 (March 31, 2017: 20,00,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	200.00	200.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount Rs. in lakhs	No. of Shares	Amount Rs. in lakhs
Shares outstanding at the beginning of the period	2,000,000	200	2,000,000	200
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200**	**2,000,000**	**200**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
Equity Shares : (with equal voting rights)				
Wendt GmbH, Germany	797,352	39.87	797,352	39.87
Carborundum Universal Limited, India	797,352	39.87	797,352	39.87

(c) Rights, Preferences and Restrictions attached to shares

The Company has only one class of equity shares with voting rights (one vote per share). The dividends proposed by the Board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in the proportion to the number of equity shares held by the shareholders.

(d) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date.

Note 14 - Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
General Reserve	5,847.73	5,717.73
Retained earnings	4,859.78	4,325.64
Total	**10,707.51**	**10,043.37**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

14.1 General Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	5,717.73	5,597.73
Transfer from Retained earnings	130.00	120.00
Balance as at the year end	**5,847.73**	**5,717.73**

The general reserve is a free reserve, retained from Company's profits and can be utilised upon fulfilling certain conditions in accordance with Companies Act.

14.2 Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	4,325.64	3,946.72
Profit for the year	1,229.70	1,169.33
Other Comprehensive income arising from remeasurement of defined benefit obligation, net of tax	36.23	(68.62)
Payment of Final Dividend for the preceding financial year	(300.00)	(300.00)
Dividend Tax on Final Dividend for the preceding financial year	(61.07)	(61.07)
Payment of Interim Dividend for the current year	(200.00)	(200.00)
Dividend Tax on Interim Dividend for the current year	(40.72)	(40.72)
Transfer to General Reserve	(130.00)	(120.00)
Balance as at the year end	**4,859.78**	**4,325.64**

Retained Earnings comprise of the Company's undistributed earnings after taxes.

14.3 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2018 and March 31, 2017 was Rs.25 and Rs. 25 respectively.

The Board of Directors at its meeting held on April 24, 2017 had recommended a final dividend of 150% (Rs.15/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 24, 2017, this has resulted in a cash outflow of Rs. 361.07 lakhs, inclusive of dividend distribution tax of Rs. 61.07 lakhs. Also, the Board of Directors at its meeting held on January 24, 2018 had declared an interim dividend of 100% (Rs.10/- per equity share of face value of Rs.10/- each). Further, the Board of Directors at its meeting held on April 25, 2018 have recommended a final dividend of 150% (Rs. 15/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of Rs. 361.07 lakhs, inclusive of dividend distribution tax.

Note 15 - Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits				
- Compensated absences	94.93	91.21	91.58	91.02
- Other employee obligations	-	-	37.34	96.40
Total	**94.93**	**91.21**	**128.92**	**187.42**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 16 - Deferred tax Liabilities

Particulars	March 31, 2018		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	635.66	(175.49)	460.17
Net Gain on Fair Value of Mutual Funds	13.38	(1.02)	12.36
	649.04	(176.51)	472.53
Tax effect of items constituting deferred tax assets			
Employee Benefits	(63.19)	8.99	(54.20)
Provision for doubtful trade receivables	(10.27)	(0.73)	(11.00)
Others	(9.96)	-	(9.96)
	(83.42)	8.26	(75.16)
Total	**565.62**	**(168.25)**	**397.37**

Particulars	March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	622.28	13.38	635.66
Net Gain on Fair Value of Mutual Funds	11.36	2.02	13.38
	633.64	15.40	649.04
Tax effect of items constituting deferred tax assets			
Employee Benefits	(49.39)	(13.80)	(63.19)
Provision for doubtful trade receivables	(21.10)	10.83	(10.27)
Others	(9.97)	0.01	(9.96)
	(80.46)	(2.96)	(83.42)
Total	**553.18**	**12.44**	**565.62**

Note 17 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Trade payables to		
- Related parties	327.03	69.87
- Others (Refer Note 1 below)	1,415.37	1,173.08
Total	**1,742.40**	**1,242.95**

Note:

1) Trade payable for goods & services includes dues of Micro and Small Enterprises Rs. 99.22 lakhs (March 31, 2017 Rs. 63.34 lakhs) (Refer Note 38)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 18 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unpaid dividends	430.85	229.43
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies/services	56.45	39.27
(d) Retention Money	-	6.08
(e) Due to employees	208.41	196.15
(f) Book Overdraft	-	124.88
(g) Others	11.41	6.75
Total	**717.12**	**612.56**

Note 19 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Advances received from customers	209.62	170.90
(b) Statutory dues payable (other than income taxes)	119.11	103.60
Total	328.73	274.50

Note 20 - Revenue from Operations

Particulars	Year ended	
	March 31, 2018	March 31, 2017
a) Revenue from sale of goods (includes excise duty of Rs.225.72 lakhs, previous year Rs. 1,130.90 lakhs) (refer note (i) and (iv) below)	12,360.27	13,692.40
b) Revenue from rendering of services (refer note (ii) below)	550.85	217.83
c) Other operating income (refer note (iii) below)	256.76	170.41
Total	13,167.88	14,080.64

Note:

Particulars	Year ended	
	March 31, 2018	March 31, 2017
(i) **Sale of goods comprises**		
Manufactured Goods		
Resin, Metal and Electroplated Diamond / CBN Wheels, Hones, Dressing tools etc	9,604.98	9,636.28
Machine, Accessories and components	2,390.61	3,343.03
Others	75.69	287.97
Total - Sale of manufactured goods	12,071.28	13,267.28
Traded goods		
Polishing films	43.18	195.34
Dressers	10.50	56.50
Others	235.31	173.28
Total - Sale of Traded goods	288.99	425.12
Total - Sale of goods	12,360.27	13,692.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(ii) **Sale of Services comprises**		
Machining charges	550.85	217.83
Total - Sale of Services	550.85	217.83
(iii) **Other Operating income comprises**		
Sale of Scrap	57.83	53.19
Service charges	29.22	52.80
Commission	20.08	18.08
Management fee and other charges received from subsidiaries	37.82	33.20
Export Incentive (refer note V below)	111.81	13.14
Total - Other Operating income	256.76	170.41

(iv) Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Central sales tax (CST), Service tax etc, have been replaced with GST. Until June 30, 2017, 'Sale of goods' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of goods' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of goods' and "Revenue from operations' for the year ended March 31, 2018 are not comparable with those of the previous year.

(v) Exports incentives represent grants in the nature of licenses under Merchandise Export from India Scheme (MEIS) and duty drawback. There are no unfulfilled conditions or contingencies attached to these grants.

Note 21 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income on deposits	1.39	4.68
(b) Dividend Income		
-Dividend income on long-term investments (from subsidiaries)	197.01	223.48
-Dividend income from current investments - mutual funds	52.60	23.67
(c) Operating lease rental income	14.76	13.42
(d) Net Gain on sale of current investments	4.21	25.25
(e) Net gain arising on financial assets designated as fair value through profit or loss	3.81	5.71
(f) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	-	0.83
(g) Forex gain (net)	114.90	19.89
(h) Provisions and Liabilities no longer required, written back		
-For doubtful trade receivables	15.03	36.59
-For other expenses	10.94	8.68
(i) Miscellaneous income	13.77	10.78
Total	**428.42**	**372.98**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 22 - Cost of Materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	852.31	911.21
Add: Purchases	3,939.90	4,138.88
	4,792.21	5,050.09
Less: Closing stock	892.46	852.31
Cost of materials consumed	**3,899.75**	**4,197.78**
Material consumed comprises:		
Industrial and Synthetic Diamonds and Cubic Boron Nitride	1545.13	1624.76
Bonding Mixture and Matrix Powder	265.95	294.70
Steel	299.64	296.79
Other items	1789.03	1981.53
Total	**3899.75**	**4197.78**

Note 23 - Purchases of Stock-in-trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Polishing Films	33.58	153.02
Dressing Sticks	9.40	10.67
Floking Filter System	8.93	10.91
Dressers	9.72	-
Others	123.50	101.07
Total	**185.13**	**275.67**

Note 24 - Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Work - in - progress	644.95	487.48
Finished goods	130.61	111.60
Stock-in- trade	55.37	92.22
	830.93	691.30
Closing stock		
Work - in - progress	693.05	644.95
Finished goods	55.39	130.61
Stock-in- trade	45.26	55.37
	793.70	830.93
Net (increase) / decrease	**37.23**	**(139.63)**

(Rs. in lakhs)

Note 25 - Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries,wages and bonus	2,108.90	1,947.20
(b) Contribution to provident and other funds	179.14	155.32
(c) Staff welfare expenses	300.00	260.46
Total	**2588.04**	**2362.98**

Note 26 - Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest expense	5.52	11.86
(b) Other borrowing costs	-	0.34
(c) Interest on shortfall in payment of advance tax	14.12	-
Total	**19.64**	**12.20**

Note 27 - Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Depreciation of Property, Plant and Equipment (Note no. 3)	940.93	896.02
(b) Amortisation of intangible assets (Note no. 5)	75.20	67.51
Total	**1016.13**	**963.53**

(Rs. in lakhs)

Note 28 - Other Expenses

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
Stores and spares consumed		715.05		828.82
Contract labour		82.01		106.69
Repairs and maintenance				
- Buildings		71.32		79.05
- Machinery		151.87		121.03
- Others		36.56		40.49
Power and Fuel charges		306.45		319.30
Freight outward and packing charges (net)		318.42		190.11
Rental charges		16.51		15.76
Processing Charges		561.06		600.35
Directors' Sitting Fees		7.22		5.00
Commission to Non-whole time Independent Directors		8.91		-
Rates and taxes		134.92		106.26
Contribution to Research Institution (refer note 46)		2.00		2.00
Expenditure on corporate social responsibility (refer note 46)		30.36		26.84
Donation (refer note 46)		-		3.52
Insurance charges		23.78		19.11
Selling Commission		37.75		21.90
Bad Trade receivables written off	10.62		23.54	
Less:- Transferred from Provision	8.23	2.39	14.75	8.79
Provision for doubtful trade receivables (refer note 11(a))		31.35		20.05
Increase / (decrease) of excise duty on inventory (refer note (i) below)		(14.51)		2.11
Auditors remuneration and out-of-pocket expenses				
- As Auditors		8.75		8.24
- For Taxation matters		1.00		1.00
- Auditors out-of-pocket expenses		4.04		2.25
Bank Charges		66.69		57.80
Service fee		177.68		182.05
Legal and other professional costs		138.87		188.46
Advertisement and Sales Promotion expenses		297.21		344.66
Travelling & Conveyance Expenses		384.06		345.97
Communication expenses		28.28		32.04
Loss on sale / disposal of fixed assets (net)		0.11		-
Miscellaneous expenses		343.10		400.41
Total		**3,973.21**		**4,080.06**

Note (i)

The above excise duty relates to difference between the opening and closing stock of finished goods.

Note 29 - Income tax recognised in profit or loss

(a) Income Tax Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current year	590.00	439.10
In respect of the Prior year	-	(50.74)
	590.00	388.36
Deferred tax		
In respect of the current year	(168.25)	12.44
	(168.25)	12.44
Total	**421.75**	**400.80**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit Before tax	**1,651.45**	**1570.13**
Income Tax using the Company's domestic Tax rate of 34.61% (March 31, 2017 - 34.61%)	571.54	543.39
Effect of income that is exempt from tax	(13.81)	(6.18)
Effect of expenses that are not deductible in determining taxable profit	10.51	78.50
Effect of concessions (Research and development)	(25.31)	(108.44)
Effect of dividend income from foreign subsidiaries	(34.09)	(38.67)
Effect of changes in deferred tax rates	(74.89)	-
Others	(12.19)	(17.06)
	421.75	451.54
Adjustment recognised in the current year in relation to current tax of previous years	-	(50.74)
Income Tax recognised in Statement of Profit and Loss	**421.75**	**400.80**

Note

The tax impact for deferred tax purposes has been arrived by applying a tax rate of 29.12% (March 31, 2017 : 34.61%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2019 under the Income tax Act , 1961.

Note 30 - Business Combinations

The Company had acquired the "Diamond Tool" business from Star Diamond Tools Private Limited at a consideration of Rs. 250 lakhs.

This acquisition was made to enhance the company's offerings in the field of one of our existing product line stationery dressers and this would also augment our existing manufacturing capability and capacity.

Consideration transferred :-

Particulars	Amount
Tangible Assets (incuding CWIP)	
Machines and equipments	18.28
Inventories	90.45
Intangible assets	
Brands & Trade marks	81.00
Patents	50.00
Goodwill	10.27
Total	**250.00**

(i) The initial accounting for the acquisition of the business was provisionally determined as at the year ended March 31, 2016, pending installation of the tangible assets and registration of the intangible assets. Accordingly, as on March 31, 2016, the Company had classified these assets under the head "Capital Work-in-progress" and the inventories of Rs. 90.45 lakhs were included under current assets for the year ended March 31, 2016. The tangible assets were received by the company in the month of April 2016 and was subsequently installed and commissioned. These tangible assets have been capitalized during the year 2016-17.

(ii) The intangible assets comprising of Brands & Trademarks and Patents. Trademarks have been filed for registration in the name of the company. These intangible assets acquired in the business combination amounting to Rs. 131.00 lakhs have been recognized separately from Goodwill at their fair value at the acquisition date (which is regarded as their cost).

(iii) Goodwill arising on the acquisition of Star Diamond Tools Private Limited amounting to Rs. 10.27 lakhs has been recognized.

Note 31 - Financial Instruments

31.1 Capital Management

The capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The Company's objectives when managing capital is to safeguard their ability to continue as a going concern while maximizing the return to shareholders through the optimization of cash and cash equivalents along with investment which is predominantly investment in liquid and short term mutual funds.

31.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2018 and March 31, 2017 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	1,798.82	1,071.50	1,798.82	1,071.50
Measured at amortized cost				
- Trade Receivables	3,382.96	2,872.26	3,382.96	2,872.26
- Cash and cash equivalents	205.22	36.90	205.22	36.90
- Other bank balances	431.55	230.13	431.55	230.13
- Other Financial Assets	99.73	110.36	99.73	110.36
Total Financial Assets	5,918.28	4,321.15	5,918.28	4,321.15
Financial Liabilities				
Measured at amortized cost				
- Trade payables	1742.40	1242.95	1,742.40	1,242.95
- Other Financial Liabilities	717.12	612.56	717.12	612.56
Total Financial Liabilities	2,459.52	1,855.51	2,459.52	1,855.51

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

The management assessed that fair value of cash and short- term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted mutual funds is based on price quotations at reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debtor similar terms, credit risk and remaining maturities.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. Derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2018 and March 31, 2017.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2018					
- Investment in mutual funds	6	1,798.82	1,798.82	-	-
As at March 31, 2017					
- Investment in mutual funds	6	1,071.50	1,071.50	-	-

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2018 and March 31, 2017.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2018					
Financial assets measured at amortized cost:					
- Trade Receivables	11	3,382.96	-	-	3,382.96
- Cash and cash equivalents	12A	205.22	-	-	205.22
- Other bank balances	12B	431.55	-	-	431.55
- Other Financial Assets	7	99.73	-	-	99.73
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,742.40	-	-	1,742.40
- Other Financial Liabilities	18	717.12	-	-	717.12
As at March 31, 2017					
Financial assets measured at amortized cost:					
- Trade Receivables	11	2,872.26	-	-	2,872.26
- Cash and cash equivalents	12A	36.90	-	-	36.90
- Other bank balances	12B	230.13	-	-	230.13
- Other Financial Assets	7	110.36	-	-	110.36
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,242.95	-	-	1,242.95
- Other Financial Liabilities	18	612.56	-	-	612.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Note 31.3 Financial Risk management objectives and polices

The Company treasury function provides service to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk report which analyze exposures by degree and magnitude of risk. These risk include market risk, currency risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using policies approved by the board of directors, which provide written principles on interest risk, credit risk and investment of excess liquidity. The Company does not enter into trade financial instruments for speculative purpose.

The Company treasury function reports quarterly to the senior management team that monitors risk and policies implemented to mitigate risk exposures.

31.3.1 Market risk

The company is exposed primarily to the financial risk of change in foreign currency exchange rate. The Company transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. Company being a net exporter, follows the policy of natural hedging of foreign exchange earnings. Net forex gain is always at positive side.

31.3.1 (a) Foreign currency risk management

The company undertakes transactions denominated in foreign currencies, consequently, the company is exposed to exchange rate fluctuations. The company, being a net exporter, follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

The carrying amounts of the Company's foreign currency (unhedged) denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	March 31, 2018		March 31, 2017	
	Foreign Currency (in lakhs)	INR (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Creditors against Import of goods, capital items and services				
- USD	6.44	423.45	4.79	314.72
- EUR	1.59	129.53	0.80	56.47
- GBP	0.28	25.63	0.04	3.44
Trade and other receivables				
- USD	9.05	585.53	6.33	405.56
- EUR	3.33	264.10	2.95	200.55
- GBP	2.40	217.74	0.96	76.35

The sensitivity of impact on profit or loss of the company to changes in the exchange rates , individual currency wise, is summarized below:-

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%	0.10%	0.06%
INR/USD - Decrease by 1%	(-0.10%)	(-0.06%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.08%	0.09%
INR/EUR - Decrease by 1%	(-0.08%)	(-0.09%)
GBP Sensitivity		
INR/GBP - Increase by 1%	0.12%	0.05%
INR/GBP - Decrease by 1%	(-0.12%)	(-0.05%)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

31.3.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The customers are broadly classified into high risk and medium risk, accordingly credit limit exposure is fixed. The company carries out payment performance review of all customers and based on this analysis, risk category of customers are evaluated annually. Further, the utilization of credit limit is regularly monitored through inbuilt locks in the ERP system.

31.3.3 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's business and reputation.

The Company regularly reviews its receivables, inventory and other working capital elements to mitigate any liquidity concerns. Any surplus from the business funds needs is parked in debt mutual funds (liquid / liquid plus) of reputed Asset Management Companies to provide day to day working capital.

Also, the company has unutilized credit limits with bank.

The following table presents the maturity period of all financial liabilities as at March 31, 2018 and March 31, 2017.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2018					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,742.40	1,742.40	-	-
- Other Financial Liabilities	18	717.12	717.12	-	-
As at March 31, 2017					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,242.95	1,242.95	-	-
- Other Financial Liabilities	18	612.56	612.56	-	-

Note 32 - Segment Disclosure

32.1 Products and services from which reportable segments derive their revenue

The CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

1) The Company is organised into two main business segments, namely :

a) Super Abrasives and b) Machines, Accessories and Components.

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments. The Company has identified business segments as its primary segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

2) Segment Assets and Segment Liabilities of the Company's business have not been identified to any reportable segment, as these are used interchangeably between segments.

3) Segment Revenue and expenses have been identified to segments on the basis of their relationships to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Other un-allocable Expenditure" .

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

32.2 Segment Revenues and Results

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1. Segment Revenue		
a) Super Abrasives	10,229.18	10,414.53
b) Machines, Accessories and Components	2,681.94	3,495.70
Total	12,911.12	13,910.23
Less:- Inter Segment Revenue	-	-
Revenues / Income From Operations	**12,911.12**	**13,910.23**
2. Segment Results		
a) Super Abrasives	1,975.47	1,822.00
b) Machines, Accessories and Components	217.32	451.64
Total	2,192.79	2,273.64
Less: (i) Finance costs	19.64	12.20
(ii) Other un-allocable Expenditure net of un-allocable income of Rs. 685.18 lakhs (P.Y. Rs. 543.39 lakhs)	521.70	691.31
(iii) Tax expense	421.75	400.80
Profit for the year	**1,229.70**	**1,169.33**

32.3 Revenue by Geographical market

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	9,053.91	10,890.81
Outside India	3,857.21	3,019.42
Total	**12,911.12**	**13,910.23**

32.4 Non current and Non Financial assets by Geographical market

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	5,645.94	6,122.50
Outside India	-	-
Total	**5,645.94**	**6,122.50**

32.5 Information about major customers

No single customer represents 10% or more of the company's total revenue for the year ended March 31, 2018 and March 31, 2017.

Note 33 - Leases

(a) The Company is obligated under cancelable operating leases towards residential accommodation, which are renewable at the option of both the lessor and the lessee. Total rental expense debited to the Statement of Profit and Loss under cancelable operating leases amounts to Rs. 16.51 lakhs (March 31, 2017: Rs 15.60 lakhs).

There are no sub-lease payments received/receivable recognised in the statement of profit and loss. Also, there are no contingent rents payable and there are no restrictions imposed by lease agreements such as those concerning dividends and additional debt.

(b) The Company has leased out a portion of its factory building to a related party. Total rental income credited to the Statement of Profit and Loss amounts to Rs. 14.76 lakhs (March 31, 2017 : Rs. 13.42 lakhs)

The lease agreement is for a period of 12 months and can be terminated by either party by giving one month notice.

Details of the above referred lease are as given below:

Particulars	Amount
Gross carrying amount	1,590.09
Less: Accumulated Depreciation	471.19
Net carrying amount	**1,118.90**

The depreciation recognized in respect of the factory building for the year is Rs. 53.79 lakhs.

There are no contingent rents receivable.

Note 34 - Employee Benefits

Defined Contribution Plans

The Company operates defined contribution benefit plans for all qualifying employees of the company.

Superannuation fund, Providend fund and pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss accounts based on the amount of contribution required to be made and services rendered by the employees. The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees of the company.

The liability for gratuity to employees as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2018 and March 31, 2017:

(a) Change in defined benefit obligation (DBO)

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation at beginning of period	377.88	335.46
Service cost		
a) Current service cost	32.93	30.01
b) Past service cost	-	-
Interest expenses	25.63	25.33
Benefits Paid	(23.37)	(37.74)
Remeasurements:		
a) Effect of changes in demographic assumptions	-	-
b) Effect of change in financial assumptions	(11.36)	53.74
c) Effect of experience adjustments	13.19	(28.92)
Defined benefit obligation at end of period	**414.90**	**377.88**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets at beginning of period	244.14	275.84
Interest Income	25.74	20.80
Contributions	206.69	29.05
Benefits Paid	(23.37)	(37.74)
Remeasurements:		
a) Return on plan assets (excluding interest income)	38.06	(43.81)
Fair value of plan assets at end of period	**491.26**	**244.14**

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	414.90	377.88
Fair value of plan assets	(491.26)	(244.14)
Funded status	(76.36)	133.74
Effect of asset ceiling	-	-
Net defined benefit liability / (asset)*	**(76.36)**	**133.74**

**Included under prepayments in Note 8 - "Other current assets"*

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Service Cost	32.93	30.01
Net interest cost	-	-
a) Interest expense on DBO	(0.10)	4.53
Net Gratuity Cost in the Statement of Profit and Loss	**32.83**	**34.54**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of the net defined benefit liability/(asset)		
Actuarial (gains) / losses	1.83	24.81
(Return)/Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	38.06	(43.81)
Net Cost in Other Comprehensive Income	**(36.23)**	**68.62**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fund with an Insurance Company	491.26	244.14

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.50%	7.00%
Salary escalation rate	7.00%	7.00%
Attrition Rate	6.00%	6.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate +100 basis points	393.38	356.91
Discount rate -100 basis points	439.17	401.51
Salary Increase Rate +1%	437.02	399.42
Salary Increase Rate -1%	394.94	358.40
Attrition Rate +1%	415.40	377.71
Attrition Rate -1%	414.32	378.04

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

(i) Expected cash flows for following year

Particulars	As at March 31, 2018	As at March 31, 2017
Expected employer contributions /Addl. Provision next year	89.79	50.26
Expected total benefit payments		
Year 1	93.70	37.34
Year 2	55.51	76.69
Year 3	26.43	46.64
Year 4	52.51	22.56
Year 5	23.40	42.76
Next 5 years	114.33	97.22

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2017: 10 years)

The Company expects to make a contribution of Rs. 50 lakhs (as at March 31, 2017: Rs.29.69 lakhs) to the defined benefit plans during the next financial year. The employee benefit obligations(net) have been included in current liabilities based on the expected contributions.

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

Particulars	As at March 31, 2018	As at March 31, 2017
Charge / (credit) in the Statement of Profit and Loss	17.34	57.13
Liability as at the year end		
- Short- term (Refer Note 15)	94.93	91.58
- Long- term (Refer Note 15)	91.21	91.02
	186.14	**182.60**

(b) Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.50% p.a.	7.00% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers' Contribution to Provident Fund *	55.52	60.17
Employers' Contribution to Superannuation Fund *	29.36	28.70
Employers' Contribution to Employee's State Insurance #	18.53	9.56
Employers' Contribution to Employee's Pension Scheme 1995 *	61.43	31.91

* Included in Contribution to provident and other funds
# Included in staff welfare expenses

Note 35 - Related Party Transactions

1) List of Related parties:

i) **Party with whom control exists -Subsidiaries**

(a) Wendt Grinding Technologies Ltd, Thailand
(b) Wendt Middle East FZE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

ii) Venturers and its subsidiaries , to the joint venture with whom transactions have taken place during the year

(a) Carborundum Universal Limited (CUMI)
  (1) Cumi America
  (2) Cumi (Australia) Pty Ltd
  (3) Cumi Abrasives & Ceramics Company Ltd
  (4) Net Access India Ltd
(b) Wendt GmbH Germany

iii) Company in which KMP / Director is a director

(a) Ace Designers Ltd
(b) Pragati Transmission P Ltd
(c) Tespa Tools Pvt Ltd
(d) Sterling Abrasives Limited

iv) Key Management Personnel

Mr.Rajesh Khanna, Chief Executive

v) Relatives of Key Management Personnel

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

2) Transaction with related parties during the year ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	Subsidiaries		Joint venturers & its subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17
Purchase of Capital Goods										
Wendt GmbH Germany	-	-	-	2.29	-	-	-	-	-	2.29
Carborundum Universal Limited (CUMI)	-	-	0.70	-	-	-	-	-	0.70	-
Wendt Middle East FZE	2.27	-	-	-	-	-	-	-	2.27	-
Other Purchases										
Wendt Gmbh, Germany	-	-	270.57	425.86	-	-	-	-	270.57	425.86
Carborundum Universal Limited (CUMI)	-	-	81.13	95.47	-	-	-	-	81.13	95.47
Wendt Grinding Technologies Ltd Thailand	14.86	3.99	-	-	-	-	-	-	14.86	3.99
Cumi Abrasives & Ceramics Company Ltd	-	-	0.56	0.07	-	-	-	-	0.56	0.07
Wendt Middle East FZE	3.00	-	-	-	-	-	-	-	3.00	-
Tespa Tools Pvt Ltd	-	-	-	-	0.08	0.60	-	-	0.08	0.60
Sterling Abrasives Limited	-	-	9.87	9.20	-	-	-	-	9.87	9.20
Net Access India Limited	-	-	9.73	11.00	-	-	-	-	9.73	11.00
Sale of Goods and Services										
Wendt GmbH Germany	-	-	261.81	381.08	-	-	-	-	261.81	381.08
Carborundum Universal Limited (CUMI)	-	-	205.05	186.61	-	-	-	-	205.05	186.61
Cumi America	-	-	353.99	396.65	-	-	-	-	353.99	396.65
CUMI (Australia) Pty Ltd	-	-	0.73	6.70	-	-	-	-	0.73	6.70
Cumi Abrasives & Ceramics Company Ltd	-	-	183.67	41.04		-	-	-	183.67	41.04
Wendt Grinding Technologies Ltd Thailand	282.47	229.40	-	-	-	-	-	-	282.47	229.40
Wendt Middle East FZE	209.41	190.11	-	-			-	-	209.41	190.11
Ace Designers Ltd	-	-	-	-	2.27	0.22	-	-	2.27	0.22
Pragati Transmission P Ltd	-	-	-	-	-	0.38	-	-	-	0.38
Payment of Rent										
Rajesh Khanna	-	-	-	-	-	-	8.26	7.80	8.26	7.80
Preethi Khanna	-	-	-	-	-	-	8.25	7.80	8.25	7.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Receipt of Dividend										
Wendt Middle East FZE	41.56	53.20	-	-	-	-	-	-	41.56	53.20
Wendt Grinding Technologies Ltd Thailand	155.45	170.28	-	-	-	-	-	-	155.45	170.28
Payment of Service Fee and Commission										
Carborundum Universal Limited (CUMI)	-	-	208.54	209.59	-	-	-	-	208.54	209.59
Wendt Middle East FZE	-	4.39	-	-	-	-	-	-	-	4.39
Payment of Dividend										
Carborundum Universal Limited (CUMI)	-	-	199.34	199.34	-	-	-	-	199.34	199.34
Wendt GmbH Germany *	-	-	199.34	199.34	-	-	-	-	199.34	199.34
Management fee, Service charges, Commission, Rent and Accounting charges										
Wendt GmbH Germany	-	-	20.08	18.08	-	-	-	-	20.08	18.08
Carborundum Universal Limited (CUMI)	-	-	14.76	13.42	-	-	-	-	14.76	13.42
Wendt Grinding Technologies Ltd Thailand	29.58	20.64	-	-	-	-	-	-	29.58	20.64
Wendt Middle East FZE	8.24	8.92	-	-	-	-	-	-	8.24	8.92
Reimbursement of Expenses - Paid										
Carborundum Universal Limited (CUMI)	-	-	67.11	57.75	-	-	-	-	67.11	57.75
Reimbursement of Expenses - Received										
Wendt GmbH Germany	-	-	-	0.25	-	-	-	-	-	0.25
Carborundum Universal Limited (CUMI)	-	-	13.38	100.80	-	-	-	-	13.38	100.80
Wendt Grinding Technologies Ltd Thailand	3.58	1.30	-	-	-	-	-	-	3.58	1.30

3) The details of amounts due to or due from related parties as at March 31, 2018 and March 31, 2017 are as follows:

Particulars	Subsidiaries		Joint venturers & its subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Amount due from										
Wendt GmbH Germany	-	-	67.10	39.49	-	-	-	-	67.10	39.49
Carborundum Universal Limited (CUMI)	-	-	40.33	46.48	-	-	-	-	40.33	46.48
Cumi America	-	-	144.91	124.48	-	-	-	-	144.91	124.48
CUMI (Australia) Pty Ltd	-	-	-	0.24	-	-	-	-	-	0.24
Cumi Abrasives & Ceramics Company Ltd	-	-	142.82	34.49	-	-	-	-	142.82	34.49
Wendt Grinding Technologies Ltd Thailand	56.62	40.56	-	-	-	-	-	-	56.62	40.56
Wendt Middle East FZE	-	20.53	-	-	-	-	-	-	-	20.53
Amount due to										
Wendt GmbH Germany	-	-	67.19	31.72	-	-	-	-	67.19	31.72
Wendt Grinding Technologies Ltd Thailand	3.02	1.34	-	-	-	-	-	-	3.02	1.34
Wendt Middle East FZE	74.99	75.55	-	-	-	-	-	-	74.99	75.55
Carborundum Universal Limited (CUMI)	-	-	279.32	34.68	-	-	-	-	279.32	34.68
Cumi America	-	-	0.54	-	-	-	-	-	0.54	-
Cumi Abrasives & Ceramics Company Ltd	-	-	0.73	-	-	-	-	-	0.73	-
Rajesh Khanna	-	-	-	-	-	-	0.65	-	0.65	-
Preethi Khanna	-	-	-	-	-	-	0.64	-	0.64	-
Sterling Abrasives Limited	-	-	1.19	0.91	-	-	-	-	1.19	0.91
Net Access India Limited	-	-	3.10	1.22	-	-	-	-	3.10	1.22

4) The details of compensation to key management personnel are as follows:

Particulars	17-18	16-17
Short term benefits	97.45	89.72
Post-Employment Benefits	12.80	11.33
Other benefits	15.36	15.36

a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / back other than the amount included above during the year.

c) Key managerial personnel do not exercise significant influence over the gratuity and superannuation trust of the company.

*Amount for both the years lying in unclaimed / unpaid dividend account

Note 36 - Earning per share (EPS)

Particulars	March 31, 2018	March 31, 2017
(a) Profit for the year	1,229.70	1,169.33
b) Weighted average number of equity shares	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) -		
Basic and diluted	61.49	58.47

Note 37 - Contingent Liability and commitments to the extent not provided for:

37.1 Contingent Liabilities

Particulars	March 31, 2018	March 31, 2017
a) Claims against the Company not acknowledged as debt: Disputed income tax demands under appeal.	-	59.32

37.2 Commitments

Particulars	March 31, 2018	March 31, 2017
a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. Nil lakhs, March 31, 2017: Rs.8.31 lakhs)	341.51	368.40
b) Other Commitments	-	-

37.3 The Company has a working capital limit with State Bank of India, secured by hypothecation of stock and book debts and collateral charge on all fixed assets other than land and building.

Note 38 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2018	March 31, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year	99.22	63.34
(ii) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 39 - Value of imports on CIF basis:

Particulars	March 31, 2018	March 31, 2017
Raw Materials	2,298.21	2,333.73
Traded goods	141.73	199.91
Stores and Spare parts	116.96	106.03
Capital Goods	123.60	243.76

Note 40 - Expenditure in Foreign Currency

Particulars	March 31, 2018	March 31, 2017
Technical consultancy fee	50.15	46.08
Travel	76.34	50.32
Others	15.35	45.09

Note 41 - Details of consumption of imported and indigenous items

Particulars	March 31, 2018	March 31, 2017
Imported		
Raw Material	2,147.74	2,451.90
Stores and Spare parts	70.28	115.35
Indigenous		
Raw Material	1,752.01	1,745.88
Stores and Spare parts	644.77	713.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 42 - Earnings in Foreign exchange :

Particulars	March 31, 2018	March 31, 2017
FOB Value of goods exported	3805.97	3019.42
Others	254.90	301.58

Note 43 - Research and Development Expenditure

Research and Development expenditure incurred during the year aggregates to Rs. 227.18 lakhs (Previous year Rs. 243.25 lakhs) as detailed below:

Particulars	March 31, 2018	March 31, 2017
Revenue expenditure (refer note below)	163.33	201.74
Capital expenditure (including capital work in progress)	63.85	41.51
TOTAL	227.18	243.25

Notes:-

I) Revenue expenditure shown above includes Depreciation on R&D assets of Rs. 49.33 lakhs (Previous year Rs.46.96 lakhs), Consultancy Services of Rs. 12.78 lakhs (Previous year Rs. 30.78 lakhs), Consultancy travel expenditure of Rs. 3.51 lakhs (Previous year Rs. 4.17 lakhs) & Contract manpower of Rs. NIL lakhs (Previous year Rs. 0.16 lakhs).

Note 44 - Previous years's figures have been regrouped / reclassified to conform to the current year's presentation for the purpose of comparability

Note 45 - Dislosure on Specified Bank Notes (SBN)

During the year ended March 31, 2017, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(in Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing balance in hand as on November 8, 2016	81,000	6,746	87,746
(+) Permitted receipts	-	404,048	404,048
(-) Permitted payments		339,458	339,458
(-) Amount deposited in Bank	81,000	-	81,000
Closing cash in hand as on December 30, 2016	**-**	**71,336**	**71,336**

Note 46 - Corporate Social Responsibiltiy

(a) Gross amount required to be spent by the company during the year :- Rs. 32.36 lakhs (Previous Year Rs. 32.34 lakhs)
(b) Amount spent by the company during the year on :- Rs. 32.36 lakhs (Previous Year Rs. 32.34 lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2017-18	26.01	6.35	32.36
- in 2016-17	28.06	4.28	32.34

Note 47 - Approval of financial statements

The financial statements were approved for issue by the board of directors on April 25, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

Statement of Holding Company's Interest in Subsidiary Company

(Rs. in lakhs)

		Wendt Grinding Technologies Ltd	Wendt Middle East FZE
1	Name of the Company	Wendt Grinding Technologies Ltd	Wendt Middle East FZE
2	The Financial year of the Subsidiary ended on	31st March 2018	31st March 2018
3			
a	i) Number of ordinary shares held by Wendt India Ltd in the Subsidiary Company on the above date	1,02,99,993	8
		Face Value / Paid up value	Face Value / Paid up value
	ii) Face value and paid up value per share	Thai Baht 10 - Thai Baht 2.50	AED 150,000 AED 150,000
	iii) Interest of Wendt India Ltd	100%	100%
b	i) Number of Preference shares held by Wendt India Ltd in the Subsidiary Company on the above date	---	---
	ii) Face value and paid up value per share	----	----
	iii) Interest of Wendt India Ltd	----	----
		Rs in lakhs	**Rs in lakhs**
4	The Net aggregate profit/loss of subsidiary Company so far as it concerns the holding Company		
	i) Not dealt with in the accounts of Wendt India Ltd		
	a) For the Subsidiary 's Financial year ended 31st March, 2018 *	295.86	7.04
	b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	1767.77	271.41
	ii) Dealt with in the accounts of Wendt India Ltd, by way of Dividends on the shares held in the subsidiary		
	a) For the Subsidiary 's Financial year ended 31 st March, 2018	155.45	41.56
	b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	1208.00	161.15

* Computed based on the exchange rates as on 31st March 2018 (Thai Baht Rs. 2.094 and AED Rs. 17.709)

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

Bengaluru
April 25, 2018

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

AKANKSHA BIJAWAT
Company Secretary

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Statements

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED.

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Wendt (India) Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") (refer Notes 1 and 2.3 to the attached consolidated Ind AS financial statements), comprising of the Consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year ended and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements ")

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act , 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards)Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements .The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements / financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs.2,010 Lakhs and net assets of Rs.1,677 Lakhs as at March 31, 2018, total revenue of Rs.2,298 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs.290 Lakhs and net cash flows amounting to Rs.130 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) 0f Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act , 2013 who, vide their report dated April 24, 2017, expressed an unmodified opinion on those consolidated Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
    (b) In our opinion, proper books of account as required by law maintained by the Holding Company including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company including relevant records relating to the preparation of the consolidated Ind AS financial statements.
    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group – Refer Note 36 to the consolidated Ind AS financial statements.

ii) The Group did not have any long-term contracts including derivative contracts as at March 31, 2018.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended March 31, 2018.

iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner
Membership Number: 209136

Bengaluru
April 25, 2018

ANNEXURE "A" TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Wendt (India) Limited on the consolidated financial statements for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Wendt (India) Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to two subsidiaries namely, Wendt Grinding Technologies Limited and Wendt Middle East FZE, pursuant to MCA notification GSR 583 (E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of internal Financial Controls Over Financial Reporting (the "Guidance Note")issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner
Membership Number: 209136

Bengaluru
April 25, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in lakhs)

Particulars		Note No.	As at March 31, 2018	As at March 31, 2017
A ASSETS				
1 Non-current assets				
(a) Property, Plant and Equipment		3	**5,459.03**	5,873.28
(b) Capital work-in-progress			**199.56**	194.39
(c) Goodwill		4	**10.27**	10.27
(d) Other Intangible assets		5	**214.77**	237.94
(e) Other non-current assets		8	**60.11**	53.15
(f) Income Tax Assets (Net)		9	**287.87**	291.35
Total Non - Current Assets	**(1)**		**6,231.61**	**6,660.38**
2 Current assets				
(a) Inventories		10	**2,130.28**	2,087.67
(b) Financial Assets				
(i) Investments		6	**2,245.16**	1,467.21
(ii) Trade receivables		11	**3,661.45**	3,069.03
(iii) Cash and cash equivalents		12A	**784.30**	485.92
(iv) Bank balances other than (iii) above		12B	**431.55**	230.13
(v) Other Financial Assets		7	**88.58**	73.27
(c) Other Current assets		8	**420.39**	428.29
Total Current Assets	**(2)**		**9,761.71**	**7,841.52**
Total Assets	**(1+2)**		**15,993.32**	**14,501.90**
B EQUITY AND LIABILITIES				
1 Equity				
(a) Equity Share capital		13	**200.00**	200.00
(b) Other Equity		14	**11,962.48**	11,031.51
Total Equity	**(1)**		**12,162.48**	**11,231.51**
Liabilities				
2 Non-current liabilities				
(a) Provisions		15	**91.21**	191.49
(b) Deferred tax liabilities (Net)		16	**397.37**	565.62
Total Non - Current Liabilities	**(2)**		**488.58**	**757.11**
3 Current liabilities				
(a) Financial Liabilities				
(i) Trade payables		17	**1,933.58**	1,405.83
(ii) Other financial liabilities		18	**717.12**	613.12
(b) Provisions		15	**94.93**	128.92
(c) Income Tax Liabilities (Net)		9	**319.44**	140.40
(d) Other current liabilities		19	**277.19**	225.01
Total Current Liabilities	**(3)**		**3,342.26**	**2,513.28**
Total Equity and Liabilities	**(1+2+3)**		**15,993.32**	**14,501.90**

The above Consolidated balance sheet should be read in conjunction with the accompanying notes.
This is the Consolidated balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

	Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
1	Revenue from operations	20	**14,894.14**	15,745.26
2	Other Income	21	**255.08**	164.29
3	**Total Revenue (1 + 2)**		**15,149.22**	**15,909.55**
4	**EXPENSES**			
	(a) Cost of materials consumed	22	**3,899.75**	4,197.78
	(b) Purchases of Stock-in-trade		**1,158.90**	1,202.57
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	23	**25.45**	(127.28)
	(d) Excise duty on sale of goods		**225.72**	1,130.90
	(e) Employee benefit expense	24	**2,765.61**	2,524.42
	(f) Finance costs	25	**19.64**	12.20
	(g) Depreciation and amortisation expense	26	**1,042.94**	999.50
	(h) Other expenses	27	**4,207.15**	4,312.56
	Total Expenses (4)		**13,345.16**	**14,252.65**
5	**Profit before tax (3 - 4)**		**1,804.06**	1,656.90
6	**Tax Expense**			
	(1) Current tax	28	**659.91**	490.08
	(2) Income tax for earlier years	28	**-**	(50.74)
	(3) Deferred tax	28	**(168.25)**	12.44
	Total tax expense (6)		**491.66**	**451.78**
7	**Profit for the period (5 - 6)**		**1,312.40**	**1,205.12**
8	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**36.23**	(68.62)
	B Items that may be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		**184.13**	(1.83)
	Total Other Comprehensive Income (8)		**220.36**	**(70.45)**
9	**Total comprehensive income for the period (7 + 8)**		**1,532.76**	**1,134.67**
10	**Earnings per equity share:**	35		
	(1) Basic		**65.62**	60.26
	(2) Diluted		**65.62**	60.26

The above consolidated statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the Consolidated statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

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Director

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Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

(A) Equity Share Capital

Balance as at April 1, 2016	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2017	**200.00**
Balance as at April 1, 2017	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2018	**200.00**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

(B) Other Equity

Particulars	General Reserve	Statutory Reserve	Retained Earnings	Items of other comprehensive income: Remeasurement of defined benefit plan	Items of other comprehensive income: Exchange difference	Total
Balance as at April 1, 2016	**6,005.66**	**40.27**	**4,552.13**	**(48.34)**	**(51.09)**	**10,498.63**
Profit for the year	-	-	1,205.12	-	-	1,205.12
Other comprehensive income for the year, net of income tax	-	-	-	(68.62)	(1.83)	(70.45)
Total comprehensive income for the year	-	-	1,205.12	(68.62)	(1.83)	1,134.67
Payment of Final Dividend for the preceding financial year	-	-	(300.00)	-	-	(300.00)
Payment of Dividend tax on Final Dividend for the preceding financial year	-	-	(61.07)	-	-	(61.07)
Payment of Interim Dividend for the current year	-	-	(200.00)	-	-	(200.00)
Payment of Dividend tax on Interim Dividend for the current year	-	-	(40.72)	-	-	(40.72)
Transfer to General Reserve	120.00	-	(120.00)	-	-	-
Transfer to Statutory Reserve	-	4.16	(4.16)	-	-	-
Balance as at March 31, 2017	**6,125.66**	**44.43**	**5,031.30**	**(116.96)**	**(52.92)**	**11,031.51**
Profit for the year	-	-	1,312.40	-	-	1,312.40
Other comprehensive income for the year, net of income tax	-	-	-	36.23	184.13	220.36
Total comprehensive income for the year	-	-	1,312.40	36.23	184.13	1,532.76
Payment of Final Dividend for the preceding financial year	-	-	(300.00)	-	-	(300.00)
Payment of Dividend tax on Final Dividend for the preceding financial year	-	-	(61.07)	-	-	(61.07)
Payment of Interim Dividend for the current year	-	-	(200.00)	-	-	(200.00)
Payment of Dividend tax on Interim Dividend for the current year	-	-	(40.72)	-	-	(40.72)
Transfer to General Reserve	130.00	-	(130.00)	-	-	-
Transfer to Statutory Reserve	-	0.99	(0.99)	-	-	-
Balance as at March 31, 2018	**6,255.66**	**45.42**	**5,610.92**	**(80.73)**	**131.21**	**11,962.48**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136
Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
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Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

Particulers		Year ended 31.03.2018	Year ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		1,804.06	1,656.90
Adjustments for :			
Depreciation and amortisation expense		1,042.94	999.50
Provision for trade receivables (net of reversal)		14.66	(16.11)
Bad Debts written off		2.39	8.79
Finance costs		19.64	12.20
Interest Income on Deposits		(5.21)	(12.35)
Dividend from Current investments - mutual funds		(52.60)	(23.67)
Loss / (Profit) on sale / discarding of tangible fixed assets (net)		0.11	0.13
Provisions and Liabilities no longer required, written back		(15.12)	(8.81)
Net Gain on sale / fair valuation of current investments (net)		(11.73)	(30.96)
Unrealised exchange Loss / (Gain)		(23.87)	4.98
Operating profit before working capital changes		**2,775.27**	**2,590.60**
Changes in working capital :			
(Increase)/Decrease in Inventories		(42.61)	(44.69)
(Increase)/Decrease in Trade receivables		(583.45)	63.46
(Increase)/Decrease in Other financial assets		(15.31)	21.57
(Increase)/Decrease in Other non-current assets		(6.96)	(15.25)
(Increase)/Decrease in Other current assets		44.13	(52.71)
Increase/(Decrease) in Trade payables		536.54	(458.01)
Increase/(Decrease) in Other current financial liabilities		211.70	200.45
Increase/(Decrease) in Other non-current liabilities and Provisions		(96.10)	30.40
Increase/(Decrease) in Other current liabilities and provisions		18.19	(107.32)
CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**2,841.40**	**2,228.50**
Income Taxes Paid (net of refunds)		(491.51)	(391.19)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**(A)**	**2,349.89**	**1,837.31**
Cash flow from investing activities			
Capital expenditure on tangible fixed assets		(560.02)	(1,011.30)
Capital expenditure on intangible fixed assets		(37.21)	(37.98)
Proceeds from Sale of tangible Fixed Assets		3.61	4.84
Sale / (Purchase) of current Investments (net)		(766.22)	(48.61)
Interest Income on Deposits		5.21	12.35
Dividend from current Investments - mutual funds		52.60	23.67
Bank balances not considered as cash and cash equivalents			
- Placed		(500.00)	(500.00)
- Matured / encashed		298.58	298.53
NET CASH USED IN FROM INVESTING ACTIVITIES	**(B)**	**(1,503.45)**	**(1,258.50)**
Cash flow from financing activities			
Finance costs		(5.52)	(12.20)
Dividend Paid (including tax thereon)		(601.79)	(601.79)
NET CASH USED IN FINANCING ACTIVITIES	**(C)**	**(607.31)**	**(613.99)**
Translation adjustment	**(D)**	184.13	(1.83)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(A+B+C+D)**	**423.26**	**(37.01)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**E**	**361.04**	**398.05**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**(A+B+C+D+E)**	**784.30**	**361.04**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in lakhs)

Reconciliation of Cash and cash equivalents as per cash flow statement

Cash and cash equivalents as per above comprise of the following:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash and cash equivalents (Note 12A)	784.30	485.92
Book Overdrafts (Note 18)	-	(124.88)
Balance as per statement of cash flows	**784.30**	**361.04**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.
This is the consolidated cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

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Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE No.1

1 GROUP OVERVIEW

Wendt (India) Limited (hereinafter referred to as "the Company") was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH, Germany and Carborundum Universal Limited, India. Wendt (India) Limited is a leading manufacturer of Super Abrasives, High precision Grinding, Honing and Special Purpose Machines and High Precision components. The Company's registered office is in Bangalore and factory is situated in Hosur, Tamilnadu. The Company has 2 subsidiaries viz. Wendt Grinding Technologies Limited, Thailand and Wendt Middle East FZE, UAE. The Company, together with subsidiaries are hereinafter referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the act) [Indian Accounting Standards Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

These Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2 Critical Estimates and Judgements

The preparation of these Consolidated financial statements requires the use of accounting estimates which could differ from the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. These note provide an overview of the areas that involved higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(i) Estimation of useful life of Tangible and Intangible assets - Note 2.15 & 2.16

(ii) Impairment of Trade receivables - Note 11 & Note 2.22.4

(iii) Estimation of defined benefit obligation - Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights , to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and cease when the Company lose control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Following subsidiary companies have been included in Consolidation:-

(i) Wendt Grinding Technologies Limited, Thailand - 100% Ownership Proportion (as on March 31, 2018 & as on March 31, 2017)
(incorporated on 19th July 2005)

(ii) Wendt Middle East FZE, Sharjah (UAE) - 100% Ownership Proportion (as on March 31, 2018 & as on March 31, 2017)
(incorporated on 24th September 2008)

2.3.1. Changes in the Group's ownership interest in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary (i.e.., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or , when applicable , the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

2.5 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the acquisition date fair value of any previous equity interest in the acquired entity (if any), over the fair value of the net identifiable assets acquired.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained above facts and circumstances that existed at the acquisition date that, if known, would have affect the amounts recognised at that date.

Goodwill arising on acquisition of a business is carried at costs as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated to reduce the carrying amount of the goodwill. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts & rebates. Amounts collected on behalf of third parties such as value added taxes, good and service tax (GST) are excluded from revenue.

2.6.1 Sale of goods

Revenue from the sale of goods are recognised when the goods are despatched and titles have passed to the buyer, which generally coincides with dispatch of goods, at which time all the following conditions are satisfied :

- the company has transferred to the buyer the significant risk and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the cost incurred or to be incurred in respect of the transactions can be measured reliably.

2.6.2 Rendering of services

Revenue from rendering of services priced on a time and material basis is recognized on rendering of services as per the terms of contracts with customers.

2.6.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued on time proportion basis.

2.6.4 Rental income

The group's policy for recognition of revenue from operating lease is described in note 2.7.1

2.7 Leasing - Operating

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

2.7.1 The group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.7.2 The group as lessee

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.8 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the consolidated profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

The export incentives from the Government are recognized based on eligibility at their fair value where there is a reasonable assurance that the incentive will be received and the company will comply with all attached conditions.

2.9 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currency) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of

transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence are joint controlled), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.10 Borrowing costs

Borrowing costs, other than that are directly attributable to the acquisition, construction or production of a qualifying asset are expensed in the period in which they are incurred.

2.11 Employee benefits

2.11.1 Long Term Employee Benefits

Long -Term Employee Benefits - Compensated Absences

Accumulated Compensated absences which fall due beyond 12 months is provided for in the books on actuarial valuation basis at the year end using projected unit credit method.

Defined Contribution Plans

Superannuation fund, Provident fund and Pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust, and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plan

The liability or asset recognised for gratuity as at the Consolidated Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in consolidated other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated Balance Sheet. Defined benefit costs are categorised as follows :

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurement

Termination benefits are recognized as an expense as and when incurred.

2.11.2 : Short-term employee benefits

Short term employee benefits including performance incentive and compensated absences which are expected

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

to be settled within 12 months after the end of the period in which the employee renders related service, are determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in consolidated other comprehensive income.

2.12.1 Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

2.12.2 Deferred tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences other than investment in subsidiaries, where the Parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.13 Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 Research and development costs

Revenue expenditure pertaining to research are charged to the respective heads in Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

2.15 Property, Plant and equipment

Freehold Land is carried at historical cost.

All other items of Property, Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying tangible assets up to the date the asset is ready for its intended use. Machinery spares which can be used exclusively in connection with an item of tangible asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

Capital work-in-progress:

Items of assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

Depreciation

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the tangible assets are as follows:-

Buildings	
(I) Factory Building	30 years
(ii) Residential Building	60 years
(iii) Others	20 years
Plant and equipment	
(I) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the used / second hand machines & process bath equipments , in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis from the month of addition or up to the month prior to the month of disposal, as applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss.

2.16 Intangible assets

2.16.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.16.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination other than goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

2.16.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:-

Technical Knowhow	5 years
Software	5 years
Brands and Trademarks	5 years
Patents and Copyrights	5 years

2.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset(or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturity of 3 months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts and Book overdrafts are disclosed under "Other financial liabilities".

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

2.19 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour, and an appropriate proportion of overheads. Cost of inventories also include all other costs incurred in bringing the inventories to the present location and condition. Cost is computed on weighted average basis.

Net realisable value represents the estimated selling price for inventories less the estimated costs of completion and estimated costs necessary to make the sale.

2.20 Provisions and Contingencies

Provisions are recognised when the group has a present obligation (legal or constructive) as a results of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

2.21 Financial Instruments

Financial assets and financial liabilities are recognised when the group become a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Consolidated profit or loss.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.22.1. Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by security deposits, cash and cash equivalents and eligible current and non-current assets. Cash and cash equivalent comprise cash on hand and in banks and demand deposit with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.22.4

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2.22.2 Investment in equity instruments at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument- by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value. Subsequently, they are measured at fair value with gain and losses arising from changes in fair value recognised in consolidated other comprehensive income and accumulated in the 'Reserve for equity instrument through consolidated other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.22.3. Financial assets at fair value through profit or loss (FVTPL)

Financial asset at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated profit or loss. The net gain or loss recognised in consolidated profit or loss incorporate any dividend or interest earned on the financial asset and is included under 'Other income'. Dividend on financial asset at FVTPL is recognised when the group's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

FVTPL is a residual category for financial assets. Any financial categorisation as at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

2.22.4. Impairment of financial assets

The group measures the loss allowance for a financial instruments at an amount equal to the lifetime expected

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

credit losses if the credit risk on that financial instruments has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the group measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Refer Note 31 for segment information presented.

2.24 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III, unless otherwise stated.

2.25 New standards and interpretations not yet adopted

2.25.1 Ind AS 21

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The group is evaluating the requirements of the amendment and the impact on the financial statements.

2.25.2 Ind AS 115

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:-

-Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

-Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The group is evaluating the requirements of the standard and the impact on the financial statements.

(Rs. in lakhs)

Note 3 - Property, Plant and Equipment

Description of Assets	Land - Freehold	Buildings- Freehold	Buildings- Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Cost as at April 1, 2016	103.75	1,853.84	3.58	7,339.44	767.04	250.09	166.45	**10,484.19**
Additions through business combination (Note No.29)	-	-	-	17.60	-	-	-	**17.60**
Additions	-	26.21	-	868.22	191.24	14.45	33.97	**1,134.09**
Disposals	-	-	-	(147.78)	(60.26)	-	(8.50)	**(216.54)**
Effect of foreign currency translation from functional currency to reporting currency	(0.01)	3.55	-	(3.60)	(0.50)	-	-	**(0.56)**
Balance as at March 31, 2017	**103.74**	**1,883.60**	**3.58**	**8,073.88**	**897.52**	**264.54**	**191.92**	**11,418.78**
Balance as at April 1, 2017	**103.74**	**1,883.60**	**3.58**	**8,073.88**	**897.52**	**264.54**	**191.92**	**11,418.78**
Additions through business combination (Note No.29)	-	-	-	-	-	-	-	**-**
Additions	-	7.45	-	382.98	53.63	22.94	41.90	**508.90**
Disposals	-	-	-	(23.64)	(43.60)	-	(21.51)	**(88.75)**
Effect of foreign currency translation from functional currency to reporting currency	11.80	35.48	-	16.57	4.96	-	8.55	**77.36**
Balance as at March 31, 2018	**115.54**	**1,926.53**	**3.58**	**8,449.79**	**912.51**	**287.48**	**220.86**	**11,916.29**
II. Accumulated depreciation								
Balance as at April 1, 2016	-	**510.78**	**3.58**	**3,624.52**	**470.36**	**118.12**	**104.41**	**4,831.77**
Depreciation expense for the year (Note No.26)	-	67.21	-	658.37	158.40	21.80	26.09	**931.87**
Eliminated on disposal of assets	-	-	-	(147.13)	(60.26)	-	(4.17)	**(211.56)**
Effect of foreign currency translation from functional currency to reporting currency	-	5.47	-	(3.70)	(4.24)	(0.34)	(3.77)	**(6.58)**
Balance as at March 31, 2017	**-**	**583.46**	**3.58**	**4,132.06**	**564.26**	**139.58**	**122.56**	**5,545.50**
Balance as at April 1, 2017	**-**	**583.46**	**3.58**	**4,132.06**	**564.26**	**139.58**	**122.56**	**5,545.50**
Depreciation expense for the year (Note No.26)	-	70.61	-	704.89	151.08	22.14	18.84	**967.56**
Eliminated on disposal of assets	-	-	-	(23.64)	(43.60)	-	(17.79)	**(85.03)**
Effect of foreign currency translation from functional currency to reporting currency	-	23.64	-	4.62	(3.74)	(0.60)	5.31	**29.23**
Balance as at March 31, 2018	-	**677.71**	**3.58**	**4,817.93**	**668.00**	**161.12**	**128.92**	**6,457.26**
Net Carrying Value as at March 31, 2017	**103.74**	**1,300.14**		**3,941.82**	**333.26**	**124.96**	**69.36**	**5,873.28**
Net Carrying Value as at March 31, 2018	**115.54**	**1,248.82**	**-**	**3,631.86**	**244.51**	**126.36**	**91.94**	**5,459.03**

a) Refer to Note 36.3 for information on property, plant and equipment pledged as security by the Group.

(Rs. in lakhs)

Note 4- Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Description of Assets	As at March 31, 2018	As at March 31, 2017
Cost		
Balance at beginning of year	10.27	-
Additional amounts recognised from business combinations occurred during the year (Note 29)	-	10.27
Balance at end of year	**10.27**	10.27
Accumulated Impairment		
Balance at beginning of year	-	-
Impairment losses recognised in the year	-	-
Balance at end of year	-	-
Net Carrying Value	**10.27**	**10.27**

Note 5 - Other Intangible Assests

Description of Assets	Technical Knowhow	Computer Software	Brands/ Trademarks	Patents	Total
I. Gross Block					
Cost as at April 1, 2016	**202.26**	**218.02**	**-**	**-**	**420.28**
Additions through business combination (Note No.29)	**-**	**-**	81.00	50.00	**131.00**
Additions	-	53.20	**-**	**-**	**53.20**
Balance as at March 31, 2017	**202.26**	**271.22**	**81.00**	**50.00**	**604.48**
Balance as at April 1, 2017	**202.26**	**271.22**	**81.00**	**50.00**	**604.48**
Additions	-	52.08	-	-	**52.08**
Effect of foreign currency translation from functional currency to reporting currency	-	0.05	-	-	**0.05**
Balance as at March 31, 2018	**202.26**	**323.35**	**81.00**	**50.00**	**656.61**
II. Accumulated amortisation					
Balance as at April 1, 2016	**145.77**	**153.20**	**-**	**-**	**298.97**
Amortisation expense for the year (Note No. 26)	18.52	29.46	12.15	7.50	**67.63**
Effect of foreign currency translation from functional currency to reporting currency	-	(0.06)	**-**	**-**	**(0.06)**
Balance as at March 31, 2017	**164.29**	**182.60**	**12.15**	**7.50**	**366.54**
Balance as at April 1, 2017	**164.29**	**182.60**	**12.15**	**7.50**	**366.54**
Amortisation expense for the year (Note No.26)	14.64	34.54	16.20	10.00	**75.38**
Effect of foreign currency translation from functional currency to reporting currency	-	(0.08)	-	-	**(0.08)**
Balance as at March 31, 2018	**178.93**	**217.06**	**28.35**	**17.50**	**441.84**
Net Carrying Value as at March 31, 2017	**37.97**	**88.62**	**68.85**	**42.50**	**237.94**
Net Carrying Value as at March 31, 2018	**23.33**	**106.29**	**52.65**	**32.50**	**214.77**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 6 - Investments

Sl No	Particulars	As at March 31, 2018 Current		As at March 31, 2017 Current	
		Units (Nos)	Amount	Units (Nos)	Amount
A	**Designated as Fair Value Through Profit and Loss**				
	Quoted Investments				
	Investments in Mutual Funds				
1	ICICI Prudential Money Market Fund - Daily Dividend	33,053	33.11	19,997	20.02
2	ICICI Prudential Savings Fund - Daily Dividend	30,858	31.15	125,467	127.26
3	ICICI Prudential Regular Income Fund - Growth	667,437	117.04	-	-
4	Aditya Birla Sun Life Savings Fund - Daily Dividend - Regular Plan - Reinvestment	49,579	49.71	-	-
5	Aditya Birla Sun Life Interval Income Fund-Qrtly Plan-Series 1 Dividend-Reg Plan-Payout	490,000	49.39	-	-
6	Aditya Birla Sun Life Floating Rate Fund-STP-IP-Daily Dividend Renivestment	-	-	49,179	49.19
7	Reliance Medium Term Fund - Daily Dividend Plan- Dividend Reinvestment	595,696	101.89	-	-
8	Reliance Liquid Fund Treasury Plan - Daily Dividend Option Dividend Reinvestment	3,229	49.39	4,002	61.18
9	Reliance Fixed Horizon Fund - XXXVI-Series4-Dividend Plan-Dividend Payout	400,000	40.32	-	-
10	TATA Short Term Bond Fund Plan A - Growth	295,555	95.43	295,555	90.35
11	TATA Short Term Bond Fund Direct Plan - Growth	186,618	62.58	186,618	58.75
12	Baroda Pioneer Credit Opportunities Fund -Plan A Monthly Dividend-Reinvestment	4,277,045	461.47	3,531,867	385.27
13	Baroda Pioneer Treasury Advantage Fund-Plan A Daily Dividend -Reinvestment	21,758	224.26	14,125	145.45
14	Baroda Pioneer Liquid Fund-Plan A Daily Dividend-Reinvestment	4,960	49.67	-	-
15	DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	-	-	2,998	30.01
16	DSP BlackRock Money Manager Fund - Regular -Daily Dividend	-	-	3,983	40.00
17	DSP BlackRock FMP - Series 222-3m-Reg-Div-Reg Pay	311,803	31.42	-	-
18	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment	33,007	330.45	1,500	15.02
19	Indiabulls Ultra Short Term Fund - Existing Plan Daily Dividend - Reinvestment	5,104	51.22	4,883	49.00
20	SBI Magnum Insta Cash Fund - Regular Plan- Daily Dividend	1,213	20.32	-	-
21	UOB Asset Management - Sure Daily	1,690,855	446.34	1,690,855	395.71
	TOTAL INVESTMENTS CARRIED AT FVTP		2,245.16		1,467.21
	Other disclosures				
	Aggregate cost of quoted investments	-	2,202.71	-	1,428.56
	Aggregate market value of quoted investments	-	2,245.16	-	1,467.21
	Aggregate value of unquoted investments	-	-	-	-
	Aggregate amount of impairment in value of investments	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 7 - Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Security Deposits	7.02	9.50
(b) Employee advances	78.42	62.50
(c) Rent receivable	3.14	1.27
Total	**88.58**	**73.27**

Note 8 - Other non-current and current assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good				
(a) Advances to suppliers	39.55	-	96.32	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat receivable	2.71	-	82.66	-
(ii) GST credit receivable	7.59	-	-	-
(iii) VAT credit receivable	1.76	-	10.19	-
(iv) Service tax credit receivable	-	-	93.23	-
(c) Other loans and advances	28.59	-	22.79	-
(d) Prepayments	249.91	-	123.10	-
(e) Security Deposits with Government	-	60.11	-	53.15
(f) Export Incentive receivable	90.28	-	-	-
Unsecured, considered doubtful				
(a) Other loans and advances	34.19	-	39.09	-
Less: Provisions for doubtful loans and advances	(34.19)	-	(39.09)	-
Total	420.39	60.11	428.29	53.15

Note 9 - Income tax Assets & Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax Assets -Non Current		
Advance Income tax paid (net)	287.87	291.35
Total	**287.87**	**291.35**
Income tax Liabilities - Current		
Provision for Income Tax (net)	319.44	140.40
Total	**319.44**	**140.40**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note - 10: Inventories

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Raw materials	892.46	852.31
(b) Work-in-progress	693.05	644.95
(c) Finished goods	55.39	130.61
(d) Stock-in-trade	293.65	291.98
(e) Stores and spares	195.73	167.82
Total	**2,130.28**	**2,087.67**
Included above, goods-in-transit:		
(i) Raw materials	46.53	24.35
(ii) Stock-in-trade	99.75	118.86
Total goods-in-transit	**146.28**	**143.21**

Note

1) Write down of inventories to net realisable value amounted to Rs 31.32 Lakhs (March 31, 2017: Rs.37.57 lakhs). These were recognised as an expense during the year and included in 'Change in inventories of finished goods, work-in-progress and stock-in-trade' in Consolidated statement of Profit and Loss.

Note 11 - Trade receivables

Particulars	As at March 31, 2018	As at March 31, 2017
	Current	Current
(Unsecured)		
(a) Considered good	3,661.45	3,069.03
(b) Considered doubtful	41.14	34.71
	3,702.59	3,103.74
Less: Allowance for doubtful debts	41.14	34.71
Total	**3,661.45**	**3,069.03**

Note 11(a) - Movement in the allowance for doubtful debts

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at beginning of the year	34.71	65.57
Impairment losses recognised in the year		
- Other receivables	31.35	23.52
Amounts written off during the year as uncollectable	(8.23)	(14.75)
Amounts recovered during the year	(16.69)	(39.50)
Exchange difference on opening provision	-	(0.13)
Balance at end of the year	**41.14**	**34.71**

Note 11(b) - Trade Receivables breakup

Particulars	As at March 31, 2018	As at March 31, 2017
Of the above, trade receivables from:		
- Related Parties	408.33	245.18
- Others	3,294.26	2,858.56
Total	**3,702.59**	**3,103.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 11(c) - Expected Credit Loss (%)

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	-	-
1-30 days past due	1	1
31-60 days past due	2	1
61-90 days past due	2	2
More than 90 days past due	6	5

Note 11(d) - Ageing of Receivables

Particulars	As at March 31, 2018	As at March 31, 2017
Within the credit period	2,228.48	2,016.43
1-30 days past due	565.45	462.12
31-60 days past due	275.49	258.35
61-90 days past due	141.67	94.82
More than 90 days past due	491.50	272.02
Total	**3,702.59**	**3,103.74**

Note - 12A - Cash and Cash Equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unrestricted Balances with banks	778.27	471.73
(b) Cheques on hand	5.06	13.57
(c) Cash in hand	0.97	0.62
Total	**784.30**	**485.92**

Note - 12B - Bank balances other than above

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deposit accounts	0.70	0.70
(b) Earmarked balances in Dividend accounts	430.85	229.43
Total	**431.55**	**230.13**

Note - 13: Equity Share Capital

Rs. in Lakhs, except for number of shares

Particulars	As at March 31, 2018	As at March 31, 2017
Authorised:		
30,00,000 (March 31, 2017: 30,00,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, Subscribed and Fully Paid:		
20,00,000 (March 31, 2017: 20,00,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	**200.00**	**200.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the period	2,000,000	200.00	2,000,000	200.00
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200.00**	**2,000,000**	**200.00**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
Equity Shares : (with equal voting rights)				
Wendt GmbH, Germany	797,352	39.87	797,352	39.87
Carborundum Universal Limited, India	797,352	39.87	797,352	39.87

(c) Rights, Preferences and Restrictions attached to shares

The Company has only one class of equity shares with voting rights (one vote per share). The dividends proposed by the Board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in the proportion to the number of equity shares held by the shareholders.

(d) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date.

Note 14- Other equity

Particulars	As at March 31, 2018	As at March 31, 2017
A. Reserves and Surplus		
General Reserve	6,255.66	6,125.66
Statutory Reserve	45.42	44.43
Retained earnings	5,530.19	4,914.34
B. Items of Other Comprehensive Income		
Foreign Currency Translation Reserve	131.21	(52.92)
Total	**11,962.48**	**11,031.51**

14.1 General Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	6,125.66	6,005.66
Transfer from Surplus in Statement of Profit and Loss	130.00	120.00
Balance as at the year end	**6,255.66**	**6,125.66**

The general reserve is a free reserve, retained from Company's profits and can be utilised upon fulfilling certain conditions in accordance with Companies Act.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

14.2 Statutory Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	44.43	40.27
Transfer from Surplus in Statement of Profit and Loss	0.99	4.16
Balance as at the year end	**45.42**	**44.43**

This represents appropriation of profit by the Company.

14.3 Retained earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	4,914.34	4,503.79
Profit for the year	1,312.40	1,205.12
Other Comprehensive income arising from remeasurement of defined benefit obligation, net of tax	36.23	(68.62)
Payment of Final Dividend for the preceding financial year	(300.00)	(300.00)
Dividend Tax on Final Dividend for the preceding financial year	(61.07)	(61.07)
Payment of Interim Dividend for the current year	(200.00)	(200.00)
Dividend Tax on Interim Dividend for the current year	(40.72)	(40.72)
Transfer to General Reserve	(130.00)	(120.00)
Transfer to Statutory Reserve	(0.99)	(4.16)
Balance as at the year end	**5,530.19**	**4,914.34**

Retained Earnings comprise of the Company's undistributed earnings after taxes.

14.4 Foreign Currency Translation Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	(52.92)	(51.09)
Transfer	184.13	(1.83)
Balance as at the year end	**131.21**	**(52.92)**

Exchange differences relating to the translation of the results and net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the foreign currency translation reserve. Exchange differences accumulated in the foreign currency translation reserve are reclassified to Profit or Loss at the time of disposal of respective foreign operation.

14.5 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2018 and March 31, 2017 was Rs.25 and Rs. 25 respectively.

The Board of Directors at its meeting held on April 24, 2017 had recommended a final dividend of 150% (Rs.15/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 24, 2017, this has resulted in a cash outflow of Rs. 361.07 lakhs, inclusive of dividend distribution tax of Rs. 61.07 lakhs. Also, the Board of Directors at its meeting held on January 24, 2018 had declared an interim dividend of 100% (Rs.10/- per equity share of face value of Rs.10/- each). Further, the Board of Directors at its meeting held on April 25, 2018 have recommended a final dividend of 150% (Rs. 15/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders. If approved, this would result in a cash outflow of Rs. 361.07 lakhs, inclusive of dividend distribution tax.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 15 - Provisions

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits				
- Compensated absences	94.93	91.21	91.58	91.54
- Other employee obligations	-	-	37.34	99.95
Total	**94.93**	**91.21**	**128.92**	**191.49**

Note 16- Deferred tax Liabilities

Particulars	March 31, 2018		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	635.66	(175.49)	460.17
Net Gain on Fair Value of Mutual Funds	13.38	(1.02)	12.36
	649.04	(176.51)	472.53
Tax effect of items constituting deferred tax assets			
Employee Benefits	(63.19)	8.99	(54.20)
Provision for doubtful trade receivables	(10.27)	(0.73)	(11.00)
Others	(9.96)	-	(9.96)
	(83.42)	8.26	(75.16)
Total	**565.62**	**(168.25)**	**397.37**

Particulars	March 31, 2017		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, Plant and Equipment	622.28	13.38	635.66
Net Gain on Fair Value of Mutual Funds	11.36	2.02	13.38
	633.64	15.40	649.04
Tax effect of items constituting deferred tax assets			
Employee Benefits	(49.39)	(13.80)	(63.19)
Provision for doubtful trade receivables	(21.10)	10.83	(10.27)
Others	(9.97)	0.01	(9.96)
	(80.46)	(2.96)	(83.42)
Total	**553.18**	**12.44**	**565.62**

Note 17 - Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Trade payables to		
- Related parties	410.10	155.54
- Others	1,523.48	1,250.29
Total	**1,933.58**	**1,405.83**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 18 - Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unpaid dividends	430.85	229.43
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies/services	56.45	39.27
(d) Retention Money	-	6.08
(e) Due to employees	208.41	196.71
(f) Book Overdraft	-	124.88
(g) Others	11.41	6.75
Total	**717.12**	**613.12**

Note 19 - Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Advances received from customers	140.23	104.29
(b) Statutory dues payable (other than income taxes)	136.96	120.72
Total	**277.19**	**225.01**

Note 20 - Revenue from Operations

	Particulars	Year ended	
		March 31, 2018	March 31, 2017
a)	Revenue from sale of goods (includes excise duty of Rs.225.72 lakhs, previous year Rs. 1,130.90 lakhs) (refer note (i) and (iv) below)	13,962.29	15,254.66
b)	Revenue from rendering of services (refer note (ii) below)	695.16	341.97
c)	Other operating income (refer note (iii) below)	236.69	148.63
Total		**14,894.14**	**15,745.26**

Note:

	Particulars	Year ended	
		March 31, 2018	March 31, 2017
(i)	**Sale of goods comprises**		
	Manufactured Goods	11,579.40	12,859.22
	Traded goods	2,382.89	2,395.44
	Total - Sale of goods	13,962.29	15,254.66
(ii)	**Sale of Services comprises**		
	Machining charges	695.16	341.97
	Total - Sale of Services	695.16	341.97
(iii)	**Other Operating income comprises**		
	Sale of Scrap	57.84	53.22
	Service charges	46.96	64.19
	Commission	20.08	18.08
	Export Incentive (refer note V below)	111.81	13.14
	Total - Other Operating income	236.69	148.63

(iv) Goods and Service Tax (GST) has been effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Central sales tax (CST), Service tax etc, have been replaced with GST. Until June 30, 2017, 'Sale of goods' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of goods' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of goods' and "Revenue from operations' for the year ended March 31, 2018 are not comparable with those of the previous year.

(v) Exports incentives represents grants in the nature of licenses under Merchandise Export from India Scheme (MEIS) and duty drawback. There are no unfulfilled conditions or contingencies attached to these grants.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 21 - Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest Income on Deposits	5.21	12.35
(b) Dividend Income		
- Dividend income from current investments - mutual funds	52.60	23.67
(c) Operating lease rental income	14.76	13.42
(d) Net Gain on sale of current investments	4.21	25.25
(e) Net gain arising on financial assets designated as at fair value through profit or loss	7.51	5.71
(f) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	-	0.83
(g) Forex gain (net)	112.54	23.72
(h) Provisions and Liabilities no longer required, written back		
- For doubtful trade receivables	16.69	39.50
- For other expenses	15.12	8.81
(i) Miscellaneous income	26.44	11.03
Total	**255.08**	**164.29**

Note 22 - Cost of Materials Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock	852.31	911.21
Add: Purchases	3,939.90	4,138.88
	4,792.21	5,050.09
Less: Closing stock	892.46	852.31
Cost of materials consumed	**3,899.75**	**4,197.78**

Note 23 - Change in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Work - in - progress	644.95	487.48
Finished goods	130.61	111.60
Stock-in- trade	291.98	341.18
	1,067.54	940.26
Closing stock		
Work - in - progress	693.05	644.95
Finished goods	55.39	130.61
Stock-in- trade	293.65	291.98
	1,042.09	1,067.54
Net (increase) / decrease	**25.45**	**(127.28)**

Note 24 Employee Benefits Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries,wages and bonus	2,273.02	2,103.82
(b) Contribution to provident and other funds	179.81	155.32
(c) Staff welfare expenses	312.78	265.28
Total	**2,765.61**	**2,524.42**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 25 Finance Cost

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest expense	5.52	11.86
(b) Other borrowing costs	-	0.34
(c) Interest on shortfall in payment of advance tax	14.12	-
Total	**19.64**	**12.20**

Note 26 Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Depreciation of Property, Plant and Equipment (Note No. 3)	967.56	931.87
(b) Amortisation of intangible assets (Note No. 5)	75.38	67.63
Total	**1,042.94**	**999.50**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 27 - Other Expenses

Particulars	Year ended			
		March 31, 2018		March 31, 2017
Stores and spares consumed		720.71		848.57
Contract labour		82.98		107.05
Repairs and maintenance				
- Buildings		75.54		81.58
- Machinery		152.21		125.57
- Others		38.90		40.49
Power & Fuel charges		309.11		321.73
Freight outward and packing charges (net)		331.02		190.11
Rental charges		43.75		43.12
Processing Charges		561.06		600.35
Directors' Sitting Fees		7.22		5.00
Commission to Non-whole time Independent Directors		8.91		-
Rates and taxes		139.50		110.49
Contribution to Research Institution (refer Note 37)		2.00		2.00
Expenditure on corporate social responsibility (refer Note 37)		30.36		26.84
Donation (refer Note 37)		-		3.52
Insurance charges		25.74		21.28
Selling Commission		80.60		52.78
Bad Trade receivables written off	10.62		23.54	
Less:- Transferred from Provision	8.23	2.39	14.75	8.79
Provision for doubtful trade receivables (refer note 11(a))		31.35		23.52
Increase/(decrease) of excise duty on inventory (refer note (i) below)		(14.51)		2.11
Auditors remuneration and out-of-pocket expenses				
- As Auditors		13.39		13.40
- For Taxation matters		1.00		1.00
- Auditors out-of-pocket expenses		4.04		2.25
Bank Charges		70.45		61.80
Service fee		177.68		182.05
Legal and other professional costs		144.98		188.81
Advertisement and Sales Promotion expenses		310.33		361.31
Travelling & Conveyance Expenses		451.86		416.73
Communication expenses		39.08		41.45
Loss on sale / disposal of fixed assets (net)		0.11		-
Miscellaneous expenses		365.39		428.86
Total		**4,207.15**		**4,312.56**

Note (i)

The above excise duty relates to difference between the opening and closing stock of finished goods.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 28 - Income tax recognised in profit or loss

(a) Income Tax Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
In respect of the current year	659.91	490.08
In respect of the Prior year	-	(50.74)
	659.91	439.34
Deferred tax		
In respect of the current year	(168.25)	12.44
	(168.25)	12.44
Total	**491.66**	**451.78**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit Before tax	1,804.06	1,656.90
Income Tax using the Company's domestic Tax rate of 34.61% (March 31, 2017 - 34.61%)	624.35	573.42
Effect of income that is exempt from tax	(13.81)	(6.18)
Effect of expenses that are not deductible in determining taxable profit	10.51	78.50
Effect of concessions (Research and development)	(25.31)	(108.44)
Effect of dividend income from foreign subsidiaries	34.09	38.67
Effect of different overseas tax rates	(54.09)	(58.89)
Effect of changes in deferred tax rates	(74.89)	-
Others	(9.19)	(14.56)
	491.66	502.52
Adjustment recognised in the current year in relation to		
- current tax of previous years	-	(50.74)
Income Tax recognised in Statement of Profit and Loss	**491.66**	**451.78**

Note:

The tax impact for deferred tax purposes for Wendt (India) Ltd has been arrived by applying a tax rate of 29.12% (March 31, 2017: 34.61%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2019 under the Income tax Act, 1961.

Note 29 - Business Combinations

The group had acquired the "Diamond Tool" business from Star Diamond Tools Private Limited at a consideration of Rs. 250 lakhs, under slump sale on March 29, 2016.

This acquisition is made to enhance the group's offerings in the field of one of our existing product line stationery dressers and this would also augment our existing manufacturing capability and capacity.

Consideration transferred :-

Particulars	Amount
Tangible Assets (incuding CWIP)	
Machines and equipments	18.28
Inventories	90.45
Intangible assets	
Brands & Trade marks	81.00
Patents	50.00
Goodwill	10.27
Total	**250.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

(i) The initial accounting for the acquisition of the business was provisionally determined as at the year ended March 31, 2016, pending installation of the tangible assets and registration of the intangible assets. Accordingly, as on March 31, 2016, the group had classified these assets under the head "Capital Work-in-progress" and the inventories of Rs. 90.45 lakhs were included under current assets for the year ended March 31, 2016. The tangible assets were received by the group in the month of April 2016 and was subsequently installed and commissioned. These tangible assets have been capitalized during the year 2016-17.

(ii) The intangible assets comprising of Brands & Trademarks and Patents. Trademarks have been filed for registration in the name of the group. These intangible assets acquired in the business combination amounting to Rs. 131.00 lakhs have been recognized separately from Goodwill at their fair value at the acquisition date (which is regarded as their cost).

(iii) Goodwill arising on the acquisition of Star Diamond Tools Private Limited amounting to Rs. 10.27 lakhs has been recognized.

Note 30 - Financial Instruments

30.1 Capital Management

The capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The group's objectives when managing capital is to safeguard their ability to continue as a going concern while maximising the return to shareholders through the optimisation of cash and cash equivalents along with investment which is predominantly investment in liquid and short term mutual funds.

30.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2018 & March 31, 2017 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	2,245.16	1,467.21	2,245.16	1,467.21
Measured at amortised cost				
- Trade Receivables	3,661.45	3,069.03	3,661.45	3,069.03
- Cash and cash equivalents	784.30	485.92	784.30	485.92
- Other bank balances	431.55	230.13	431.55	230.13
- Other Financial Assets	88.58	73.27	88.58	73.27
Total Financial Assets	7,211.04	5,325.56	7,211.04	5,325.56
Financial Liabilities				
Measured at amortised cost				
- Trade payables	1933.58	1405.83	1,933.58	1,405.83
- Other financial liabilities	717.12	613.12	717.12	613.12
Total Financial Liabilities	2,650.70	2,018.95	2,650.70	2,018.95

The management assessed that fair value of cash and short- term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted mutual funds is based on price quotations at reporting date. The fair value of unquoted instruments , loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debtor similar terms, credit risk and remaining maturities.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2– Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2018 and March 31, 2017.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2018					
- Investment in mutual funds	6	2,245.16	2,245.16	-	-
As at March 31, 2017					
- Investment in mutual funds	6	1,467.21	1,467.21	-	-

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2018 and March 31, 2017.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2018					
Financial assets measured at amortized cost:					
- Trade Receivables	11	3,661.45	-	-	3,661.45
- Cash and cash equivalents	12A	784.30	-	-	784.30
- Other bank balances	12B	431.55	-	-	431.55
- Other Financial Assets	7	88.58	-	-	88.58
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,933.58	-	-	1,933.58
- Other Financial Liabilities	18	717.12	-	-	717.12
As at March 31, 2017					
Financial assets measured at amortized cost:					
- Trade Receivables	11	3,069.03	-	-	3,069.03
- Cash and cash equivalents	12A	485.92	-	-	485.92
- Other bank balances	12B	230.13	-	-	230.13
- Other Financial Assets	7	73.27	-	-	73.27
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,405.83	-	-	1,405.83
- Other Financial Liabilities	18	613.12	-	-	613.12

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

30.3 Financial Risk management objectives and polices

The group treasury function provides service to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk report which analyze exposures by degree and magnitude of risk. These risk include market risk, currency risk, interest risk, price risk, credit risk and liquidity risk.

The group seeks to minimise the effects of these risks by using policies approved by the board of directors, which provide written principles on interest risk, credit risk and investment of excess liquidity. The group does not enter into trade of financial instruments for speculative purpose.

The group treasury function reports quarterly to the senior management team that monitors risk and policies implemented to mitigate risk exposures.

30.3.1 Market risk

The group is exposed primarily to the financial risk of change in foreign currency exchange rate. The group transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. Group being a net exporter, follows the policy of natural hedging of foreign exchange earnings. Net forex gain is always at the positive side.

30.3.1 (a) Foreign currency risk management

The group undertakes transactions denominated in foreign currencies, consequently, the group is exposed to exchange rate fluctuations. The group, being a net exporter, follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

The carrying amounts of the group's foreign currency (unhedged) denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	March 31, 2018				March 31, 2017			
	AED (in lakhs)	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)	AED (in lakhs)	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
- Creditors against Import of goods, capital items								
USD	-	-	6.40	420.44		-	4.77	313.39
USD	-	44.40	-	92.99		54.74		103.51
USD	0.59	-	-	10.51	0.45	-	-	7.96
EUR	-	-	1.59	129.53	-	-	0.80	56.47
EUR	-	9.24	-	19.34	-	2.59		4.90
GBP	-	-	0.28	25.63	-	-	0.04	3.44
- Trade and other receivables								
USD	-	-	9.38	607.58	-	-	5.64	361.54
EUR	-	-	3.33	264.10	-	-	2.95	200.55
GBP	-	-	2.40	217.74	-	-	0.96	76.35

The sensitivity of impact on profit or loss of the group to changes in the exchange rates , individual currency wise, is summarized below:-

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2018	March 31, 2017
USD Sensitivity		
INR/USD - Increase by 1%	0.10%	0.03%
INR/USD - Decrease by 1%	(-0.10%)	(-0.03%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.07%	0.09%
INR/EUR - Decrease by 1%	(-0.07%)	(-0.09%)
GBP Sensitivity		
INR/GBP - Increase by 1%	0.11%	0.04%
INR/GBP - Decrease by 1%	(-0.11%)	(-0.04%)

30.3.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The customers are broadly classified into high risk and medium risk, accordingly credit limit exposure is fixed. The group carries out payment performance review of all customers and based on this analysis, risk category of customers are evaluated annually. Further, the utilization of credit limit is regularly monitored through inbuilt locks in the ERP system.

30.3.3 Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's business and reputation.

The group regularly reviews its receivables, inventory & other working capital elements to mitigate any liquidity concerns. Any surplus from the business funds needs is parked in debt mutual funds (liquid / liquid plus) from reputed Asset Management Companies to provide day to day working capital.

Also, the group has unutilized credit limits with bank.

The following table presents the maturity period of all financial liabilities as at March 31, 2018 and March 31, 2017.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2018					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,933.58	1,933.58	-	-
- Other Financial Liabilities	18	717.12	717.12	-	-
As at March 31, 2017					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,405.83	1,405.83	-	-
- Other Financial Liabilities	18	613.12	613.12	-	-

Note 31 - Segment Disclosures

31.1 Products and services from which reportable segments derive their revenue

The CEO of the holding Company has been identified as the Chief Operating Decision Maker (CODM) of the Group as defined by Ind AS 108, Operating Segments. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

1) The Group is organised into three business segments, namely :

a) Super Abrasives b) Machines, Accessories and Components and c) Others

The "other" segment includes other trading products

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments. The Group has identified business segments as its primary segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

2) Segment Assets and Segment Liabilities of the Company's business have not been identified to any of the reportable segments, as these are used interchangeably between segments.

3) Segment revenue and expenses have been identified to segments on the basis of their relationships to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Other un-allocable Expenditure".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

31.2 Segment Revenues and Results

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
1. Segment Revenue		
a) Super Abrasives	10,622.76	10,847.03
b) Machines , Accessories and Components	2,681.94	3,495.70
c) Others	1,352.75	1,253.90
Total	14,657.45	15,596.63
Less:- Inter Segment Revenue	-	-
Revenues	14,657.45	15,596.63
2. Segment Results		
a) Super Abrasives	2,046.55	1,923.90
b) Machines , Accessories and Components	217.32	456.03
c) Others	275.00	210.91
Total	2,538.87	2,590.84
Less: (i) Finance costs	19.64	12.20
(ii) Other Un-allocable Expenditure net of Un-allocable income of Rs.491.77 lakhs (31st March, 2017 Rs.312.92 lakhs)	715.17	921.74
(iii) Tax expense	491.66	451.78
Profit for the year	**1,312.40**	**1,205.12**

31.3 Revenue by Geographical market

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
India	9,053.91	10,890.81
Outside India	5,603.54	4,705.82
Total Revenues	14,657.45	15,596.63

31.4 Non current and Non Financial assets by Geographical market

Particulars	31st March, 2018	31st March, 2017
India	5,645.04	6,122.46
Outside India	298.70	246.57
Total Non Current assets	5,943.74	6,369.03

31.5 Information about major customers

No single customer represents 10% or more of the group's total revenue for the year ended March 31, 2018 and March 31, 2017.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 32 - Leases

(a) The group is obligated under cancelable operating leases towards residential accommodation, which are renewable at the option of both the lessor and the lessee. Total rental expense debited to the Consolidated Statement of Profit and Loss under cancelable operating leases amounts to Rs. 43.75 lakhs. (Previous year: Rs 42.96 lakhs).

There are no sub-lease payments received/receivable recognised in the statement of profit and loss. Also, there are no contingent rents payable and there are no restrictions imposed by lease agreements such as those concerning dividends and additional debt.

(b) The Company has leased out a portion of its factory building to a related party. Total rental income credited to the Consolidated Statement of Profit and Loss amounts to Rs. 14.76 lakhs (March 31, 2017 : Rs. 13.42 lakhs)

Details of the above referred lease are as given below:

Particulars	Amount
Gross carrying amount	1,590.09
Less: Accumulated Depreciation	471.19
Net carrying amount	**1,118.90**

The depreciation recognized in respect of the factory building for the year is Rs. 53.79 lakhs.

There are no contingent rents receivable.

Note 33 - Employee Benefits

Defined Contribution Plans

The Group operates defined contribution benefit plans for all qualifying employees.

Superannuation fund, Provident fund, Social Security Fund and pension fund are defined contribution plans towards which the group makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the Consolidated Statement of Profit and Loss accounts based on the amount of contribution required to be made and services are rendered by the employees.

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees of the company.

The liability for gratuity to employees as at the balance sheet date is determined on the basis of actuarial valuation using projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The liability is paid and absorbed in the statement of profit and loss at the year end.

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(Rs. in lakhs)

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2018 and March 31, 2017:

(a) Change in defined benefit obligation (DBO)

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation at beginning of period	377.88	335.46
Service cost		
a) Current service cost	32.93	30.01
b) Past service cost	-	-
c) (Gain) / loss on settlements	25.63	25.33
Interest expenses	(23.37)	(37.74)
Benefits Paid		
Remeasurements		
a) Effect of changes in demographic assumptions	-	-
b) Effect of change in financial assumptions	(11.36)	53.74
c) Effect of experience adjustments	13.19	(28.92)
Defined benefit obligation at end of period	**414.90**	**377.88**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets at beginning of period	244.14	275.84
Interest Income	25.74	20.80
Contributions	206.69	29.05
Benefits Paid	(23.37)	(37.74)
Remeasurements		
a) Return on plan assets (excluding interest income)	38.06	(43.81)
Fair value of plan assets at end of period	**491.26**	**244.14**

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation	414.90	377.88
Fair value of plan assets	(491.26)	(244.14)
Funded status	(76.36)	133.74
Effect of asset ceiling	-	-
Net defined benefit liability / (asset)*	**(76.36)**	**133.74**

*Included under prepayments in Note 8 - "Other current assets"

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Service Cost	32.93	30.01
Net interest cost	-	-
a) Interest expense on DBO	(0.11)	4.53
Net Gratuity Cost	**32.82**	**34.54**

(Rs. in lakhs)

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	1.83	24.81
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	38.06	(43.81)
	(36.23)	**68.62**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fund with an Insurance Company	491.26	244.14

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Discount rate	7.50%	7.00%
Salary escalation rate	7.00%	7.00%
Attrition Rate	6.00%	6.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate +100 basis points	393.38	356.91
Discount rate -100 basis points	439.17	401.51
Salary Increase Rate +1%	437.02	399.42
Salary Increase Rate -1%	394.94	358.40
Attrition Rate +1%	415.40	377.71
Attrition Rate -1%	414.32	378.04

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

(i) Expected cash flows for following year

Particulars	As at March 31, 2018	As at March 31, 2017
Expected employer contributions /Addl. Provision next year	89.79	50.26
Expected total benefit payments		
Year 1	93.70	37.34
Year 2	55.51	76.69
Year 3	26.43	46.64
Year 4	52.51	22.56
Year 5	23.40	42.76
Next 5 years	114.33	97.22

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2017: 10 years)

The Company expects to make a contribution of Rs. 50.00 lakhs (as at March 31, 2017: Rs.29.69 lakhs) to the defined benefit plans during the next financial year. The employee benefit obligations(net) have been included in current liabilities based on the expected contributions.

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

	As at March 31, 2018	As at March 31, 2017
Charge / (credit) in the Statement of Profit and Loss	17.34	57.13
Liability as at the year end		
- Short- term (Refer Note 15)	94.93	91.58
- Long- term (Refer Note 15)	91.21	91.02
	186.14	**182.60**

(b) Actuarial Assumptions

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.50% p.a.	7.00% p.a.
Salary Escalation Rate	7.00% p.a.	7.00% p.a.

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Employers' Contribution to Provident Fund *	55.52	60.17
Employers' Contribution to Superannuation Fund *	29.36	28.70
Employers' Contribution to Employee's State Insurance #	18.53	9.56
Employers' Contribution to Employee's Pension Scheme 1995 *	61.43	31.91
Employers' Contribution to Social security Fund #	1.96	1.64

* Included in Contribution to provident and other funds
\# Included in staff welfare expenses

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Note 34 - Related Party Disclosures

1) List of Related parties

i) Venturers to the joint venture with whom transactions have taken place during the year

(a) Carborundum Universal Limited (CUMI)
   (1) Cumi America
   (2) Cumi (Australia) Pty Ltd
   (3) Cumi Abrasives & Ceramics Company Ltd
   (4) Net Access India Ltd
(b) Wendt GmbH Germany

ii) Company in which KMP / Director is a director

(a) Ace Designers Ltd
(b) Pragati Transmission P Ltd
(c) Tespa Tools Pvt Ltd
(d) Sterling Abrasives Limited

iii) Key Management Personnel

Mr. Rajesh Khanna, Chief Executive

iv) Relatives of Key Management Personnel

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

2) Transaction with related parties during the year ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	Joint venturers & its subsidiaries		KMP / Director's Company		Key Management Personnel and their relatives		Total	
	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17
Purchase of Capital Goods								
Wendt Gmbh	-	2.29	-	-	-	-	-	2.29
Carborundum Universal Limited (CUMI)	0.70	-	-	-	-	-	0.70	-
Other Purchases								
Wendt Gmbh	270.57	425.86	-	-	-	-	270.57	425.86
Carborundum Universal Limited (CUMI)	681.06	607.60	-	-	-	-	681.06	607.60
Cumi Abrasives & Ceramics Company Ltd	0.56	0.07	-	-	-	-	0.56	0.07
Tespa Tools Pvt Ltd	-	-	0.08	0.60	-	-	0.08	0.60
Sterling Abrasives Limited	-	-	9.87	9.20	-	-	9.87	9.20
Net Access India Limited	9.73	11.00	-	-	-	-	9.73	11.00
Sale of Goods								
Wendt Gmbh	261.81	381.08	-	-	-	-	261.81	381.08
Carborundum Universal Limited (CUMI)	251.93	218.23	-	-	-	-	251.93	218.23
Cumi America	353.99	396.65	-	-	-	-	353.99	396.65
CUMI (Australia) Pty Ltd	0.73	6.70	-	-	-	-	0.73	6.70
Cumi Abrasives & Ceramics Company Ltd	183.67	41.04	-	-	-	-	183.67	41.04
Ace Designers Limited	-	-	2.27	0.22	-	-	2.27	0.22
Pragati Transmission P Ltd	-	-	-	0.38	-	-	-	0.38
Payment of Rent								
Rajesh Khanna	-	-	-	-	8.26	7.80	8.26	7.80
Preethi Khanna	-	-	-	-	8.25	7.80	8.25	7.80
Payment of Service Fee & Commission								
Carborundum Universal Limited (CUMI)	208.54	209.59	-	-	-	-	208.54	209.59
Payment of Dividend								
Carborundum Universal Limited (CUMI)	199.34	199.34	-	-	-	-	199.34	199.34
Wendt GmbH Germany*	199.34	199.34	-	-	-	-	199.34	199.34
Service Charges, Commission & Rent receipts								
Wendt Gmbh	20.08	18.08	-	-	-	-	20.08	18.08
Carborundum Universal Limited (CUMI)	14.76	13.42	-	-	-	-	14.76	13.42
Reimbursement of Expenses Paid								
Carborundum Universal Limited (CUMI)	67.11	57.75	-	-	-	-	67.11	57.75
Reimbursement of Expenses Received								
Wendt Gmbh	-	0.25	-	-	-	-	-	0.25
Carborundum Universal Limited (CUMI)	13.38	100.80	-	-	-	-	13.38	100.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

3) The details of amounts due to or due from related parties as at March 31, 2018 and March 31, 2017 are as follows:

Particulars	Joint venturers & its subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Amount due From								
Wendt Gmbh	67.10	39.49	-	-	-	-	67.10	39.49
Carborundum Universal Limited (CUMI)	53.50	46.48	-	-	-	-	53.50	46.48
Cumi America	144.91	124.48	-	-	-	-	144.91	124.48
CUMI (Australia) Pty Ltd	-	0.24	-	-	-	-	-	0.24
Cumi Abrasives & Ceramics Company Ltd	142.82	34.49	-	-	-	-	142.82	34.49
Amount due to								
Wendt Gmbh	67.19	31.72	-	-	-	-	67.19	31.72
Carborundum Universal Limited (CUMI)	365.41	131.69	-	-	-	-	365.41	131.69
Cumi America	0.54	-	-	-	-	-	0.54	-
Cumi Abrasives & Ceramics Company Ltd	0.73	-	-	-	-	-	0.73	-
Rajesh Khanna	-	-	-	-	0.65	-	0.65	-
Preethi Khanna	-	-	-	-	0.64	-	0.64	-
Sterling Abrasives Limited	-	-	1.19	0.91	-	-	1.19	0.91
Net Access India Limited	3.10	1.22	-	-	-	-	3.10	1.22

4) The details of compensation to key management personnel are as follows:

Particulars	17-18	16-17
Short term benefits	97.45	89.72
Post-Employment Benefits	12.80	11.33
Other benefits	15.36	15.36

a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / back other than the amount included above during the year.

c) Key managerial personnel do not exercise significant influence over the gratuity and superannuation trust of the company.

* Amount for both the years lying in unclaimed / unpaid dividend account

Note 35 - Earning per share (EPS)

Particulars	March 31, 2018	March 31, 2017
(a) Profit for the year	1,312.40	1,205.12
b) Weighted average number of equity shares	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) - Basic and diluted	65.62	60.26

Note 36 - Contingent Liability and commitments to the extent not provided for:

36.1 Contingent Liabilities

Particulars	March 31, 2018	March 31, 2017
a) Claims against the Company not acknowledged as debt: Disputed income tax demands under appeal.	-	59.32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

36.2 Commitments

Particulars	March 31, 2018	March 31, 2017
a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. Nil lakhs; previous year Rs.8.31 lakhs)	341.51	368.40
b) Other Commitments	-	-

36.3 The group has a working capital limit with State Bank of India, secured by hypothecation of stock and book debts and collateral charge on all fixed assets other than land and building.

Note 37 - Corporate Social Responsibiltiy

(a) Gross amount required to be spent by the company during the year :- Rs. 32.36 lakhs (Previous Year Rs. 32.34 lakhs)

(b) Amount spent by the company during the year on :- Rs. 32.36 lakhs (Previous Year Rs. 32.34 lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2017-18	26.01	6.35	32.36
- in 2016-17	28.06	4.28	32.34

Note 38 - Dislosure on Specified Bank Notes (SBN)

During the year ended March 31, 2017, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(in Rs.)

Particulars	SBNs	Other denomination notes	Total
Closing balance in hand as on November 8, 2016	81,000	6,746	87,746
(+) Permitted receipts	-	404,048	404,048
(-) Permitted payments		339,458	339,458
(-) Amount deposited in Bank	81,000	-	81,000
Closing cash in hand as on December 30, 2016	**-**	**71,336**	**71,336**

Note 39 Previous years's figures have been regrouped / reclassified to conform to the current year's presentation for the purpose of comparability.

Note 40 - Approval of financial statements

The Consolidated financial statements were approved for issue by the board of directors on April 25, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Bengaluru
April 25, 2018

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Bengaluru
April 25, 2018

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

FORM AOC-I

Pursuant to section 129 (3) of the Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries

(Rs. in lakhs)

	Wendt Grinding Technologies Ltd (WGTL)		Wendt Middle East FZE (WME)	
	Incorporated on July 19, 2005		Incorporated on September 24, 2008	
	31-3-2018	31-3-2017	31-3-2018	31-3-2017
Share capital	539.29	486.89	212.51	211.51
Reserves and surplus	921.90	727.83	17.63	52.31
Total liabilities *	1,746.58	1,448.63	261.66	317.78
Total assets**	1,300.24	1,052.92	261.66	317.78
Details of current and non-current investments (except investment in subsidiary)	446.34	395.71	-	-
Turnover	1,844.45	1,645.11	411.64	449.34
Profit before taxation	353.11	265.44	7.25	52.03
Provision for taxation	69.91	50.98	-	-
Profit after taxation	283.20	214.46	7.25	52.03
Proposed dividend (including dividend tax)	-	-	-	-
% of Shareholding	100	100	100	100

* Total Liabilities include : Share capital of subsidiary + Non current liabilities + current liabilities + Defered tax liability (net)

** Total Assets include: Non Current Assets and Current Assets. (excluding current and non-current investments)

The exchange rates used are as below:

Currency	Balance Sheet (Closing Rate)		Statement of Profit and Loss (Average Rate)	
	31-3-2018	31-3-2017	31-3-2018	31-3-2017
THB (WGTL)	2.094	1.882	1.951	1.911
AED (WME)	17.709	17.629	17.528	18.239

Notes:

a) The Consolidated Ind AS financial statements has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013.

b) The above information has been furnished in accordance with Section 129(3) of the Companies Act, 2013. The above statement is based on the financial statements of the respective subsidiary company which have been prepared in accordance with regulatory requirements as applicable in the country of incorporation.

Awards & Accolades

Conferred with "Star performer - Large Enterprises" from EEPC India

Winner at CUFEST 2017, Theme Video competition

"GOLD AWARD"in International Convention on Quality Control Concepts (ICQCC) 2017, Philippines

GOLD AWARD In Chapter Convention on Quality Concepts (CCQC) 2017, Hosur

Silver Award for Lean Management Practices from ABK AOTS

Events & Exhibitions

Grind Tec Exhibition 2018, Augsburg, Germany

CIMT Exhibition 2017 - Beijing China

WESTEC Exhibition 2017, Los Angeles, USA

IMTA Exhibition 2017, Indonesia

Events & Exhibitions

WENDT

ENGIMACH 2017 Exhibition, Gandhi Nagar, Gujrat

Indexpo Industrial Exhibition, Jamshedpur

Indexpo Industrial Exhibition, Hyderabad

New Canteen Inauguration

Energy Hour Celebration

Pongal Celebration

Republic Day Celebration