

APPLICATIONS

ENVIRONMENT

INNOVATION

QUALITY

PRACTICES

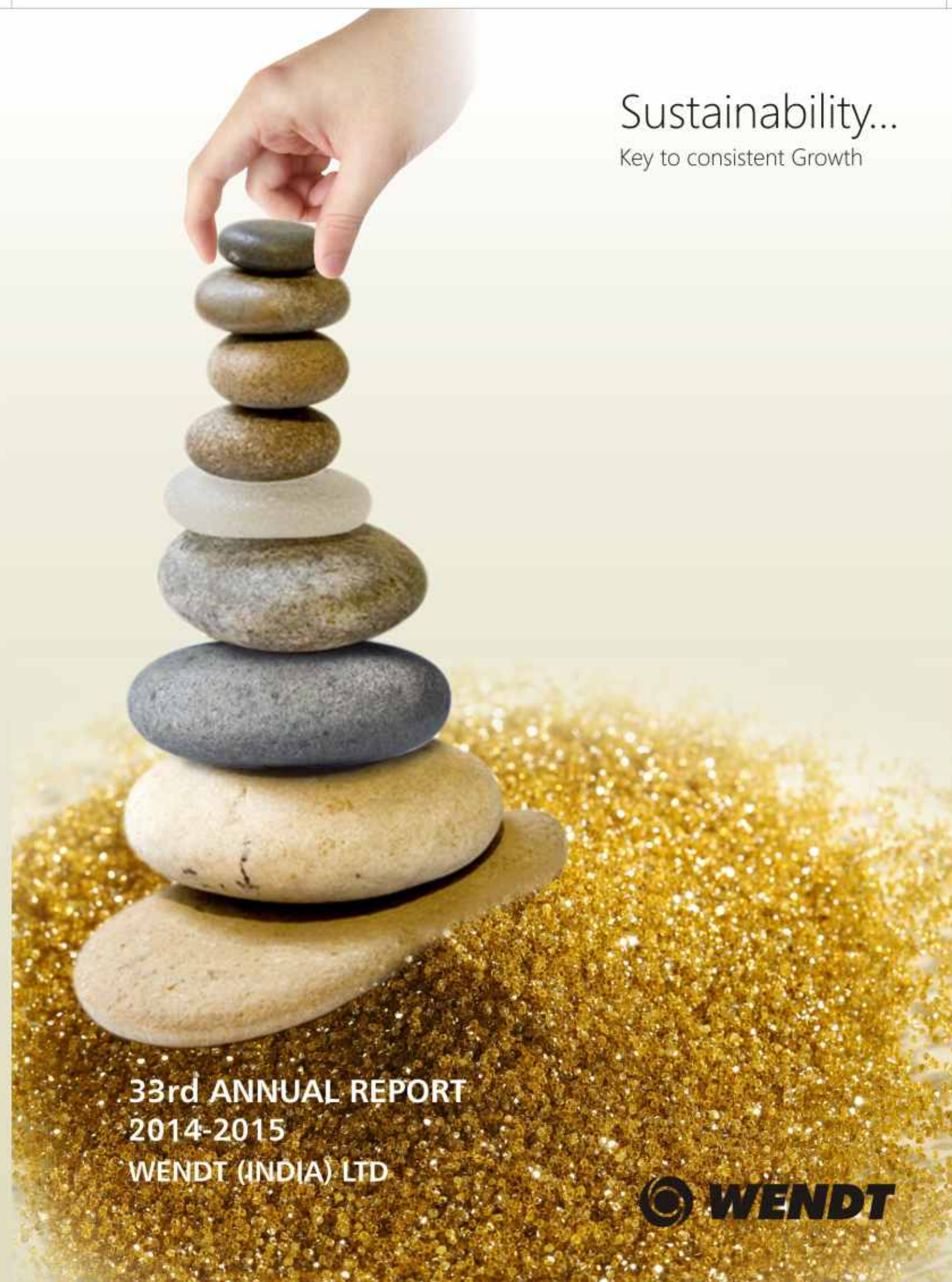
PARTNERSHIP

PRODUCTS

PROCESSES

PEOPLE

Sustainability...
Key to consistent Growth



33rd ANNUAL REPORT
2014-2015

WENDT (INDIA) LTD

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WENDT
WENDT (INDIA) LTD

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WENDT

Sustainability...

Key to consistent Growth

Fierce competition, fluctuating economy, unstable political environment and market uncertainty have become the order of the day, severely affecting the industrial climate. To endure such turbulent times, industries need extremely disciplined work ethos and approach.

At Wendt, we did just that....Got our priorities right. We initiated Lean Manufacturing well supported by strong manufacturing processes, upgraded infrastructure, augmented R & D to give Wendt the flexibility in the manufacture of products to delight our customers globally.

We expanded our overseas footprint. We strengthened our market intelligence and feedback mechanism on the customer requirements in order to ensure as accurate as possible offering by implementing CRM application. This enabled us to channelize our resources in getting optimal outputs without vagaries.

We continued strict quality control measures at critical areas manned by highly qualified professionals. Systems were put in place to ensure that every member on the shop floor contributed in delivering cost effective products.

Sustained efforts in every aspect of our business to ensure that we withstand the turbulence and deliver a performance that matches our consistent growth over the last five years.

After all, Sustainability is the key to consistent growth.

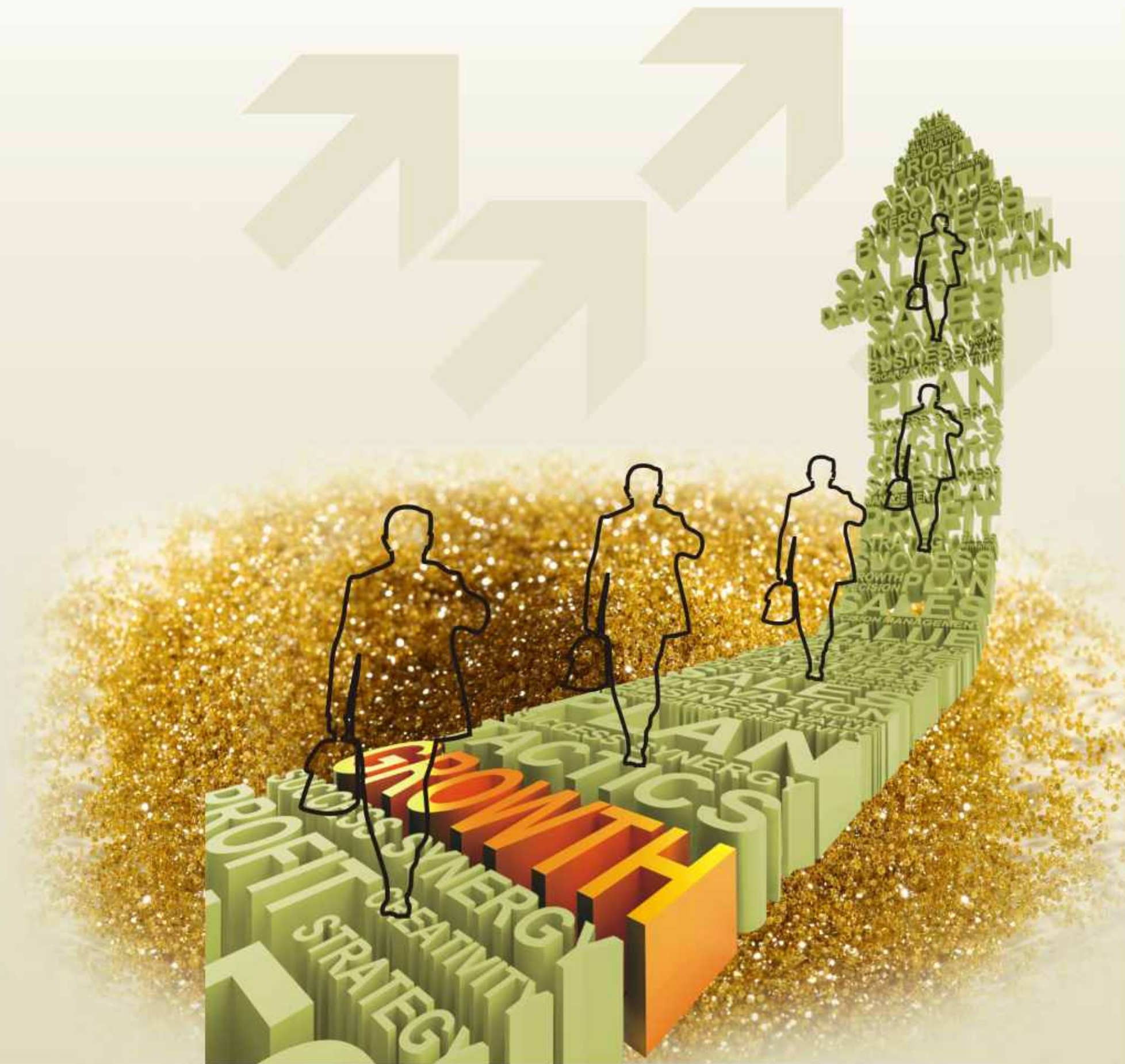
Marching towards an exciting future...

Having weathered the storm of the last few years and having put in place various measures to ensure sustained growth, Wendt is now poised to move into the future with renewed confidence by looking into emerging opportunities. Having established a strong foothold by leveraging its vast technological resources and market updates, Wendt is ready to introduce more innovative products to contribute to the national drive for "Make in India".

As a part of ongoing growth and developing the export market, we will focus on strategic initiatives to further strengthen our presence in the overseas arena with focus on Customer relationship and loyalty.

Leaner management, decisive cost control measures, healthy manufacturing practices and a desire to excel will propel Wendt to a future that looks not just promising but more contributive to the customer demands.

Its going to be a march towards an exciting future with opportunities abound.



BOARD OF DIRECTORS

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

SENIOR MANAGEMENT

Chief Executive	RAJESH KHANNA
Head - Lean & Management Systems	J H SASTRY
Business Head - Superabrasives	M S VENKATESH
Business Head - Non-Superabrasives	S SUNDARIYA
Chief Financial Officer	MUKESH KUMAR HAMIRWASIA
Head - Technology and R & D	Dr. ANWAY MAITI

COMPANY SECRETARY

AKANKSHA BIJAWAT

BANKERS

STATE BANK OF INDIA

AUDITORS

DELOITTE HASKINS & SELLS
Bangalore

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National Games Housing Complex,
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Hosur - 635 126
Tamilnadu
Ph: 04344-276851 / 52,405500
Fax: 04344-405620, 405630

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare (P) Ltd.

Engineering Flair with Environmental Care...



CONTENTS

	Page
Report of the Directors	10
Report on Corporate Governance	49
General Shareholder Information	66
Auditors' Report	74
Balance Sheet	78
Statement of Profit and Loss	79
Cash Flow Statement	80
Notes	82
Consolidated Financial Statements	110

...Total Grinding and Honing Solutions



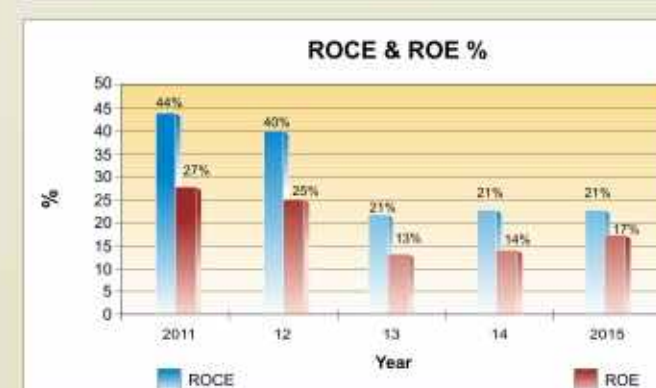
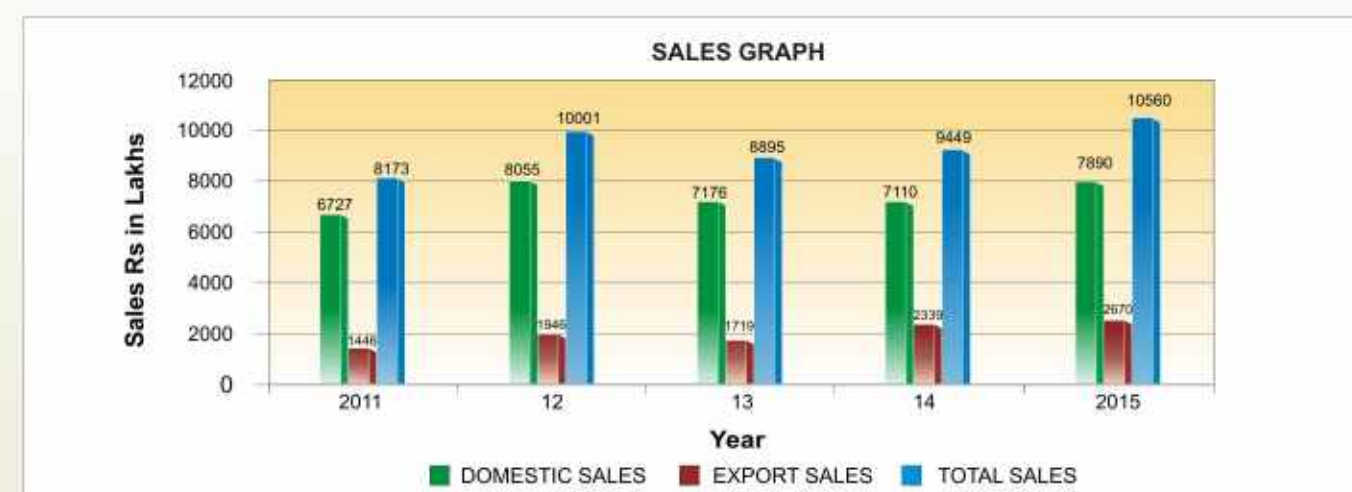
FINANCIAL TRACK RECORD

Rs.in Lacs

Year ending 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUE										
Net sales	4163	5074	5405	5136	5609	8173	10001	8895	9449	10560
Domestic sales	2801	3764	3873	3389	4368	6727	8055	7176	7110	7890
Export sales	1362	1310	1532	1747	1241	1446	1946	1719	2339	2670
Other Income	100	155	185	309	222	299	278	225	611	800
PROFITABILITY										
Profit before depreciation	1215	1495	1459	1517	1714	2654	2888	1930	2098	2556
Profit before tax	1079	1310	1255	1297	1455	2356	2552	1528	1640	1764
Profit after tax	716	871	842	884	983	1595	1729	1012	1187	1485
Dividend %	150	175	200	200	250	250	250	150	250	250
EPS (Rs.)	35.78	43.56	42.08	44.21	49.12	79.76	86.45	50.59	59.34	74.24
ASSETS EMPLOYED										
Fixed assets	1629	1911	2085	2610	2950	3264	4363	5027	5510	5608
Investments	1183	1204	1454	1200	1672	2257	1370	1496	1703	1866
Net current assets	637	807	697	858	413	531	1532*	1485*	1505*	2047*
Total assets	3449	3922	4236	4668	5035	6052	7265	8008	8718	9521
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	2977	3438	3787	4203	4602	5614	6762	7425	8031	8790
Loan funds	66	49	28	36	-	-	-	-	-	-
Deferred tax liability	206	235	221	229	233	238	303	383	487	531
Total funds	3449	3922	4236	4668	5035	6052	7265	8008	8718	9521

* 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

Engineering Flair with Environmental Care...



...Total Grinding and Honing Solutions

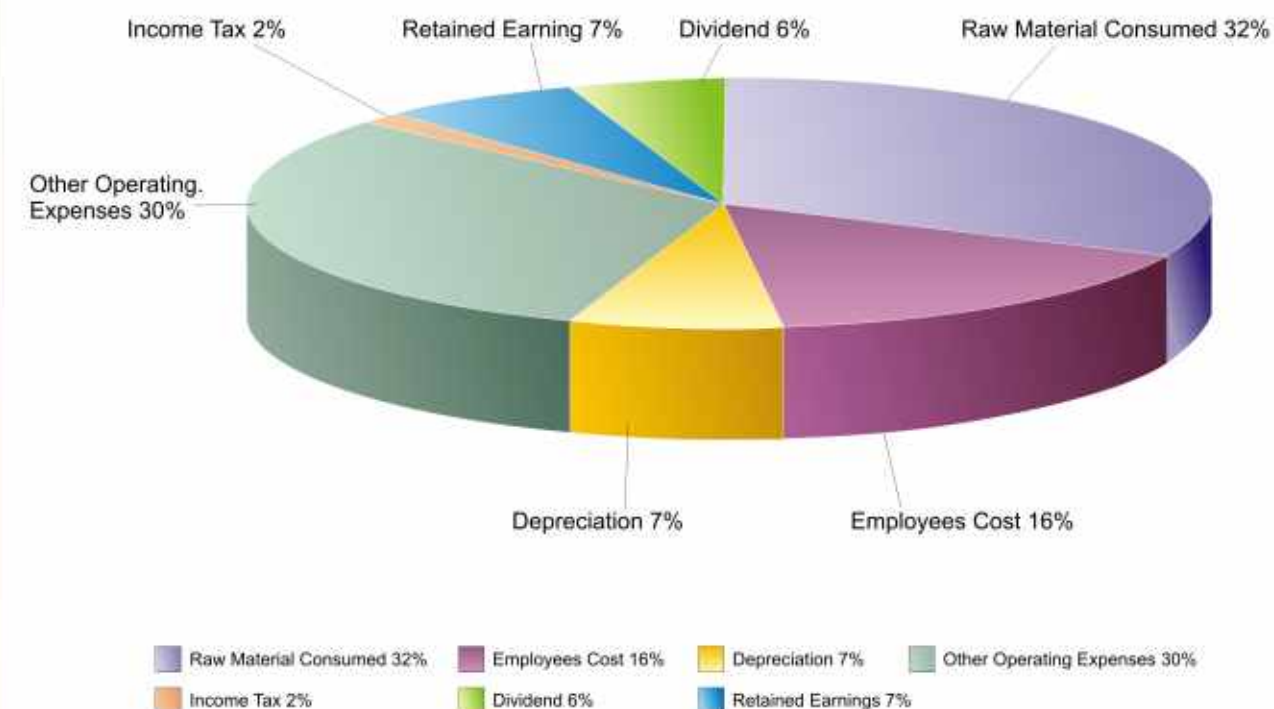




Engineering Flair with Environmental Care...



DISTRIBUTION OF REVENUE 2014 - 15



...Total Grinding and Honing Solutions



REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

The Board of Directors has pleasure in presenting the 33rd Annual Report together with the Audited Financial Statements for the year ended 31st March 2015. The Management Discussion & Analysis Report has been included in the Directors Report so as to avoid duplication and repetition.



ECONOMIC OVERVIEW



The Indian economy has been experiencing slow revival with gradual pick-up in domestic demand after continued slowdown for last three years. Undoubtedly, both Indian & Global economy appear to be in a better shape now than by gone years. Growth projection for India in coming year remains positive, mainly due to the new Government at helm and its various growth oriented programmes being planned towards boosting the demand.

During the year, the Indian industry achieved a moderate growth of around 6% helped by positive expansion in manufacturing which witnessed similar growth in last few quarters although there is still some amount of reluctance and caution when it comes to capital investments for expansions and new projects. Negative sentiments that were affecting the Domestic consumer demand is now

tapering. The performance of basic goods, intermediate goods and consumer durables has also improved mildly in last few quarters. Improved coal production and higher electricity generation during the year has helped raise the overall output for mining, cement, fertilizer, agriculture and other core industries. The automobile sector, except the commercial vehicle segment, closed the year on a positive note despite interest costs with major companies reporting sales growth during the fiscal. While other industry segments such as



Cutting Tools, Engineering, Ceramics, Glass, Refractories have achieved moderate growth over the previous year, segments like Steel have continued to be affected due to prolonged slowdown and weak global demand. India's export continued to be positive in major export markets such as US and European countries excepting the OPEC economies which are facing Oil crisis for some time now.

The improvement in industrial output in last two quarters has signalled positive trend and has an overall favourable effect on the GDP. Although the CPI inflation is experiencing sharp rise mainly driven by higher food inflation, the edging down of core inflation has more than offset the same which has resulted in a

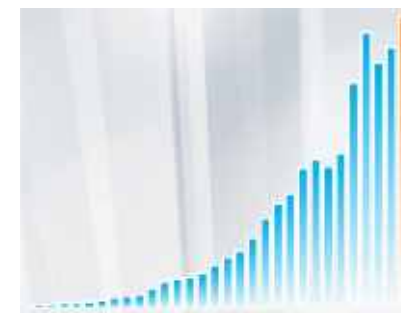
comfortable headline inflation of around 6% - much lower than 9.5% in 2013-14.

COMPANY PERFORMANCE OVERVIEW

(Rs in Lacs)

	31st March 2015	31st March 2014
Sales	10,560	9,449
Other Income	800	611
Profit Before Tax	1,764	1,640
Provision for Tax	279	453
Profit After Tax	1,485	1,187
Earnings per Share - Rs	74.24	59.34

RESULTS OF OPERATIONS



Amidst slow pace of recovery in the domestic market and weak global demand, your company continued to put its best efforts to achieve a Top line of Rs.10560 Lacs during the year under review with a growth of 12% as compared to the previous year. With the gradual pick-up in demand in the domestic market, some of the industry segments such as Automobile, Ceramics, Cutting Tools, Engineering, Refractory and Glass have positively contributed resulting in 11% growth over the previous year. On the export front, while some of the advanced countries witnessed a moderate growth, in the developing nations especially in the South East Asian region, the demand continued to remain weak due to persistent negative forces. However, your company's good efforts in addressing some of these challenges have more than offset the uncertainties resulting in a

14% growth compared to the previous year.

In the pursuit of growth and taking cognizance of medium and long term perspective, your company continues its business by focusing on three verticals- **Super abrasives**, **Non-Super abrasives** and **International Business**. Your company also strongly believes that the "Make in India" initiative by the Indian Government, which is slowly gaining momentum, would provide the much needed impetus for growth. Accordingly, your company continues to make necessary investments in the identified growth areas and deploy resources in order to sustain long term business growth.



Super abrasive Business comprises of Diamond/CBN grinding Wheels in various bonding systems, Hones, Diamond Dressing Rolls, Segmented products & Stationary Dressers, achieved a growth of 9% over the previous year against stiff competition from both global and local. This above average industry growth achieved mainly on account of continued focused initiatives on new product developments & new application Areas including some of the import substitutions. During the year under review, your Company successfully launched some of new products which include Resinoid Wheels for Cutting Tools, Vitrified Products for Auto Component, Electroplated products for Engineering, Gear and Ceramics, Brazed Diamond Products for Textile and Precision Dressing Rolls for Defence, Gears and Bearing and certain other automotive applications.



Three years back your company established its Research and Development Centre and since then, it has been strengthening its capabilities and continued augmenting the efforts in Bond / Matrix formulations & development towards

building self-reliance on the technological front. During the year, your company has added new capabilities and competencies in developing some of the new applications / products for various industries. As you may be aware, your company's R & D Centre being recognized by **Department of Science and Industrial Research (DSIR)**, Government of India also provided ample opportunity for jointly taking up research work and projects along with other well-established research laboratories on emerging technologies and new developments.

The **Machine Tools & Precision Components** business achieved a growth of 18% over the previous year. It has been another difficult year for the Machine Tool business due to continued capex-hold / deferment of investments on projects by the targeted customers. Despite these difficulties, the performance has rather been a decent one. During the year, your company has continued to develop & launch many new models / variants of machines including CNC Rotary Surface Grinding Machines and Honing Machines. The Company has launched 7 new machines during the year which includes Vertical Single & Double spindle





Honing machines, Angular Head Grinding machine and Surface Grinding Machine. These new models are expected to cater to a wider range of applications areas, while also increasing the customer and reference base, enhancing also the product basket. Your company has participated in IMTEX - 2015 exhibition held at Bangalore and showcased its growing strength & Focus on Machine Tools along with Precision Super Abrasive products.

On the **Precision Components** front, your company, during the year has enhanced the volume of production of two new components which got added to its basket last year. Your company is constantly exploring opportunities, where it can deploy its core competency - Expertise, Experience and Knowledge

on Machines & Super Abrasive Tools for producing related precision components. Your company focuses on providing Sustained competitive advantage to its customers. Consequently your company is in advanced stage of discussion with some of the prospective customers to further strengthen the precision component business and to eventually roll it out as a separate vertical for growth, going forward.

FOCUS ON CUSTOMER CENTRICITY

Your Company has completed implementation of Customer Relationship Management (CRM) application in association with SAP. This Initiative would benefit your company in enhancing the reach and building better relationships with the customers spread not just in India but across the Globe. The CRM system will enhance the company's approach towards customer along with seamless integration of all the minute facet of marketing and sales process, which directly influence customers both in domestic and export market. Besides enhancing business relationship, it would create new opportunities for long term value creation for both customers as well as the company.



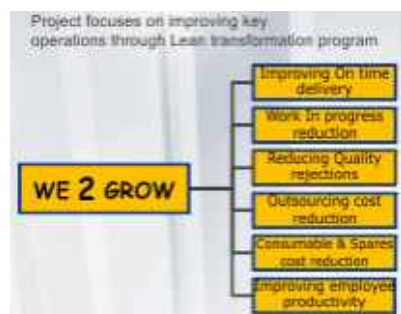
Some of the major benefits:

- Global reach through offering value proposition and effectively addressing customer needs
- Effective Knowledge Management & one-stop solution platform through integration with company's Knowledge Portal, helping the team with faster responses, real time accurate information against queries and higher productivity
- Faster and better service levels thereby strengthening company's competitive position

- 360 degree view of customers and insightful customer analysis through dashboards

FOCUS ON PROCESS EFFICIENCY

Your Company continues to invest on its journey of Lean Management in order to enhance operational efficiency and optimum use of resource in the area of manufacturing. During the year, your company has found this initiative extremely meaningful, this addresses some of the key operational areas such as process bottlenecks, process integration in quality, planning, scheduling, and production. Your company has started realising benefits by optimal utilization of machines and equipment through proper planning and scheduling of material movement besides streamlining the process in order to drive efficiency, improvement in on time delivery and waste elimination. Overall, the implementation of lean management system in your company would ensure elimination of non-value added activities, process streamlining, effective utilization of resources and higher level of customer satisfaction.



Some of the major benefits are

- Reduction in lead time for product delivery
- Reduction in rejection levels
- Better control on Work in Progress and Raw Material Planning
- Reduction in outsourcing cost
- Improved employee productivity
- Cost effective products

FUTURE PROSPECTS

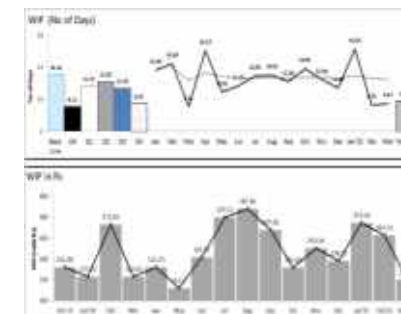
Your Company continuously strives to align its Strategies and Business Objectives with the market in order to achieve better performance on a sustainable basis. Your company recognizes that focus on product and process innovation, adoption and deployment of new technologies and processes are



critical in order to achieve its long term objectives. Accordingly, your company continues to accord high level of importance in areas such as Bond development, new product development and automation. Special efforts would be accorded to encash on the new and emerging opportunities through New Products and Applications. It will continue to expand its business in New Markets by offering Existing range of products and applications through marketing initiatives. Based on the Mega trends, in the past few years, your company has been strengthening its presence by developing new products for industry segments such as Infrastructure, Construction, Aerospace, Defense, Railways and Health care to ensure future growth and would continue its efforts in this direction to explore new

opportunities in other emerging industries. All these pursuits and efforts by your company in the direction would be supplemented by participation in major national and international exhibitions, trade shows, and presence in leading industry forums, e-commerce initiatives. Your Company harnessing requisite technology on CRM and knowledge management and other value added services would enable to address the surfacing Mega trends. On the export front, your company will continue to enhance its global presence in identified countries through strategic alliances and tie-ups, exclusive Industry wise Management Representatives and continue to take advantage of the CUMI network in certain geographies enhancing global market presence.

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 continues to be under the purview of The Honorable Company Law Board (CLB), Chennai and your company expects the ownership matter to be resolved soon.



SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

Wendt Grinding Technologies Limited, Thailand, your company's 100% owned subsidiary has once again delivered superior performance. During the year, it has achieved a top line of Thai Baht 858Lacs (Rs. 1620 Lacs) 19% growth over last year. The Profit Before Tax was Thai Baht 139 Lacs (Rs. 274 Lacs) 5% higher and the Profit After Tax has been Thai Baht 112 Lacs (Rs. 222 Lacs) 8% higher than last year. This better performance has been achieved despite continued slowdown, political issues and upheaval in the region.



Delivering consistent results year-on-year has been the hallmark for your subsidiary company and its steadfastness to repeat the same in the coming year as well. New customer additions, enhancing product basket and exploring new business opportunities have made up for the drop that arose as a result of decline in automobile production, lower export as well as shifting of some of the Japanese businesses out of Thailand.

During the year, your subsidiary company continued its focus on participation in many Industrial and Trade Exhibitions for networking and promotions besides organizing plant visits for some of the key customers. These efforts are expected to yield long term benefits for your subsidiary.



Wendt Middle East FZE, Sharjah



The second wholly owned subsidiary of your Company, Wendt Middle East FZE, Sharjah has churned out another superior performance for the year under review. During the year, it has achieved an annual sale of AED 38 lacs (Rs.627 Lacs) a commendable growth of 51% over the previous year. The Profits have been AED 8 Lacs (Rs.139 Lacs) which is 28% higher when compared to previous year.

As you may be aware, the manufacturing scenario in the entire region including the neighbouring countries has been severely impacted on account of continued socio-economic instability and mired by political issues resulting in contraction of average capacity utilization

to around 50% level with hardly any sizeable new investments announcement by the Government and Foreign players. The UAE region being a primarily an economy driven by Oil, Construction and Tourism, continuous fluctuation in these sectors has resulted in sharp rise in inflation.

Despite these challenges and continued slowdown and adversaries, your subsidiary has put its best efforts and focused on many initiatives like addition of new markets and customers, better service levels addition to enhancing product basket in the region to churn out a better than expected results.



APPROPRIATIONS

Available for appropriation	(Rs in Lacs)
Profit After Tax	1485
Add: Balance brought forward from previous year	3233
Total	4718
Less : Depreciation on transition to Schedule II of Companies Act 2013 on tangible fixed assets with nil remaining useful life	126
	4592
Recommended appropriations	
Transfer to General Reserve	400
Dividend	
-Interim Rs 10/-per share	200
-Final (Proposed dividend Rs 15/- per share of face value of Rs 10/- each)	300
Dividend Tax	
-Interim	40
-Final (Proposed)	60
Balance carried forward	3592
Total	4592

CORPORATE SOCIAL RESPONSIBILITY

Your Company firmly believes that an organization's true worth lies beyond its business and is best reflected by the service it renders to the community and the society. For your company, Corporate Social responsibility has always been based on the core values and transparency in all its business dealings and as such the contributions your company makes for economic development which is not limited to the workforce and their families alone but extends to the local communities, schools and society at large.

Your Company makes regular contributions to various social causes like education of underprivileged school children, old age homes, orphanages and

basic sanitation and toilet facility. In addition, your company lays special emphasis on tree plantation and green environment not only within its premises but also the surrounding communities by distributing free saplings.

Your Company has been successfully running the Government Approved Skill Development Centre for last four years now with sole objective of providing formal vocational training in five industrial trades for uplifting the lives of young children drawn from poor, underprivileged and back-ward classes of the society. This initiative not only serves continuance of formal educations for these children but also helps them to seek gainful employment in various industries in future.



With the enactment of the CSR provisions in the Companies Act 2013, the Company has put in place a CSR policy incorporating the requirements therein which is also available on the Company's website at the following link.

<http://www.wendtindia.com/pdf/csrpolicy.pdf>



As per the provisions of the Companies Act, 2013, the Company is required to spend Rs 38.49 Lacs out of which the Company has already spent Rs 36.33 Lacs towards CSR activities during the year 2014-15.

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

DIVIDEND

Your Directors are pleased a recommend a Final Dividend of Rs 15/- per equity share of face value Rs 10/- each (150%) for the year ended 31st March 2015. 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 23rd February 2015.

The Final Dividend, subject to approval of members at the 33rd Annual General Meeting will be paid to those shareholders whose names appear on the register of members of the company as on 23rd July'2015. If approved, the total Dividend for the financial year, including the interim dividend, amounts to Rs 25/- per equity share and will absorb Rs . 600 lacs including dividend distribution tax of Rs 100 Lacs.

The Dividend will be tax-free in the hands of the shareholders

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 400 lacs to the General Reserve. An amount of Rs. 3592 Lacs is proposed to be retained in the Statement of Profit & Loss.





FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year 2014-15 and as such, there are no outstanding fixed deposits from the public as on 31st March 2015.

INVESTMENTS

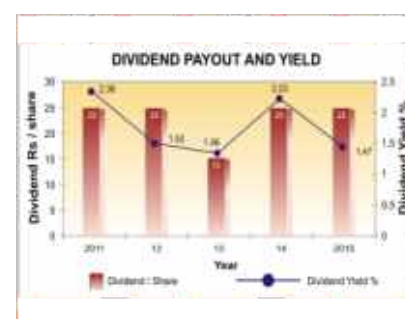
Details of investments covered under section 186 of the Companies Act 2013 are given in the notes no 13 to the financial statements.

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provision of Section 124 of the Companies Act, 2013, your Company has transferred an amount of Rs. 2.45 lacs being unclaimed dividend during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government.

CONSOLIDATED FINANCIAL RESULTS

The Consolidated Financial Statements (incorporating the operations of the Company and its two wholly owned overseas subsidiaries), in terms of Clause 32



of the Listing Agreement and prepared in accordance with Accounting Standard 21 as specified in Companies (Accounting Standards) Rules, 2006 & also as per Sec 129 of the Companies Act'2013 , 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 given below:-

KEY CONSOLIDATED FINANCIAL SUMMARY

(Rs in Lacs)

	31st March 2015	31st March 2014
Sales	12,274	10,890
Other Income	324	304
Profit Before Tax	1,686	1,675
Profit After Tax	1,354	1,166
Earnings per share-Rs.	67.70	58.30

QUALITY

High level of precision, accuracy and engineering are the most critical aspects for your company's products which in turn calls for meeting the exacting quality standards demanded by the customers across the range of industry segments. The Super Abrasives product range for your company comprises of Diamond & CBN grinding wheels and Tools in various bonding systems. The Machine Tools & Precision Components vertical include a range of precision machines, often customized, like Rotary Surface Grinding, Notch Milling, TC Ring Grinding, Honing Machines and accessories complying with the international standards and CE certifications in terms of their safety and operations.

Precision Components which is again falling under Non Super abrasives require very high level of precision as well as tolerance limits requiring strict adherence to quality standards and process controls and measurements. In order to ensure these requirements, your company has put in place all the Management standards such as ISO 9001, ISO 14001, TS 16949, OHSAS and SA8000. In addition, in order to fulfill the safety features and requirements of overseas customers, your company has successfully implemented and obtained the coveted EN 13236 Standards during the year.



For your company, superior product Quality and consistent performance have been the main differentiators. Towards this, your company ensures that deployment of quality management standards, process robustness and practicing the standards and norms at every stage of flow is strictly adhered to by all.



In order to avoid overlapping and process duplication in line with the international best practices, your company has implemented Integrated Management System (IMS). As you may be aware, your company constantly endeavors to build quality and consistency in every aspect of its business. As a result, it continues to accord high importance on training its employees on emerging technologies, makes investments on equipment and high-end machines besides application softwares such as CAD/CAM, ERP, Inspection Tools, Automation and Applications.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

Your Company is ever committed towards Safety and Health of its workforce and also places equal importance on Environment management not just within the company premises but its neighborhood as well. In order to ensure this, the senior management of the company keeps vigil on maintaining high safety standards, health and environment protection by fully complying and deploying appropriate processes and underlying guidelines as per OHSAS 18001 and ISO 14001 EMS standards.



Your Company always considers its employees as the most valuable assets for the company and that the safety and health of each employee is of utmost importance and is not just a mundane necessity to ensure quality in every aspect of the business. In order to ensure this, your company continues to take various initiatives and programs such as annual health check-up plan, eye camp, physiotherapy, fitness center, blood donation camps etc., so that the employees and their families maintain good health and overall wellness. In addition, Your company continuously provides awareness training programmes and makes efforts to encourage the workforce to actively participate in relevant training programmes, workshops to perform their activities in a safe manner.



Your Company continues its commitment towards sound health and workplace safety of its employees. And for this, the company ensures following and practicing safety standards and practices by all by keeping the work places free of accidents, injuries, incidents and occupational related hazards.

You will be pleased to know that your company has again recorded Zero accident with no loss of man days in its operations during the year. Adherence to Safety, Health and Environmental practices are also ensured for its guests and visitors.

RECOGNITIONS AND AWARDS

During the year under review, Your Company received many awards and felicitations conferred by respectable organizations and apex bodies for superior achievements in different areas. These recognitions and accolades enhance the enthusiasm and optimism of the employees and is a morale booster for the Company as a whole.

Your company has received the following major awards during the year.



- **Quality Circle Awards**
Your Company's employees continued to exhibit their skills in various Quality Circle competitions as below
- **National Level organized by NCQC**
 - "Par Excellence" Award for Kaizen- 2 teams
 - "Par Excellence" Award for SGA- 1 team
- **Regional Level organized by CCQC**
 - "Golden Award" - SGA & Kaizen: 3 teams
 - "Silver Award" - Kaizen: 1 team

- **Environment, Health & Safety (EHS) Award**

Your Company has received the "4 Star" Award from CII, Southern Region in recognition of its "Excellent Commitment in Environment Health and Safety". Also received "Sectorial Award" under manufacturing sector and "Excellence Award" in Medium Scale category.

- **Preferred Supplier Certificate**

Your Company has received the "Preferred Supplier Certificate" from Bosch Group. With this recognition, your company now becomes one among three preferred suppliers in India and among twenty one worldwide. This prestigious certification enables the company to become a supplier to the Bosch Group globally for supply of precision components.

- **Green Manufacturing Award**

Your Company has received "Silver Medal" for Green Manufacturing from International Research Institute for Manufacturing, India (IRIM) for Environmental Care and Eco friendliness. This prestigious award focuses on assessment of four critical aspects of the organization such as Human element, Quality of input materials Operational efficiencies and Environmental friendly products

- **Cufest 2014 Awards**

Your Company's employees participated in Group-level Quality competitions "Cufest 2014" (Quality Festival of CUMI), and won awards for 5S, Poster, Idea King and Quality Quiz events during the year.



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

After three consecutive years of down turn and global disarray marked by muted growth, the Indian economy is finally seeing some signals of gradual pick up in the activities and positive growth trend. Although the pace of recovery has been



slow, there seems to be some optimism backed by positive sentiments across all segments. Thanks to the new government and its announcements of various pro-growth programmes and fiscal measures since it came into power with absolute majority one year back. As a consequence, the Indian economy could achieve a moderate growth rate of around 5.9%, highest growth in the last four years. Backed by revival in the economy in some of the developed countries such as US, slow rise in demand in the domestic market and inflation being in comfortable zone as well as expansion of manufacturing activities, all this supplement the positivity thereby boosting demand. This has resulted in better performance of industry segments like Automobile, Auto Component, Engineering, Ceramics, Refractory and Cutting Tools compared to previous year although sectors like Steel, Construction, and Infrastructure etc are yet to return to positive zone.

As mentioned in earlier section, your company's domestic business achieved a growth of 11% and the export has achieved a growth of 14% compared to the previous year with an overall 12% growth for the year on overall basis. In the domestic business, the Super abrasives products sales to industry segments like Automotive, Cutting Tools, Engineering, Ceramics, Refractories and Glass has achieved better performance over the previous year, sales to Steel and Machine tools has been lower with few project orders. During the year, your company continued to put its best efforts and new initiatives for new developments of products and applications besides working closely with customers to explore new opportunities for its products which could serve as import substitutions.

For the Machine Tools & Precision Components, on the other hand, the performance level was 18% higher than last year mainly on account higher volume offtake of precision components and improved order inflow for machines during the second half of the year which as a whole helped to company to achieve the above respectable growth compared to previous year. As you may be aware, for most of the year, the customers continued their reluctance towards new capacity additions, expansions and fresh capital investments resulting in fewer machine orders from Engineering, Refractory, Steel and Automobile customers.



ECONOMIC OUTLOOK

The Indian economy is expected to achieve a growth rate around 6.5% in the coming year and according to the latest predictions by IMF, India growth rate will overtake China in next two years. India has become a promising investment destination for many of the foreign Companies looking forward to do business here following the launch of 'Make in India' initiative by the Government. This initiative is expected to increase the purchasing power of the common man, boost demand, and hence spur development, in addition to benefiting investors. Some of the policy measures focusing on development of agriculture, fast tracking of infrastructure projects, special emphasis on manufacturing and capital markets are expected to result in building business confidence in the coming year.

The major Industry segments which are expected to benefit from the above measures are Automotive, Construction, Infrastructure, Mining, General Engineering, Steel, Defense and Aerospace, Power, Food, Services and Consumer durables during 2015-16. New investments, capacity expansions and implementation of projects in Infrastructure and Construction, Power, Engineering and allied industries are expected to take advantage of the opportunities in the coming year.





INDUSTRY STRUCTURE & DEVELOPMENTS

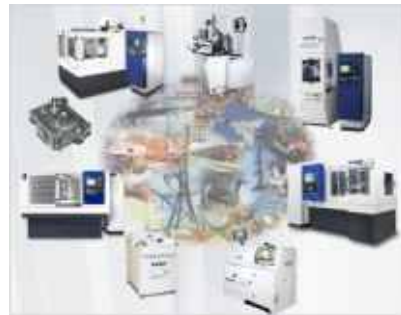
The Indian Super abrasive tooling market continues to remain fragmented in nature and operates in a highly competitive environment, mostly dominated by the presence of few organized players such as your Company and many owner-driven small companies with strong focus on regional presence. Your company continues to be a preferred supplier, many a times as a single-source supplier for many major customers for a wide spectrum of industry for Super Abrasive products, with its comprehensive range and considered as **Total Grinding & Honing Solution Provider**. As a result of this, your company's growth continues to be dependent on the performance of these industries and customers. Major

contribution to your Company's topline in the coming year is expected to come from sectors such as Automotive, Engineering, Cutting Tools, Refractory, Aerospace, Defence, Steel, Ceramics and Construction. Therefore, your Company's performance will also be in commensurate with the performance levels of these industries.

As mentioned earlier, it is a constant endeavor of your company to focus on exploring every new opportunity, new projects, tenders, new customers and new industrial segments. As such, it has been working on various projects and



has added some of the new products to enhance the product basket especially in the precision grinding areas. At the same time it is also consciously working on progressively minimizing dependency on few specific industries e.g Automobile and its related industries. The effect of this endeavor is evident from the fact that your company has developed many new products for precision applications for industries like Aerospace, Turbine, Gears, Defence, Construction, Infrastructure, Healthcare, Paper and Printing and Bearing.



PERFORMANCE OVERVIEW

Key Financial Summary

Particulars	2014-15 (Rs in Lacs)	2013-14 (Rs in Lacs)	% change
Domestic Sales	7,890	7,110	11
Export Sales	2,670	2,339	14
Total Sales	10,560	9,449	12
Operating Profit	1,107	1,147	-4
Capital Employed	8,990	8,231	9

OPPORTUNITIES & THREATS

Opportunities:

While the growth in Indian economy is expected to remain modest in the medium term, your company would continue to have high confidence and resultant higher growth levels on account of the industry spread and wide business canvas. Added to this, the comprehensiveness of the product range



would act as catalyst & facilitate the growth. Your company would continue to be on constant search for potential business opportunities in new industries and markets as they unfold resultant to the emerging Mega trends.

Your Company heavily leverages on its long experience in the industry with its comprehensive product range catering into every industry and its superior technology for manufacturing Super abrasive tooling and The Precision Grinding/Honing machines. Extension of this advantage to Precision component manufacturing in last few years has only been a natural choice for your company which has been turned out to be sizeable business for your company. It would strive to utilize the maximum and derive benefits from being the provider of Total Grinding & Honing Solution by extending its offerings **"from Tools-To- Machines- To- Components"**.



The spirit of Innovation lies behind every action at your company. This has been gaining momentum as a process for development of new products and processes. It would continue to work on this pursuit for adding more number of innovative products to the existing basket.

Your Company continues to work on some of the identified new projects in both Super abrasive tooling, Machines Tools and precision components. Like previous year, it has planned some more new machine models / ranges for introduction during the coming year. As a part of driving aggressive growth, your company has also been working on few new projects for Machine Tools & Precision Components vertical which would further strengthen the business.

Threats

As you may be aware, the Domestic Super abrasive tooling market is marked by the presence of few organized players such as your company and many unorganized players. Due to the polarized nature of the market structure where there are unorganized players in one end who are small time proprietary-driven companies often with strong regional focus and on the other end, there are organized players. The small companies, by virtue of their size and operations, continue to cater to a small section of customers and industries with a limited range of products. Focus on specific regions and addressing customer requirements with lower prices has been one of their forte. The few large organized players from both domestic and global arena focus on technology and application engineering. Almost always, the global players rely on OEM Tie-ups with established Grinding / Honing machine manufacturers, thus making use of their long established parental backgrounds right from the beginning stages, offering combination of methods involving performance, cost and technology, service lock-ins and warranty clauses.



In order to address this divergence, your company continues to adopt its unique approach to improve the market presence and market share and reach both segments. While the low cost and innovative products are offered to address the low end competition, for the high end segment, it focuses on developing import substitutes based on approaches like price-to-performance measures and value addition backed by regional technical supports, hand-holding and use of customer facing technology like CRM and customer education etc.



The competitive advantage for your company is derived from continuous efforts in application development and market development. This is well complemented by Product and Process innovation where it brings new

developments for the customers including import substitutions in order to stay ahead of competition and create entry barrier. Your company makes all attempts to constantly harness the knowledge base and competency levels of the people in the respective product verticals.

BUSINESS OUTLOOK

A lot depends on the Government's reform-based approach where there has been a steady flow of reforms focusing on areas like governance, ease of doing business and fiscal prudence. During the past few months, the new government

has announced labour reforms, diesel price de-control; the 'Make in India' movement along with progress in GST roll out consideration. Such concrete initiatives could herald an era of sustainable growth for India.

In the optimistic and cautious business environment, your Company's primary focus would be to retain its leadership position in the domestic market by continuing to offer its wide range of products, increased market reach & penetration as well as addition of new products to its basket. Besides this, your company would continue its endeavor of strengthening its presence especially in the overseas market. In order to enhance the awareness levels, brand recall and improve customer engagement levels, your company will continue its active

participation in both domestic and international exhibitions & trade fairs to promote its products and services

In the **Super abrasive business**, your Company will continue to drive the three chosen growth drivers, Innovation, New Product Development and Indigenization Efforts. While this would give stability to your company, it will also focus on capitalizing on new opportunities in industry segments with high growth potential in conjunction to ensure future growth.

Machine Tools & Precision Components vertical has been gaining strength year on year and is expected to yield dividend in the coming years, with new machine launches. Increased population of machines supplied has been a point of good reference base in the industry and translates into gaining good traction in the machine tool business. Like previous years, your company has already planned few new machine launches and developments in the coming year especially for steel, refractory, engineering, auto components and automobile industries. In order to strengthen the design capabilities and automation competencies, your company in the meantime, has forged a strategic partnership with one of local leading companies well-known for its capability in design, automation and controls.

The precision component business also is being strengthened with addition of new components and new accounts for long term growth. Already the new component business is seeing steady increase in volume and ramped up volumes are expected in the coming year. Simultaneously, your company is actively considering adding few more precision components to its offering in near future and accordingly will make suitable investments in creating the physical infrastructure, capacity, machineries, equipment, and human resources in this area.

Towards the **International Businesses**, your company continues its focus on pursuing & growing the business through the established Wendt / 3M channel. Further to enhance the market reach for its products, your company also uses CUMI's overseas marketing channels, and the other Strategic partners / Alliances in identified countries for boosting the exports. Accordingly your company has started promoting its products under CUMI & Neutral Brand as well, thereby opening up new business opportunities.



Your 100% owned subsidiary in Thailand, **Wendt Grinding Technologies Ltd**, continues to churn out superior results year on year despite the region being repeatedly affected by global slowdown, declined demand and shifting of manufacturing base by many Japanese companies as also labor and political disturbances. The subsidiary shows enough confidence and resolve for a better performance in the coming year too. Your company's subsidiary will continue to embark on new opportunities, addition of new industry segments and markets with improved service levels, while increasing its product basket.

Your Company's second fully owned subsidiary, **Wendt Middle East FZE, Sharjah** has been delivering consistently better performances over last three years. As mentioned earlier, it operates in an environment that is affected by prolonged slowdown, market volatility, fall in oil prices, socio-economic crisis and declined investments in key areas in the region. However despite the turbulent uncertain conditions, restructuring and change in our Business strategy have started delivering positive results. Your subsidiary will continue to operate as the Product Availability Point (PAP) for the entire GCC region with focus on General Engineering, Aerospace, Steel, Ceramics, Auto component, Oil and Gas and associated industry segments & is expected to better its performance in the coming year too.



RISK & CONCERN

Your Company follows a comprehensive and robust risk appraisal, mitigation and management process in the areas of operations, finance, technology and other business functions. Risks are uncertainties and possible outcomes from the environment which can impact a company's performance and future prospects. The Senior management of your

Company is involved in mapping the risks arising out of both internal and external environment and comes out with effective plans for mitigation of these risks. Business risk mitigation helps your Company to find ways to manage situations that could adversely impact the financial, physical and human capital of the organization. The risk management and mitigation strategies enable your Company to retain its market leadership position and also improve upon the operational efficiencies to insulate it from various risks.

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

- Identification of risks with the associated risk owners
- Evaluation of the risks as to the likelihood of occurrences and related

Consequences

- Assessment of options for risk mitigation
- Prioritizing the risk management actions
- Development of risk management plans
- Authorization for the execution of the risk management plans
- Implementation and review of the risk management process

Risk management reinforces the robustness of the business. The Senior Management of your company takes the overall responsibility of total risk management processes in the organization. Through its quest on anticipation and identifying risks before risks govern your company's actions, the Risk Management Committee of your Company analyses the potential impact of risks on the current business portfolio and decides which business should receive more focus, where to invest, what needs to be added or discontinued from the product portfolio etc. to alleviate the risks.





Your Company incessantly seeks to identify, assesses, review, manage and works on developing the robustness of the system in terms of adequate internal controls and compliances. The business risks of your company are managed through cross functional Team involvement and communications. Some of the risks associated with the business and the related mitigation plans are given below. However, the risks given below are not exhaustive and the assessment of risk is based on management's perception.

User Industry Concentration Risk

Why is it considered as a Risk?

- Significant Business exposure to select & limited sectors.
- Time lag in passing of the price correction / variations in input costs to the customers.
- Effect on Customer Relationship with change in guard / ownership.
- Global economic scenario leading to decline in demand.
- Cessation of the technology agreement and access to new developments in the super abrasive.
- Rebranding of products and the resultant delay in brand establishment.
- Disruptive innovation & process changes.



Mitigation Plan / Counter Measure to address

- De risking the business with widening the customer base, identify new industry segment & new geographies .
- Exploring growth opportunities in Construction, Infrastructure, Steel, Defense, Aerospace, Glass, Ceramics and other industries.
- Continuously pursuing product innovation and new application development for diverse sectors.



- Improving the on time delivery levels through operational efficiency measures like Lean addressing the sustained competitive advantage.
- Leveraging relationship and Engagement with the customer-WOW initiative / Exhibitions like IMTEX, participation in international shows & CRM application.
- Setting up of the In-house DSIR approved R&D center. Also the innovation focusing on New Product Development, is now well embraced at Wendt to yield results.
- Developing and promoting alternative brands-one being well-known-"CUMI".
- Entering new geographies

Competition Risk

Why is it considered as a Risk?

- Presence of too many unorganized small regional players often offering Low pricing strategy, free samples, higher credit days etc
- Cheaper Imports from China.
- Imports Direct and through OEM route.
- New Big Player entry - 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, Consistent Delivery



- Internal Efficiency Measures/ process automation/ Reduce throughput time
- Creating entry barriers for competition / exit barriers for customers - key account management
- Continued drive on Innovation on products, process and applications
- Enhancing value added services
- Enhance the product basket & offerings
- Increased focus on New product development
- Central Monitoring System
- Building agile Supply chain
- Drive E-Commerce
- 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 technology and material science.
- Adoption of Disruptive technologies like 3D printing.
- Access to New Alternate technology following the expiry & Non renewal of technical collaboration agreement with Wendt GmbH post Sept 2012.

Mitigation Plan / Counter Measure to address

- Indigenous development of Bonds independently /external consultant
- Collaboration with external consultants
- Established DSIR approved R&D centre and build on self-sufficiency in technology & new products
- Association with external Research laboratories / Technical institutes for technological upgradation.
- Product and Process Innovations

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
- Business Continuity Plan and Disaster Recovery Strategy in place.
- Security operations centre under process
- Authorized access to the Data centre
- Crisis Management Group in Place.



INFORMATION TECHNOLOGY



For your company harnessing the use of Technology and SAP ERP system has been an integral part of the business. A unified incorporation between various modules, being the key for deriving full benefits of the ERP had been identified and given priority by your company. Accordingly it has continued to work on some of the critical business processes such production planning, materials management, stores and receipts, financials and controls as a part SAP-CIP integration project towards productivity improvement, prioritization. This year with lean integration through SAP is been embarked on for scheduling and cycle time & Cost reduction.

IT enabled Knowledge Management System which your company has been embarking on is expected to enhance the company's application engineering capabilities and offering technology solutions to the customers.

During the year, your company has accomplished the implementation of SAP CRM business application (Customer Relationship Management), yet another demonstration of becoming more customer-centric. This initiative will take your company one step closer to the customers in terms of relationship management and real time interactions, better understanding of their requirements and addressing them with precise technology solutions besides giving a unique experience. In addition to this CRM is interfaced with the Knowledge Portal making it a single technology driven platform for all users to access any time and service the customers globally with insightful technology solutions with least effort and ease.

INTERNAL CONTROL SYSTEM & ADEQUACY

Your Company has a well-defined and documented internal control system which is effectively monitored. These measures are regularly reviewed and updated by incorporating changes in the regulatory provisions. These are regularly tested for their effectiveness by Statutory as well as Internal auditors. Your company remains committed in its endeavor & ensures an effective internal control environment that provides assurance on the efficiency and effectiveness of operations, reliability of financial reporting, statutory compliance and security of company's assets. The checks and balances in the internal control system have been time-honored to ensure that all assets are safeguarded and all transactions are authorized, recorded and correctly reported. Material errors and irregularities are detected and prevented in time.

Capital and revenue expenditures are meticulously monitored and controlled with reference to approved budgets.

The Company has well established, time tested, robust internal processes in place to ensure smooth functioning of the operations. This is ensured by well documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedure specific to the respective business. This is enhanced by an extensive review & monitoring system whereby the management regularly reviews your company's performance periodically as per its' relevance for both financial and operational parameters and takes timely measures to address variances, if any.

The internal audit function is carried by external independent Chartered Accountant firm which covers all operational areas and ensures that the revenue has been correctly deployed and that there is no wastage/ leakage of any resources. The Wendt Board, Audit Committee and the Management, review the findings and the recommendations of the Internal Audit and take corrective measures wherever necessary.

Risk assessment supports identification and giving focused attention to on all high - risk expanses. The periodic reviews include all the business critical functions, such as revenue assurance, collection, credit and risk, MIS, information technology, network security, procurement and financial reporting. The Audit Committee regularly reviews the audit plans, audit observations of both external and internal audits risk assessment and adequacy of internal controls.

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.

The company continues its efforts to align all its processes and controls with best global practices.

FINANCIAL REVIEW

Earnings

Revenues

During the year, your company achieved total sales of Rs.10560 Lacs, higher by 12% as compared to 2013-14. While the domestic sales is 11% higher than last year at Rs. 7890 Lacs, the export sales recorded a growth of 14% compared to the previous year at Rs 2670 Lacs. As briefed earlier, the major industry segments which contributed to the growth of domestic business are auto, auto component, engineering, cutting tool, ceramics, glass, refractories

etc. The improved performance in export is contributed by the higher exports to countries like UK, USA, UAE, Spain, Belgium, Austria, Australia etc. during the year.

Profit before Tax

Accordingly, the profit before tax is higher by 7% at Rs.1764 Lacs compared to Rs.1640 Lacs in 2013-14.

Profit after Tax

The profit after tax is higher by 25%, at Rs.1485 Lacs, compared to Rs.1187 Lacs in 2013-14.

Liquidity and Cash Equivalents

Your Company retains its status of debt free company, maintaining sufficient cash and cash equivalents to meet its futuristic strategic initiatives. Your company has been 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 objective of cash management at Wendt India is to :

- Conserve sufficient cash as reserves that will aid the company in seizing meaningful business opportunities that unfolds during the year.
- Use cash to provide sufficient working capital to address business objectives of the company & to add value to all stakeholders by continued enhancement.
- Prudently Invest surplus funds that the business generates in debt schemes of mutual funds as per Group norms. This ensures availability, safety and liquidity of Company's funds while allowing reasonable yield as per the prevailing market rates.

During the year your company's investment in mutual funds increased from Rs.1272 Lacs to Rs.1436 Lacs in 2014-15, a growth of 13%, following the prudent investment policies.

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

The Fixed costs excluding depreciation has increase by 14% compared to last year. However, fixed cost as percentage of sales controlled at 32% against 36% of last year. During the year the company has charged depreciation based on revised remaining useful life of its fixed assets as per requirement of Schedule II of the Companies Act 2013. As a result, the depreciation for the year has increased by 73%. However, your company believes the additional depreciation will even out in the coming years and also it will help in replacement of the asset faster.

The variable costs have been controlled during the year through indigenization of raw material and other input costs which has helped marginally 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 and key suppliers during the current year is expected to improve its profitability in the coming year.

Financial Position

Share Capital

The paid up equity share capital as on March 31, 2015 was Rs. 200 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Shareholders Funds

The shareholders fund as on 31.03.2015 was Rs.8990 Lacs against Rs.8231 Lacs of previous year, an increase of 9%. Accordingly, the book value of the share stands at Rs.450/- as compared to Rs.412/- during the previous year.

Loan Funds

Your Company has a cash credit limit with State Bank of India to bridge the short term fund requirement and only to supplement the temporary mismatches in its cash flow. Your Company does not have any interest bearing term loan.

During current year, 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.2.0 crore Long term Fund facilities of your Company which signifies low credit risk and stable. The short Term (Non Fund based) Rating 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.1102 Lacs. The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and other identified areas like R&D and new products capacity enhancements, which are critical for the future growth of the company. Company continued to adopt policy of funding all the capex through the internal accruals.

Inventories and Sundry Debtors

The overall inventory levels as on 31st Mar'2015 is Rs. 1644 Lacs, an increase by 6% over the last year. There was an increase in the work in progress inventory by Rs.58 Lacs (mainly comprising of machine inventory for sale during 15-16), stores and spares inventory by Rs.27 Lacs and the trading inventory by Rs. 24 Lacs. This was due to delay in dispatch / clearance for from few customers. The higher inventory was also strategically necessary for addressing the On call supplies.

Receivables as on 31st March'2015, were marginally higher at Rs. 2111 Lacs from last year of Rs.2021 Lacs, mirroring sales growth of 12%. However, the average credit days has come down from 67 days to 64 days due to the adoption of stringent credit control measures. Your Company's aggressive receivable management system including close follow ups and credit lock through the SAP system has ensured that receivables were kept under control and payments were received in time.

Foreign Exchange Hedging

Being the net exporter & Based on its export & import position, your Company continues to follow the natural hedging of foreign exchange earnings and outflow and do not take forward covers. The net forex gain during the year has been Rs.35 Lacs.

Financial Performance with respect to Operational Performance

Despite the tough Business Scenario, your Company's Operating profit and Contribution has been better than the industry average and recorded reasonable growth. This was on account of stringent control measures taken for improved operational efficiency led by the Lean Initiative undertaken by your company and the better product mix also made it's due contribution. 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

Your Company continued its adequate care on providing required insurance cover for your company's asset buildings, plant and machinery including inventories, and for liabilities under legislative enactments.

HUMAN RESOURCE

Your Company, in order to sustain its leadership position in India, finds it compelling to be relentlessly customer-

focused, competition differentiated, performance-driven and future-capable. Your Company's Human Resource Development strategy seeks to fulfill this mandate through careful selection and rigorous implementation of a wide range of programmes and interventions. The human resource policies of your company motivate the employees to give their best and remain committed to achieve the overall objective of the company. Nurturing and development of the Human Capital is accorded high importance and is considered as valuable asset for your company.

The HR policies and practices of your company are aligned to the organizational goals and objectives. The well-crafted processes for attracting, retaining, nurturing and rewarding talent and following a transparent system to identify and reward performers has been some of the key success factors for your company boasting of longer average tenure of its employees. Individual KRAs are derived from the annual BSC (Balanced Score Card) parameters which are carefully deployed at all level and are reviewed periodically.

Your Company's Human Resource policies are continuously reviewed and realigned based on people expectations, making it more employee-friendly thereby creating an engaged workforce which focuses on productivity. It is a constant endeavor for your company to adopt some of the industry best practices and aligning them with the strategic directions, goals and objectives in terms of people processes.

Your Company has having undertaken the initiative job description last year would focus on, competency mapping. This will lead to identification of gaps and areas for development. These gaps would be adequately bridged through structured training programs, skill enhancement and multi-tasking. This would also ensure that the company finds the right talent for the right job thereby improving productivity and long term individual developmental plans.

Employees being the only appreciating asset, Personnel development plans focus on how each individual's strength can be best leveraged to deliver to his/her full potential. To this effect, your company provides specific training programmes and cross functional learning opportunities. The company attains high degree importance to enhancing employees' competency and skills through on the job training and external training programmes. Special attention is given on improving the health and safety of the employees. Training, welfare measures and individual development plans for the employees continue to be high primacy area for your company.

Your Company focuses on Business Excellence and continual improvement journey (TQM) in its quest to improve the quality of its products, processes and systems your company during the year has also embarked on Lean Manufacturing journey. All these necessitates ongoing learning, job enrichment, aligning rewards and recognition with performance, high engagement levels, conducive work environment and a cordial industrial relationship. These continues to be the hallmark of your company resulting in continued low attrition rate, well below industry average.

Your Company continues to have a smooth and enabling work climate that promotes performance, customer focus and innovative thinking while adhering to the highest standards of quality, integrity and ethics. Your Company continues to enjoy the support of a committed, experienced and satisfied workforce. To this effect, your company offers a compensation package which is one of the best in industry.

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 2015 was 321.

Your Company strongly believes that Employee engagement as the prime mover for the Customer Satisfaction and a real must for the organization growth. Accordingly during last year your company has conducted employee engagement survey by an external consultancy. In the coming years Aon Hewitt consultancy has been employed for scientific intervention and to put in place action plan against the finding thus derived towards further strengthening the engagement levels of the employee.

RELATED PARTY TRANSACTIONS

All related party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. 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.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the

Audit Committee is obtained on a quarterly basis for the transactions which are of foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on 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

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 is of the opinion 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.

MEETINGS

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

During the year, five Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARD EVALUATION

Pursuant to the provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Stakeholder Relationship, CSR and Nomination & Remuneration Committees. 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.

AUDITORS AND AUDITORS' REPORT

The statutory auditors of the Company, M/s Deloitte Haskins & Sells, Chartered Accountants, (FR No.008072S) Bangalore were appointed as auditors at the 32nd Annual General Meeting to hold office upto the conclusion of the 34th Annual General Meeting, subject to the ratification of the appointment by members every year. The auditors of your Company have submitted a certificate of their eligibility for reappointment under Section 139 of the Companies Act, 2013 and being eligible have expressed their willingness to continue as the auditors of the Company. Consequently, ratification of their appointment is recommended to the shareholders. As per the relevant provisions of Listing Agreement, your company has ensured that the auditors are subject to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer review Board of the ICAI. The statutory auditors have confirmed their compliance with the relevant provisions.

The notes on accounts referred to in the Auditors' Report are self explanatory and do not call for any further comments.

SECRETARIAL AUDIT

During the year your company has appointed M/s Apeksha Nagori, practicing Company Secretary to conduct

secretarial audit under section 204 of the Companies Act 2013, for the financial year 2014-15. The secretarial auditor has submitted the Report confirming compliance with the applicable provisions of the Companies Act 2013 and other rules and regulations issued by SEBI/other regulatory authorities. The Secretarial Audit Report forms part of the Annual Report.

The explanation to the observations of the Secretarial Audit Report by the Secretarial Auditor has been furnished in the respective sections of the Corporate Governance Report.

KEY MANAGERIAL PERSONNEL

Mr. Rajesh Khanna, Chief Executive, Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer and Ms. Akanksha Bijawat, Company Secretary are the Key Managerial Personnel of the Company as per section 203 of the Companies Act 2013.

CORPORATE GOVERNANCE

Your Company continues to maintain high standards of Corporate Governance in all its interactions with various stakeholders. The company strives to be a sustainable and trusted organization as sustained governance is the cornerstone in building and maintaining relationship with all its stakeholders. It has inculcated into its system the strong culture of values, ethics and integrity living with the Five Lights - The spirit of the Murugappa Group. The company's relationship with its investors is an important component of Corporate Governance. It rigorously pursues a policy of 100% compliance with all statutory requirements and has a robust review system in place. The Board fully supports and endorses Corporate Governance practices in accordance with provisions of Clause 49 of the Listing Agreement. The Report on Corporate Governance alongwith the Auditors' Certificate regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement is annexed hereto and forms part of the Annual Report. Further, as required under Clause 49(IX) of the Listing Agreement a certificate from the Chief Executive and the Chief Financial Officer of your Company is being annexed with this Report.

VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

The Company has a vigil mechanism under Whistleblower Policy to provide necessary safeguards for protection of Directors, employees from reprisals or victimization. The details of the policy is explained in the Corporate Governance Report and also posted on the website of the Company.

Extract of Annual Return

The extract of the Annual Return in form MGT 9 is annexed to and forms part of this report. (FORMAT IN ANNEXURE I)

RATIO OF REMUNERATION TO EACH DIRECTOR:

Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration as ANNEXURE - III

Directors Responsibility Statement

In accordance with the provisions of Section 134(3)© of the Companies Act, 2013 and on the basis of the information furnished to them by the statutory auditors and the management, your Directors confirm that:

- In the preparation of the annual accounts for the financial year ended 31st March 2015 and the Balance Sheet as at that date ("Financial Statements"), the applicable accounting standards have been followed and no material departures have been made from the same.
- The Directors 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 profit of the Company for the year ended 31st March'2015.
- The Directors have taken proper and sufficient care 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.
- The Directors have prepared the annual accounts on a going concern basis.
- The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Disclosure of Statutory Particulars

- The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with Rules 8(3) of The Companies (Accounts) Rules 2014 are set out in Annexure A which forms part of this report.
- The information required under Section 197(12) of The Companies Act, 2013 read with Rules 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 and forming part of Directors report for the year ended 31st March 2015 is annexed in Annexure B.

ACKNOWLEDGEMENTS

Your Directors place on record their sincere gratitude to the continuing patronage and trust of our valued customers, bankers, investors, suppliers, business associates, shareholders, auditors and other statutory authorities who have extended their precious continued support and encouragement to your company. Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels of the company and look forward to their continued involvement and support.

Finally, the Directors also wish to place on record their gratitude to the members of the Company for their Continued Support & Confidence.

By order of the Board
For Wendt (India) Limited

M M Murugappan
Chairman

Place: Chennai
Date: 21st April 2015

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 does not fall under the category of power intensive industries. However, your company adopts sustained efforts to reduce energy consumption. The organization is an ISO 14001 certified company which is an International Management System Standard. The environmental policy of your Company aims at conservation of natural resources and minimization of pollution. The following energy conservation measures were taken by your Company during the year:

- Introduction of light dependent resistance sensor harnessing natural daylight for all outdoor lighting with automatic controls
- Installation of energy efficient lamps in new installations. Existing energy inefficient lamps are gradually replaced with energy efficient lamps.
- Installation of occupancy sensors in washrooms & lavatories
- Time switches are installed at various places for automatic control of street lights.
- Power capacitors added/ replaced wherever necessary to improve power factor.
- Modification in lighting circuit for automatic ON/OFF controls
- Optimum utilization of energy through process redesigning as well as maximum utilization of equipment that offers improved energy efficiency.
- 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). is recycled and reused for gardening.
- Various energy conservation measures are taken and general awareness is propagated among all concerned for efficient use of energy.

b) Technology Absorption, Adaptation and Innovation

Your Company thrives on quick absorption of latest technology and its adaptation in both Super abrasive and Non Super abrasive business verticals. As mentioned earlier, the expiry of the technical collaboration with Wendt GmbH happened three years back. Pre-empting this, your company had already embarked on developing its own technology & appended process by aggressively pursuing its R&D efforts through the establishment of R&D Centre and also collaborating with renowned institutes & Laboratories who have gained sufficient knowledge in your company's product lines. As a result your company has been able develop some of the products that are extensively used in wide range of industries like Refractory, Ceramics, Construction, Glass and Composite, Cutting Tools, Steel and Textile & Paper. Your Company has also identified and initiated some more areas for bond development for industries such as Rotary Tools, Ceramics, Bearing, Glass, Automobile etc with the help of a well qualified and experienced external consultant.

Your Company also banks on the rich experience and utilizes technological knowledge pool and R&D facility of its Indian Joint venture partner Carborundum Universal who are leaders in the field on conventional abrasive & material science for some of the application developments for specific areas.

Your Company continuously focuses towards the re-engineering of processes and works on developing cost economical raw material alternatives for improving operational efficiency, reducing costs and waste elimination.

Continuous efforts are made towards value engineering of existing products to deliver better price to performance ratios, new processes for the manufacture of certain products, improvement in products to match evolving requirements of customers and development of capability to manufacture products addressing specific market niches.

Based on your company's needs for modern technology and growth opportunity, strategic acquisitions/collaborations in related areas are being explored.

RESEARCH & DEVELOPMENT

In line with its strategic intent, your Company seeks to become significant global player in offering customized functionally superior products to maintain its competitive edge and retain its market leadership position. Since the advancement of technology is at a greater pace, the grinding technology needs to be constantly updated on an ongoing basis to keep pace with rapid change in material science and machining techniques. As an acknowledgement of this important aspect, your company has a well-established R&D centre which is anchored by a R&D head who is well experienced and knowledgeable in his domain. Apart from research and development activities, he also collaborates with external research labs and renowned institutes & collaboration with technical consultants for the required technological up gradation.

As you may be aware, your Company's R&D Centre was accorded Certificate of recognition from the Ministry of Science and Technology, Government of India, valid upto 31st March'15. During the year your Company had applied and received the R&D Renewal Recognition Certificate valid from 1st April'2015 to 31st March'2018.

The recognition of the R&D centre by DSIR gives your company a major impetus not only to pursue development of new Bond / Matrix, new products for itself but also provide opportunities for collaboratively working with external institutes / research laboratories on leading technologies in future. This R & D venture continues to carry out indigenous Bond development in a major way and help the organization to be ahead of competition with launch of newer products.

Your Company has a state of art R&D facility with all ultra-modern equipments and facilities supported by well qualified and dedicated R&D team which is involved round the clock in various R&D projects and activities in order to develop new products with new features for the grinding and finishing applications, improve the existing one, develop new methods, technology up-gradation etc.

Your Company continuously focuses towards the re-engineering of processes and works on developing cost economical raw material alternatives like raw materials for improving operational efficiency, reducing costs and waste elimination.

Continuous efforts are made towards value engineering of existing products to deliver better price to performance ratios, new processes for the manufacture of certain products, improvement in products to match evolving requirements of customer.

Your R&D centre has a dedicated team to work on various Research concepts for bringing cutting edge technology solutions for offering to the customers. During the year 2014-15 our Research center has added high end scientific instruments along with supportive infrastructure to strengthen the development activities.

Our R&D Department focus areas are on:

- To develop Self Sufficiency in wide range of Bonding Materials for Grinding application.
- New Process and Design for precision Honing Applications
- Products for Cutting & Grinding of New Materials
- Building customized Products for local and global markets
- Working not just as product development partners but also as Go-To - Market partners with customers

Specific areas in which R & D is carried out by the Company

Following are the areas in which R&D is carried out by the Company

- Development of new Bonding System for Super abrasive grinding wheels Vitrified, Metal and Resin bond
- Development of vitrified super finishing sticks for honing/lapping application
- Study and analysis of grinding process with condition monitoring system for optimizing the process
- Development of new manufacturing methods by using resistance heating technique
- Establishing the network with academic institutes/PSUs for any opportunities relevant to the company's activities.

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 Wendt R&D brings new opportunities in the market. Following are the benefits of R&D

- Development of bonds for self sufficiency
- Indigenisation 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 the area of 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, tax benefit can be availed 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 developed by your company last year are -

- Low cost diamond resin bond wheel by using microwave technology for tool and cutter grinding application.
- Brazed wheels for steel grinding, ceramic, ophthalmic and composite
- Quick Change Wheel for Cutting Tools.
- Indigenized Vitrified diamond wheel for PCD/PCBN lapping applications
- Vitrified super finishing honing sticks for bearing and textile
- Hybrid integral thin and thick Copper body wheels by using resistance heating

Wendt India R&D plant includes inter alia, New Technology Development, Technology upgradation, and Self Sufficiency in Bond Development.

During the year Company has filed patents, one in Non-Super abrasive product groups and few patents are in pipeline for Super abrasives.

During the year, your company also successfully developed 7 new machines such as Vertical Single & Double spindle Honing machines, Angular Head Grinding machine and Surface Grinding Machine.

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

(i) Expenditure on R&D		(Rs. In Lacs)	
Sl. No	Particulars	2014-15	2013-14
a)	Capital Expenditure	432	105
b)	Recurring (revenue expenditure)	263	272
c)	Total Expenditure	695	377
d)	Total R&D Expenditure as a percentage of turnover	6.58%	3.99%

(ii) Foreign Exchange Earnings and Outgo		(Rs. In Lacs)	
Sl. No	Particulars	2014-15	2013-14
a)	Foreign Exchange Used	2985	3069
b)	Foreign Exchange Earned	3214	2636

B) **Particulars of Employees:** The details of employees drawing remuneration in excess of Rs 5,00,000 per month or Rs. 60,00,000 per annum as required under Section 197(12) of The Companies Act'2013 read with Rules 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is as follows:

Name and Age	Designation/ Nature of duties	Gross remuneration paid in 2014-15 Rs	Qualification and experience (Years)	Date of commencement of employment	Previous employment
Rajesh Khanna (54)	Chief Executive Officer	79,29,352/-	B.E (Mech), PGDBA (32 years)	01-10-1982	NIL

Note :

- 1) Accordingly, perquisite have been valued in terms of actual expenditure incurred by the company in providing benefits to the employees except in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy in such case, a notional amount as per Income Tax Rules has been added.
- 2) The above mentioned employee is not a relative (in terms of the Companies Act 2013) of any Director of the Company.
- 3) The nature of the employment is contractual and terminable with 3 months notice.

By order of the Board
For Wendt (India) Limited

M M Murugappan
Chairman

Place: Chennai
Date: 21st April 2015

Forward looking statements

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, a number of 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 also 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 I

EXTRACT OF ANNUAL RETURN as on the financial year ended 31/03/2015

[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	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 Telephone No.: 040 67161510

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	3296	47.36
2	Grinding, Dressing, Lapping, Honing & Polishing	3574	15.63
3	Special Purpose Machine, Components & Accessories	3590	12.58
4	Machine Tools & Accessories	3570	11.27

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				No. of Shares held at the end of the year				% of Change during the Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(A) Promoters										
(1) Indian										
(a) Individual/HUF	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-	
(b) Central Govt	-	-	-	-	-	-	-	-	-	
(c) State Govt (s)	-	-	-	-	-	-	-	-	-	
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-	
(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	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-	
(b) Other - Individuals	-	-	-	-	-	-	-	-	-	
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
(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) (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				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	1850	-	1850	0.09	1850	-	1850	0.09	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	1850	-	1850	0.09	1850	-	1850	0.09	-

(2) Non- Institutions									
(a) Bodies Corp	12608	200	12808	0.64	15435	200	15635	0.78	0.14
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	312394	57902	370296	18.51	314589	52525	367114	18.36	-0.15
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13529	-	13529	0.68	14075	-	14075	0.70	0.02
(C) Others (Specify)									
i) Directors	2650	-	2650	0.13	2650	-	2650	0.13	-
ii) Clearing Members	566	-	566	0.03	312	-	312	0.02	-0.01
iii) Non Resident Indians	3597	-	3597	0.18	3660	-	3660	0.18	-
Sub-Total (B)(2)	345344	58102	403446	20.17	350721	52725	403446	20.17	-
Total Public Shareholding = (B) (1) + (B) (2)	347194	58102	405296	20.26	352571	52725	405296	20.26	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1941898	58102	2000000	100	1947275	52725	2000000	100	-

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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		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		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAM KRISHAN KHADELWAL	13529	0.68	14075	0.70
2	TARA CHAND JAIN	3877	0.19	4775	0.29
3	BHUMESH KUMAR GAUR	4016	0.20	4016	0.20
4	RAM KRISHAN KHADELWAL	4000	0.20	4000	0.20
5	ANITA KHADELWAL	2203	0.11	3289	0.16
6	KIRIT MODI	2818	0.14	2818	0.14
7	RAJEN ANIL SHAH	-	-	2489	0.12
8	YOGESH RASIKLAL DOSHI	-	-	2247	0.11
9	MEDSYN LABORATORIES PRIVATE LIMITED	2201	0.11	2100	0.11
10	IRMGARD VELAGAPUDI	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		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	-	-	-	-
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 beginning 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	-	-	-	-
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 beginning of the year	240	0.01	240	0.01

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year		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. 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/WT/Manager	Total Amount
		None	
1	Gross salary	NIL	
(a)	Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961		
(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 Lacs)
		Mr. Shrinivas G Shirgurkar	Mr. K S Shetty	
	Fee for attending board / committee meetings	1.90	2.00	3.90
	Commission	-	-	-
	Others, please specify	-	-	-
Total B (1)				3.90

2. Non-Executive Directors

S.No	Particulars of Remuneration	Name of Directors			Total Amount (Rs. In Lacs)
		Mr. M M Murguppan	Mr. Edmar Allitsch	Mr. K Srinivasan	
	Fee for attending board / committee meetings	0.80	-	-	0.80
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
Total B (2)					0.80
Total (B) = (1)+(2)					4.70

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

S.No	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Rajesh Khanna, CEO	Mr. Mukesh Kumar Hamirwasia, CFO	Ms. Akanksha Bijawat, CS	
(a)	Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	61,85,303	22,45,948	5,08,203	89,39,454
(b)	Value of perquisites u/s 17(2) Income -tax Act, 1961	9,73,707	21,600	-	9,95,307
(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	7,70,342	2,47,253	63,856	10,81,451
Total (C)		79,29,352	25,14,801	5,72,059	11,016,212

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 II

ANNUAL REPORT ON COROPORATE 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 Shirkurkar, Member (Independent Director) Mr. K Srinivasan, Member (Non-Executive Director)	
4.	Average net profit of the company for last three financial years	Rs. 1924.29 Lacs
5.	Prescribed CSR Expenditure (two per cent of the amount as in item 4 above)	Rs. 38.49 Lacs
6.	Details of CSR spent during the financial year (a) Total amount spent for the financial year (b) Amount unspent, if any	Rs. 36.33 Lacs Rs. 2.16 Lacs

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

Sl No	CSR project or activity identified.	Sector	Location	Amount outlay (budget) project or wise	Amount spent on the projects or programs	Cumulative expenditure upto to 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	36.39	34.23	34.23	34.23
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	2.00
3	Contribution to Armed Force Flag Day Fund	Measures for the benefit of war widows	Local Area Hosur, Tamilnadu	0.10	0.10	0.10	0.10
TOTAL				38.49	36.33	36.33	36.33

*Give details of implementing agency: No implementing agency

6. 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:

The Company has planned funds for the Maintenance/Painting of School Building. It couldn't be carried out in the FY due to the site conditions. It will be carried out in the coming year.

7. 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 CSR Committee

K S Shetty
Chairman of CSR Committee

K Srinivasan
Member of CSR Committee

Place: Chennai

Date: 21st April 2015

ANNEXURE III

The details of remuneration during the year 2014-15 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

(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 for attending Board and Committee Meetings.																			
(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: 13.35% CFO: 7.67% CS: 8.95%																			
(iii) the percentage increase in the median remuneration of employees in the financial year	8%																			
(iv) the number of permanent employees on the rolls of company	321																			
(v) the explanation on the relationship between average increase in remuneration and company performance	(a) average increase in remuneration : 8% (b) company performance (% increase in PBT): 7.56% (c) Explanation on relationship : The increase in remuneration of employees is based on the individual KRAs and Balance Score Card of the Company.																			
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company	<table><tr><td>Designation</td><td>% increase in Remuneration</td><td>% increase in Sales</td><td>% increase in PAT</td></tr><tr><td>CEO</td><td>13.35</td><td>11.76</td><td>25.11</td></tr><tr><td>CFO</td><td>7.67</td><td>11.76</td><td>25.11</td></tr><tr><td>CS</td><td>8.95</td><td>11.76</td><td>25.11</td></tr></table>				Designation	% increase in Remuneration	% increase in Sales	% increase in PAT	CEO	13.35	11.76	25.11	CFO	7.67	11.76	25.11	CS	8.95	11.76	25.11
Designation	% increase in Remuneration	% increase in Sales	% increase in PAT																	
CEO	13.35	11.76	25.11																	
CFO	7.67	11.76	25.11																	
CS	8.95	11.76	25.11																	
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year	<table><tr><td></td><td>31.03.2014</td><td>31.03.2015</td></tr><tr><td>Market Capitalisation (in Rs. Crores)</td><td>224.62</td><td>340.45</td></tr><tr><td>Closing Price at the Bombay Stock Exchange Ltd. (in Rs.)</td><td>1123.10</td><td>1702.25</td></tr><tr><td>PE Ratio</td><td>18.93</td><td>22.93</td></tr></table>					31.03.2014	31.03.2015	Market Capitalisation (in Rs. Crores)	224.62	340.45	Closing Price at the Bombay Stock Exchange Ltd. (in Rs.)	1123.10	1702.25	PE Ratio	18.93	22.93				
	31.03.2014	31.03.2015																		
Market Capitalisation (in Rs. Crores)	224.62	340.45																		
Closing Price at the Bombay Stock Exchange Ltd. (in Rs.)	1123.10	1702.25																		
PE Ratio	18.93	22.93																		
(viii) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Not Applicable as the last public offer was in the year 1983 and the data would be incomparable.																			
(ix) (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 only sitting fees 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																				
(x) the key parameters for any variable component of remuneration availed by the directors	N.A. The directors are paid only sitting fees for attending Board and Committee Meetings.																			
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	N.A. The directors are paid only sitting fees for attending Board and Committee Meetings.																			
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	YES																			

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by **WENDT (INDIA) LIMITED**, (herein after called "THE COMPANY"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate / statutory compliances and expressing my opinions thereon.

Based on my verification of the **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 ended on March 31st, 2015 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 here after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **WENDT (INDIA) LIMITED** ("the Company") for the financial year ended 31st March 2015 according to the provisions of:

- The Companies Act 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;

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

- Secretarial Standards issued by the Institute of Company Secretaries of India.
- The Listing Agreement entered into by the Company with National Stock Exchange and Bombay Stock Exchange.

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:

- As per Clause 40A of the Listing Agreement there should be a minimum public shareholding of 25% of the paid up capital of the Company. As on March 31st, 2015, the Promoter' 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 subject to the following observations:

- ii One of the conditions of the Clause 49 (IIA) requires that if the Non-Executive Chairman is a promoter, at least one half of the Board of the Company should consist of Independent Directors and the gap between the resignation and appointment of a new Independent director should not exceed 180 days**. An independent Director of the Company ceased to be a director w.e.f 27th July 2010 and no other Independent director has been appointed in his place upto the date of this certificate. As on March 31, 2015, the Company has two Independent directors as against the requirement of minimum three directors.

** The gap between the resignation and appointment of a new Independent director should not exceed 90 days as per the Listing Agreement amended w.e.f. 01.10.2014

- ii One of the conditions of the Clause 49 (IIA) requires that the Board of directors of the Company should consist of one Woman Director. As on March 31, 2015 and up to the date of this certificate, no Woman Director has been appointed by the Company.

Adequate notice is given to all the Directors to schedule 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of 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.

I further report that during the audit period of the Company, no major events has taken place in the Company.

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

Bangalore
21st April 2015

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

At Wendt Corporate Governance is defined as a set of systems, processes and principles which ensure that a Company is governed in the best interest of all stakeholders. Stakeholders would include everyone ranging from the board of directors, management, shareholders to customers, bankers, employees and society. It deals with conducting the affairs of a Company such that there is fairness to all stakeholders and that its actions benefit the greatest number of stakeholders. Corporate Governance involves a set of relationships between a Company's management, its board, its shareholders and other stakeholders. Corporate Governance also provides the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance are determined. It is the system by which companies are directed and controlled. It is about promoting corporate fairness, transparency and accountability. It ensures:

- Adequate disclosures and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholder interests;
- Commitment to values and ethical conduct of business.

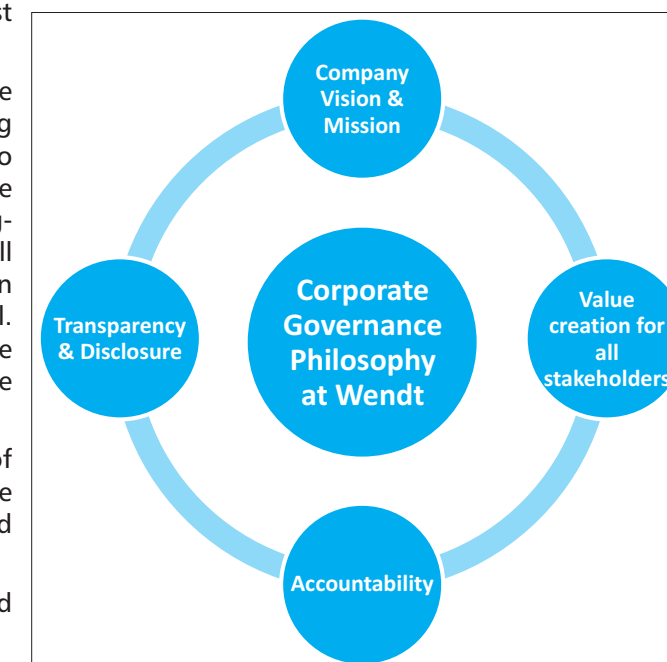
Transparency and accountability are the two basic tenets of Corporate Governance. At Wendt, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. Wendt believes that Corporate Governance is not an end in itself but a catalyst in the process towards maximization of shareholder value. Wendt's philosophy on Corporate Governance guided by its 5 Lights enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. It is the Company's belief that good ethics make good business sense and our business practices are in keeping with the spirit of Group's Five Lights towards maintaining the highest level of ethical standards.

Wendt believes in good governance as a continuous process and is committed to pursue the highest standards of corporate governance across all facets of Business. The Company is of the firm view that active, independent and well informed Board is integral to attain the highest standards of governance.

The Wendt Board is committed to evolve and adopt the best practices of Corporate Governance on an on-going basis. The objective of "Good Corporate Governance" is to ensure commitment of the Board in managing the Company in a transparent manner for maximizing long-term value of the Company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The overall endeavour of the board is to take the organization forward so and to maximize long term value and shareholders' wealth.

Your Company has complied with the requirements of Corporate Governance code in terms of Clause 49 of the Listing Agreement with the Stock Exchanges as disclosed herein below.

The Company's Corporate Governance practice is based on the following:



BOARD OF DIRECTORS

The Board of Directors of Wendt are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Wendt Board plays a vital role in overseeing how the management serves the long term objective of enhancing stakeholders' value. While the Board is regularly apprised of important business-related information and developments, detailed presentations are made by key management personnel and business heads on important matters. Board Members express opinions and bring up matters for discussions at the meetings. The functions, responsibilities, role and accountability of the Board are well defined. It ensures that your Company keeps shareholders informed about the developments, growth plans, and updates on the performance.

a) Size and Composition of the Board

The Wendt Board of Directors has an optimum combination of Executive and Non- Executive Directors with varied professional background. Independent Directors help to maintain the independence of the Board and separate the Board functions of governance from business management. Board ensures an appropriate balance of power, independence and authority.

The Board at Wendt India, has 5 Non-Executive Directors out of which 2 are Independent Directors as on 31st March 2015. Independent Directors apart from receiving sitting fee, do not have any other material pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, so as to avoid any influence & ensure independence of judgment on any decision. All Directors with their diverse knowledge and expertise provide valuable contributions in the decision of the Board. All the Directors are appointed by the members of the Company.

Pursuant to the retirement of Mr Kiran A Sheth, Independent Director from the Board in the AGM held on 27th July 2010, an Independent Director was required to be appointed as per Clause 49 of the Listing Agreement. A time frame of 180 days was available to do so and the process of identifying suitable candidates for filling up this position was initiated. In the meantime, consequent to the offer made by 3M (Schweiz) AG for the acquisition of Winterthur's group stake thereby resulting in the indirect acquisition of 40% stake in your Company, and the same being challenged by Carborundum Universal Limited, one of the Promoters of the Company, the Company Law Board, Chennai Bench has passed an interim order restraining the alteration of the Board of Directors of the Company. The filling up of the vacancy of the Independent Director and compliance of the Clause 49 could be done subsequent to settling of the above case pending with the Company Law Board.

As per requirement of Clause 49 (II) (A) (1) of the Listing Agreement with regard to the appointment of Woman Director by 31st March 2015. There was a petition filed by Carborundum Universal Limited, the Co- promoter of the Company against Wendt GmbH (other co-promoter), Winterthur Technologies AG, 3M Schweiz (AG) and others, the Company Law Board (CLB), Chennai bench has passed an interim order dated 19th January 2011 restraining the alteration of the composition of the Board of Directors of the Company till the matter is pending. The litigation is ongoing and there is no subsequent order passed by Company Law Board, Chennai Bench in this regard. The Woman Director can be appointed based on the development on the ongoing litigation.

The Board of Directors periodically intimate about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 2013 and Corporate Governance code. Such declarations are placed at the Board meeting. The details of the Directors with regard to their outside Directorships, Committee Chairmanships/ memberships of Board Committees as on 31st March 2015 are as furnished below:

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 (out of which 4 as Chairman)	8 (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)	4	1
Shrinivas G.Shirgurkar DIN: 00173944	Non Executive/ Independent Director (ID)	4	1
K S Shetty DIN: 01759936	Non Executive/ Independent Director (ID)	-	-

Note:

- Independent Director means a Director as defined under clause 49 of the Listing Agreement.
- 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 are related to each other.

b) Diversity in Board

Diversity, in all its aspects, serves an important purpose for Board effectiveness. It can widen perspectives while making decisions, avoid similarity of attitude and help companies better understand and connect with its stakeholders. Such diversity may be with regard to academic qualifications, technical expertise, relevant industry knowledge, experience, nationality and age. The Wendt Board represents diversity in terms of all these parameters.

c) Board Meetings

The meetings of the Wendt Board are generally scheduled well in advance. The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board of Directors is assisted by the Senior Management Officials in overseeing the functional matters of the Company.

Agenda along with detailed explanatory notes and supporting material are circulated well in advance before each meeting to the Board of Directors to facilitate effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. Presentations are made by the CEO and the Senior Management Team on the Company's performance, operations, plans and other matters of importance on a periodic basis. The Board has complete access to any information within the Company. However in case of business exigencies, the resolutions are passed by way of circulation. The Minutes capturing the proceedings of the meetings of the Board of Directors / Committees of the Board of Directors are maintained as per the applicable laws.

During the year 2014-15, the Board of Directors of your Company met 5 times and the gap between two meetings did not exceed four months. The necessary quorum was present for all the meetings. The dates on which the said meetings were held are as follows:

19th April 2014,
24th July 2014,
25th October 2014,
27th January 2015,
24th March 2015.

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 14-15		Attended last AGM held on 24.07.2014
		Held	Attended	
M M Murugappan- Chairman	PD	5	4	Yes
Edmar Allitsch	PD	5	-	No
Peter Verholen (Alternate to Edmar Allitsch)	AD	5	-	No
K Srinivasan	NED	5	4	Yes
Shrinivas G Shigurkar	ID	5	5	Yes
K S Shetty	ID	5	5	Yes

- 4 Board meetings are scheduled in advance for the entire year to be held after the end of each financial quarter. Additional Board meetings are convened by giving appropriate notice. In addition, for any business exigencies, the resolutions are passed by circulation, and later placed in the ensuing Board meeting.
- Committees of the Board meet whenever required.

The Independent Directors of the Company provide an annual certificate of independence in accordance with clause 49 of the Listing Agreement and Companies Act, 2013, to the Company which is taken on record by the Board. All the board members including Independent Directors have the opportunity and access to interact with the management.

Appointment and Tenure

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

- Wendt 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.
- 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 provision of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Stakeholder Relationship, CSR and Nomination & Remuneration Committees. A structured questionnaire has been prepared covering various aspects of the Board's and Committee's functioning.

d) 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 Clause 49 of the Listing Agreement, is made available to the Board.

Information Placed before the Board:

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

- Annual operating plans and budgets, with updates, if any.
- Capital budgets and updates, if any.
- Quarterly financial results of the Company, including its segmental results.
- Minutes of meetings of Audit Committee and other Committee meetings of the Board.
- Information on recruitment, remuneration and removal of senior officers just below the Board level, including Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices, if any.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any material default in financial obligations to and by the Company or substantial non-payment for products sold by the Company.
- Any issue that involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the Company or taken on adverse view regarding another enterprise that could have negative implications on the Company.
- Details of any joint venture, collaboration agreement Including Strategic alliances entered into.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Any significant development concerning human resources/ industrial relations.
- Sale of material nature, of investments and assets, which are not in the normal course of business.
- Related party transaction
- Quarterly details of foreign exchange exposure and the steps taken by the 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 nonpayment of dividend, delay in share transfer etc.
- Quarterly details of investments by the Company in liquid mutual funds, bank deposits and bonds, and returns thereon.
- Quarterly update on HR related activities.
- Quarterly update on wholly-owned subsidiaries.
- Quarterly update on large orders.
- Report on order book position.
- Report on compliances under "Code of Insider Trading" of the Company.
- Quarterly Certificates from SBU Heads, and Department Heads with regard to Human Resource, Finance & Secretarial.
- Updates on Any Important initiatives such as towards R&D, Lean Manufacturing, Major Exhibitions Launches etc.

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

NON EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURE

Your Company does not pay any commission or remuneration to the Directors apart from sitting fees per meeting of Board or Committee thereof attended. Details of sitting fee paid to the Directors are given in the respective place in the Report.

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 Executive and Non-Executive / Independent Directors, which then report to the Board. During the year, in accordance with the Companies Act, 2013, the Board re-constituted one of its Committees and also formed a Corporate Social Responsibility Committee and Nomination and Remuneration Committee. The Company has four Committees of the Board of Directors, i.e., Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility (CSR) Committee. The Board Committees are represented by a combination of Executive and Independent Directors.

All Committees have formally established terms of reference/ charter.

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 Committee follows its charter, it also takes up for discussions matters referred to it by the Board. The Chairman of the Committee along with the other members of the Committee and the Board, decides the agenda for each meeting. The minutes of each Committee's meeting are submitted to the Board for information and appropriate action.

In compliance with the mandatory requirements under the Listing Agreement, following committees are constituted by the Board:

- a) Audit Committee
- b) Stakeholder Relationship Committee
- c) Corporate Social Responsibility Committee
- d) Nomination & Remuneration Committee

a. AUDIT COMMITTEE

A key element in the Corporate Governance process of any organization is its Audit Committee. Effective Audit Committees can greatly assist the Boards in discharge of their duties in respect of integrity of the Company's financial reporting. The Audit Committee ensures prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. In terms of better financial reporting and greater effectiveness of internal controls, it is essential of Boards, Management, Internal Auditors, Statutory Auditors and Audit Committees to work with a common purpose to ensure that the Company obtains the benefits of the Audit Committee.

The Audit Committee of Wendt is constituted in line with the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges. To efficiently carry out its functions, the terms of reference of the Audit Committee read with Section 177 of the Companies Act, 2013 are broadly as under:

Terms of Reference/Charter of the Audit Committee

1. To oversee the Company's financial reporting process and 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 Company
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. To review with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters that are required to be included in the Directors responsibility statement
 - b. Any changes, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgment by management
 - d. Any 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. Qualifications in the draft audit report
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval

6. Discussion with internal auditors any significant findings and follow up thereon
7. Reviewing with the management, the statement of uses/ application of funds raised through an issue, 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 utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
8. Approval or any subsequent modification of transactions of the Company with related parties
9. Scrutiny of inter-corporate loans and investments
10. Valuation of undertakings or assets of the Company, wherever it is necessary including appointment of Registered Valuers.
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management and monitoring the auditor's independence and performance and effectiveness of audit process
13. Reviewing with the management, performance of internal auditors, adequacy of the internal control systems & effectiveness of the audit process
14. Reviewing the adequacy of internal audit function, if any, including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
15. Discussion with internal auditors of any significant findings and follow up thereon
16. 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
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well post audit discussion to ascertain any area of concern
18. To look into reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (for non-payment of declared dividends) and creditors
19. Mandatorily review the following:
 - a. Management discussion and analysis of financial condition and results of operations.
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors
 - d. Internal audit reports relating to internal control weaknesses
 - e. The appointment, removal and terms of remuneration of the Internal auditor shall be subject to review by the Audit Committee
 - f. Review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
 - g. To review functioning of whistle blower mechanism and oversee the vigil mechanism of the Company
20. Recommend the appointment of Chief Financial Officer (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background etc of candidate
21. Any other functions as per the terms of reference as may be required by law from time to time.
22. The Audit Committee is further empowered to do the following:
 - a. To investigate any activity within its terms of reference
 - b. To obtain professional advice from external legal or other sources
 - c. Have full access to information contained in the records of the Company
 - d. To seek information from any employee
 - e. To secure attendance of outsiders with relevant expertise, if it considers necessary
 - f. To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors

Meetings of the Audit Committee

During the year, four Audit Committee meetings were held. 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:

19th April 2014,
24th July 2014,
25th October 2014,
27th January 2015.

The necessary quorum was present for all the meetings. The CEO and CFO and the Statutory Auditors are 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, Mr Shrinivas G Shirgurkar, was present in the Annual General Meeting held on 24th July 2014.

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	Category	No. of Committee meetings during the year 2014-15	
		Held	Attended
Shrinivas G Shirgurkar (Chairman)	ID	4	4
K S Shetty	ID	4	4
K Srinivasan	NED	4	3

b. STAKEHOLDER RELATIONSHIP COMMITTEE

The Wendt Board of directors at their meeting held on 19th April, 2014, re-designated the name of the "Share Transfer & Shareholders/Investor Grievance Committee" to "Stakeholder Relationship Committee" pursuant to the notification of Companies Act, 2013 and amendments made to clause 49 of the listing agreement to this effect.

Terms of Reference/Charter of Stakeholders Relationship Committee

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

- Approve, transfer and transmission of various securities issued by the Company from time to time (including shares, debentures and other convertible / non convertible instruments), splitting & consolidation of certificates, transposition of names of holders and issue of renewed and duplicate certificates and Demat / Remat of shares and other securities and payment of dividends etc.
- Determine the persons authorized to authenticate transfers / transmissions and the entries in the relevant statutory records (including Register of Members, Debenture holders and Register of Renewed and Duplicate Certificates)
- Monitor and review the mechanism for the above and to determine and set standards for processing of the above.
- Issue certificates under the Common Seal of the Company and determine the signatories to the certificates including those by facsimile.
- Authorize the destruction of cancelled certificates on the expiry of 3 years from the date on which they are surrendered.
- Authorize printing of certificates from time to time.
- Exercise such other powers which may be exercised by the Board for issuing share certificates under the Companies Act, 2013, and the rules there under

- To consider and resolve the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance
- Formulation of shareholders servicing plans and policies in line with the Company's Corporate Governance plans and policies and develop the standards thereof.
- To investigate any activity within its terms of reference.
- Decide on any other matter or give such directions as may be required in connection with the stakeholders servicing.
- Exercise any other powers as may be conferred by the Board in future.

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 24th March 2015 and the details of the attendance by the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2014-15	
		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 Listing Agreement.

c. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Wendt Board of Directors at their meeting held on 20th March 2014, constituted the Corporate Social Responsibility Committee (CSR), in compliance with the Section 135 and Schedule VII of the Companies Act 2013.

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 purpose of the Committee is to assist the Board in setting Company's Corporate Social Responsibility policy and programs and assessing Company's Corporate Social Responsibility performance.

The responsibilities of the Corporate Social Responsibility Committee is 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.
- Recommend the amount of expenditure to be incurred on the activities referred to above.
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR activities.
- Review the performance of the Company in the area of Corporate Social Responsibility.
- Carry out any other function or activity as may be considered for ensuring corporate social responsibility

objectives are met.

The CSR Policy of the Company, as approved by the Board is available on our website www.wendtindia.com.

Meetings of the Corporate Social Responsibility Committee

During the year, two Corporate Social Responsibility Committee meetings were held on 25th October 2014 and 24th March 2015. The details of the attendance by the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2014-15	
		Held	Attended
K S Shetty, Chairman	ID	2	2
Shrinivasan G Shirkurkar	ID	2	2
K Srinivasan	NED	2	1

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

d. NOMINATION & REMUNERATION COMMITTEE

Wendt Board of Directors at their meeting held on 19th April 2014, constituted the Nomination & Remuneration Committee, in compliance with Section 178 of the Companies Act 2013 and revised Clause 49 of the Listing Agreement.

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

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

- Formulate the criteria for appointment of Directors / Senior Management including determining qualifications, positive attributes and independence of directors.
- Recommend to the Board their appointment including re-appointment and removal.
- Devise a policy on Board diversity.
- Identification of persons who are qualified to become directors.
- Identification of persons who may be appointed as senior management.
- Formulation of criteria for evaluation of Independent Directors and Board.
- Carry out evaluation of Director's performance.
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Recommend the remuneration package of the executive directors at the time of initial appointment and increments thereof.
- Determine the increments in the remuneration of executive directors.
- Determine the annual incentive of the Executive Directors.
- Determine the minimum remuneration of Executive Directors in the event of inadequacy of profits.
- Recommend to the Board, the remuneration including commission payable to non-executive directors subject to the limits laid down in the Act.
- Shall frame suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee.
- Any other terms of reference as may be required by the Committee to exercise pursuant to any law or changes thereof.

During the year, the Nomination & Remuneration Committee met on 24th March 2015 and the details of the attendance by the Committee members are as follows:

Name	Category	No. of Committee Meetings during the year 2014-15	
		Held	Attended
K Srinivasan, Chairman	NED	1	1
Shrinivasan G Shirkurkar	ID	1	1
K S Shetty	ID	1	1

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

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with directors having expertise in the field of manufacturing, marketing, finance, governance and general management.
- 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.
- 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.
- The Non-Executive Directors ("NEDs") are paid remuneration by way of Sitting Fees. The Sitting Fees is paid on the basis of their attendance in Board Meeting, Audit Committee Meeting, Stakeholder's Relationship Committee Meeting, Corporate Social Responsibility Committee Meeting and Nomination and Remuneration Committee Meeting.

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

- 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
- 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.
- 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.
- 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.
- 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

DISCLOSURES

(A) WENDT (INDIA) CODE OF CONDUCT

Your Company has in place a Code of Conduct which applies to all its Directors and employees of the Company in terms of Clause 49 of the Listing Agreement. The Code of Conduct is an annual declaration that helps to maintain high standards of ethical business conduct for the Company. In terms of the Code of Conduct, Directors and Senior Management must act within the boundaries of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders. Further, Directors and Senior Management should ensure that they do not derive any undue personal benefit because of their position in the Company and / or certain confidential information coming to their knowledge.

All the members of the Board and the Senior Management Officials of your Company have affirmed their compliance with the Code of Conduct for the year ended 31st March 2015. 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

Your Company has adopted a comprehensive Code of Conduct for prevention of insider trading in shares of the Company, in terms of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Code is designed to maintain the highest ethical standards and elaborately prescribes the procedures to be followed while dealing in the shares of the Company. The Code is applicable to promoters, directors, senior officials of the Company and their dependents. The Code restricts the said persons to deal in the shares of the Company whilst in the possession of any unpublished price sensitive information. They are also prohibited from dealing in the shares of the Company during the trading window closure periods announced by the Company, from time to time. During the year, there has been no violation of the provisions of the said Code.

(C) WHISTLE BLOWER POLICY

Your Company is committed to conduct its business in accordance with the applicable laws, rules and regulations, and with highest standards of business ethics. The Company has instituted a Whistle Blower Policy under Vigil mechanism of the Company, a mechanism for employees and directors to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. The Board of Directors has appointed the Chairman of the Audit Committee as the Whistle Blower Administrator for directors and for employees, an Independent person is the Ombudsman for the Company. This policy provides for adequate safeguards against victimisation of employees who report to the Whistle Blower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee.

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

(D) SUBSIDIARY COMPANIES

Your 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 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

During the year under review, there were no materially significant related party transactions between Your Company and its promoters, directors and/or their relatives, management etc. which may have potential conflict with the interests of the Company. Statements of transactions in summary form with related parties in the ordinary course of business are placed at Audit Committee meetings and reviewed by the Committee. Details of all transactions entered into by the Company with the related parties have been disclosed under "Related Party Transactions" in the Notes to Accounts, refer Note No 27(13) of the Financial Statements of the Company which form part of this Annual Report.

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 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) 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.

(I) RISK MANAGEMENT

Your 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.

(J) REMUNERATION OF DIRECTORS

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

All the Directors are Non Executive Directors and the details of the Sitting Fee paid to Directors for the period under review are as follows.

Director	Remuneration	Sitting Fee* (Rs.)
M M Murugappan- Chairman	Nil	80,000
Edmar Allitsch	Nil	Nil
Peter Verholen (Alternate to Edmar Allitsch)	Nil	Nil
K Srinivasan	Nil	Nil
Shrinivas G Shirgurkar	Nil	1,90,000
K S Shetty	Nil	2,00,000

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

Details of Shareholding of Directors as on 31st March 2015 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

(K) MANAGEMENT

- In order 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 Clause 49 of the Listing Agreement with the Stock Exchanges.
- 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.

(L) SHAREHOLDERS

As required under Clause 49 of the Listing Agreement 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 bachelors degree in mechanical engineering. He has over 25 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 & Whole time Director of CUMI. Presently he is the Managing Director of CUMI.

(K) SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the year 2014-15 which, inter alia, includes audit of compliance with the Companies Act, 2013, Listing Agreement 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 clause 49 (IX) of the Listing Agreement, 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 clause.

REPORT ON CORPORATE GOVERNANCE

Along with this report on Corporate Governance, certificate from the Auditor is annexed as required by the listing agreement with the Stock Exchanges.

GENERAL BODY MEETINGS

Details of Annual General Meetings

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

Year	Date	Time	Venue	Ordinary Resolution
2013-14	24.07.2014	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	<ul style="list-style-type: none"> Adoption of Annual Accounts for the year ended March 31, 2014. Re-appointment of Mr. Shrinivas G Shirgurkar as an Independent Director of the Company for a term of 5 consecutive years. Re-appointment of Mr. K S Shetty as an Independent Director of the Company for a term of 5 consecutive years. Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors of the Company for a term of 2 years. Declaration of Dividend on equity shares.
2012-13	25.07.2013	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	<ul style="list-style-type: none"> Adoption of Annual Accounts for the year ended March 31, 2013. Re-appointment of Mr. K Srinivasan as Director. Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors. Declaration of Dividend on equity shares.
2011-12	13.07.2012	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	<ul style="list-style-type: none"> Adoption of Annual Accounts for the year ended March 31, 2012. Re-appointment of Mr. K S Shetty as Director. Appointment of M/s Deloitte Haskins & Sells as the Statutory Auditors. Declaration of Dividend on equity shares.

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

MEANS OF COMMUNICATION

Your Company constantly communicates to the investors about the financial results of the Company. The quarterly, half yearly and annual financial results are published in one national and one regional daily newspaper and are posted on the Company's website (www.wendtindia.com) under (Investors) Section. 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 Quarterly, Half Yearly and Annual Financial Results of Your Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- b) **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 2014-15 were published as detailed below:

Quarter (F.Y. 2014-15)	Date of Board Meeting	Date of Publication	Name of the newspaper
1st Quarter ended June, 2014	24.07.2014	25.07.2014	Business Standard and Vijayavani
2nd Quarter ended September, 2014	25.10.2014	26.10.2014 & 27.10.2014	Business Standard and Vijayavani
3rd Quarter ended December, 2014	27.01.2015	28.01.2015	Business Standard and Vijayavani

- c) **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 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.
- d) **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 others entitled thereto. 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.
- e) **Reminder to Investors:** Reminders to encash the unclaimed dividend on shares are sent to the shareholders as per records every year.
- f) **Designated email id for investors:** Your Company has a designated exclusive email id for investors at investorservices@wendtindia.com.

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).

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)

At Wendt, the role and office of the Chairman and Chief Executive Officer (CEO) are separate. 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 your 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 your Company is represented with integrity to institutions, investors, analysts and other stakeholders.

e) 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.

Chennai
21st April 2015

By order of the Board
For Wendt (India) Limited
M M Murugappan
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF WENDT (INDIA) LIMITED

- We have examined the compliance of conditions of Corporate Governance by Wendt(India) Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
- The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- One of the conditions of the Clause 49(iiA) requires that if the Non-Executive Chairman is a promoter, at least one half of the Board of the Company should consist of Independent Directors and the gap between the resignation and appointment of a new Independent Director should not exceed 180 days. An independent Director of the Company ceased to be a Director w.e.f 27th July 2010 and no other Independent Director has been appointed in his place upto the date of this certificate. Accordingly, as at March 31, 2015, the Company has two Independent Directors as against the requirement of minimum three Directors.
- One of the conditions of the Clause 49 (iiA) requires that the Board of Directors of the Company should consist of one Woman Director. As on March 31, 2015 and up to the date of this certificate, no Woman Director has been appointed.
- In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management and subject to our comments in Paragraph 3 and 4 above, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
- We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

Bangalore
21st April 2015
SS/RR/2015

S Sundaresan
Partner
(Membership No. 25776)

GENERAL SHAREHOLDER INFORMATION

1. Date of Incorporation: 21st August, 1980

2. Annual General Meeting

Date and time : 23rd July 2015 at 4.00 P.M
Venue : Bharatiya Vidya Bhavan
Race Course Road,
Bangalore- 560 001, Karnataka

Last date of receipt of Proxy forms: 21st July 2015 before 4.00 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 2015-16 shall be declared as per the following schedule:

Particulars	Quarter	Due date
Unaudited results	30th June 2015	31st July 2015
Unaudited results	30th September 2015	31st October 2015
Unaudited results	31st December 2015	31st January 2016
Audited Results	31st March 2016	31st May 2016

4. Book Closure Date

13th July 2015 to 23rd July 2015 (both days inclusive)

5. Dividend Payment Date

The Company declared an interim dividend of Rs. 10/- per share in its Board Meeting held on 27th January 2015 for the financial year 2014-15 to those members whose names were appearing in the Register of Members on 12th February 2015. 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 31st July 2015 after approval of the shareholders at the Annual General Meeting.

6. Registered Office

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. Listing Details & Codes

Bombay Stock Exchange : 505412
National Stock Exchange : WENDT
Listing Fee (FY 14-15) : Paid

8. Corporate Identification Number : L85110KA1980PLC003913

9. NSDL & CDSL (ISIN) : INE274C01019

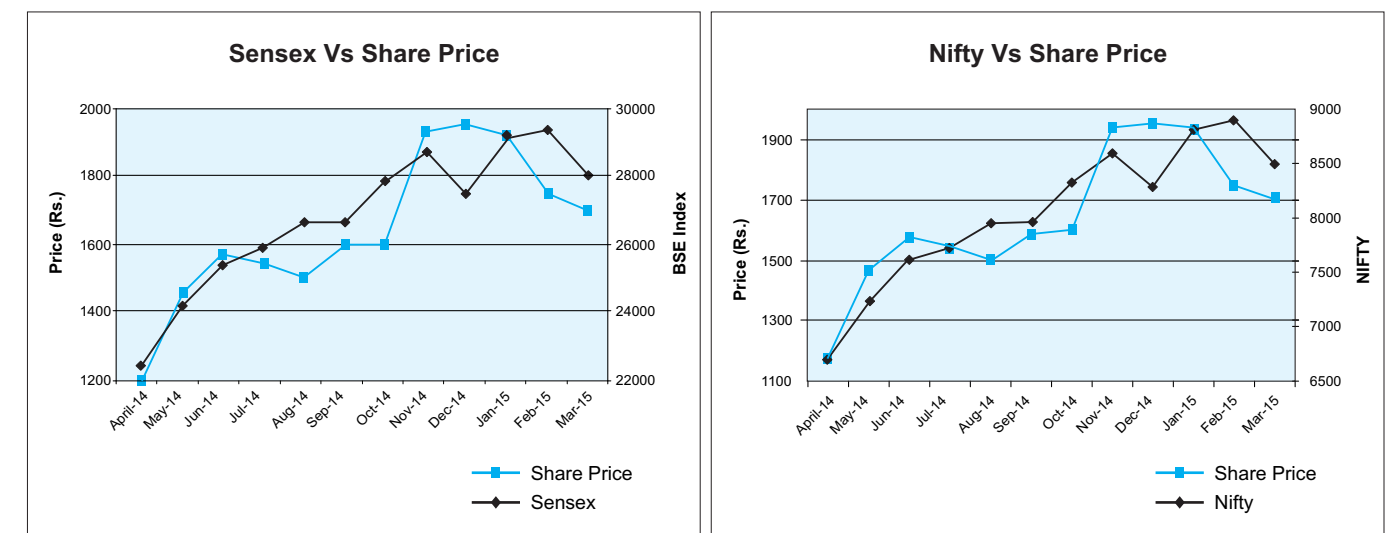
10. Certificate from Practicing Company Secretary:

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificate on half yearly basis was issued by Mr S Viswanathan, Company Secretary in Practice for due compliance of share transfer formalities by the Company.

11. Share Price Data

Month	Bombay Stock Exchange		National Stock Exchange	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2014 APRIL	1247.00	1088.00	1287.00	1115.00
MAY	1500.00	1125.00	1548.80	1143.05
JUNE	1649.00	1415.10	1647.80	1325.05
JULY	1999.00	1506.00	1865.00	1510.00
AUGUST	1600.00	1440.00	1540.00	1426.05
SEPTEMBER	1674.00	1460.60	1688.00	1490.00
OCTOBER	1646.00	1500.00	1648.00	1490.00
NOVEMBER	1980.00	1544.80	1980.00	1580.00
DECEMBER	2255.50	1800.00	2266.95	1725.05
2015 JANUARY	2066.90	1830.00	2079.95	1865.00
FEBRUARY	1940.00	1700.00	1943.00	1702.00
MARCH	1835.00	1612.50	1885.00	1625.00

12. Stock Performances

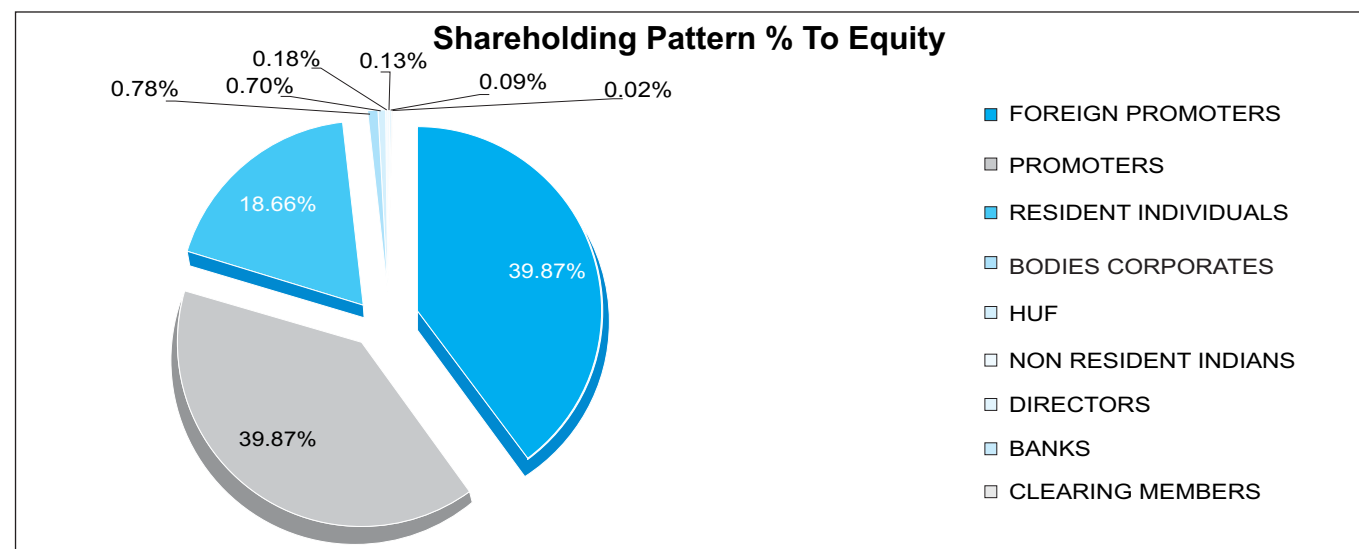


13. Distribution of Shareholding as on 31st March, 2015

Category (Amount) (Rs.)	No. of shareholders	% of shareholders	Total Shares	Amount (Rs.)	% of Amount
1-5,000	4,632	97.33%	2,55,567	25,55,670	12.78%
5,001-10,000	81	1.70%	59,724	5,97,240	2.99%
10,001-20,000	34	0.72%	47,546	4,75,460	2.38%
20,001-30,000	5	0.11%	12,304	1,23,040	0.62%
30,001-40,000	2	0.04%	7,289	72,890	0.36%
40,001-50,000	2	0.04%	8,791	87,910	0.44%
50,001-1,00,000	-	-	-	-	-
1,00,001 & Above	3	0.06%	16,08,779	1,60,87,790	80.43%
TOTAL	4,759	100%	20,00,000	2,00,00,000	100%

14. Shareholding Pattern as on 31st March 2015

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)	4,359	3,67,235	18.36%
BODIES CORPORATE (LTD)	147	15,635	0.78%
HUF	182	13,954	0.70%
DIRECTORS	1	2,650	0.13%
BANKS (BNK)	2	1,850	0.09%
NON RESIDENT INDIANS	55	3,660	0.18%
CLEARING MEMBERS	11	312	0.02%
TOTAL	4,759	20,00,000	100%



15. Dematerialisation of Shares

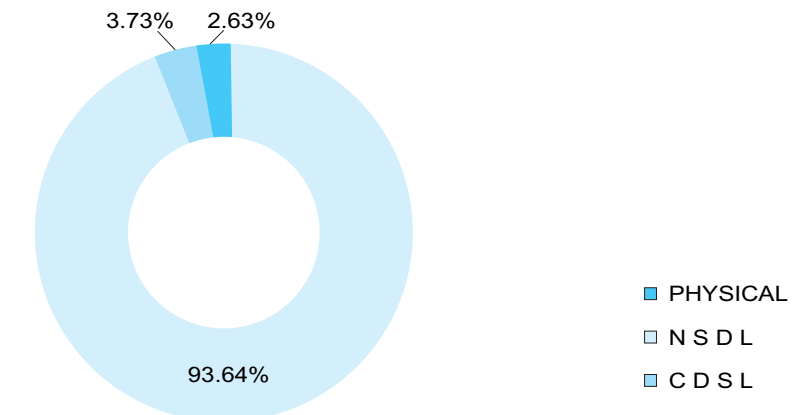
Your Company has signed agreements with both National Securities Depositories Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form.

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

As on 31st March 2015, 19,47,275 Shares constituting 97.37 % of the total paid up capital of the company have been dematerialized.

Shareholding Summary as on 31/03/2015			
Category	No. of share holders	Total no. of Shares	% to share capital
PHYSICAL	453	52,725	2.63
NSDL	3,027	1,872,708	93.64
CDSL	1,279	74,567	3.73
TOTAL	4,759	2,000,000	100.00

% To Equity



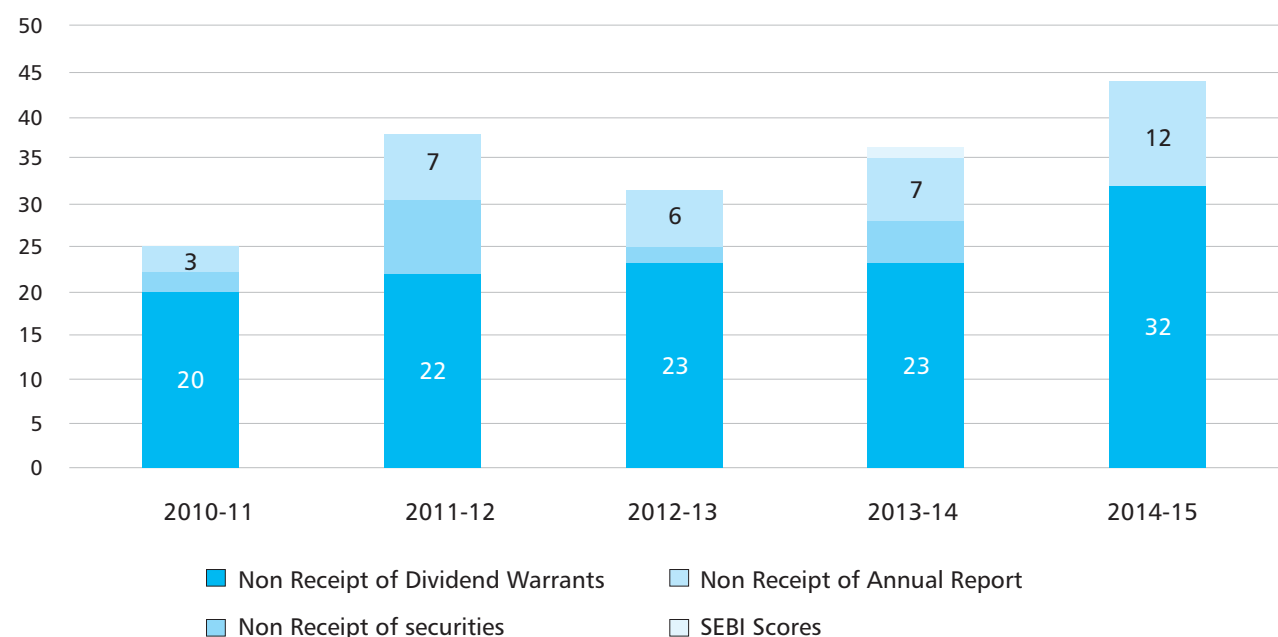
16. Share Transfer Process

Your Company has Stakeholder Relationship Committee represented by the Board of Directors. The Board has delegated power to approve transfers to the Stakeholder Relationship Committee and the status on share transfer is reported to the Board on regular basis. The applications for transfer of shares and other requests from shareholders holding shares in physical form are processed by Karvy Computershare Private Limited, Company's Registrar & Transfer Agent. Physical Share Transfers are registered and returned generally within a period of 15 days from the date of receipt if all the documents are correct and valid in all respects.

17. Complaints received during the financial year ended 31st March 2015 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	32	32	Nil
Non receipt of Share Certificates	12	12	Nil
Total	44	44	Nil

Trend of Investor Complaints received during last 5 Years



18. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates that companies 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 dividends 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
2007-08	Final	20.00	21/07/2008	27/08/2015
2008-09	Interim	10.00	30/03/2009	06/05/2016
2008-09	Final	10.00	27/07/2009	02/09/2016
2009-10	Final	25.00	27/07/2010	02/09/2017
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	02/09/2020
2013-14	Interim	10.00	22/01/2014	15/02/2021
2013-14	Final	15.00	24/07/2014	01/09/2021
2014-15	Interim	10.00	27/01/2015	20/02/2022

A separate communication was sent in February 2015 to the shareholders, who have not encashed their dividends for the year 2007-08, 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. 2,45,350/- has been transferred to the Investor Education and Protection Fund during the year 2014 -15 towards unclaimed/unpaid dividend for the year 2006-07.

19. Unclaimed Shares

In accordance with the requirement of Clause 5A (II) of the Listing Agreement entered into with the Stock Exchanges, 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, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

20. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditor's Certificate in regard to the same is submitted to BSE Limited and NSE Limited and is also placed before Stakeholder Relationship Committee and the Board of Directors.

21. 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

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 who hold 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.

22. 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

23. SUBSIDIARIES

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

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

24. 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 21st, 2015 and the same was approved.

By order of the Board
For Wendt (India) Limited

Chennai
21st April 2015

M M Murugappan
Chairman

INDEPENDENT AUDITORS' REPORT

To the Members of Wendt (India) Limited.

1.0 Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Wendt (India) Limited** ("the Company"), which will comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2.0 Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in the Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3.0 Auditors' Responsibility

- 3.1 Our responsibility is to express an opinion on these standalone financial statements based on our audit.
- 3.2 We have taken into account the provisions of the Act, 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.
- 3.3 We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. These Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
- 3.4 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. 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. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the standalone financial statements.
- 3.5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4.0 Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 at March 31, 2015, and its profit/loss and its cash flow for the year ended on that date.

5.0 Report on Other Legal and Regulatory Requirements

- 5.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central

Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

5.2 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's 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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note - 27(1) to the standalone financial Statements.
 - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

Chennai
21st April 2015
SS/RR/2015

S Sundaresan
Partner
(Membership No. 25776)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5.1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- i. Having regard to the nature of the Company's business /activities/results during the year, clauses (x) and (xi) of paragraph 3 of the Order are not applicable to the Company.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets are physically verified during the year by the Management in accordance with a regular program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- iii. In respect of inventories:
 - a. As explained to us, the inventories were physically verified during the year by the Management at regular intervals.
 - b. In our opinion, and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv. The Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- v. In our opinion and according to the information and explanation s given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- vi. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- vii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- viii. According to the information and explanations given to us in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues in arrears as at as at 31st, March 2015, for a period of more than six months from the date they became payable.
 - c. There are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax and Cess which have not been deposited as on March 31, 2015.
 - d. The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made there under within time.
 - ix. The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
 - x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no borrowings from financial institutions and the Company has not issued any debentures.
 - xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

Chennai
21st April, 2015
SS/RR/2015

S Sundaresan
Partner
(Membership No. 25776)

Standalone Financial Statements

BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in lacs)

Particulars	Note No.	As at 31.03. 2015	As at 31.03. 2014
I EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital	2	200.00	200.00
(b) Reserves and Surplus	3	8,789.98	8,031.04
		8,989.98	8,231.04
(2) Non-Current Liabilities			
(a) Deferred tax liability (Net)	27(16)	531.29	486.87
(b) Other Long-term liabilities	4	42.69	41.09
(c) Long-term provisions	5	257.12	183.44
		831.10	711.40
(3) Current Liabilities			
(a) Trade payables	6	1,543.63	1,596.34
(b) Other current liabilities	7	379.15	476.00
(c) Short-term provisions	8	429.25	370.40
		2,352.03	2,442.74
Total		12,173.11	11,385.18
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	5,209.37	5,112.89
(ii) Intangible assets	10	149.38	123.73
(iii) Capital work-in-progress		249.22	273.36
		5,607.97	5,509.98
(b) Non-current investments	11	430.55	430.55
(c) Long-term loans and advances	12	471.87	210.47
		6,510.39	6,151.00
(2) Current assets			
(a) Current investments	13	1,435.97	1,272.47
(b) Inventories	14	1,643.90	1,554.16
(c) Trade receivables	15	2,110.54	2,020.90
(d) Cash and Cash Equivalents	16	69.90	60.13
(e) Short-term loans and advances	17	379.26	307.80
(f) Other current assets	18	23.15	18.72
		5,662.72	5,234.18
Total		12,173.11	11,385.18

SIGNIFICANT ACCOUNTING POLICIES 1B
 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS 27
 SEE ACCOMPANYING NOTES (1-27) FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached
For DELOITTE HASKINS & SELLS
 Chartered Accountants

S SUNDARESAN
 Partner

Chennai
 21st April, 2015

For and on behalf of the Board of Directors

M M MURUGAPPAN
 Chairman

MUKESH KUMAR HAMIRWASIA
 Chief Financial Officer

SHRINIVAS G SHIRGURKAR
 Director

AKANKSHA BIJAWAT
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lacs)

Particulars	Note No.	Year ended 31.03.2015	31.03.2014
I. Revenue from operations (Gross)	19	11,554.11	10,359.12
Less: Excise duty	19	857.63	794.19
Revenue from operations (Net)		10,696.48	9,564.93
II. Other Income	20	663.53	495.09
III. Total Revenue (I +II)		11,360.01	10,060.02
IV. Expenses:			
Cost of materials consumed	21	3,375.54	3,243.11
Purchases of stock-in-trade	22	247.27	151.70
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(84.00)	57.32
Employee benefits expense	24	1,811.67	1,767.72
Finance costs	25	7.61	2.20
Depreciation and amortization expense	10(a)	792.50	458.16
Other expenses	26	3,445.73	2,739.79
Total Expenses		9,596.32	8,420.00
V Profit before tax (III - IV)		1,763.69	1,640.02
VI Tax expense:			
(1) Current tax	334.67	169.70	350.00
Less:- MAT Credit entitlement	164.97	109.22	103.21
(2) Deferred tax		278.92	453.21
VII Profit for the year (V -VI)		1,484.77	1,186.81
VIII Earning per equity share (face value Rs.10/- each):			
Basic and Diluted	27(15)	74.24	59.34

SIGNIFICANT ACCOUNTING POLICIES 1B
 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS 27
 SEE ACCOMPANYING NOTES (1-27) FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached
For DELOITTE HASKINS & SELLS
 Chartered Accountants

S SUNDARESAN
 Partner

Chennai
 21st April, 2015

For and on behalf of the Board of Directors

M M MURUGAPPAN
 Chairman

MUKESH KUMAR HAMIRWASIA
 Chief Financial Officer

SHRINIVAS G SHIRGURKAR
 Director

AKANKSHA BIJAWAT
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lacs)

	31.03.2015	31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1,763.69	1,640.02
Adjustments for :		
Depreciation and Amortisation expense	792.50	458.16
Provision for trade receivables (net of reversal)	15.85	8.19
Finance costs	7.61	2.20
Interest on Bank and other Deposits	(5.30)	(2.27)
Dividend from Current investments	(71.72)	(69.73)
Dividend from Long term Investments in subsidiary	(486.65)	(243.97)
Loss on sale / discarding of Tangible Fixed assets (net)	0.57	14.09
Surplus provision of previous year written back	1.36	(7.92)
Provision reversal for diminution in value of investments in subsidiary	-	(76.56)
Profit on sale of current investments (net)	(0.24)	(1.22)
Unrealised exchange Loss	2.66	0.54
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,020.33	1,721.53
CHANGES IN WORKING CAPITAL :		
Inventories	(89.74)	(169.38)
Trade Receivables	(108.21)	(129.55)
Short Term Loans and advances	(71.47)	(41.24)
Other current assets	(4.44)	47.32
Long Term Loans and advances	(5.93)	0.15
Trade Payables	(52.66)	227.55
Other Long term Liabilities and Provisions	(89.68)	81.33
Other current liabilities and Provisions	0.94	(16.25)
CASH FLOW FROM OPERATING ACTIVITIES	1,599.14	1,721.46
Direct Tax Paid (net of refunds)	(238.56)	(372.72)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,360.58	1,348.74
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on tangible fixed assets, including capital advances	(1,082.68)	(917.57)
Capital expenditure on intangible fixed assets, including capital advances	(73.43)	(66.91)
Proceeds from Sale of Tangible Fixed Assets	1.13	8.69
Sale / (Purchase) of current Investments (net)	(163.23)	(129.00)
Interest Received on deposits with banks and others	5.30	2.27
Dividend from long term investment in subsidiary	486.65	243.97
Dividend from current Investments	71.72	69.73
Bank balances not considered as cash and cash equivalents		
- Placed	(500.00)	(509.97)
- Matured / encashed	498.16	497.45
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(756.38)	(801.34)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lacs)

	31.03.2015	31.03.2014
CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(7.61)	(2.20)
Dividend Paid (including tax thereon)	(588.66)	(581.12)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(596.27)	(583.32)
NET CASH INFLOW / (OUTFLOW) (A+B+C)	7.93	(35.92)
OPENING CASH AND CASH EQUIVALENTS D	21.31	57.23
CLOSING CASH AND CASH EQUIVALENTS E	29.24	21.31
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)	7.93	(35.92)

Reconciliation of cash and cash equivalents with the balance sheet

Cash and Cash equivalents and other bank balances as per Balance Sheet (Refer Note No.16)	69.90	60.13
Less:- Bank Balances not considered as Cash and Cash equivalents as defined in AS 3 Cash Flow Statements		
(i) In deposit accounts (having original maturity of more than 3 months)	10.52	10.52
(ii) In earmarked accounts # Dividend account	30.14	28.30
Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements - Refer Note No.16)	29.24	21.31

The earmarked accounts can be utilised only for the specific identified purposes.

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

S SUNDARESAN
Partner

Chennai
21st April, 2015

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE No.1

A COMPANY OVERVIEW

Wendt (India) Limited was incorporated on August 21st 1983 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.

B SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation, as more fully described in Note 27(10).

2 USE OF ESTIMATES:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3 INVENTORIES:

- Finished Goods and work-in-progress are valued at lower of cost and net realizable value. Cost comprises of materials, labour, and an appropriate proportion of production overheads and excise duty, wherever applicable and excludes interest, selling and distribution expenses. Cost is computed on weighted average basis.
- Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost computed on weighted average basis includes freight, taxes and duties net of CENVAT / VAT credit, wherever applicable.

4 CASH FLOW STATEMENT:

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

5 FIXED ASSETS, DEPRECIATION AND AMORTISATION:

'Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed 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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed 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 expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use. Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

'Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

'Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Capital Subsidy relating to projects in backward area is credited to capital subsidy reserve on receipt and Government grants relating to specific assets are deducted from the cost of such assets.

Intangible Assets are amortized over a period of 5 years or based on the period of usage / licence, whichever is lower. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 as under 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.

6 REVENUE RECOGNITION:

- Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses. Revenue from Sale of goods is recognised on despatch of goods. Sales includes excise duty but excludes sales tax / VAT, discounts and returns as applicable.
- Revenue from rendering of services priced on a time and material basis is recognised on rendering of services as per the terms of contracts with customers.
- Export Benefits under Advance licence scheme are recognized on accrual basis on completion of export obligation.
- Dividend income on investments is accounted for when the right to receive the payment is established.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Interest income is recognised on a time proportion basis considering the underlying interest rate.

7 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION :

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year end are translated at the rate of exchange prevailing at the year end and the gain or loss is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments / realizations and year end restatements are also recognised in the Statement of Profit and Loss.

8 INVESTMENTS:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution is made in the value of investments, if such diminution is other than of temporary nature .

Current investments are stated at lower of cost or fair value .

9 EMPLOYEE BENEFITS:

SHORT-TERM EMPLOYEE BENEFITS

Short term employee benefits including performance incentive and compensated absences which are expected to occur 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.

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 and has no further obligation beyond making the payment to them.

DEFINED BENEFIT PLAN

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 thereof is paid and absorbed in the statement of profit and loss at the year end. Actuarial Gains and losses arising during the year are recognised in the Statement of Profit and Loss immediately.

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

10 SEGMENT REPORTING:

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

with the following additional policies:

- Inter-segment revenues for this purpose are reported on the basis of prices charged to external customers.
- Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and not allocable to segments on a reasonable basis are included under "Other un-allocable Expenditure net of un-allocable income".

11 EARNINGS / (LOSS) 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. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

12 TAXES ON INCOME :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

13 RESEARCH AND DEVELOPMENT:

Revenue expenditure pertaining to research is charged to the 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 Fixed Assets.

14 IMPAIRMENT OF ASSETS:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

15 PROVISIONS AND CONTINGENCIES:

A provision is recognized when an enterprise has a present obligation as a result of past event, that can be estimated reliably and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. When no reliable estimate can be made, a disclosure is made as contingent liability and is disclosed by way of notes. Contingent assets are not recognised in the financial statements.

16 OPERATING CYCLE:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Normal operating cycle is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents.

NOTE 2 - SHARE CAPITAL

(Rs. in lacs)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised: 3,000,000 (Previous year 3,000,000) equity shares of Rs 10/- each	300.00	300.00
Issued: 2,000,000 (Previous year 2,000,000) equity shares of Rs.10/- each	200.00	200.00
Subscribed and Paid up: 2,000,000 (Previous year 2,000,000) equity shares of Rs.10/- each	200.00	200.00
Total	200.00	200.00

NOTE 2 (i)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
No. of shares outstanding at the beginning of the year	2,000,000	200.00	2,000,000	200.00
Add: Additional shares issued during the year	-	-	-	-
Less: Shares forfeited / Bought back during the year	-	-	-	-
No. of shares outstanding at the end of the year	2,000,000	200.00	2,000,000	200.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 2 (ii)

Details of Shares held by each Shareholder holding more than 5% Shares in the Company

Particulars	Number of shares as at 31st March, 2015	Percentage of holding (%)	Number of shares as at 31st March, 2014	Percentage of holding (%)
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

Note 2 (iii)

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.

NOTE 3 - RESERVES AND SURPLUS

Particulars		As at 31st March, 2015	As at 31st March, 2014
Capital Reserve:			
Capital Subsidy		20.98	20.98
		20.98	20.98
General Reserve:			
Opening balance	4,776.75		4,658.05
Add: Transfer from surplus in Statement of Profit and Loss	400.00		118.70
		5,176.75	4,776.75
Surplus in Statement of Profit and Loss :			
Opening balance	3,233.31		2,746.32
Add: Profit/(Loss) for the year	1,484.77		1,186.81
	4,718.08		3,933.13
Less:- Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 27(10))	125.85		-
Less: Appropriations			
Interim Dividend @ 100% (Rs.10/- Per equity share (previous year Rs.10/- each))	200.00		200.00
Tax on Interim Dividend	39.99		32.45
Proposed Final Dividend @ 150% (Rs.15/- Per equity share (previous year Rs. 15/- each))	300.00		300.00
Tax on Proposed Final Dividend	59.99		48.67
Transfer to General Reserve	400.00		118.70
		3,592.25	3,233.31
Total		8,789.98	8,031.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 4 -OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Towards miscellaneous taxes	42.69	41.09
Total	42.69	41.09

NOTE 5 - LONG- TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences (Refer note 28(9)(II)(b))	60.13	146.65
Provision for Gratuity	7.50	12.27
Tax provisions (net of payments of Rs.2,016.07 lacs; (Previous year: Rs 1846.37 lacs)	188.95	23.98
Fringe benefit tax provisions (net of payments of Rs.5.96 lacs; Previous year: Rs 5.96 lacs)	0.54	0.54
Total	257.12	183.44

NOTE 6 - TRADE PAYABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade payables	1,543.63	1,596.34
Total	1,543.63	1,596.34

NOTE 7 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unclaimed dividends (Refer note (a) below)	30.14	28.30
Book Overdraft	-	58.45
Other payables		
Statutory dues (Contribution to PF and ESIC, Withholding taxes, Excise duty and VAT)	68.53	95.81
Retention and Security Deposits	15.90	35.84
Advance received from customers	141.05	83.67
Payable on purchase of fixed assets	114.68	166.31
Employees' contractual obligations	8.85	7.62
Total	379.15	476.00

NOTE

(a) The unclaimed dividend of Rs. 30.14 lacs represents those relating to the years 2007-08 to 2013-2014 and no part thereof has remained unpaid or unclaimed for a period of seven years from the date they became due for payment requiring transfer to the Investor Education and Protection Fund.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 8 - SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences (Refer note 27(11)(II)(b))	69.26	21.73
Provision for Proposed Equity Dividend	300.00	300.00
Provision for Tax on proposed dividend	59.99	48.67
Total	429.25	370.40

NOTE 9 - FIXED ASSETS (TANGIBLE)

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April, 2014	Additions during the year	Disposals / Deductions during the year	As at 31st March, 2015	Upto 31st March, 2014	For the Year	Disposals / Deductions during the year	Transition adjustment recorded against Surplus balance in the Statement of Profit and Loss
TANGIBLE ASSETS (OWNED)								
Land	3.66 (3.66)	-	-	3.66 (3.66)	-	-	-	-
Buildings	1,463.92 (1,393.78)	90.71 (70.14)	-	1,554.63 (1,463.92)	268.08 (223.90)	47.74 (44.18)	-	0.01
Plant and Equipment	5,616.46 (5,122.89)	856.61 (515.65)	4.50 (22.08)	6,468.57 (5,616.46)	2,255.17 (1,943.40)	555.31 (331.31)	3.07 (19.54)	128.92
Furniture and Fixtures	208.76 (148.76)	15.73 (60.05)	-	224.49 (208.76)	67.70 (58.99)	22.77 (8.76)	-	5.11
Vehicles	94.83 (84.73)	2.00 (41.76)	-	96.83 (94.83)	24.89 (32.57)	12.21 (8.77)	-	0.27
Office Equipment	547.01 (360.19)	68.50 (199.95)	4.58 (13.13)	610.93 (547.01)	205.91 (181.14)	106.69 (32.87)	4.31 (8.10)	56.34
Total	7,934.64 (7,114.01)	1,033.55 (887.55)	9.08 (66.92)	8,959.11 (7,934.64)	2,821.75 (2,440.00)	744.72 (425.89)	7.38 (44.14)	190.65
Previous year					3,749.74 (2,821.75)		5,209.37	(5,112.89)

Note: Figures in brackets pertain to previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

(Rs. in lacs)

Particulars	Gross Block		Accumulated Amortization		Net Block	
	As at 1st April 2014	Additions during the Year	Disposals/ Deductions during the Year	As at 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
INTANGIBLE ASSETS (Other than internally generated)						
Computer Software	189.67 (129.56)	20.66 (60.11)	- -	210.33 (189.67)	104.01 (89.96)	23.45 (14.05)
Technical Know how	135.79 (128.99)	52.77 (6.80)	- -	188.56 (135.79)	97.72 (79.50)	24.33 (18.22)
Total	325.46 (258.55)	73.43 (66.91)	- -	398.89 (325.46)	201.73 (169.46)	47.78 (32.27)
Previous year				249.51 (201.73)	149.38	(123.73)

Figures in brackets pertain to previous year.

NOTE 10 (a)

Depreciation and amortisation expense

(Rs. in lacs)

Particulars	Year ended	
	31st March, 2015	31st March, 2014
On Fixed Assets (Tangible Assets) (refer note 9)	744.72	425.89
On Fixed Assets (Intangible Assets) (refer note 10)	47.78	32.27
Total	792.50	458.16

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 11 - NON - CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
NON CURRENT INVESTMENTS (Unquoted-Trade- at cost)		
Investments in Equity Instruments of Subsidiary Companies		
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	277.39	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)	153.16	153.16
Total	430.55	430.55
Aggregate amount of unquoted investments	430.55	430.55

NOTE 12 - LONG - TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)		
Capital Advances	40.39	18.75
Security deposits	28.03	22.10
Advance Income tax (net of provisions Rs. 3657.39 lacs) (As at March 31, 2014 Rs. 3,487.69 lacs)	236.38	167.52
MAT Credit Entitlement	164.97	-
Fringe Benefit Taxes paid (net of provisions Rs.22.00 lacs (Previous year Rs.22.00 lacs))	2.10	2.10
Total	471.87	210.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

Sl. No.	Name of Investment	Unit price(Rs.)	As at March 31, 2015		As at March 31, 2014	
			Units (Nos)	Amount	Units (Nos)	Amount
	Investments in Mutual Funds					
	(Quoted-Non Trade, at lower of cost and fair value)					
1	ICICI Prudential Interval Fund II Quarterly Interval Plan B -Regular Plan-Dividend	10.10	-	-	450,000	45.00
2	ICICI Prudential Money Market Fund-Regular Plan-Daily Dividend	100.13	101,160	101.29	1,705,333	170.75
3	ICICI Prudential Flexible Income -Regular Plan - Daily Dividend	105.74	109,339	115.61	-	-
4	ICICI Prudential Banking and PSU Debt Fund - Regular Plan - Daily Dividend	10.07	1,020,017	102.75	-	-
5	ICICI Prudential Savings Fund -Regular Plan-Daily Dividend	100.74	21,019	21.19	-	-
6	Biral Sun Life Floating Rate Fund-STP-IP-Daily Dividend Renvestment	100.05	118,725	118.58	311,755	311.66
7	Reliance Fixed Horizon Fund-XXV-Series 29 - Dividend Plan	10.05	-	-	650,000	65.00
8	Reliance Liquid Fund Treasury Plan-Daily Dividend Plan	1528.74	-	-	8,023	122.65
9	Reliance Liquid Fund Cash Plan-Daily Dividend Option	1114.15	-	-	9,021	100.51
10	Reliance Liquid Fund Cash Plan-Direct Growth Plan	2254.23	1,793	40.00	-	-
11	Reliance Money Manager Fund-Daily Dividend Plan	1002.09	-	-	14,769	147.89
12	IDFC Money Manager Fund-Treasury Plan-Daily Dividend (Regular Plan)	10.08	-	-	249,672	25.14
13	TATA Money Market Fund Plan A-Daily Dividend	1001.52	3,073	30.78	17,841	178.68
14	TATA Short Term Bond Fund Plan A - Growth	26.10	295,555	75.00	-	-
15	TATA Short Term Bond Fund Direct Plan - Growth	26.44	186,618	49.00	-	-
16	Baroda Pioneer Credit Opportunities Fund -Plan A Monthly Dividend -Reinvestment	10.24	500,000	50.00	-	-
17	Baroda Pioneer PSU Bond Fund -Plan A Monthly Dividend -Payout	10.28	-	-	485,778	50.00
18	Baroda Pioneer Treasury Advantage Fund -Plan A Daily Dividend -Reinvestment	1025.41	6,420	65.81	5,392	55.19
19	Baroda Pioneer Short Term Bond Fund-Plan A Dividend-Re investment	10.07	2,044,663	206.10	-	-
20	Baroda Pioneer Short Term Bond Fund-Plan A Growth	14.50	341,337	49.50	-	-
21	Franklin India Ultra Short Bond Fund Super Institutional Plan -Daily Dividend Reinvestment	10.08	491,307	49.47	-	-
22	Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct Daily Dividend Reinvestment	10.06	308,065	31.00	-	-
23	Franklin India Treasury Management A/c Super Institutional Plan -Daily Dividend Reinvestment	1000.72	32,965	329.89	-	-
	Total			1,435.97		1,272.47

Notes:-

- 1) Aggregate amount of quoted investments
- 2) Aggregate market value of quoted investments

1,435.97
1,440.16
1,272.47
1,274.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 14 - INVENTORIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(At lower of cost and net realisable value)		
Raw materials (including Goods in Transit Rs. 63.17 lacs, Previous year Rs. 70.30 lacs)	821.08	843.08
Work - in - Progress (refer note below)	506.35	447.79
Finished Goods	101.11	100.13
Stock-in- trade (in respect of goods acquired for trading)	71.08	46.62
Stores and spares	144.28	116.54
Total	1,643.90	1,554.16

Note:

Particulars	As at 31st March, 2015	As at 31st March, 2014
Resin, Metal and Electroplated Diamond / CBN Wheels, Hones, Pellets, Dressing tools etc	330.23	331.82
Machine, accessories and components	167.47	98.79
Others	8.65	17.18
Total	506.35	447.79

NOTE 15 -TRADE RECEIVABLES

Particulars		As at 31st March, 2015	As at 31st March, 2014
(Unsecured)			
1) Trade receivables outstanding for a period exceeding six months (from the date they were due for payment)			
Considered good	4.69		27.24
Considered doubtful	61.16		48.76
		65.85	76.00
2) Other Trade receivables			
Considered good	2,105.85		1,993.66
Considered doubtful	-		-
		2,105.85	1,993.66
Less: Provision for doubtful trade receivables		61.16	48.76
Total		2,110.54	2,020.90

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 16 - CASH AND CASH EQUIVALENTS

Particulars		As at 31st March, 2015	As at 31st March, 2014
Cash on hand		0.55	0.95
Cheques on hand		9.92	19.39
Balances with banks			
(i) In current accounts	18.77		0.97
(ii) In deposit accounts (refer note (i) below)	10.52		10.52
(iii) In earmarked accounts			
(a) Unpaid Dividend Accounts	30.14		28.30
		59.43	39.79
Total		69.90	60.13
Of the above, the balance that meets the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statements is: {Refer Cash Flow statement for the items forming part of the cash and cash equivalents as per AS-3 }		29.24	21.31

Note (i) :- Balance with banks includes Rs.10.52 lacs as deposits with remaining maturity of more than 12 months from the balance sheet date

NOTE 17 - SHORT - TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)		
Prepaid expenses	72.73	73.04
Advance to vendors	29.98	45.62
Employees' loans and advances	58.01	41.35
Security and Earnest Money Deposits	4.22	3.42
Other loans and advances	26.80	14.28
Balances with Government Authorities .		
- CENVAT credit receivable	65.23	60.00
- VAT credit receivable	25.45	6.17
- Service tax credit receivable	96.84	63.92
Total	379.26	307.80

NOTE 18 - OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Receivables from subsidiaries [Refer note 27(13)]	20.90	17.82
Rent receivable	2.25	0.90
Total	23.15	18.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 19 - REVENUE FROM OPERATIONS

	Particulars	Year Ended	
		31st March, 2015	31st March, 2014
a)	Sale of products (refer note (i) below)	11,182.10	10,094.17
b)	Sale of services (refer note (ii) below)	235.52	148.54
c)	Other operating income (refer note (iii) below)	136.49	116.41
	Revenue from operations (Gross)	11,554.11	10,359.12
	Less:Excise Duty	857.63	794.19
	Total	10,696.48	9,564.93

Note

	Particulars	Year Ended	
		31st March, 2015	31st March, 2014
(i)	Sale of products comprises (net of excise duty)		
	Manufactured Goods		
	Resin, Metal and Electroplated Diamond / CBN Wheels, Hones, Pellets, Dressing tools etc	6,993.63	6,657.18
	Machine, Accessories and components	2,763.74	2,190.82
	Others	261.70	196.57
	Total - Sale of manufactured goods	10,019.07	9,044.57
	Traded goods		
	Polishing films	156.38	165.78
	Others	149.02	89.63
	Total - Sale of Traded goods	305.40	255.41
	Total - Sale of Products	10,324.47	9,299.98
(ii)	Sale of Services comprises		
	Machining charges	235.52	148.54
	Total - Sale of Services	235.52	148.54
(iii)	Other Operating income comprises		
	Sale of Scrap	43.39	22.39
	Service charges	37.19	38.18
	Commission	20.04	31.09
	Management fee and other charges received from subsidiaries	35.87	22.94
	Technical services fee	-	1.81
	Total - Other Operating income	136.49	116.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 20 - OTHER INCOME

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Interest on bank and other deposits (Gross)	5.30	2.27
Dividend income on long -term investments (from subsidiary)	486.65	243.97
Dividend income from current investments - mutual funds	71.72	69.73
Profit on sale of current investments	0.24	1.22
Net gain on foreign currency transactions and translations	35.39	46.87
Provisions and credit balances no longer required, written back		
For doubtful trade receivables	29.70	24.42
For other expenses	1.36	7.92
Provision for diminution in value of investment in subsidiary no longer required written back	-	76.56
Miscellaneous income	20.97	9.13
Rent received	12.20	13.00
Total	663.53	495.09

NOTE 21 - COST OF MATERIALS CONSUMED

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Opening stock	843.08	609.04
Add: Purchases	3,353.54	3,477.15
	4,196.62	4,086.19
Less: Closing stock	821.08	843.08
Cost of materials consumed	3,375.54	3,243.11
Material consumed comprises:		
Industrial and Synthetic Diamonds and Cubic Boron Nitride	1,439.35	1,341.14
Bonding Mixture and Matrix Powder	358.94	417.60
Steel	272.77	267.67
Other items	1,304.48	1,216.70
Total	3,375.54	3,243.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 22 - PURCHASES OF STOCK-IN-TRADE

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Polishing Films	145.09	108.39
Dressing Sticks	12.33	7.64
Floking Filter System	33.63	23.21
Others	56.22	12.46
Total	247.27	151.70

NOTE 23 - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Opening stock		
Work - in - progress	447.79	467.64
Finished goods	100.13	104.05
Stock-in- trade	46.62	80.17
	<u>594.54</u>	<u>651.86</u>
Closing stock		
Work - in - progress	506.35	447.79
Finished goods	101.11	100.13
Stock-in- trade	71.08	46.62
	<u>678.54</u>	<u>594.54</u>
Net (increase) / decrease	(84.00)	57.32

NOTE 24 - EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Salaries,wages and bonus	1,452.57	1,392.54
Contribution to provident and other funds (Refer Note. 27(11))	130.16	153.84
Staff welfare expenses	228.94	221.34
Total	1,811.67	1,767.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 25 - FINANCE COSTS

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Interest on deferred payment of Income tax and service tax	0.13	0.72
Others	7.48	1.48
Total	7.61	2.20

NOTE 26 - OTHER EXPENSES

Particulars	Year ended	
	31st March, 2015	31st March, 2014
Consumption of Stores and Spares	610.65	478.41
Contract labour	92.41	78.39
Power and Fuel	289.83	268.85
Rent	12.00	9.50
Increase / (decrease) of excise duty on inventory (refer note (i) below)	0.22	(0.43)
Rates and Taxes	52.71	61.22
Insurance	18.40	19.88
Repairs to:		
Building	49.08	38.88
Machinery	103.94	56.36
Other Assets	96.30	98.07
Processing Charges	538.90	466.84
Directors' Sitting Fees	4.70	2.40
Payment to auditors		
- Statutory Auditors		
Audit Fees (including limited reviews)	8.24	7.40
Tax Audit Fees	1.00	1.00
Other Services	2.00	-
Reimbursement of Expenses	3.06	3.85
- Cost Auditors		
Cost Audit Fees	-	0.75
Bank Charges	32.40	39.56
Service Fee	150.29	135.67
Travel and Conveyance	329.45	295.33
Freight outward and packing Charges (net)	130.43	118.09
Selling Commission	24.61	9.64
Communication Expenses	23.98	25.40
Bad Trade receivables written off	7.33	5.92
Less: Transferred from Provision	3.45	4.83
	3.88	1.09
Provision for doubtful trade receivables	45.55	32.61
Legal and Professional charges	219.04	167.36
Sales & other expenses	317.90	132.61
Loss on sale / disposal of fixed assets (net)	0.57	14.09
Contribution to Research Institution	2.00	2.00
Expenditure on Corporate Social Responsibility	34.24	-
Donation	1.19	2.00
Miscellaneous Expenses	246.76	172.97
Total	3,445.73	2,739.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

Note (i)

The above excise duty relates to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in the statement of profit and loss represents excise duty on sales during the year.

Note - 27

NOTES FORMING PART OF THE FINANCIAL STATEMENTS ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
1 Contingent Liability and commitments to the extent not provided for:		
1A Contingent Liabilities		
a) Claims against the Company not acknowledged as debt: Disputed income tax demands under appeal	59.32	59.32
The Company has received favourable orders from the Income Tax Appellate Tribunal (ITAT), in respect of two assessment years. In respect of one assessment year, the Company has received a favourable order from Commissioner of Income Tax - Appeals (CIT-A), but the order giving effect to the ITAT and CIT-A order is yet to be received by the Company.		
The said amounts have been arrived at based on the assessment orders received from the relevant authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision and the Company's rights for further appeal before the Judiciary.		
1B Commitments		
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.40.39 lacs; previous year Rs.18.74 lacs)	319.83	437.35
b) Other Commitments	-	-
2 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. However, the Company has not utilized the said facility during the current / previous year.		

3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31.03.2015	31.03.2014
(I) Principal amount remaining unpaid to any supplier as at the end of the accounting year	45.60	43.22
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
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.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

4 Foreign Currency Exposure as at March 31, 2015, that have not been hedged by a derivative instrument or other wise

Particulars	31st March, 2015		31st March, 2014		Currency
	Amount (Rs in lacs)	Amount (Foreign Currency in lacs)	Amount (Rs in lacs)	Amount (Foreign Currency in lacs)	
Due to					
- Creditors against Import of goods, capital items and Services	394.30	6.24	369.11	6.09	USD
	88.83	1.30	234.96	2.81	EUR
	26.92	0.29	12.19	0.12	GBP
Due from					
- Trade and other receivables	345.32	5.55	289.50	4.88	USD
	124.99	1.87	189.29	2.33	EUR
	46.18	0.50	54.45	0.55	GBP

There are no outstanding derivative instruments as at the end of the year (previous year Rs.Nil)

5 Value of imports on CIF basis:

Particulars	31st March, 2015	31st March, 2014
Raw Materials	2,093.21	2,262.15
Traded goods	182.84	102.26
Stores and Spare parts	88.96	86.47
Capital Goods	257.05	267.88

6 Expenditure in Foreign Currency

Technical consultancy fee	59.05	91.15
Travel	77.01	36.28
Others	27.95	22.42

7 Details of consumption of imported and indigenous items

	For the year ended March 31, 2015	
	Rs. in lacs	%
Imported		
Raw Material	2,216.69 (2,231.33)	66 (69)
Stores and Spare Parts	114.94 (107.51)	19 (22)
	2,331.63 (2,338.84)	58 (63)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

	For the year ended March 31, 2015	
	Rs. in lacs	%
Indigenous		
Raw Material	1,158.85 (1,011.78)	34 (31)
Stores and Spare Parts	495.71 (370.90)	81 (78)
	1,654.56 (1,382.68)	42 (37)

Figures in brackets relate to previous year.

8 Earnings in Foreign exchange :

Particulars	31st March, 2015	31st March, 2014
i) F.O.B.Value of goods exported	2,670.12	2,338.29
ii) Others.	543.79	298.00

9 Remittances in foreign currency during the year on account of dividend

Particulars	31st March, 2015	31st March, 2014
(a) Year to which dividend relates	2013-14 & 2014-15 (Interim)	2012-13 & 2013-14 (Interim)
(b) Total number of non-resident shareholders to whom remittance was made	1	1
(c) Total number of shares held by them on which dividend was due	797,352	797,352
(d) Amount remitted (Rs. in lacs)	199.34	199.34

10 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the depreciation to align to the useful life with those assets specified in Schedule II

The details of previously applied depreciation method, rate / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate (in %) / useful life (Yrs)	Revised useful life based on SLM (Yrs)
Factory Building	SLM	3.34 / 30	30
Residential Building	SLM	1.63 / 60	60
Computers and Data Processing Equipment	SLM	16.21 / 6	3
General Plant and Machinery			
(i) Single Shift	SLM	4.75 / 21	15
(ii) Double Shift	SLM	7.42 / 13	10
(iii) Triple Shift	SLM	10.34 / 10	7.5
Factory equipment	SLM	4.75 / 21	15
Office Appliances	SLM	4.75 / 21	5
Furniture and Fixtures	SLM	6.44 / 16	10
Vehicles	SLM	9.5 / 11	8

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 125.85 lacs (net of deferred tax of Rs. 64.80 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 260.20 lacs consequent to the change in the useful life of the assets.

11. Employee Benefits

I Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	31.03.2015	31.03.2014
Employers' Contribution to Provident Fund *	47.90	41.75
Employers' Contribution to Superannuation Fund *	41.92	36.79
Employers' Contribution to Employee's State Insurance #	9.72	8.74
Employers' Contribution to Employee's Pension Scheme 1995 *	25.15	23.42

* Included in Contribution to provident and other funds (Refer note 24)

Included in staff welfare expenses (Refer note 24)

II Defined Benefit Plan

a) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00% p.a.	9.35% p.a.
Salary Escalation Rate	5.00% p.a.	5.00% p.a.

The estimate of future salary increases considered in actuarial valuation, is in respect of salary on which gratuity is payable and takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

A) Change in Present Value of Obligation :-

Particulars	31.03.2015	31.03.2014
Present Value of Obligation as at beginning of the year	220.45	173.48
Current Service Cost	17.78	14.92
Interest cost	17.41	14.55
Benefits Paid	(5.67)	(19.02)
Net Actuarial Losses / (Gains) Recognized in the Year	(0.94)	36.52
Past Service Cost	-	-
Losses / (Gains) on "Curtailements & Settlements"	-	-
Closing Present Value of Obligations	249.03	220.45

B) Change in the Fair Value of Assets

Particulars	31.03.2015	31.03.2014
Opening Fair Value of Plan Assets	208.18	197.86
Expected Return on Plan Assets	17.99	15.31
Actuarial Gains / (Losses)	1.08	(1.19)
Assets Distributed on Settlements	-	-
Contributions by Employer	19.95	15.22
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(5.67)	(19.02)
Closing Fair Value of Plan Assets	241.53	208.18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of plan assets

Particulars	31.03.2015	31.03.2014
Closing Present Value of Funded Obligations	249.03	220.45
Closing Fair Value of Plan Assets	241.53	208.18
Closing Funded Status	(7.50)	(12.27)
Unrecognized Actuarial (gains) / losses	Nil	-
Net Asset / (Liability) recognized in Balance Sheet	(7.50)	(12.27)

D) Amount recognized in the Balance Sheet

Particulars	31.03.2015	31.03.2014
Closing Present value of obligations	249.03	220.45
Closing Fair Value of plan assets	241.53	208.18
Net Asset / (Liability) recognized in Balance Sheet	(7.50)	(12.27)

E) Expense recognized in the Statement of Profit and Loss

Particulars	31.03.2015	31.03.2014
Current Service Cost	17.78	14.92
Past Service Cost	-	-
Interest Cost	17.41	14.55
Expected Return on Plan Assets	(17.99)	(15.31)
Actuarial Losses / (Gain)	(2.02)	37.72
Losses / (Gains) on "Curtailements and Settlements"	-	-
Total Expense	15.18	51.88
Net expenses recognized in the statement of Profit and Loss.	15.18	51.88

F) Major categories of plan assets as a percentage of total plan assets

Particulars	31.03.2015	31.03.2014
Others (insurer managed funds *)	100%	100%

* The details with respect to the composition of investments in the plan assets have not been disclosed in the absence of the aforesaid information. Further, details of experience adjustments have not been disclosed in the absence of relevant information from the actuary.

b) Compensated absences

Assumptions at the Valuation Date:

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00% p.a.	9.35% p.a.
Salary Escalation Rate	5.00% p.a.	5.00% p.a.

The estimate of future salary increases ,considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors , such as supply and demand in the employment market.

Description	31.03.2015	31.03.2014
Charge / (credit) in the statement of profit and loss	(31.92)	97.36
Liability as at the year end	129.39	168.38
- Short- term (Refer Note 8)	69.26	21.73
- Long- term (Refer Note 5)	60.13	146.65

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

12. SEGMENT DISCLOSURE

A) PRIMARY SEGMENT INFORMATION

Notes on Segment Information

- 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 his primary segments.

- 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 and hence segment disclosure relating to capital employed has not been given.

Particulars	31.03.2015	31.03.2014
1. Segment Revenue (including sale of services)		
a) Super Abrasives (Net of excise duty)	7,796.25	7,168.19
b) Machines, Accessories and Components	2,763.74	2,280.33
Total	10,559.99	9,448.52
Less:- Inter Segment Revenue	-	-
Net sales/Income From Operations	10,559.99	9,448.52
2. Segment Results Profit before tax and interest.		
a) Super Abrasives	1,189.15	1,118.61
b) Machines, Accessories and Components	704.60	469.42
Total	1,893.75	1,588.03
Less: (i) Finance costs	7.61	2.20
(ii) Other un-allocable Expenditure net of un-allocable income of Rs.800.02 lacs (31.3.2014 Rs.611.50 lacs)	122.45	(54.19)
(iii) Tax expense	278.92	453.21
Profit for the year	1,484.77	1,186.81

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical market

Particulars	31.03.2015	31.03.2014
India	7,889.87	7,110.23
Europe	1,174.72	1,128.42
Others	1,495.40	1,209.87
Total Revenues	10,559.99	9,448.52

- 13 In accordance with Accounting Standard 18 'Related Party Disclosures', the Company has compiled the required information as detailed below.

1) List of Related parties

i) Party with whom control exists -Subsidiaries

- a)Wendt Grinding Technologies Ltd, Thailand
b)Wendt Middle East FZE

ii) Venturers to the joint venture with whom transactions have taken place during the year

- a)Carborundum Universal Limited (CUMI)
b)Wendt GmbH Germany

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

iii) Company in which director is a director

Ace Designers Ltd

iv) Key Management Personnel

Mr.Rajesh Khanna, CEO

v) Relatives of Key Management Personnel

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

Transaction with related parties

Particulars	Subsidiaries		Joint venturers		Director's Company		Key Management Personnel		Total	
	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
Purchase of Capital Goods										
Wendt GmbH Germany	-	-	0.17	23.92	-	-	-	-	0.17	23.92
Carborundum Universal Limited (CUMI)	-	-	0.33	4.41	-	-	-	-	0.33	4.41
Other Purchases										
Wendt GmbH, Germany	-	-	425.72	687.45	-	-	-	-	425.72	687.45
Carborundum Universal Limited (CUMI)	-	-	62.76	59.55	-	-	-	-	62.76	59.55
Wendt Middle East FZE	-	1.26	-	-	-	-	-	-	-	1.26
Sale of Goods and Services										
Wendt GmbH Germany	-	-	461.35	474.08	-	-	-	-	461.35	474.08
Carborundum Universal Limited (CUMI)	-	-	316.40	231.99	-	-	-	-	316.40	231.99
Wendt Grinding Technologies Ltd Thailand	174.72	165.08	-	-	-	-	-	-	174.72	165.08
Wendt Middle East FZE	375.65	219.51	-	-	-	-	-	-	375.65	219.51
Ace Designers Ltd	-	-	-	-	0.17	-	-	-	0.17	-
Payment of Rent										
Rajesh Khanna	-	-	-	-	-	-	6.00	4.75	6.00	4.75
Preethi Khanna	-	-	-	-	-	-	6.00	4.75	6.00	4.75
Receipt of Dividend										
Wendt Grinding Technologies Ltd Thailand	486.65	243.97	-	-	-	-	-	-	486.65	243.97
Payment of Service Fee and Commission										
Carborundum Universal Limited (CUMI)	-	-	150.29	135.67	-	-	-	-	150.29	135.67
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, Accounting charges and Interest receipts										
Wendt GmbH Germany	-	-	15.14	31.09	-	-	-	-	15.14	31.09
Carborundum Universal Limited (CUMI)	-	-	12.20	13.00	-	-	-	-	12.20	13.00
Wendt Grinding Technologies Ltd Thailand	24.58	20.96	-	-	-	-	-	-	24.58	20.96
Wendt Middle East FZE	11.28	1.97	-	-	-	-	-	-	11.28	1.97
Rent Deposit received										
Carborundum Universal Limited (CUMI)	-	-	-	10.00	-	-	-	-	-	10.00
Reimbursement of Expenses - Paid										
Carborundum Universal Limited (CUMI)	-	-	68.94	18.73	-	-	-	-	68.94	18.73
Reimbursement of Expenses - Received										
Wendt GmbH Germany	-	-	0.30	0.89	-	-	-	-	0.30	0.89
Carborundum Universal Limited (CUMI)	-	-	18.39	3.88	-	-	-	-	18.39	3.88
Wendt Grinding Technologies Ltd Thailand	6.20	3.62	-	-	-	-	-	-	6.20	3.62
Wendt Middle East FZE	11.73	0.72	-	-	-	-	-	-	11.73	0.72
Amount due From										
Wendt GmbH Germany	-	-	58.46	73.63	-	-	-	-	58.46	73.63
Carborundum Universal Limited (CUMI)	-	-	102.29	40.22	-	-	-	-	102.29	40.22
Wendt Grinding Technologies Ltd Thailand	56.52	65.95	-	-	-	-	-	-	56.52	65.95
Wendt Middle East FZE	-	23.16	-	-	-	-	-	-	-	23.16
Ace Designers Ltd	-	-	-	-	0.17	-	-	-	0.17	-
Amount due to										
Wendt GmbH Germany	-	-	46.76	167.65	-	-	-	-	46.76	167.65
Wendt Middle East FZE	21.25	-	-	-	-	-	-	-	21.25	-
Carborundum Universal Limited (CUMI)	-	-	156.35	181.88	-	-	-	-	156.35	181.88

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 any amount included above during the year.

c) Provision for diminution in value of investments in Wendt Middle East FZE Rs.76.56 lacs has been written back during the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

14 Operating 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. 12.00 lacs. (Previous year: Rs 9.50 lacs).

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.

The lease agreement is for a period of 24 months and can be terminated by either party by giving one month notice.

Details of the above referred lease are as given below:

	Rs. In lacs
Gross carrying amount	1,554.63
Less: Accumulated Depreciation	315.83
Net carrying amount	1,238.80

The depreciation recognized in respect of the factory building for the year is Rs. 47.74 lacs.

There are no contingent rents receivable.

15 Earning per share (EPS) is calculated as under

a) Numerator -		
Profit for the year	1,484.77	1,186.81
b) Denominator - weighted average number of equity shares		
Basic and diluted	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees)		
Basic and diluted	74.24	59.34

16 Deferred Tax Liability (Net)

Particulars	As at 31st March, 2015	As at 31st March, 2014
<u>Tax effect of items constituting deferred tax liability</u>		
Fiscal allowance on fixed assets	607.26	563.14
Tax effect of items constituting deferred tax liability	607.26	563.14
<u>Tax effect of items constituting deferred tax asset</u>		
Employee benefits	(43.98)	(47.56)
Provision for doubtful trade receivables	(20.79)	(16.57)
Others	(11.20)	(12.14)
Tax effect of items constituting deferred tax assets	(75.97)	(76.27)
Deferred tax liability (net)	531.29	486.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

17 Research and Development Expenditure

Research and Development expenditure incurred during the year aggregates to Rs.694.76 lacs (Previous year Rs.377.09 lacs) as detailed below:

Particulars	31.3.2015	31.3.2014
- Revenue expenditure (refer note below)	262.77	272.15
- Capital expenditure (including capital work in progress)	431.99	104.94
Total	694.76	377.09

Note:- Revenue expenditure shown above includes Depreciation on R&D assets of Rs. 34.92 lacs (Previous year Rs. 20.74 lacs) & Consultancy Services of Rs. 81.15 lacs (Previous year Rs. 91.15 lacs).

- 18 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

Signatures to Notes 1 to 27

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

Chennai
21st April, 2015

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in lacs)

Statement of Holding Company's Interest in Subsidiary Company

1 Name of the Company	Wendt Grinding Technologies Ltd	Wendt Middle East FZE
2 The Financial year of the Subsidiary ended on	31 st March 2015	31 st March 2015
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 lacs	Rs in lacs
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, 2015 *	216.29	141.20
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	1179.26	(49.36)
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, 2015	486.65	----
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	390.31	----

* Computed based on the exchange rates as on 31 st March 2015 (Thai Baht Rs. 1.945 and AED Rs. 17.018)

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

Chennai
21st April, 2015

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer



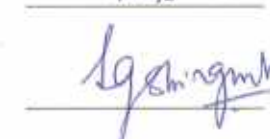
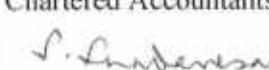
AKANKSHA BIJAWAT
Company Secretary

WENDT (INDIA) LIMITED

Audit for the year ended March 31, 2015

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Wendt (India) Limited
2.	Annual separate financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A. (as the report is unqualified)
5.	To be signed by-	
	Mr. Rajesh Khanna Chief Executive	
	Mr. Mukesh Kumar Hamirwasia Chief Financial Officer	
	Shrinivas G Shirgurkar Audit Committee Chairman	
	Place: Hosur Date: APRIL 24, 2015	
	Refer our Audit Report dated April 21, 2015 on the Separate Financial Statements of the Company.	
	For Deloitte Haskins & Sells Chartered Accountants	
	 S. Sundaresan (Partner) (Membership No. 25776) Place: Bangalore Date: 7th May 2015	

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WENDT (INDIA) LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Wendt (India) Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness

of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2015;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (net) of Rs.1,817.24 lakhs as at 31st March, 2015, total revenues of Rs.2,246.67 lakhs and net cash outflows amounting to Rs.175.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No.008072S)

Chennai
21st April, 2015
SS/RR/2015

S. SUNDARESAN
Partner
(Membership No. 25776)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs. in lacs)

Particulars	Note No.	As at	
		31.03.2015	31.03.2014
I EQUITY AND LIABILITIES			
(1) Shareholders funds			
(a) Share capital	2	200.00	200.00
(b) Reserves and surplus	3	9,758.67	9,014.68
		9,958.67	9,214.68
(2) Non-current liabilities			
(a) Deferred tax liability (net)	25(10)	531.29	486.87
(b) Other long-term liabilities	4	42.69	41.09
(c) Long-term provisions	5	277.63	201.80
		851.61	729.76
(3) Current liabilities			
(a) Trade payables	6	1,763.22	1,886.87
(b) Other current liabilities	7	471.04	501.58
(c) Short-term provisions	8	455.06	386.38
		2,689.32	2,774.83
Total		13,499.60	12,719.27
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	5,515.74	5,372.99
(ii) Intangible assets	10	149.58	123.78
(iii) Capital work-in-progress		249.22	273.36
		5,914.54	5,770.13
(b) Long-term loans and advances	11	476.70	209.18
		6,391.24	5,979.31
(2) Current assets			
(a) Current investments	12	2,076.85	1,872.63
(b) Inventories	13	1,875.50	1,763.15
(c) Trade receivables	14	2,316.15	2,167.87
(d) Cash and Cash Equivalents	15	436.28	601.76
(e) Short-term loans and advances	16	401.33	333.65
(f) Other current assets	17	2.25	0.90
		7,108.36	6,739.96
Total		13,499.60	12,719.27

SIGNIFICANT ACCOUNTING POLICIES 1B
 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS 24
 SEE ACCOMPANYING NOTES (1-24) FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached
For DELOITTE HASKINS & SELLS
 Chartered Accountants

For and on behalf of the Board of Directors

S SUNDARESAN
 Partner

M M MURUGAPPAN
 Chairman

SHRINIVAS G SHIRGURKAR
 Director

K SRINIVASAN
 Director

Chennai
 21st April, 2015

MUKESH KUMAR HAMIRWASIA
 Chief Financial Officer

AKANKSHA BIJAWAT
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lacs)

Particulars	Note No.	Year Ended	
		31.03.2015	31.03.2014
I. Revenue from operations (Gross)	18	13,262.97	11,803.14
Less: Excise duty	18	857.63	794.19
Revenue from operations (Net)		12,405.34	11,008.95
II. Other income	19	192.69	184.75
III. Total Revenue (I + II)		12,598.03	11,193.70
IV. Expenses:			
Cost of materials consumed	20a	3,375.54	3,243.10
Purchases of stock-in-trade		1,189.24	951.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.b	(108.69)	(56.08)
Employee benefits expense	21	1,988.67	1,940.22
Finance costs	22	7.61	3.25
Depreciation and amortization expense	10(a)	829.93	518.49
Other expenses	23	3,630.12	2,919.06
Total Expenses		10,912.42	9,519.16
V Profit before tax (III - IV)		1,685.61	1,674.54
VI Tax expense:			
(1) Current tax	387.39		
Less:- MAT Credit entitlement	164.97	222.42	405.23
(2) Deferred tax		109.22	103.21
		331.64	508.44
VII Profit for the year (V - VI)		1,353.97	1,166.10
VIII Earning per equity share (face value Rs.10/- each):			
Basic and Diluted	24(9)	67.70	58.30

SIGNIFICANT ACCOUNTING POLICIES 1B
 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS 24
 SEE ACCOMPANYING NOTES (1-24) FORMING PART OF THE FINANCIAL STATEMENTS

In terms of our report attached
For DELOITTE HASKINS & SELLS
 Chartered Accountants

For and on behalf of the Board of Directors

S SUNDARESAN
 Partner

M M MURUGAPPAN
 Chairman

SHRINIVAS G SHIRGURKAR
 Director

K SRINIVASAN
 Director

Chennai
 21st April, 2015

MUKESH KUMAR HAMIRWASIA
 Chief Financial Officer

AKANKSHA BIJAWAT
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs. in lacs)

	31.03.2015	31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	1,685.61	1,674.54
Adjustments for :		
Depreciation and amortisation expense	829.93	518.49
Provision for trade receivables (net of reversal)	15.04	14.22
Finance costs	7.61	3.25
Interest on bank and other deposits	(17.72)	(18.00)
Dividend from current investments	(71.72)	(69.73)
Loss on sale / discarding of tangible fixed assets (net)	0.57	14.05
Surplus provision of previous year written back	(1.74)	(8.38)
Profit on sale of current investments (net)	(0.24)	(1.22)
Unrealised exchange loss	2.66	0.54
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,450.00	2,127.76
CHANGES IN WORKING CAPITAL :		
Inventories	(112.35)	(283.39)
Trade receivables	(166.04)	(169.57)
Short term loans and advances	(67.67)	(56.63)
Other current assets	(1.34)	38.75
Long term loans and advances	(12.60)	0.15
Trade payables	(123.56)	369.59
Other long term liabilities and provisions	(87.54)	91.07
Other current liabilities and provisions	70.36	(13.21)
CASH FLOW FROM OPERATING ACTIVITIES	1,949.26	2,104.52
Direct tax paid (net of refunds)	(280.91)	(443.93)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	1,668.35	1,660.59
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on tangible fixed assets, including capital advances	(1,166.34)	(965.14)
Capital expenditure on intangible fixed assets, including capital advances	(73.68)	(66.91)
Proceeds from sale of tangible fixed assets	1.13	8.73
Sale / (purchase) of current investments (net)	(203.96)	(324.51)
Interest received on deposits with banks and others	17.72	18.00
Dividend from current investments	71.72	69.73
Bank balances not considered as cash and cash equivalents		
- Placed	(500.00)	(509.97)
- Matured / encashed	498.16	497.45
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	(1,355.25)	(1,272.62)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in lacs)

	31.03.2015	31.03.2014
CASH FLOW FROM FINANCING ACTIVITIES		
Borrowing / (repayment) of loan (net)	-	(24.28)
Finance costs	(7.61)	(3.25)
Dividend paid (including tax thereon)	(588.66)	(581.12)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	(596.27)	(608.65)
Translation adjustment	(D) 115.85	(12.48)
NET CASH INFLOW/(OUTFLOW) (A+B+C+D)	(167.32)	(233.16)
OPENING CASH AND CASH EQUIVALENTS E	562.94	796.10
CLOSING CASH AND CASH EQUIVALENTS F	395.62	562.94
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (F-E)	(167.32)	(233.16)

Reconciliation of cash and cash equivalents with the balance sheet

Cash and Cash equivalents as per Balance Sheet (Refer Note No.15)	436.28	601.76
Less:- Bank Balances not considered as Cash and Cash equivalent as defined in AS 3 Cash Flow Statements		
(i) In deposit accounts (having original maturity of more than 3 months)	10.52	10.52
(ii) In earmarked accounts #		
Dividend account	30.14	28.30
Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements - Refer Note No.15)	395.62	562.94

The earmarked accounts can be utilised only for the specific identified purposes. In terms of our report attached

In terms of our report attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

S SUNDARESAN
Partner

Chennai
21st April, 2015

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

A GROUP OVERVIEW

Wendt (India) Limited was incorporated on August 21st 1983 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.

B SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS:

The Consolidated financial statements comprise the financial statements of Wendt (India) Ltd (the Holding Company) and its subsidiaries. Together, the companies constitute the "Group". The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / the Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation, as more fully described in Note 27(4).

2 PRINCIPLES OF CONSOLIDATION

- The financial statements of the subsidiary companies are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- Following subsidiary companies have been included in Consolidation:-

Sr. No	Name of the Subsidiary	Country of Incorporation	Ownership Proportion	
			31.03.2015	31.03.2014
1	Wendt Grinding Technologies Limited (Incorporated on 19th July 2005)	Thailand	100%	100%
2	Wendt Middle East FZE (Incorporated on 24th September 2008)	Sharjah (UAE)	100%	100%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

3 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4 INVENTORIES:

- Finished Goods and work-in-progress are valued at lower of cost and net realizable value. Cost comprises of materials, labour, and an appropriate proportion of production overheads and excise duty, wherever applicable and excludes interest, selling and distribution expenses. Cost is computed on weighted average basis.
- Raw materials, stores and spares are valued at lower of cost and net realizable value. Cost computed on weighted average basis includes freight, taxes and duties net of CENVAT / VAT credit, wherever applicable.

5 CASH FLOW STATEMENT:

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

6 FIXED ASSETS, DEPRECIATION AND AMORTISATION:

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed 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 fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed 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 expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use. Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the Company are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Capital Subsidy relating to projects in backward area is credited to capital subsidy reserve on receipt and Government grants relating to specific assets are deducted from the cost of such assets.

Intangible Assets are amortized over a period of 5 years or based on the period of usage / licence, whichever is lower. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 as under 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.

A) In the case of Wendt Grinding Technologies Ltd, the depreciation is provided on Straight line basis on the estimated useful life of the assets as follows.

	No. of years
i) Building	20
ii) Machine and equipment, Tools, Furniture and Fixture, Vehicles	5

B) In the case of Wendt Middle East FZE, the depreciation is provided on Straight line basis on the estimated useful life of the assets as follows.

	No. of years
i) Plant and Machinery	4
ii) Lease hold improvements	4
iii) Furniture and Fixtures	3
iv) Computers	3

7 REVENUE RECOGNITION:

- Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses. Revenue from Sale of goods is recognised on despatch of goods. Sales includes excise duty but excludes sales tax / VAT, discounts and returns as applicable.
- Revenue from rendering of services priced on a time and material basis is recognised on rendering of services as per the terms of contracts with customers.
- Export Benefits under Advance licence scheme are recognized on accrual basis on completion of export obligation.
- Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognised on a time proportion basis considering the underlying interest rate.

8 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION :

- Company: Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year end are translated at the rate of exchange prevailing at the year end and the gain or loss is recognized in the Statement of profit and loss.
- "Non-integral foreign operations: Transactions of non-integral foreign operations are translated at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. All assets and liabilities of non-integral foreign operations are translated at the year-end rates."

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Company: Exchange differences arising on actual payments / realizations and year end restatements are also recognised in the Statement of profit and loss.

- "Non-integral foreign operations: The exchange differences on translation of balances relating to non-integral foreign operations are accumulated in a "Translation adjustment reserve" until disposal of the operation, in which case the accumulated balance in "Translation adjustment reserve" is recognised as income/ expense in the same period in which the gain or loss on disposal is recognised."

9 INVESTMENTS:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. However, provision for diminution is made in the value of investments, if such diminution is other than of temporary nature.

10 EMPLOYEE BENEFITS:

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits including performance incentive and compensated absences which are expected to occur 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.

LONG TERM EMPLOYEE BENEFITS - COMPENSATED ABSENCES

Accumulated Compensated absences which fall due beyond 12 months is provided for in the books on actuarial 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 as 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 and has no further obligation beyond making the payment to them.

DEFINED BENEFIT PLAN

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 thereof is paid and absorbed in the statement of profit and loss at the year end. Actuarial Gains and losses arising during the year are recognised in the Statement of Profit and Loss immediately.

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

11 SEGMENT REPORTING:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group with the following additional policies:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

- a Inter-segment revenues are accounted on the basis of prices charged to external customers.
- b Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and not allocable to segments on a reasonable basis are included under "Other un-allocable Expenditure net of un-allocable income".

12 EARNINGS / (LOSS) 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. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

13 TAXES ON INCOME :

Current tax is determined on the basis of taxable income and tax credits, where applicable, computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability during the year. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to management's judgment that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates or substantively enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be received or settled.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

14 RESEARCH AND DEVELOPMENT:

Revenue expenditure pertaining to research is charged to the 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

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 Fixed Assets.

15 IMPAIRMENT OF ASSETS:

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

16 PROVISIONS AND CONTINGENCIES:

A provision is recognized when the Group has a present obligation as a result of past event, that can be estimated reliably and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. When no reliable estimate can be made, a disclosure is made as contingent liability and is disclosed by way of notes. Contingent assets are not recognised in the financial statements.

17 OPERATING CYCLE:

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Normal operating cycle is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents.

NOTE 2 - SHARE CAPITAL

Particulars	As at 31st March, 2015	As at 31st March, 2014
Authorised:		
3,000,000 (Previous year 3,000,000) equity shares of Rs 10/- each.	300.00	300.00
Issued:		
2,000,000 (Previous year 2,000,000) equity shares of Rs.10/- each.	200.00	200.00
Subscribed and Paid up:		
2,000,000 (Previous year 2,000,000) equity shares of Rs.10/- each	200.00	200.00
Total	200.00	200.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

Note 2 (i)

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No of shares	Rs. in lacs	No of shares	Rs. in lacs
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:				
No of shares outstanding at the beginning of the year	2,000,000	200.00	2,000,000	200.00
Add: Additional shares issued during the year	-	-	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	2,000,000	200.00	2,000,000	200.00

Note 2 (ii)

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

Particulars	Number of shares as at 31st March, 2015	Percentage of holding	Number of shares as at 31st March, 2014	Percentage of holding
Equity Shares : (with equal voting rights)				
Wendt GmbH Germany	797,352	39.87	797,352	39.87
Carborundum Universal Limited	797,352	39.87	797,352	39.87

Note 2 (iii)

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.

NOTE 3 - RESERVES AND SURPLUS

Particulars		As at 31st March, 2015	As at 31st March, 2014
Capital reserve:			
Capital subsidy		20.98	20.98
		20.98	20.98
General reserve:			
Opening balance	4,776.75		4,658.05
Add: Transfer from Surplus in statement of Profit and Loss	400.00		118.70
		5,176.75	4,776.75
Translation adjustment reserve:			
Opening balance	292.08		304.56
Add/(less): Effect of exchange fluctuations during the year	115.85		(12.48)
		407.93	292.08

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

Statutory Reserve			
Opening balance	10.79		-
Add/(Less): Transfer from Surplus in statement of Profit and Loss	14.12		10.79
Closing balance (Refer note 1 below)		24.91	10.79
Surplus in Statement of Profit and Loss :			
Opening balance	3,914.08		3,458.59
Add: Profit/(Loss) for the year	1,353.97		1,166.10
	5,268.05		4,624.69
Less:- Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 24(4))	125.85		-
Less: Appropriations			
Interim Dividend @ 100% (Rs.10/- Per equity share (previous year Rs. 10/- each))	200.00		200.00
Tax on Interim Dividend	39.99		32.45
Proposed Final Dividend @ 150% (Rs. 15/- Per equity share (previous year Rs. 15/- Per equity share))	300.00		300.00
Tax on proposed final dividend	59.99		48.67
Transfer to Statutory Reserve	14.12		10.79
Transfer to General Reserve	400.00		118.70
		4,128.10	3,914.08
Total		9,758.67	9,014.68

Note 1: The subsidiary, Wendt Middle East FZE, in accordance with Article 192 of the U.A.E. Commercial Company Law of 1984, as amended, has set aside 10% of net profit during the year amounting to Rs. 14.12 lacs (Previous Year Rs. 10.79 lacs) as Statutory reserve which shall remain indivisible until dissolution and liquidation. The appropriation to this reserve has been limited to 50% of the capital of the subsidiary.

NOTE 4 - OTHER LONG-TERM LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Towards miscellaneous taxes	42.69	41.09
Total	42.69	41.09

NOTE 5 - LONG-TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for compensated absences (Refer note 24 (5)(II)(b))	68.50	154.35
Provision for Gratuity	19.64	22.93
Tax provisions less payments (current tax)	188.95	23.98
Tax provisions less payments (fringe benefit tax)	0.54	0.54
Total	277.63	201.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 6 - TRADE PAYABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade payables	1,763.22	1,886.87
Total	1,763.22	1,886.87

NOTE 7 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Unclaimed dividends (refer note below)	30.14	28.30
Book Overdraft	-	58.45
Other payables		
Statutory dues (Contribution to PF and ESIC, Withholding taxes, Excise duty and VAT)	95.39	98.10
Retention and security deposits	15.90	35.84
Advance received from customers	206.08	106.96
Payable on purchase of fixed assets	114.68	166.31
Employees' contractual obligations	8.85	7.62
Total	471.04	501.58

NOTE

The unclaimed dividend of Rs.30.14 lacs represents those relating to the years 2007-08 to 2013-2014 and no part thereof has remained unpaid or unclaimed for a period of seven years from the date they became due for payment requiring transfer to the Investor Education and Protection Fund.

NOTE 8 - SHORT-TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Tax provisions (net of tax payment)	25.81	15.98
Provision for compensated absences (Refer note 24(5)(II)(b))	69.26	21.73
Proposed dividend on equity shares	300.00	300.00
Tax on proposed dividend on equity shares	59.99	48.67
Total	455.06	386.38

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - FIXED ASSETS (TANGIBLE)

Particulars	As at 1st April, 2014	Additions during the year	Gross Block		As at 31st March, 2015	Upto 31st March, 2014	For the year	Accumulated Depreciation		Translation adjustment recorded against Surplus balance in the Statement of Profit and Loss	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
			Disposals/ Deductions during the year	Translation adjustment				On Disposals/ Deductions	Transition adjustment				
TANGIBLE ASSETS (OWNED)													
Land	102.21 (98.76)	-	-	4.92 (3.45)	107.13 (102.21)	-	-	-	-	-	107.13	-	(102.21)
Improvements to Leasehold Premises	3.58 (3.58)	-	-	-	3.58 (3.58)	3.58 (3.36)	(0.22)	-	-	-	3.58 (3.58)	-	-
Buildings	1,747.65 (1,673.09)	95.83 (74.94)	-	10.57 (-0.38)	1,854.05 (1,747.65)	385.20 (327.06)	62.63 (58.13)	-	0.01	2.41 (0.01)	1,403.80 (385.20)	1,403.80	(1,362.45)
Plant and Equipment	5,758.39 (5,254.93)	857.34 (529.28)	4.50 (22.08)	9.87 (-3.74)	6,621.10 (5,758.39)	2,427.64 (2,089.37)	555.66 (357.81)	3.07 (19.54)	128.92	(18.03)	3,091.12 (2,427.64)	3,529.98	(3,330.75)
Furniture and Fixtures	210.74 (150.68)	16.50 (60.30)	-	-	227.24 (210.74)	69.45 (60.87)	22.89 (8.81)	-	5.11	0.01	97.46 (69.45)	129.78	(141.29)
Vehicles	168.10 (134.48)	14.52 (65.34)	11.80 (31.66)	1.79 (-0.06)	172.61 (168.10)	79.92 (75.95)	25.48 (20.44)	11.80 (16.45)	0.27	(9.28)	84.59 (79.92)	88.02	(88.18)
Office Equipment	588.44 (398.78)	75.23 (202.67)	4.58 (13.13)	1.92 (0.12)	661.01 (588.44)	240.33 (207.60)	115.46 (40.81)	4.31 (8.10)	56.34	(3.84)	403.98 (240.33)	257.03	(348.11)
Total	8,579.11	1,059.42	20.88	29.07	9,646.72	3,206.12	782.12	19.18	190.65	(28.73)	4,130.98	5,515.74	(5,372.99)
Previous year	(7,714.30)	(932.53)	(67.10)	(0.62)	(8,579.11)	(2,764.21)	(486.22)	(44.32)		(0.01)	(3,206.12)		

Figures in brackets pertain to previous year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - FIXED ASSETS (INTANGIBLE)

Particulars	Gross Block				Accumulated Amortization				Net Block		
	As at 1st April, 2014	Additions during the year	Disposals/ Deductions during the year	As at 31st March, 2015	Upto 31st March, 2014	For the year	On Disposals / Deductions	Translation adjustment	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014
INTANGIBLE ASSETS											
(Other than internally generated)											
Computer software	190.06 (129.95)	20.91 (60.11)	-	210.97 (190.06)	108.50 (90.28)	23.48 (18.22)	-	0.07	132.05 (108.50)	78.92	(81.56)
Technical know how	135.78 (128.98)	52.77 (6.80)	-	188.55 (135.78)	93.56 (79.51)	24.33 (14.05)	-	-	117.89 (93.56)	70.66	(42.22)
Total	325.84	73.68	-	399.52	202.06	47.81	-	0.07	249.94	149.58	(123.78)
Previous year	(258.93)	(66.91)	-	(325.84)	(169.79)	(32.27)	-	-	(202.06)		

Figures in brackets pertain to previous year.

NOTE 10 (a)

Depreciation and amortization expense

Particulars	Year ended	
	31st March, 2015	31st March, 2014
On fixed assets (tangible assets) (refer note 9)	782.12	486.22
On fixed assets (intangible assets) (refer note 10)	47.81	32.27
Total	829.93	518.49

NOTE 11 - LONG-TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)		
Capital advances	40.39	18.75
Security deposits	36.55	23.95
Tax payments (net of provisions)	232.69	164.38
MAT Credit Entitlement	164.97	-
Fringe benefit tax payments net of provisions	2.10	2.10
Total	476.70	209.18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 -CURRENT INVESTMENTS

Sl. No.	Name of Investment	Unit price(Rs.)	As at March 31, 2015		As at March 31, 2014	
			Units (Nos)	Amount	Units (Nos)	Amount
	Investments in Mutual Funds (Quoted-Non Trade, at lower of cost and fair value)					
1	ICICI Prudential Interval Fund II Quarterly Interval Plan B-Regular Plan -Dividend	10.10	-	-	450,000	45.00
2	ICICI Prudential Money Market Fund-Regular Plan-Daily Dividend	100.13	101,160	101.29	1,705,333	170.75
3	ICICI Prudential Flexible Income -Regular Plan - Daily Dividend	105.74	109,339	115.61	-	-
4	ICICI Prudential Banking and PSU Debt Fund - Regular Plan - Daily Dividend	10.07	1,020,017	102.75	-	-
5	ICICI Prudential Savings Fund -Regular Plan-Daily Dividend	100.74	21,019	21.19	-	-
6	Biral Sun Life Floating Rate Fund-STP-IP-Daily Dividend Renvestment	100.05	118,725	118.58	311,755	311.66
7	Reliance Fixed Horizon Fund-XXV-Series 29 - Dividend Plan	10.05	-	-	650,000	65.00
8	Reliance Liquid Fund Treasury Plan-Daily Dividend Plan	1528.74	-	-	8,023	122.65
9	Reliance Liquid Fund Cash Plan-Daily Dividend Option	1114.15	-	-	9,021	100.51
10	Reliance Liquid Fund Cash Plan-Direct Growth Plan	2254.23	1,793	40.00	-	-
11	Reliance Money Manager Fund-Daily Dividend Plan	1002.09	-	-	-	-
12	IDFC Money Manager Fund-Treasury Plan-Daily Dividend (Regular Plan)	10.08	-	-	14,769	147.89
13	TATA Money Market Fund Plan A-Daily Dividend	1001.52	3,073	30.78	249,672	25.14
14	TATA Short Term Bond Fund Plan A - Growth	26.10	295,555	75.00	17,841	178.68
15	TATA Short Term Bond Fund Direct Plan - Growth	26.44	186,618	49.00	-	-
16	Baroda Pioneer Credit Opportunities Fund -Plan A Monthly Dividend -Reinvestment	10.24	500,000	50.00	-	-
17	Baroda Pioneer PSU Bond Fund -Plan A Monthly Dividend -Payout	10.28	-	-	485,778	50.00
18	Baroda Pioneer Treasury Advantage Fund-Plan A Daily Dividend -Reinvestment	1025.41	6,420	65.81	5,392	55.19
19	Baroda Pioneer Short Term Bond Fund-Plan A Dividend-Re investment	10.07	2,044,663	206.10	-	-
20	Baroda Pioneer Short Term Bond Fund-Plan A Growth	14.50	341,337	49.50	-	-
21	Franklin India Ultra Short Bond Fund Super Institutional Plan-Daily Dividend Reinvestment	10.08	491,307	49.47	-	-
22	Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct Daily Dividend Reinvestment	10.06	308,065	31.00	-	-
23	Franklin India Treasury Management A/c Super Institutional Plan-Daily Dividend Reinvestment	1000.72	32,965	329.89	-	-
	(Unquoted-Non Trade, at lower of cost and fair value)			1,435.97		1,272.47
1	UOB Asset Management			640.88		600.16
				640.88		600.16
				2,076.85		1,872.63

Notes:-

- Aggregate amount of quoted investments
- Aggregate market value of quoted investments
- Aggregate amount of unquoted investments

1,435.97	1,272.47
1,440.16	1,274.06
640.88	600.16

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 13 - INVENTORIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(At lower of cost and net realisable value)		
Raw materials (including Goods in Transit Rs. 63.17 lacs, Previous year Rs. 70.30 lacs)	821.08	843.08
Work - in - progress (refer note below)	506.35	447.79
Finished goods	101.11	100.13
Stock-in- trade (in respect of goods acquired for trading) (including Goods in Transit Rs.26.08 lacs, Previous year NIL)	295.89	246.74
Stores and spares	151.07	125.41
Total	1,875.50	1,763.15

Note:

Particulars	As at 31st March, 2015	As at 31st March, 2014
Resin, Metal and Electroplated Diamond / CBN Wheels, Hones, Pellets, Dressing tools etc	330.23	331.82
Machine, accessories and components	167.47	98.79
Others	8.65	17.18
Total	506.35	447.79

NOTE 14 - TRADE RECEIVABLES

Particulars		As at 31st March, 2015	As at 31st March, 2014
(Unsecured)			
1) Trade receivables outstanding for a period exceeding six months (from the date they were due for payment)			
Considered good	9.57		27.91
Considered doubtful	67.12		55.53
		76.69	83.44
2) Other trade receivables			
Considered good	2,306.58		2,139.96
Considered doubtful	-		-
		2,306.58	2,139.96
Less: Provision for doubtful trade receivables		67.12	55.53
Total		2,316.15	2,167.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 15 - CASH AND CASH EQUIVALENTS

Particulars		As at 31st March, 2015	As at 31st March, 2014
Cash on hand		0.73	1.28
Cheques, on hand		9.92	19.39
Balances with banks			
(i) In current accounts	384.97		542.27
(ii) In deposit accounts (refer note below)	10.52		10.52
(iii) In earmarked accounts			
(a) Dividend account	30.14		28.30
		425.63	581.09
Total		436.28	601.76
"Of the above, the balance that meets the definition of Cash and Cash equivalents as per AS 3 Cash Flow Statements is: (Refer Cash Flow for the items forming part of cash and cash equivalents as per AS 3)"		395.62	562.94

Notes:- (i) Balance with banks includes Rs.10.52 lacs as deposits with remaining maturity of more than 12 months from the balance sheet date

NOTE 16 - SHORT - TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(Unsecured, considered good)		
Others		
Prepaid expenses	87.53	83.34
Advance paid to vendors	29.98	45.62
Employees' loans and advances	64.98	45.18
Security and earnest money deposits	4.22	10.91
Other loans and advances	26.80	14.28
Balances with government authorities.		
- CENVAT credit receivable	65.23	60.00
- VAT credit receivable	25.75	10.40
- Service tax credit receivable	96.84	63.92
Total	401.33	333.65

NOTE 17 - OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Rent receivable	2.25	0.90
Total	2.25	0.90

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 18 - REVENUE FROM OPERATIONS

Sl. No.	Particulars	Year Ended	
		As at 31st March, 2015	As at 31st March, 2014
a.)	Sale of products (refer note (i) below)	12,802.32	11,296.01
b.)	Sale of services (refer note (ii) below)	329.60	388.16
c.)	Other operating income (refer note (iii) below)	131.05	118.97
	Revenue from operations (Gross)	13,262.97	11,803.14
	Less: Excise duty	857.63	794.19
	Total	12,405.34	11,008.95

Note:

Sl. No.	Particulars	Year Ended	
		As at 31st March, 2015	As at 31st March, 2014
(i)	Sale of products comprises		
	Manufactured goods	9,486.71	8,672.28
	Traded goods	2,457.98	1,829.54
	Total - Sale of products (net of excise duty)	11,944.69	10,501.82
(ii)	Sale of services comprises		
	Machining charges	329.60	388.16
	Total - Sale of services	329.60	388.16
(iii)	Other operating income comprises		
	Sale of scrap	46.26	22.47
	Service charges	64.75	63.60
	Technical services fee	-	1.81
	Commission	20.04	31.09
	Total - Other operating income	131.05	118.97

NOTE 19 - OTHER INCOME

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Interest on bank and other deposits (Gross)	17.72	18.00
Dividend income from current investments - mutual funds	71.72	69.73
Profit on sale of current investments	0.24	1.22
Net gain on foreign currency transactions and translations	37.62	39.69
Provisions and credit balances no longer required, written back		
For doubtful trade receivables	30.26	25.60
For other expenses	1.74	8.38
Bad trade receivables recovered	-	-
Miscellaneous income	21.19	9.13
Rent received	12.20	13.00
Total	192.69	184.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

Note 20.a - COST OF MATERIALS CONSUMED

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Opening stock	843.08	609.04
Add: Purchases	3,353.54	3,477.14
	4,196.62	4,086.18
Less: Closing stock	821.08	843.08
Cost of materials consumed	3,375.54	3,243.10

Note 20.b - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Opening stock		
Work - in - progress	447.79	467.64
Finished goods	100.13	104.05
Stock-in- trade	246.74	166.89
	794.66	738.58
Closing stock		
Work - in - progress	506.35	447.79
Finished goods	101.11	100.13
Stock-in- trade	295.89	246.74
	903.35	794.66
Net (increase) / decrease	(108.69)	(56.08)

NOTE 21 - EMPLOYEE BENEFITS EXPENSE

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Salaries,wages and bonus	1,621.55	1,562.36
Contribution to provident and other funds	130.41	154.10
Gratuity expenses	1.01	1.15
Staff welfare expenses	235.70	222.61
Total	1,988.67	1,940.22

NOTE 22 - FINANCE COSTS

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Interest on deferred payment of Income tax and Service tax	0.13	0.72
Interest on short term borrowings	-	1.05
Others	7.48	1.48
Total	7.61	3.25

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 23 - OTHER EXPENSES

Particulars	Year Ended	
	31st March, 2015	31st March, 2014
Consumption of stores and spares parts	610.98	479.03
Contract labour	92.44	78.39
Power and fuel	292.16	268.85
Rent	31.99	25.54
Increase / (decrease) of excise duty on inventory (refer note (i) below)	0.22	(0.43)
Rates and taxes	57.98	65.14
Insurance	20.55	21.60
Repairs to:		
Building	51.68	40.56
Machinery	107.92	60.86
Other assets	96.30	98.07
Processing charges	541.34	503.74
Directors' sitting fees	4.70	2.40
Auditors' remuneration (net of service tax credit availed)		
- Statutory auditors		
Audit fees (including limited reviews)	12.38	12.10
Tax audit fees	1.00	1.00
Other Services	2.00	-
Reimbursement of expenses	3.06	3.85
- Cost auditors		
Cost audit fees	-	0.75
Bank charges	36.91	45.18
Service fee	150.29	135.67
Travel and conveyance	378.63	332.71
Freight outward and packing charges (net)	131.05	118.09
Selling commission	56.83	30.61
Communication expenses	35.32	34.88
Bad trade receivables written off	7.33	5.92
Less: Transferred from provision	3.45	4.83
Provision for doubtful trade receivables	45.55	39.82
Legal and professional charges	221.38	168.75
Sales & other expenses	338.75	135.81
Loss on sale/disposal of fixed assets (net)	0.57	14.05
Contribution to research institution	2.00	2.00
Expenditure on Corporate Social Responsibility	34.24	-
Donation	1.19	2.00
Miscellaneous expenses	266.83	196.95
Total	3,630.12	2,919.06

Note (i) The above excise duty relates to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in the statement of profit and loss represents excise duty on sales during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

NOTE 24 - ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

	31.03.2015	31.03.2014
1 Contingent Liability and commitments to the extent not provided for:		
a) Claims against the Group not acknowledged as debt: Disputed income tax demands under appeal	59.32	59.32
The Group has received favourable orders from the Income Tax Appellate Tribunal (ITAT), in respect of two assessment years. In respect of one assessment year, the Group has received a favourable order from Commissioner of Income Tax - Appeals (CIT-A), but the order giving effect to the ITAT and CIT -A order is yet to be received by the Group.		
The said amounts have been arrived at based on the assessment orders received from the relevant authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision and the Group's rights for further appeal before the Judiciary.		
1A Commitments		
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. 40.39 lacs (previous year Rs. 18.74 lacs)	319.83	437.35
b) Other commitments	-	-
2 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. However, the Group has not utilized the said facility during the current / previous year.		
3 Foreign Currency Exposure as at March 31, 2015, that have not been hedged by a derivative instrument or other wise		

Particulars	31.3.2015				31.3.2014				Currency
	Amount AED (in lacs)	Amount Thai Baht (in lacs)	Amount INR	Amount (Foreign Currency) (in lacs)	Amount AED (in lacs)	Amount Thai Baht (in lacs)	Amount INR	Amount (Foreign Currency) (in lacs)	
Due to									
- Creditors against Import of goods and Services			394.30	6.09			369.11	6.09	USD
		60.04	117.32		-	111.74	207.85	-	USD
	-		-		-		-	-	USD
		2.17	88.83	1.30			234.96	2.81	EUR
			4.24		-	1.48	2.76	-	EUR
	--	--	26.92	0.29	--	--	12.19	0.12	GBP
Due from									
-Trade and other receivables			288.80	4.64			200.39	3.38	USD
			124.99	1.87			189.29	2.33	EUR
			46.18	0.50			54.45	0.55	GBP

There are no outstanding derivative instruments as at the end of the year (previous year Rs.Nil)

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the depreciation to align to the useful life with those assets specified in Schedule II

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

4 The details of previously applied depreciation method, rate / useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate (in %) / useful life (Yrs)	Revised useful life based on SLM (Yrs)
Factory Building	SLM	3.34 / 30	30
Residential Building	SLM	1.63 / 60	60
Computers and Data Processing Equipment	SLM	16.21 / 6	3
General Plant and Machinery			
(i) Single Shift	SLM	4.75 / 21	15
(ii) Double Shift	SLM	7.42 / 13	10
(iii) Triple Shift	SLM	10.34 / 10	7.5
Factory equipment	SLM	4.75 / 21	15
Office Appliances	SLM	4.75 / 21	5
Furniture and Fixtures	SLM	6.44 / 16	10
Vehicles	SLM	9.5 / 11	8

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of Rs. 125.85 lacs (net of deferred tax of Rs. 64.80 lacs) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 260.20 lacs consequent to the change in the useful life of the assets.

5 EMPLOYEE BENEFITS

I Defined Contribution Plans

During the year, the Group has recognized the following amounts in the Profit and Loss Account-

Particulars	31.03.2015	31.3.2014
Employers Contribution to Provident Fund *	47.90	41.75
Employers' Contribution to Superannuation Fund *	41.92	36.79
Employers' Contribution to Employee's State Insurance	9.72	8.74
Employers' Contribution to Employee's Pension Scheme 1995 *	25.15	23.42
Social security contributions in respect of a subsidiaries *	1.27	1.40

* Included in Contribution to provident and other funds (Refer note 21)

II Defined Benefit Plan

a) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00% p.a.	9.35% p.a.
Salary Escalation Rate	5.00% p.a.	5.00% p.a.

The estimate of future salary increases, considered in actuarial valuation, is in respect of salary on which gratuity is payable and takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

A) Change in Present Value of Obligation :-

Particulars	31.03.2015	31.03.2014
Present Value of Obligation as at beginning of the year	220.45	173.48
Current Service Cost	17.78	14.92
Interest cost	17.41	14.55
Benefits Paid	(5.67)	(19.02)
Net Actuarial Losses / (Gains) Recognized in the Year	(0.94)	36.52
Past Service Cost	-	-
Losses / (Gains) on "Curtailements & Settlements"	-	-
Closing Present Value of Obligations	249.03	220.45

B) Change in the Fair Value of Assets

Particulars	31.03.2015	31.03.2014
Opening Fair Value of Plan Assets	208.18	197.86
Expected Return on Plan Assets	17.99	15.31
Actuarial Gains / (Losses)	1.08	(1.19)
Assets Distributed on Settlements	-	-
Contributions by Employer	19.95	15.22
Assets Acquired due to Acquisition	-	-
Exchange Difference on Foreign Plans	-	-
Benefits Paid	(5.67)	(19.02)
Closing Fair Value of Plan Assets	241.53	208.18

C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of plan assets

Particulars	31.03.2015	31.03.2014
Closing Present Value of Funded Obligations	249.03	220.45
Closing Fair Value of Plan Assets	241.53	208.18
Closing Funded Status	(7.50)	(12.27)
Unrecognized Actuarial (gains) / losses	-	-
Net Asset / (Liability) recognized in Balance Sheet (Refer Note 19)	(7.50)	(12.27)

D) Amount recognized in the Balance Sheet

Particulars	31.03.2015	31.03.2014
Closing Present value of obligations	249.03	220.45
Closing Fair Value of plan assets	241.53	208.18
Net Asset / (Liability) recognized in Balance Sheet	(7.50)	(12.27)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

E) Expense recognized in the Statement of Profit and Loss

Particulars	31.03.2015	31.03.2014
Current Service Cost	17.78	14.92
Past Service Cost	-	-
Interest Cost	17.41	14.55
Expected Return on Plan Assets	(17.99)	(15.31)
Actuarial Losses / (Gain)	(2.02)	37.72
Losses / (Gains) on "Curtailements and Settlements"	-	-
Total Expense	15.18	51.88
Less: Reimbursement received from a Subsidiary	-	-
Net expenses recognized in the Statement of profit and loss	15.18	51.88

F) Major categories of plan assets as a percentage of total plan assets

Particulars	31.03.2015	31.03.2014
Others (insurer managed funds *)	100%	100%

* The details with respect to the composition of investments in the plan assets have not been disclosed in the absence of the aforesaid information. Further, details of experience adjustments have not been disclosed in the absence of relevant information from the actuary.

b) Compensated Absences

Assumptions at the Valuation Date:

Particulars	31.03.2015	31.03.2014
Discount Rate	8.00% p.a.	9.35% p.a.
Salary Escalation Rate	5.00% p.a.	5.00% p.a.

The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market..

Description	31.03.2015	31.03.2014
Charge / (credit) in the Statement of Profit and Loss	(31.92)	97.36
Liability as at the year end	129.39	168.38
- Short- term (Refer Note 8)	69.26	21.73
- Long- term (Refer Note 5)*	60.13	146.65

* Provision for compensated absences shown under Note 6 - Long-Term Provisions includes Rs. 8.37 lacs (Previous year Rs. 7.70 lacs) pertains to one of the subsidiary.

6 SEGMENT DISCLOSURE

A) PRIMARY SEGMENT INFORMATION

Notes on Segment Information

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 his primary segments.

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 and hence segment disclosure relating to capital employed has not been given.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

	31.03.2015	31.03.2014
1. Segment Revenue (including sale of services)		
a) Super Abrasives	8,192.33	7,480.50
b) Machines , Accessories and Components	2,763.74	2,280.33
c) Others	1,318.22	1,129.15
Total	12,274.29	10,889.98
Less:- Inter Segment Revenue	-	-
Net sales/Income From Operations	12,274.29	10,889.98
2. Segment Results (Profit before tax and interest)		
a) Super Abrasives	1,359.16	1,247.84
b) Machines , Accessories and Components	704.60	469.42
c) Others	227.34	206.69
Total	2,291.10	1,923.95
Less: (i) Interest	7.61	3.25
(ii) Other Un-allocable Expenditure net off Un-allocable income of Rs.324.59 lacs (31.3.2014 Rs.303.72 lacs)	597.88	246.16
(iii) Tax expense	331.64	508.44
Profit for the year	1,353.97	1,166.10

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical market

Particulars	31.3.2015	31.3.2014
India	7,889.87	7,110.23
Europe	1,174.72	1,128.42
Others	3,209.70	2,651.33
Total Revenues	12,274.29	10,889.98

7 In accordance with Accounting Standard 18 'Related Party Disclosures', the Group has compiled the required information as detailed below.

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)

(b) Wendt GmbH Germany

ii) **Director's Company**

(a) Ace Designers Ltd

iii) **Key Management Personnel**

Mr. Rajesh Khanna, Chief Executive

iv) **Relatives of Key Management Personnel**

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

Transaction with related parties

Particulars	Joint Venturers		Director's Company		Key Management Personnel		Total	
	14-15	13-14	14-15	13-14	14-15	13-14	14-15	13-14
Purchase of Capital Goods								
Wendt Gmbh	0.17	23.92	-	-	-	-	0.17	23.92
Carborundum Universal Limited (CUMI)	0.33	4.41	-	-	-	-	0.33	4.41
Other Purchases								
Wendt Gmbh	425.72	692.39	-	-	-	-	425.72	692.39
Carborundum Universal Limited (CUMI)	684.10	579.43	-	-	-	-	684.10	579.43
Sale of Goods								
Wendt Gmbh	461.35	474.08	-	-	-	-	461.35	474.08
Carborundum Universal Limited (CUMI)	316.40	231.99	-	-	-	-	316.40	231.99
Ace Designers Limited			0.17	-			0.17	-
Payment of Rent								
Rajesh Khanna	-	-	-	-	6.00	4.75	6.00	4.75
Preethi Khanna	-	-	-	-	6.00	4.75	6.00	4.75
Payment of Service Fee & Commission								
Carborundum Universal Limited (CUMI)	150.29	135.67	-	-	-	-	150.29	135.67
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	15.14	31.09	-	-	-	-	15.14	31.09
Carborundum Universal Limited (CUMI)	12.20	13.00	-	-	-	-	12.20	13.00
Reimbursement of Expenses Paid								
Carborundum Universal Limited (CUMI)	68.94	18.73	-	-	-	-	68.94	18.73
Reimbursement of Expenses Received								
Wendt Gmbh	0.30	0.89	-	-	-	-	0.30	0.89
Carborundum Universal Limited (CUMI)	18.39	3.88	-	-	-	-	18.39	3.88
Amount due From								
Wendt Gmbh	58.46	73.63	-	-	-	-	58.46	73.63
Carborundum Universal Limited (CUMI)	102.29	40.22	-	-	-	-	102.29	40.22
Ace Designers Limited	-	-	0.17	-	-	-	0.17	-
Amount due to								
Wendt Gmbh	46.76	167.65	-	-	-	-	46.76	167.65
Carborundum Universal Limited (CUMI)	263.67	379.74	-	-	-	-	263.67	379.74

- a) The related party relationships are as identified by the Group, on the basis of information available with the Group and relied upon by the auditors.
- b) No amounts in respect of related parties have been written off / back during the year other than any amount included above during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

31.03.2015 31.03.2014

8 Operating leases

- (a) The Group is obligated under cancellable operating leases towards residential accomodation, office premises and ware house 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 cancellable operating leases amounts to Rs.31.99 lacs (Previous year: Rs 25.54 lacs).

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.

The lease agreement is for a period of 24 months and can be terminated by either party by giving one month notice.

Details of the above referred lease are as given below:

	Rs. In lacs
Gross carrying amount	1,554.63
Less: Accumulated Depreciation	315.83
Net carrying amount	1,238.80

The depreciation recognized in respect of the factory building for the year is Rs. 47.74 lacs.

There are no contingent rents receivable.

9 Earning per share (EPS) is calculated as under

a) Numerator -		
Profit for the year	1,353.97	1,166.10
b) Denominator - weighted average number of equity shares		
Basic and diluted	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees)		
Basic and diluted	67.70	58.30

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

10 DEFERRED TAX LIABILITY (NET)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Tax effect of items constituting deferred tax		
Fiscal allowance on fixed assets	607.26	563.14
Tax effect of items constituting deferred tax liability	607.26	563.14
Tax effect of items constituting deferred tax asset		
Employee benefits	(43.98)	(47.56)
Provision for doubtful trade receivables	(20.79)	(16.57)
Others	(11.20)	(12.14)
Tax effect of items constituting deferred tax assets	(75.97)	(76.27)
Deferred tax liability (net)	531.29	486.87

- 11 The figures relating to subsidiaries have been reclassified wherever necessary to conform with the presentation of the holding company financial statements.
- 12 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification / disclosure.

Signatures to Notes 1 to 24

For and on behalf of the Board of Directors

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

Chennai
21st April, 2015

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

AKANKSHA BIJAWAT
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lacs)

Form AOC - 1

"Pursuant to first provision to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 "
Statement containing salient features of the financial statement of Subsidiaries

	Wendt Grinding Technologies Ltd (WGTL)		Wendt Middle East FZE (WME)	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
Share capital	503.13	478.97	204.18	196.05
Reserves and surplus	703.93	932.93	24.66	(107.52)
Total liabilities *	1,523.62	1,770.77	356.45	173.22
Total assets**	882.74	1,170.61	356.45	173.22
Details of current and non-current investments (except investment in subsidiary)	640.88	600.16	-	-
Turnover (net)	1,619.70	1,398.25	626.97	415.50
Profit before taxation	273.88	261.19	137.91	109.13
Provision for taxation	52.72	55.24	-	-
Profit after taxation	221.16	205.95	137.91	109.13
Proposed dividend (including dividend tax)	-	-	-	-
% of Shareholding	100	100	100	100

* Total Liabilities include : Share capital of subsidiary + Non current liabilities + current liabilities + Deferred 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)	
	31-03-2015	31-03-2014	31-03-2015	31-03-2014
THB (WGTL)	1.945	1.853	1.879	1.924
AED (WME)	17.018	16.340	16.624	16.479

Notes:

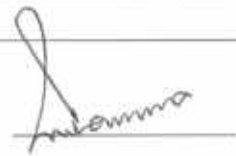


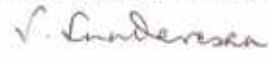
- a) The Consolidated financial statements are in compliance with applicable Accounting Standards in India.
- b) In compliance with the requirements of Clause 32 of the Listing Agreements, the consolidated financial statements are duly audited by the auditors.
- c) Full accounts of the aforesaid subsidiaries are available for inspection at the Registered office of the Company and on request, same will be made available to shareholders of the holding Company and subsidiary companies.

WENDT (INDIA) LIMITED

Audit for the year ended March 31, 2015

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Wendt (India) Limited
2.	Annual consolidated financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A. (as the report is unqualified)
5.	To be signed by-	
	Mr. Rajesh Khanna Chief Executive	
	Mr. Mukesh Kumar Hamirwasia Chief Financial Officer	
	Shrinivas G Shirgurkar Audit Committee Chairman	
	Place: Hosur Date: APRIL 29, 2015	
	Refer our Audit Report dated April 21, 2015 on the Consolidated Financial Statements of the Company.	
	For Deloitte Haskins & Sells Chartered Accountants (Firm Registration No. 008072S)  S. Sundaresan (Partner) (Membership No. 25776) Place: Bangalore Date: 7th May 2015	

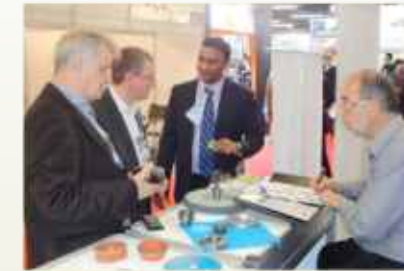
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Exhibitions Participated



EEPC Exhibition, Russia



EEPC Exhibition, Brazil



CII Industrial Exhibition - Haridwar



EEPC Exhibition, Birmingham, UK



Amtex Exhibition - Delhi



Steel Expo - Raipur

IMTEX 2015, Bangalore



Events of the Year



Celebrating the
"Murugappa Energy Hour"

Awards of the Year



Participated in "Cufest 2014" Quality Festival



"Silver Medal" for Green Manufacturing
from International Research Institute for
Manufacturing, India (IRIM)

Product Launches of the Year



Twin Spindle Honing Machine
E3500 TS



Angular Head Cylindrical Grinder
Precigrind AWH250



Rotary Surface Grinder
WRS300 NH



Horizontal Honing Machine
SpeedHone EAS



QCFCI Awards



CII-EHS Award for Environment
Health & Safety Practices
– Southern Region



NCQC Award