



WENDT (INDIA) LTD

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**29th Annual Report
2010-2011**

**Innovation through
Technological Excellence**

WENDT (INDIA) LTD

Let's preserve the Gifts of Mother Nature

From time immemorial, trees have been the main source of life. However constriction of space caused by industrial growth, and scant concern for replanting trees, has led to large stretches of tree less cover.

At WENDT we have been planting trees since inception. The elegant boulevards, rows of fruit laden trees and the mini forest have helped us bring Nature into our work ethos.

At WENDT we strive to do our bit. We honestly do...

Engineering Flair with Environmental Care



BOARD OF DIRECTORS

M M MURUGAPPAN (Chairman)
E ALLITSCH (Alternate P Verholen)
SHRINIVAS G SHIRGURKAR
K SRINIVASAN
K S SHETTY

COMPANY SECRETARY

APEKSHA NAGORI

BANKERS

STATE BANK OF INDIA

AUDITORS

DELOITTE HASKINS & SELLS

REGISTERED OFFICE

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Engineering flair with Environmental Care...



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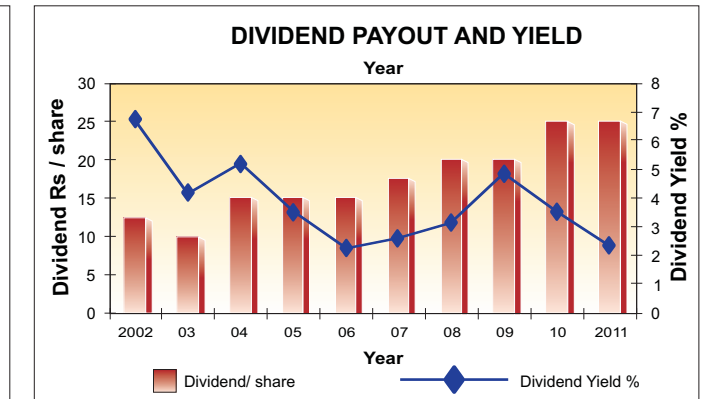
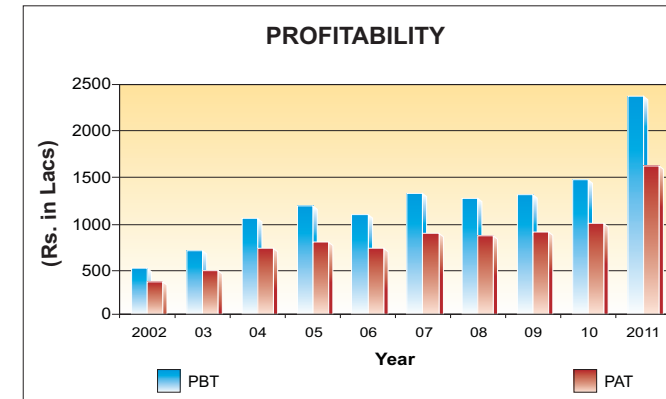
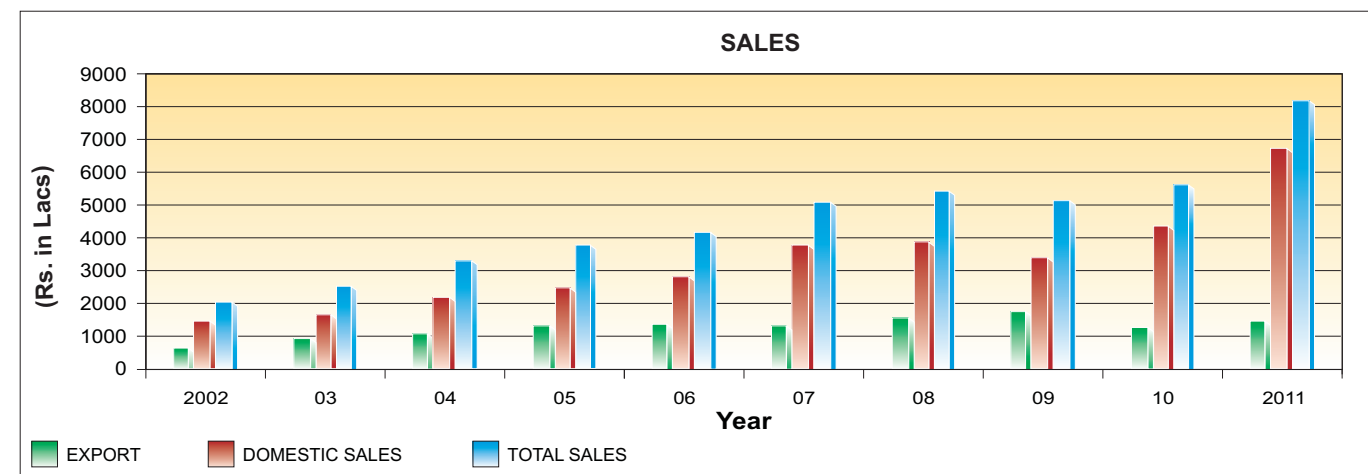
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...with a bouquet of flowers from Wendt Garden...

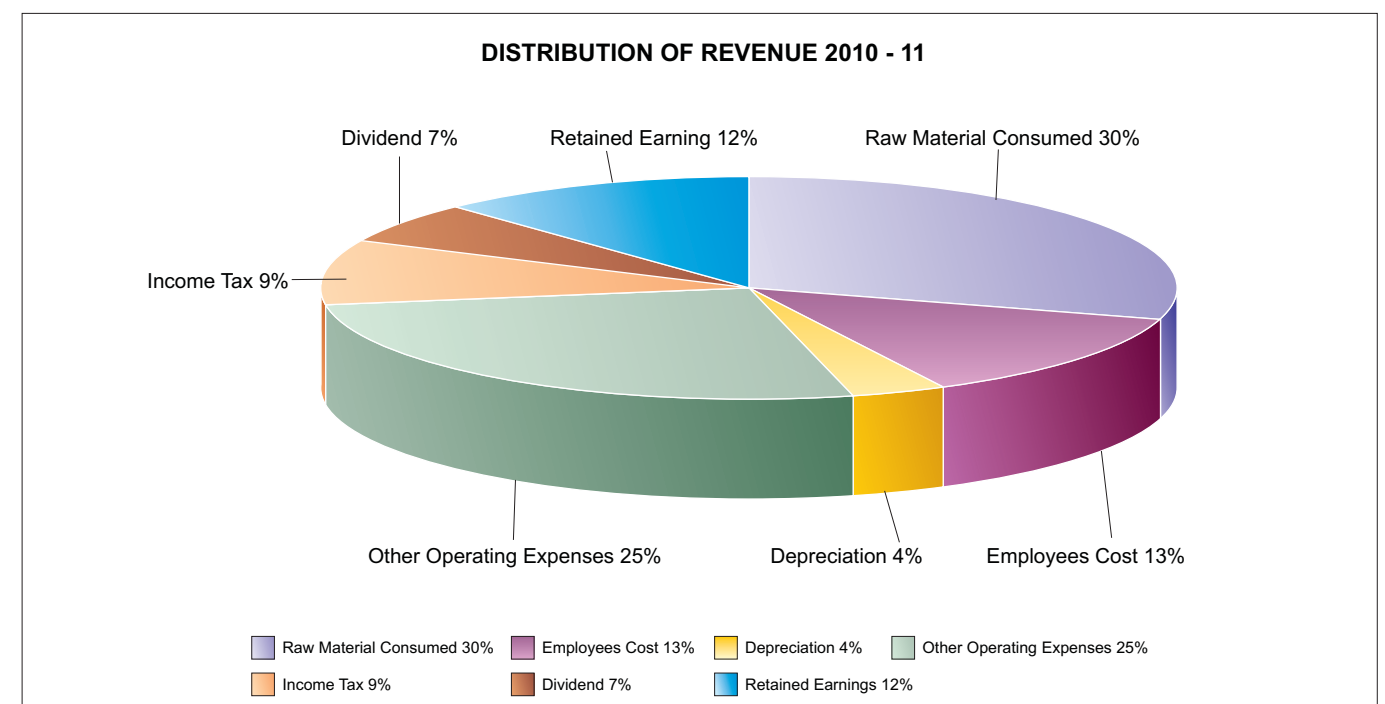
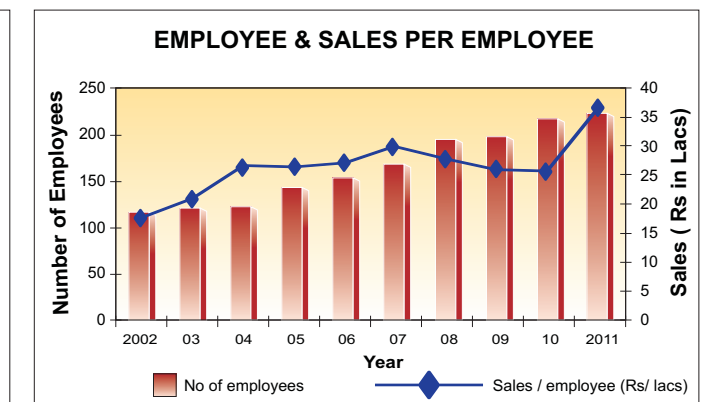
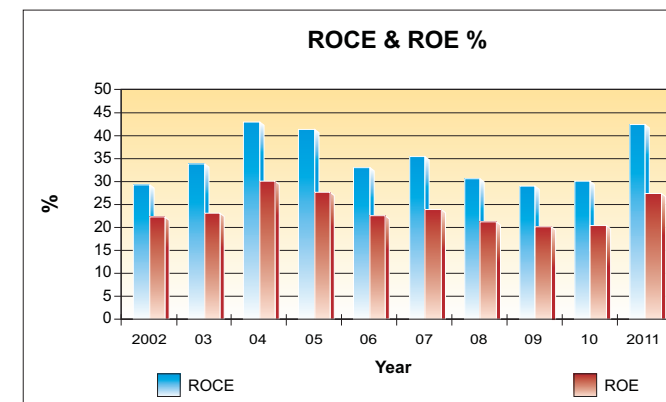


FINANCIAL TRACK RECORD

Year ending 31st March	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Rs.in Lacs										
REVENUE										
NET SALES	2055	2540	3267	3784	4163	5074	5405	5136	5609	8173
DOMESTIC	1444	1639	2194	2483	2801	3764	3873	3389	4368	6727
EXPORT	611	901	1073	1301	1362	1310	1532	1747	1241	1446
OTHER INCOME	55	59	124	128	100	155	185	309	222	299
PROFITABILITY										
Profit before depreciation	587	773	1137	1291	1215	1495	1459	1517	1714	2654
Profit before tax	498	682	1035	1176	1079	1310	1255	1297	1455	2356
Profit after tax	356	464	714	773	716	871	842	884	982	1595
Dividend %	125	100	150	150	150	175	200	200	250	250
EPS (Rs.)	35.56	46.42	35.71	38.66	35.78	43.56	42.08	44.21	49.12	79.76
ASSETS EMPLOYED										
Fixed Assets	915	1015	1152	1280	1629	1911	2085	2610	2950	3264
Investments	406	626	1069	1205	1183	1204	1454	1200	1672	2257
Net Current Assets	494	570	392	576	637	807	697	858	413	531
Total Assets	1815	2211	2613	3061	3449	3922	4236	4668	5035	6052
CAPITAL STRUCTURE										
Paid up share capital	100	100	200	200	200	200	200	200	200	200
Reserves	1503	1896	2172	2603	2977	3438	3787	4203	4602	5614
Loan Funds	67	49	57	65	66	49	28	36	-	-
Deferred Tax Liability	145	166	184	193	206	235	221	229	233	238
Total Funds	1815	2211	2613	3061	3449	3922	4236	4668	5035	6052



2011 Rs 25 per share Dividend proposed.



REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

Your Directors have pleasure in presenting the 29th Annual Report together with the Audited Financial Statements for the year ended 31st March 2011. The Management Discussion & Analysis Report, which is required to be furnished as per the requirement of Stock Exchanges, has been included in the Directors Report so as to avoid duplication and repetition.

ECONOMIC OVER VIEW

The Indian economy continued to be buoyant, holding its ground despite high inflationary trend in food and vegetables in the recent past. Volatile situation in some of the developed economies and the spiraling oil prices as a fall out of Egypt / Libya crisis which began during the second half of the year has not had much impact on the country's growth during the last year. This signifies enough financial prudence of the Government and policy makers. Reflecting this, the domestic manufacturing sectors such as Automotive, Steel, Engineering, Cutting tools have witnessed higher growth.

However, the domestic economy is today at a crucial juncture, balancing between inflation, industrial growth and monetary policy tightening. The Reserve Bank of India has tightened monetary policy & interest rates several times since last year & taken the interest rates at the level which threatens to impact industrial growth. Analysts feel that there are several domestic as well as international factors responsible for fueling the inflation rate. While on the domestic front the robust demand is pushing the price up of broader items, in the international market, the soft monetary policies and the ongoing issues are constantly pushing up the international commodity prices, contributing to headline inflation rate. It is expected that the RBI will maintain its hawkish stance in the forth coming monetary policy.

The Index of Industrial Production (IIP) numbers has slowed down over the last few quarters, however, the Government is expected to show prudence in it's action to get this back on the growth path.

The monsoon, another factor responsible for macroeconomic parameters influencing the demand and development is expected to be good helping the agricultural growth to keep check on food prices & fighting the headline inflation.

At the global level, surviving one of the deepest downturns, the economic turnaround in some of the developed countries and the matured markets has been rather quick demonstrating growth. However, the high level of sovereign debt with no visible plans to recover from the situation in some western countries remains a major cause of concern making the pace and shape of growth somewhat uncertain.

COMPANY PERFORMANCE OVERVIEW

(Rs in Lacs)

	31/03/2011	31/03/2010
Sales	8173	5609
Other Income	299	221
Profit before tax	2356	1455
Provision for tax	755	468
Provision for deferred tax	6	4
Profit after tax	1595	982
Earnings per share	79.76	49.12

RESULTS OF OPERATIONS

Resonating with the economical growth, your Company achieved a top line of Rs 8173Lacs during the year which is 46% higher than the previous year. The domestic turnover recorded an appreciable growth of 54% over the previous year reflecting on better performance of many of the industrial

segments the Company operates. The major segments which contribute to your Company's growth are Automotive, Engineering, Cutting Tools and Steel that have had their positive impact on the Company's Domestic Business. The Export sales recorded a 17% growth during the year despite the slow industrial recovery in many of the developed nations including UAE which is still to experience signs of economic recovery.

In order to grow the business more aggressively as well as with increased focus, the Company had classified its businesses under three verticals- Super abrasives, Non-Super abrasives and International Business during end of 2009-10 which has now started paying rich dividends. Your Company is putting more efforts towards strengthening the Non Super abrasives business mainly comprising of machine tools and precision components. Like in past, it would continue to commit adequate investments in Plant and Machinery, Infrastructure and Human Resource.

During the year, your Company has successfully launched some of the new machines like CNC Rotary Surface Grinding with vertical spindle, CNC Guide Roll Grinder WGM35, 6-axes CNC Notch Milling Machine, Profile Grinding with Video Vision WDM 8V machine besides indigenously building Delapena Honing Machines.

Under Super abrasives, your Company continues to focus on the development of new products and new applications which would provide base for future growth. During the year, your Company has successfully introduced and tested several new products including Vitrified CBN wheels for Auto Component and Paper & Textile industry, High performance Electroplated CBN wheels for Automotive industry, Metal Bond wheels for Cutting Tools Industry, precision Dressing Rolls for Aerospace

industry and Electroplated Diamond wheels for Ceramic industry.

During the year, your Company has also formally launched Innovation Management Process as one of the drivers for growth. It has initiated work on two new projects namely Low cost Resin Bond wheels and Vitrified Diamond Products besides strengthening its capability for Brazed products. Your Company is one of the few companies in India to have implemented Integrated Management Systems (IMS) by combining both Quality Management System and Environmental Management System. Your Company has achieved yet another milestone when India's premier credit rating agency CRISIL conducted a comprehensive study commissioned by NSE and published the Independent Equity Research (IER) report about the Company - An ample evidence of your Company's commitment to strong business fundamentals and shareholder value creation.

FUTURE PROSPECTS

Aligning the management practices and policies with the Mission & Strategic Intent, the Company's three Broad Strategies continue to be:

- Continually improving product performance by use of technology & superior manufacturing. While the existing products would continue to be offered to the customers, new products and new application developments would be the focus.
- Market penetration to increase the share with existing customers.
- Developing competitive edge by improving service levels and offering value added services.



Manufacturing Plants



Manufacturing Plants

In order to achieve the objectives, your Company would strive hard to focus on Innovation for both products and processes to ensure sustained growth year on year. This would be well supported by deploying state-of-the-art technologies and process automation in critical areas as required. Harnessing the opportunities and potential in growing new industries such as Construction, Infrastructure, Defense, Aerospace, Railways and Steel would continue to be key focus for growth. Various initiatives such as trade shows, exhibitions in both domestic as well as overseas, customer training and other value added services are expected to strengthen the customer engagement levels with your Company.

The recent acquisition of Winterthur Technology Group (WTG) by the US multinational 3M Corporation and resultant acquisition of 40% equity share holding in your Company has been a matter of contention. The Company expects the ownership matter to be resolved soon. Once completed, your Company would take advantage of the opportunities that the change brings in and ensure to derive benefits from the multitude of possibilities for accomplishing its long term objectives.

SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

In spite of continued political odds and subdued industrial activities, your Company's wholly owned subsidiary in Thailand presented yet another good performance. During the year the Company's top line was Thai Baht 70 mill. (Rs 1017 Lacs) which was 60% higher than last year. The Profit before tax was Thai Baht 24.4 mill (Rs 365Lacs) and Profit after tax was Thai Baht 17 mill (Rs 258Lacs) both recorded an exceptional growth of over 100% over the previous

year. The higher profit levels have been possible as a result of cost reduction initiatives, operational efficiency measures, enhanced product basket as well as market expansion. During the year the Subsidiary Company declared a dividend of 20% amounting to Rs.74Lacs.

In order to reinforce brand image and create increased recall, the subsidiary Company participated in major Industrial Trade exhibitions, conducted local advertising campaigns, technical seminars and prospected new market through surveys in addition to organizing plant tours for its key customers to showcase its capability. It also, added new industry specific distributors as partners and increased its product basket. As a part of business de-risking, it added solar glass panel manufacturers. The Company continues to focus on opportunities in industries such as Glass, Automobile, Steel, Auto parts, Engineering, Process, Wood, and Construction. Further, the Company is also exploring opportunities to extend re-profiling business to Vietnam, Laos and Cambodia.

Wendt Middle East FZE, Sharjah

The second wholly owned subsidiary in Sharjah, Wendt Middle East FZE, achieved a reasonable growth by closing with an annual sale of AED 916 (000's) (Rs.113Lacs) despite continued economic slowdown and recent social unrest. The loss for the year was AED 748(000's) (Rs 90Lacs) with a total accumulated loss of Rs.178Lacs. The volatility in the primary economic drivers such as Construction, Trading and Oil in the Middle East region further contributed to achieving the business lower than the plan.

However, the Company has worked on many new initiatives and strategies to minimize the impact of

continued economic slowdown by focusing on increased product range for Trading and concentrate on precision ground components. Additionally, the Company is also exploring opportunities to extend re-profiling, honing & grinding services to Iran, Egypt, Turkey and other adjoining countries. The renewed focus particularly in servicing industries like Glass Reinforced Plastic and Oil Exploration is expected to help the Company to tide over the current situation and achieve better results in the coming year.

APPROPRIATIONS

Available for appropriation	(Rs in Lacs)
Profit after tax	1595.09
Add: Balance brought forward from previous year	724.35
Total	2319.44
Recommended appropriations	
Transfer to general reserve	350.00
Proposed dividend Rs 25/- per share of face value of Rs 10/- each (250 %)	500.00
Dividend tax	83.04
Balance carried forward	1386.40
Total	2319.44

DIVIDEND

The Board of Directors have recommended a dividend of Rs. 25/- per equity share of face value of Rs.10/- each (250 %) and the same will be paid after the approval at the forthcoming Annual General Meeting. The dividend warrants will be posted on or after 5th August 2011.

CONSOLIDATED FINANCIAL RESULTS

The Ministry of Corporate Affairs vide its general circular no. 2/2011 dated 08/02/2011 has granted

general exemption in complying with the provisions of Section 212 (8) of the Companies Act, 1956 subject to fulfillment of certain conditions. The Ministry has further vide its letter dated 14/02/2011 informed the Company that approval of the Ministry is further not required.

A consolidated financial statement (incorporating the operations of the Company and its two subsidiaries) has been provided in the Annual Report. The key financial data for the consolidated operations are as given below:-

KEY CONSOLIDATED FINANCIAL SUMMARY

	(Rs in Lacs)	
	31/03/2011	31/03/2010
Sales	9129	6154
Other Income	197	193
Profit before tax	2551	1520
Profit after tax	1684	998
Earnings per share-Rs	84.18	49.91

QUALITY

Your Company is into manufacture of high precision super abrasive (Diamond / CBN) grinding wheels, special tools, customized CNC Grinding / Honing machines and precision components meeting close tolerances and exacting standards. Tight process controls and Quality at each stage of operation is paramount for final output to meet up with customer requirement. Your Company constantly updates its quality programs to supply the right product at the right time. Lean management has also been introduced in certain production programs. Its manufacturing practices lay greater emphasis on training on latest trends on continual basis by creating a conducive atmosphere for learning across the



Facilities



Facilities

organization in addition to bench marking with the global best practices. Your Company continues to also invest on latest equipments to ensure that product quality meets the exacting Product standards.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

The well crafted SHE management system of your Company is top driven and ensures effectiveness and adherence. The top management is committed to maintaining highest standards of Safety, Health and Environment protection for all applicable statutory norms and prevention of pollution requirements. Occupational health and safety continues to be an unrelenting focus area for the Company. The safety policy is put in place to nurture a 'Zero Accident' culture by adopting fail safe procedures, using best protective gears befitting the respective work areas, continuous training and enforcing compliance by vigilant Audit.

Your Company recorded zero accident during the year once again and has not lost even a single production man day on account of disability. Your Company accords high degree of importance to ensure a healthy and safe workplace for its own employees, the service providers including guests and visitors, by maintaining the highest levels of safety and occupational health standards across the organization. In order to make sure of the above, regular training on Safety, Fire hazards mock drills are conducted. Specialized Standard Personnel Protection Equipments are being provided to the operating personnel for use in their respective work areas.

General health & physical fitness of employees is of prime importance for your Company. Employees are required to undergo annual medical check-ups for timely diagnosis of their health condition. Your

Company has a qualified and competent doctor visiting the factory regularly to help the employees and their families to maintain good health condition and keep fit. Your Company also offers a mediclaim insurance policy that provides for hospitalization & major healthcare expenses to employees and their family members.

During the year, your Company has set up a fitness centre in the factory premises for its employees by equipping it with state-of-the-art fitness machines, equipments and gadgets. Employees are encouraged to use the fitness centre under the supervision of the practicing Physiotherapist.

Your Company had integrated its Quality Management System ISO 9001 and Environment Management System ISO 14001 and has been practicing Integrated Management System. Your Company is focusing on Occupational Health & Safety practices and initiatives and is now pursuing implementation of ISO 18001 and Social Accountability Standard SA 8000 during the year 2011-12. Your Company believes and follows the principles of good corporate citizenship that mandate the active contribution of companies towards ensuring employee's **Safety and Health** and preserving **Environment**. Consequently, your Company has incorporated required operation systems to ensure zero accidents, Good Health & Zero Environmental impact.

RECOGNITIONS AND AWARDS

Recognition, Awards and accolades keeps the employees and the Company as a whole motivated for achieving higher results. During the year your Company has got the following awards

Engineering Export Promotion Council (EEPC) Award

This year yet again Engineering Export Promotion Council (EEPC) India conferred on us "**Silver Shield for Star Performer**" under Large Enterprise category for Miscellaneous Engineering Goods for the year 2008-2009. This is the seventh consecutive year that your Company is getting recognized by EEPC.

Best Manufacturing Award

Your Company has received the Best Manufacturing Award and Certificate of Recognition in the Machine Tools sector for Ranking No.1 under Top 500 SMB category for 2008-09 following a survey conducted by the Centre for Monitoring of Indian Economy (CMIE) in association with Industry 2.0 magazine for superior manufacturing performance.

Quality Circle Awards

At the National level, your Company's employee team participated in Quality Circle competition & has been awarded for SGA with "Distinguished Category" at the national convention NCQC 2010 organized by QCPI at Vishakhapatnam.

Like wise, at the Regional level, teams from your Company won many quality related awards such as Small Group Activities (SGA), Kaizen, Quality Quiz and 5S from participation in CCQC 2010 [Quality Circle Competitions] organized by QCPI, Bangalore Chapter.

CII Work Skill Competition

At the Regional level, one of the employees of the Company was ranked 2nd in the Turner Trade Competition organized by CII and was advanced to the National Level.

CRISIL Independent Equity Research (IER) Rating

Your Company has been recognized by NSE as one of the few listed companies in India to have been practicing sound management systems and ethical norms based on strong business fundamentals. As advised by the NSE, India's premier equity research agency CRISIL had conducted an Independent study of your Company across all facets of the business during the year. Based on the assessment, CRISIL has assigned a rating of "4/5" for Superior Fundamentals and "3/5" indicating Fair Market Valuation of shares.

Cufest 2010

Employees of the Company participated in Group-level Quality competitions "Cufest 2010" [Quality Festival of CUMI], and won awards for Quality Logo, Poster & Idea King events.

MGTC Cultural Meet

Women Employees of the Company participated in the cultural meet organized by Murugappa Group and won awards for individual talents.

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

GENERAL PERFORMANCE REVIEW

During the year 2010-11, the Indian economy continued its momentum by maintaining the tempo ending with a reasonable GDP growth rate of around 8.3% in the midst of spiraling commodity prices. Despite the inflationary trend in foods, the economy was not out of the growth path. Accelerated



Manufacturing Processes



Manufacturing Processes

investments in Infrastructure, rapid rise in exports and growth in industrial out put helped the growth. India's strong internal growth dynamics was most visible in segments like Automobile, Auto Component, General Engineering, Infrastructure & Construction and Steel. Resonating with the growth in Indian economy, the domestic business of Wendt (India) Limited grew by 54% and export achieving a growth of 17% over the last year. While the Super abrasive business grew by 26%, the Non-Super abrasive has shown an exemplary growth of 138% over the last year. The growth in the Super abrasives has come mainly from your Company's increased focus on growing industries in Domestic market such as Automotive, Cutting Tools, Engineering, Steel, Ceramics and Refractory. Continuous efforts on new product and new application development including working in close coordination with customers for import substitutions supplemented to this growth. The Non-Super abrasive business comprising of machine tools, accessories and precision components together recorded the above commendable growth. Capacity expansions and new projects in Steel sector, positive performance by Engineering, Railways and Cutting Tool industries together with sustained demand for precision components has enabled your Company to record this higher growth in the Non-Super abrasives business. While new variants & models in Machines were introduced in the market by your Company during the year, continued thrust on new product development, increased service levels and direct marketing efforts have helped to maintain its leadership position in the domestic market.

In order to increase customer base, provide prompt services and ensure sustained growth in the domestic arena, your Company created two additional regions namely Jaipur and Nashik during the year. This move will help your Company to complement its market presence and competitive edge.

While your Company continues to offer products and services to the existing industries such as Automotive, Cutting Tool, Engineering, Steel, Ferrite, Glass, Ceramics, Paper and Textile, it expanded the industry base to Railways, Aerospace, Construction, Infrastructure and Oil and Gas during the year. This is in line with your Company's underlying core objective of constantly looking for opportunities in growth sectors which is vital for the success. As a result, the comprehensive product range particularly in the Super abrasives business has become still more inclusive in terms of applications and product basket.

As you would recall, in order to bring more focus and direction to address sustained growth year-on-year, your Company had formed the **Strategic Intent**, followed by identification of **Strategic Initiatives** and deployment of **Product Management approach** few years back. To strengthen and support this, in the year 2009-10, your Company re-classified the businesses into three verticals namely **Super abrasives**, **Non-Super abrasives** and **International Business**. The above initiatives and underlying actions have complemented well and have started yielding results from this financial year 2010-11.

ECONOMIC OUTLOOK

While there is optimism shown by continuing fiscal expansion plans and resultant demand growth, against the earlier government projection of 9%, the Indian GDP growth is now expected to be around 8.2% in the coming year. The Indian economy however has displayed remarkable resilience by engineering a substantial increase in domestic demand to compensate for the relatively lower export growth. This clearly indicates that more focus is towards driving higher domestic consumption and investments.



New products

The major Industrial sectors which are expected to support the growth projections would be Automotive, Steel, Engineering, Infrastructure & Construction, Fertilizer and Cement during the coming year. Sizeable investments and expansion plans in Steel, Automobile, Auto-component industries are expected to take advantage of the growth opportunities and growing domestic demands. The Indian auto sector has been experiencing robust growth during last two fiscals notwithstanding input material and fuel price hikes. This industry has closed the year with a growth of around 29% mainly driven by improved market sentiments, technological innovations, improved economic conditions, new product launches and consumer confidence in income security as well as relaxed policies by the Government for vehicle financing. The major contributors for this growth have been small cars with around 3 Million cars and Commercial vehicles. Your Company expects a slightly moderated growth of around 12-15% in the coming year as well in view of hardening of interest rates and rising commodity prices. On the same note, the auto component segment is also expected to reflect the trend with an estimated growth of 16-18% on account of OEM demand and planned investments by major component manufacturers.

Promotion of Infrastructure development, construction and housing sector has been one of the main agendas of the Government supported with various initiatives. Consequently, the performance of Indian steel industry has been better than the global average growth rate of 7-8% during the year achieving a growth of 9.5-10% despite the rise in input raw material prices. During the coming year, the steel industry is expected to maintain the upbeat due to continued planned Capex spend by major players, setting up of new plants and low per capita steel consumption as well as demand from major users like automotive industry.



New machines of the year

INDUSTRY STRUCTURE & DEVELOPMENTS

Your Company is the supplier of Super abrasives tooling to a wide spectrum of industry and its growth is greatly dependent on the performance of the industry. Since your Company caters to the requirement of Automobile, Auto Components, Engineering and the related industry which had a positive growth, your Company has mirrored the same positive trend posting an impressive performance during the year 2010-2011.

The revival in domestic industrial activities resulting in higher demand for Super abrasive products aided to achieve a much better performance. Recognizing this, your Company continued to focus its efforts on seizing the opportunities and has been working on various strategies to widen the product portfolio while also working on reducing dependency of the business on specific industries. As a result, several newer applications for various emerging industries and markets have been identified with industries like Aeronautical, Construction, Petroleum, Power and Glass.

PERFORMANCE OVERVIEW

Key Financial Summary

(Rs in lacs)

Particulars	2009-10	2010-11	% change
Domestic Sales	4368	6727	54
Export Sales	1241	1446	17
Total Sales	5609	8173	46
Operating Profit	1289	2145	66
Capital Employed	5035	6052	20
Return on Net Worth %	21	30	---

OPPORTUNITIES & THREATS

Opportunities

While India's economy in the long term appears promising, it is still to gain momentum and ensure growth on a sustainable basis. During the year 2010-2011 the overall sentiment has been extremely positive. Through various initiatives your Company would continue to explore newer markets and the unfolding opportunities which could emerge.

Your Company would leverage on its experience, its comprehensive product range, its superior technology and the resultant competitive advantage that emerges with the addition of new range of high precision grinding / honing machines under its manufacturing program. Your Company would take the advantage of being the provider of **TOTAL GRINDING / HONING SOLUTION** by offering comprehensive range which now extends from tools-to- machines.

Your Company would continue to strengthen the Product Management approach which has started yielding better results. Further consolidation with more emphasis on end-to-end product management and new product development has been planned. Your Company sees growth potential in some of the hitherto unaddressed markets, now would be catered to with new products initiated under new projects. This would provide added impetus to the super abrasive range. With the recent addition of Delapena range of Honing machines and new models of machines to the existing machine tool stable along with precision component is expected to strengthen the Non Super abrasive business while taking the Company to the next level of recognition as a machine manufacturer.

Threats

The super abrasive tool market in India is being shared by many of small unorganized players, proprietary-run companies on one side and few organized domestic as well as global players on the other side. The small players pose product/region specific competition at lower price levels putting pressure on profitability, while global players rely on entry by tooling up with global OEMs.

Your Company is addressing both the ends in order to improve its market presence. While the lower end competition is being addressed by innovative low cost products, the higher end is being addressed by developing import substitution and working on price performance measures.

Product innovations, application developments and market development are the key success factors for ensuring sustained results for your Company. The competency levels and the accumulated knowledge of the people are harnessed by the Company to stay ahead of market changes in the respective product programs it operates. Improved service levels along with offering customer training programs on grinding technology ensure further strengthening the value chain and better brand image connect with the customers. These initiatives well supported with market penetration leading to create entry barriers and better engagement with customers help the Company to protect the leadership position and competitive edge.

BUSINESS OUTLOOK

The Indian economy growth is expected to grow at 8.2% which is slightly downgraded from earlier projection of 9.0 % as a result of continued inflationary trends triggered by increase in

commodity prices, increasing raw material prices and interest rates affecting the liquidity. On the above background, your Company will continue to focus on retaining its strong domestic market position by virtue of its rich product portfolio, market reach and penetration. Your Company will also continue to intensify its efforts to further improve its market presence and address competition in the domestic front.

Continued focus on product developments and applications, introduction of new products and concentrate on growth industries for Super abrasives will play a major role for growth of your Company in the coming year. More over, improved service levels as also initiatives for better engagement levels with customers will ensure superior value proposition in the market. In order to achieve aggressive growth in the Non-Super abrasives business, your Company has planned new introductions as well as product extensions in grinding machines, Delapena Honing machines and machines for Steel Industry as well as development of precision components for new customers. The above plans will be adequately supported by earmarking necessary investments in building, infrastructure, machinery & equipment for reinforcement of customer confidence on your Company.

Your Company will also aggressively pursue opportunities in the overseas market which includes both Wendt group locations and Non-group regions for growth of Super abrasives as well as Non-Super abrasive products.

The relatively newly established 100% owned subsidiary, Wendt Middle East FZE at Sharjah, which has been in its infancy, has started showing improved results despite the socio-economical disturbances in

the region. It has renewed its focus on more of trading products and services in the UAE and neighboring market especially for Oil & Gas and General Engineering industry. With this change on focus and strategy, your Company expects to gain more traction during the coming year.

The other subsidiary Company, Wendt Grinding Technologies Ltd in Thailand is now matured & continues to show commendable performance year on year since its inception and enough resolve to beat its own record during the coming year notwithstanding the unfavorable market conditions & socio-political odds. This has been possible due to continual efforts on exploring new markets, opportunities, increasing product offerings and enhancing value propositions to the customers. With plans to expand the market development and operations to the bordering countries, your Company expects to churn out yet another better performance during the coming year.

RISK & CONCERN

Your Company has put in place an adequate system and mechanism for mapping the risks arising out of both internal and external environment and effective plans to mitigate the same. The risk management process has been so designed to ensure reasonable assurance with respect to the enterprise vulnerabilities in the areas of operations, financials and other business risks.

The Risk management process for your Company includes the following:

- Identification of different risks and risk owners
- Evaluation of the risks, Probability of occurrences and related consequences



Industries we cater to



Industries we cater to

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

The top management takes the responsibility of total risk management process of the organization. Through this process it addresses opportunities and the associated risks through an institutionalized approach in line with your Company's objectives. It continually seeks to identify, assess, review, manage and works on developing the robustness of the system in terms of adequate internal controls, compliance. The business risks of your Company are managed through the cross functional involvement and communications. Your Company has identified some of the risks, nevertheless not exhaustive, associated with the business and their mitigation plans as described below.

User Industry Concentration Risk

Why is it considered as a Risk?

- High exposure of business to automobile sector
- Interim Fluctuations in input costs & time lag in passing to customer
- Effect on Business / Relationship with the customers with recent change in ownership.

Mitigation Plan / Counter Measure to address

- Increase the customer base with Non-auto sectors
- Seek growth opportunities industries like Construction, Infrastructure, Steel, Defense & Aerospace

- New product and application developments for existing non-auto sectors
- Improve customer engagement with innovative products & services
- Improve service levels through operational efficiency measures
- Reinstate Confidence with the customer

Competition Risk

Why is it considered as a Risk?

- Clustered unorganized players often adopting Low price strategy
- Imports, India being one of the fastest growing economies
- New organized players could find India attractive to set up manufacturing base

Mitigation Plan / Counter Measure to address

- Higher value proposition by focusing on three main drivers QCD – Superior **Quality**, Reasonable **Cost** & Reliable, Consistent **Delivery**
- Internal Efficiency Measures & offer value additions
- Create entry barriers for competition / exit barriers for customers by account penetration
- Product and process Innovation
- Enhancing value chain

INFORMATION TECHNOLOGY

With all the core functions & operations of your Company integrated well and running on an established SAP ERP system, your Company has now focused on deriving more benefits from the same.



Events during the year

Following the implementation of SAP HCM Module, integration task was carried for improving operational efficiencies in material procurement and cost control by integrating with the human resources during the year.

To minimize the risk of loss of information and data failure, your Company has installed data backup and Disaster Recovery systems during the year. The Company is now planning to implement IT enabled Knowledge Management system in the coming year whereby it would capture product application highlights and facilitate the marketing process for offering prompt and accurate technical solutions to its customers.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate system of internal control in place. It has documented procedures covering all financial and operating functions in alignment with the Company's objectives and management practices. These controls have been so designed as to prevent any revenue leakage or resource wastage through proper accounting controls, compliance with regulation, protecting assets from unauthorized use or loss. By the practice of regular monitoring of processes and operations, the resultant gaps are identified as areas of improvement. The concerned functional personnel work on addressing the gaps through regular reviews and measurements if any.

The Audit Committee reviews the significant findings of the Internal Audit observation and advice at regular intervals for further action.



Events during the year

FINANCIAL REVIEW

EARNINGS

Revenues

During the year, the revenue recorded overall growth of 46% up from Rs.5609 Lacs for the year 2009-10 to Rs.8173 Lacs. The domestic sales achieved an appreciable growth of 54% while exports sales recorded a growth of 17% compared to the previous year.

Profit Before Tax

The profit before tax is higher by 62%, up from Rs.1455 Lacs to Rs.2356 Lacs

Profit After Tax

The profit after tax is higher by 62%, up from Rs.982 Lacs to Rs.1595 Lacs

Investments

The Company's investment as on 31-03-2011 grew by 35% at Rs.2257Lacs compared to Rs.1672 Lacs in the previous year. The Investment includes an amount Rs.431Lacs (Previous year Rs.394Lacs) in two of the wholly owned subsidiary companies viz. Wendt Grinding Technologies Ltd, Thailand & Wendt Middle East FZE, Sharjah and the balance is in Debt schemes. The Company follows the Group norms by investing the surplus in liquid debt funds which are giving sizeable returns. This ensures safety and liquidity of Company's funds along with reasonable yield as per the prevailing market rates. The investment in mutual funds ensures meeting the internal requirement of

funds for capital expenditure, as your Company does not have any borrowing. During the year the Subsidiary Company WGTL has paid 20% dividend amounting to Rs.74Lacs. In the case of Wendt Middle East FZE, during the year part of the loan given earlier was converted into equity, thereby increasing the investment in WME by Rs.37Lacs.

Costs

The Fixed costs have grown 20% compared to last year. The main component of fixed cost has been the Depreciation which grew by 15% due to addition of machines & equipments. Repairs and maintenance expenses grew by 70% on account of major repair & refurbishing work undertaken on machines for improving the process capability and required building maintenance. The sales expenses have grown by 40% on account of higher sales promotion activities such as Exhibitions, seminar etc. The Salaries and wages have grown by 12% due to additional manpower and provisioning done as per the revised accounting standard AS 15.

The variable cost has come down due to better product mix and improved operational efficiency resulting into higher operating profit margin.

FINANCIAL POSITION

Shareholders Fund

The shareholders fund as on 31.03.2011 was Rs.5814 Lacs against Rs.4802 Lacs of previous year, an increase of 21%. Accordingly the book value of the share stands at Rs.291/- as compared to Rs.240/- during the previous year, an increase of 21%.

Loan Funds

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

The Company has also undergone a credit rating conducted by ICRA as the working capital limits have exceeded Rs.500Lacs during the year. The Long Term (Fund based) Rating is LAA- which signifies low credit risk and stable. The short Term (Non Fund based) Rating is A1+. Overall the Company's rating is stable and low credit risk.

Assets

Fixed Assets

The capital expenditure during the year was Rs.629 Lacs against Rs.658 Lacs spent in the previous year. The net fixed asset accordingly stood at Rs.3264 Lacs compared to Rs.2950 Lacs of previous year.

Inventories and Sundry Debtors

The overall inventory has gone up by Rs.311 Lacs compared to previous year, mainly on account of increase in raw material inventory by Rs.205 Lacs. This is on account of higher sales & strategically increasing the inventory levels for ensuring prompt delivery to the customers & addressing on-call supplier to key customers.

There has been 46% increase in Sales; accordingly the Receivables have been up by Rs.322 Lacs compared to last year. However, there has been significant reduction in average credit days which have been controlled at 59 Days against 69 days last year. This



People, Recognitions & Celebrations

10 days reduction was made possible due to tighter control and aggressive receivable management drive aided by SAP ERP system.

Foreign Exchange Hedging

Your Company follows the policy of natural hedging of foreign exchange earnings and outflow, it does not take forward covers. However, the net Forex gain during the year was Rs.40Lacs.

Ratio

Backed by an increase of 62% in profit in the current year, the return on the capital employed was 40% when compared to 30% in previous year.

Financial Performance with respect to Operational Performance

The Operating profit and Contribution of the Company has recorded reasonable growth during the year due to improved operational efficiency and better product mix. The availability of reliable information and effective customer data, Knowledge management such as drawings, specification, data sheet through the SAP ERP System, helped the Company to improve its response time & service levels. Thanks for the ERP system which helped the Company to supply the right product at the right time with right specifications there by providing value addition to the customer.

HUMAN RESOURCE

Your Company continues to focus on providing the most favorable work environment, which has been cultivated over the years over the backdrop of trust

and transparency in all its communication & dealing with its employees through unique Human Resource policies, procedures and practices that motivates the employees to give their best and stay committed to perform. Special attention is given to safety of employees, training, welfare measures and employees individual development continue to obtain high priority. In return this ensures improved quality and operational efficiency. The SHE Initiatives being strongly focused by the Company ensure promoting health and safety of employees and also the well being of the community.

The HR practices & processes are aligned to the organizational goals and objectives. To meet high growth plans set by the Company and customer's changing needs and high expectations, your Company is focusing on providing timely human resources and developing their need based skills.

Personal development plans focus on how each individual's strengths can be best leveraged to deliver to his or her full potential. On the Job training programs, External training programmes and cross functional exposure often provides the full potential from the employee. The Company gives very high importance for enhancing the employees' competency and skill through on the job training and external training programs. Through constant interaction with its foreign collaborators by means of visits etc, your Company's employees have been trained on latest technology.

The Marketing and Sales field personnel have been trained and updated with the intricacies of modern day marketing and sales, tools and techniques, while honing their commercial aspects through specialized training programs. Your Company focuses on Business Excellence and continual improvement journey (TQM) in its quest to improve the quality of its products,



People, Recognitions & Celebrations

processes and systems. Ongoing learning, aligning rewards and recognition with performance have enabled your Company to maintain a moderate attrition rate.

Employees are encouraged to participate to give many ideas towards process improvements through your Company's new initiative "Innovation at Wendt"- *i@Wendt*. Employees are also encouraged to participate in external competitions to enhance their skills and benchmark with the global best practices.

Your Company's Human Resource Policies have been constantly reviewed and realigned based on people expectations, making it people friendly and thereby creating an engaged workforce.

Your Company strongly believes that Employee Engagement is of prime importance for the customer engagement and a must for the organization growth.

DIRECTORS

Mr. Shrinivas G Shirgurkar, 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.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, are due for retirement at the ensuing Annual General Meeting and are eligible for reappointment, subject to the approval of the shareholders at the Annual General Meeting. Your Directors recommend their reappointment for the ensuing year.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year 2010-11 and as such, there are no outstanding fixed deposits from the public as on 31st March 2011.

CORPORATE GOVERNANCE

Your Company is compliant with the requirements of Clause 49 of the Listing Agreement. The Report on Corporate Governance along with a Certificate from the Auditors as stipulated under the above clause is attached to this report. The Chief Executive and the Chief Financial Officer of the Company have submitted a certificate endorsing to the Board the correctness of the financial statements and other matters as required under clause 49 V of the listing agreement.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors to the best of their knowledge and belief confirm that:

- In the preparation of the annual accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed.
- The accounting policies have been followed and applied consistently and the judgments and estimates made, are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies



Activities beyond WENDT

Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. To ensure this, the Company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems.

- The annual accounts have been prepared on a going concern basis.

DISCLOSURE OF STATUTORY PARTICULARS

Information required under Section 217 (1) (e) and Section 217 (2A) of the Companies Act, 1956 are given in Annexure A and B and forms part of this Report.

APPRECIATION

The Board places on record its appreciation for the continued co-operation and support received from its esteemed customers, its Associates and Subsidiaries. The Board also places on record its appreciation for continued support and co-operation received from Government Departments, Bankers, Shareholders, Suppliers, and Employees.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2011

M M Murugappan
Chairman



Activities beyond WENDT

ANNEXURE TO THE DIRECTORS REPORT

A) Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988 and forming part of Directors' Report.

a) Conservation of Energy

Not applicable for the Company

b) Technology absorption, adaptation and innovation

In keeping with the technology agreement, the collaborators Wendt GmbH continue to provide technical assistance and bonds necessary for manufacture of the Company's products. Technology updates and sharing of technical knowledge between both the companies also takes place through frequent bilateral visits of personnel responsible for respective product management programs.

Your Company also banks on the rich experience, knowledge pool and R&D facility of its Indian Joint venture partner Carborundum Universal, the leader in the field of conventional abrasive & material science, for some of the application developments for domestic markets.

Through its independent endeavors to strengthen the technology base and R&D activities, your Company has had close association with one of the renowned research institutes based in Europe for in-house development and manufacture of Braze products. These products find application in wide range of industries like Refractory, Ceramics, Construction, Glass and Composite. Your Company has also

identified and initiated working on two new technologies for development of Low cost resin bond wheels and Vitrified Bonded products with the help of a well-known external consultant.

Your Company continuously focuses towards the re-engineering of processes and work on raw material alternatives for its products in order to improve efficiency and reduce costs.

RESEARCH & DEVELOPMENT

Your Company strives to be the most technologically advanced Precision product manufacturer to maintain its competitive edge and retain its market leadership. The grinding technology needs to be constantly updated on an ongoing basis to keep pace with rapid change in material science and machining techniques. In order to address this, your Company's R&D activity is anchored by General Manager (Technology) who is well-experienced & knowledgeable in this field. He not only leads the Research and Development activities, also collaborates with external Research labs and Institutes & technical consultants.

Your Company, during the year, has introduced numerous new products such as Electroplated CBN wheels for steel grinding, Brazed Diamond & CBN wheels for steel and ceramic grinding, Hybrid Bond Wheels for cutting tool and Brazed Diamond wheels for optical glass grinding and Vitrified Diamond wheels for PCD lapping. Your Company also successfully launched the following machines - CNC Surface Rotary Grinding with rotary table of 1200mm Diameter, CNC Roll Grinder WGM 35, 6-axis CNC Notch Milling & branding Machine and Profile Grinding Machine with Video Vision system WDM 8V.

Benefits derived: Your Company addresses the customized tooling requirements of its varied customers. Majority of the customers consider your

Company as a single source supplier and 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 efforts and long years of experience. This not only helps your Company to retain its dominant position but also enable the customer to justify the due premium for its products, reflecting on the Company's profitability.

Expenditure on R&D		(Rs. In Lacs)
a) Recurring (revenue expenditure)		Rs.227 Lacs
b) Total R&D Expenditure as a percentage of turnover		2.78 %
c) Foreign Exchange Earned and Outgo		(Rs. In Lacs)
Foreign Exchange used		Rs.2294 Lacs
Foreign Exchange earned		Rs.1590 Lacs

STATEMENT OF EMPLOYEES' REMUNERATION

B) 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 217(2A) of the Companies Act, 1956 revised vide Notification published in the Gazette of India dated 31st March, 2011 is not provided as none of the employee of your Company is drawing remuneration exceeding this amount.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2011

M M Murugappan
Chairman

REPORT ON CORPORATE GOVERNANCE

Governance Philosophy

Corporate Governance envisages commitment of your Company towards the attainment of high levels of transparency, accountability and business propriety with the ultimate objective of increasing the long term shareholder value, keeping in view the needs and interests of all other stakeholders. Your Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability in building confidence of its stakeholders thereby paving a way for its long term success. Through the Governance mechanism in your Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in decision making.

At Wendt (India), we believe that good corporate governance is a systematic process which enables your Company to operate in the manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibilities. It also focuses on providing a sustainable return for its investors. The entire process begins with the functioning of the Board of Directors, CEO and the Senior Management and experts serving as Independent Directors and represented in various Board Committees. Your Company is constantly engaged in improving value creation for its stakeholders, namely shareholders, customers, employees, lenders, Government, suppliers and the society.

BOARD OF DIRECTORS

a) Composition

Your Company has a balanced Board, comprising of Executive and Non Executive Directors which include Independent Professionals. The strength of your Board is five Directors comprising of all Non Executive Directors out of whom two are Independent Directors as on 31.03.2011.

Pursuant to the retirement of Mr Kiran A Sheth, Independent Director from the Board in the last AGM, 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 for the acquisition of Winterthur 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 would be done depending on developments in this ongoing litigation.

All the Directors are eminent professionals, with considerable experience in their respective fields. All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance code. The details of the

Directors with regard to their outside Directorships, Committee positions as on 31.03.2011 are as furnished below.

- None of the Directors are related to each other.

Name	Category	No. of Directorships / Chairmanships (Excluding Wendt India)	No. of Committee Memberships/ Chairmanships (Excluding Wendt India)
		Public Limited Companies	
M M Murugappan Chairman	Promoter & Non Executive Director	8(out of which 5 as Chairman)	4(out of which 3 as Chairman)
Edmar Allitsch (Alternate Director- Peter Verholen)	Promoter & Non Executive Director	-	-
K Srinivasan	Non Executive Director	5	1
Shrinivas G Shirgurkar	Non Executive/ Independent Director	4	-
K S Shetty	Non Executive/ Independent Director	-	-

Notes:-

- 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 Ltd. Cos (which are not holding or subsidiaries of Public Cos)/ Foreign Cos/ Alternate Directorship/ Section 25 Companies.
- The details of the Committee membership/ Chairmanship are in relation to the specified committees viz. Audit Committee and Shareholders' Grievance Committee of Indian Public Limited Companies.

b) Board Meetings

The day to day business is conducted by the executives of Wendt (India) under the direction of the Chief Executive and the oversight of the Board.

Your Company's Board meets as per the predrawn schedule at regular intervals to consider and approve regular matters viz. setting of performance targets, reviewing performance, approving investments, reviewing subsidiary Company operations etc. The Board provides and evaluates the policies, targets and performance, and ensures the interest of all the shareholders. The Board also reviews the compliance of all statutory regulations on a periodical basis.

Four Board Meetings were held during the financial year 2010-11 on 29.04.2010, 27.07.2010, 26.10.2010 & 24.01.2011.

Name	No of Board Meetings		Attended
	Held	Attended	AGM
M.M Murugappan Chairman	4	3	Yes
Norbert Lamers ¹	4	-	No
Dieter Hallen ² (Alternate to Norbert Lamers)	4	-	No
Edmar Allitsch ³	4	2	Yes
Peter Verholen ⁴ (Alternate to Edmar Allitsch)	4	-	No
K Srinivasan	4	4	Yes
Kiran A Sheth ⁵	4	2	Yes
Shrinivas G Shirgurkar	4	4	Yes
K S Shetty	4	4	Yes

1. Norbert Lamers ceased to be Director w.e.f 29.04.2010
2. Dieter Hallen ceased to be Alternate Director w.e.f 29.04.2010
3. Edmar Alitsch was appointed as Director on 29.04.2010
4. Peter Verholen was appointed as an Alternate Director on 29.04.2010
5. Kiran A Sheth ceased to be Director w.e.f 27.07.2010

NON EXECUTIVE DIRECTOR'S 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 them are given at the respective place in the Report.

WENDT (INDIA) CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Members of the Board and senior level management of the Company. It is further confirmed that all the

Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for the financial year 2010-11, as envisaged in the Listing Agreement with the Stock Exchanges. The Chief Executive has submitted a declaration relating to compliance of code of conduct by the Board members and senior management. Your Company has also laid down Code of Conduct for prevention of Insider Trading in the shares of the Company for its Directors and Designated Employees. All the Board Members and senior management have affirmed compliance of the code of conduct.

BOARD COMMITTEES

The Board Committees are set up under the formal approval of the Board and the Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. The Board has set up the following Committees as per the requirement of the Stock Exchanges:

a. AUDIT COMMITTEE

The Audit Committee is constituted to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The terms and reference of the Committee are in line with the requirements of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. This interalia includes review of the financial reporting process including review of the quarterly financial statements, Changes in the accounting policies and practices, major accounting entries, related party transactions, internal audit process, adequacy of internal control systems, performance of internal and statutory auditors and also recommendations of appointment of internal/statutory auditors and their remuneration, review the functioning of Whistle Blower mechanism and review of the annual financial statements before submission to the Board.

During the year, the Audit Committee met 4 times on

29.04.2010, 27.07.2010, 26.10.2010 & 24.01.2011 to monitor and review on various matters. The CEO and CFO are the permanent invitees to the Committee and the Statutory Auditor and the Internal Auditor and the senior management executives are invited to participate in the meetings of the Audit Committee wherever necessary, as decided by the Committee.

The Company Secretary of your Company acts as the Secretary to the Committee.

Name	No of Committee Meetings	
	Held	Attended
Shrinivas G Shirgurkar (Chairman)	4	4
Kiran A Sheth*	4	2
K S Shetty	4	4
K Srinivasan**	4	2

*Mr Kiran A Sheth ceased to be Director w.e.f 27.07.2010

**Mr K Srinivasan was appointed to the Committee w.e.f 26.10.2010

b. SHARE TRANSFER & INVESTORS GRIEVANCE COMMITTEE

The Company has a "Share Transfer & Investors Grievance Committee" to monitor, review, and approve investors' servicing policies, looking into redressal of investor complaints and approval / overseeing of transfers, transmissions, splitting, consolidation of shares, demat / remat requests and performing other functions as designated to it by the Board from time to time.

The Share Transfer & Investor Grievance Committee comprises of Mr M M Murugappan as Chairman, Mr K Srinivasan and Mr K S Shetty as members. Details of share transfers/ transmissions, approved by the Committee are placed before the Board on a regular basis.

During the year, the Share Transfer & Investors Grievance Committee met on 17.03.2011 to review various matters connected with Investor Grievances and Share Transfer process and the details of the attendance by the Committee members are as follows:

Name	No of Committee Meetings	
	Held	Attended
M M Murugappan, (Chairman)	1	1
K Srinivasan	1	1
Kiran A Sheth*	1	-
K S Shetty**	1	1

*Mr Kiran A Sheth ceased to be Director w.e.f 27.07.2010

** Mr K S Shetty was appointed as Member w.e.f 24.01.2011

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 e-mail id investorservices@wendtindia.com has been created to address the Investor Grievances.

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.

SUBSIDIARY COMPANIES

Your Company does not have any material non listed Indian subsidiary Company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary Company. Your Company has two overseas wholly owned subsidiary Companies namely Wendt Grinding Technologies Limited, Thailand and Wendt Middle East FZE, Sharjah. Significant transactions with the Subsidiary Companies and financial statements are placed before Audit Committee and Board respectively for periodical review.

DISCLOSURES

(A) Related Party Transaction

The details of significant transactions with Related Parties are periodically placed before the Audit Committee.

(B) Compliance of Matters Relating To Capital Market

No penalty or stricture has been imposed on your Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital markets during the last 3 years.

(C) Disclosure of Accounting Treatment

In the preparation of Financial Statements, your Company has followed the Accounting Standards notified by the Central Government, as prescribed under Companies (Accounting Standard) Rules, 2006.

(D) 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.

(E) 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	35,000
Edmar Allitsch	Nil	20,000
Peter Verholen (Alternate to Edmar Allitsch)	Nil	Nil
K Srinivasan	Nil	Nil
Kiran A Sheth	Nil	40,000
Shrinivas G Shirgurkar	Nil	80,000
K S Shetty	Nil	85,000

* Sitting Fee includes Board, Audit Committee and Share Transfer and Investor Grievance Committee fee.

Details of Shareholding of Directors as on 31st March 2011

Director	No of Shares (Rs10/- Paid up)
M M Murugappan Chairman	Nil
Edmar Allitsch	Nil
Peter Verholen (Alternate to Edmar Allitsch)	Nil
K Srinivasan	2650
Shrinivas G Shirgurkar	Nil
K S Shetty	Nil

(F) Management

- In order to avoid duplication and overlap between the Directors' Report and a separate Management Discussion and Analysis Report, the information required to be provided has been given in the Directors Report itself as permitted by the Listing Agreement with the Stock Exchanges.
- No material transaction has been entered into by your Company with the promoters, Directors or the senior management, their subsidiaries or relatives etc. that may have a potential conflict with interest of your Company at large. The declaration to this effect has been submitted by all the senior management.

(G) Shareholders

As required under Clause 49 of the Listing Agreement the brief profile of the Director who is retiring by rotation and eligible for re-appointment is as follows:

Particulars	Shrinivas G Shirgurkar
Date of Birth	08th April 1948
Date of appointment	17th April 2006
Qualification	BE (Mechanical)
Experience in Specific functional areas	In 1970 he started his career as a Machine Tool Designer and in 1979 set up Ace Designers as a partnership firm offering Machine Tool Design Consultancy. Now he is the Managing Director of Ace Designers Ltd., which is one of the largest manufacturers of CNC turning machines in India, with a market share of over 40%.

CEO/CFO CERTIFICATION

The Chief Executive and the Chief Financial Officer of your Company have submitted a certificate to the Board regarding the fairness of the financial statements and other matters as required under Clause 49 (V) of the Listing Agreement.

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.

Quarter (F.Y. 2010-11)	Date of Board Meeting	Date of Publication	Name of the newspaper
1st	27.07.2010	28.07.2010	Business Standard & Udayavani
2nd	26.10.2010	27.10.2010	Business Standard & Udayavani
3rd	24.01.2011	25.01.2011	Business Standard & Udayavani

GENERAL BODY MEETINGS

Details of Annual General Meetings

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

Year	Date	Time	Venue
2009-10	27.07.2010	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore
2008-09	27.07.2009	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore
2007-08	21.07.2008	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore

SPECIAL RESOLUTIONS PASSED DURING THE LAST THREE YEARS AS FOLLOWS:

During the last three years one special resolution was passed to amend the Articles of Association at the AGM held on 27.07.2009 which is as follows:

- Special resolution for alteration of Article 170 of Articles of Association of Company for complying with all the provisions of unclaimed or unpaid dividend as defined under Section 205A of the Companies Act, 1956.

- Special resolution for alteration of Article 172 of Articles of Association of Company for complying with the provisions relating to transfer of unpaid / unclaimed dividend to special account in a scheduled bank within 7 days after the expiry of 30 days from the date of declaration of dividend.
- Special resolution for alteration of Article 173 of Articles of Association of Company for complying with the provisions relating to the transfer of unclaimed dividend to Investor Education and Protection Fund as per Section 205 C (1) of the Companies Act, 1956.

MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

- Quarterly / Half Yearly / Annual Results:** The Quarterly, Half Yearly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- Publication of Quarterly / Half Yearly / Annual Results:** The Quarterly / Half Yearly / Annual Results of your Company are published in the prescribed proforma 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 2010-11 were published as detailed below:

- Website:** Your Company's website www.wendtindia.com contains a separate dedicated section "Investor Relations" where information for shareholders is available. The quarterly/half yearly / Annual Results are simultaneously posted on the website. The Annual Reports of the subsidiary companies are

also posted on the website of your Company.

- Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the Members and other entitled thereto. The Management Discussion and Analysis Report (MDAR) forms part of the Annual Report. The Annual Report is also available on your Company's website.

NON MANDATORY REQUIREMENTS

- Tenure of Independent Directors on the Board**
No specific tenure has been prescribed for Independent Director
- Remuneration Committee**
No separate Remuneration Committee has been constituted.
- Shareholders' Rights**
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 your Company is situated, and posted on your Company's website (www.wendtindia.com).
- Audit qualifications**
During the period under review there is no audit qualification on the financial statement.
- Training of Board Members**
At the Board/Committee Meetings, detailed presentations are being made by the management on the business related matters, risk assessment, strategy and effect of the regulatory changes etc.
- Whistle Blower Policy**
Your Company has put in place a Whistle Blower policy. Your Company has formulated a policy to

prohibit managerial personnel from taking adverse action against employees disclosing in good faith. The employees are free to communicate their concern/report, unethical happenings to the Ombudsman of the Whistle Blower Policy.

GENERAL SHAREHOLDER INFORMATION

This is annexed.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2011

M M Murugappan
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF WENDT (INDIA) LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Wendt (India) Limited, for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. 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 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.

3. One of the conditions of Clause 49 requires that if the non-executive Chairman is a promoter, at least one-half of the Board of the Company should consist of the independent Directors and the gap between resignation and appointment of an independent Director in his place shall not exceed 180 days. An independent Director of the Company ceased to be a Director w.e.f. July 27, 2010 and no other independent Director has been appointed in his place upto the date of this certificate. Accordingly, as at March 31, 2011, the Company has two independent Directors as against the requirement of minimum three independent Directors.
4. 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 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.
5. 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
(Registration No.0080725)

Bangalore
11th May 2011

S. SUNDARESAN
Partner
(Membership No. 25776)

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date & time : 27th July 2011 at 4.00 P.M

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

2. Financial Calendars

The financial year of the Company commences from 1st April every year and ends on 31st March in the succeeding year.

- Unaudited results for the quarter ending June 30, 2011: On or before July 31, 2011
- Unaudited results for the quarter ending September 30, 2011: On or before October 31, 2011
- Unaudited results for the quarter ending December 31, 2011: On or before January 31, 2012
- Audited results for the year ending March 31, 2012: On or before May 31, 2012

3. Book Closure Date

22nd July 2011 to 27th July 2011 (both days inclusive)

4. Dividend Payment Date

The dividend will be paid on or after 5th August 2011 after approval at the Annual General Meeting. The warrants will be posted on or after 5th August 2011, in case shareholders have opted for ECS, the dividend would in the normal course be credited to the accounts by 8th August 2011.

5. Registered Office

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

6. Listing Details & Codes

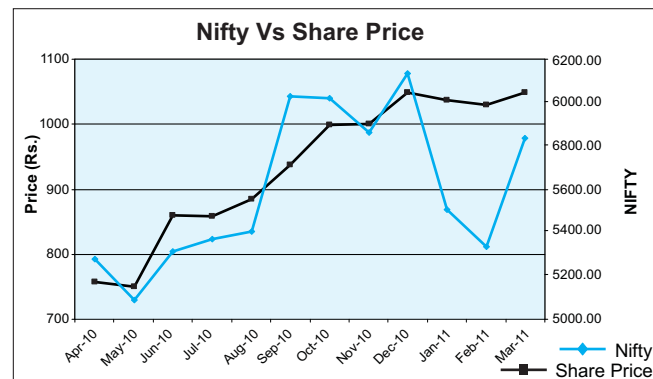
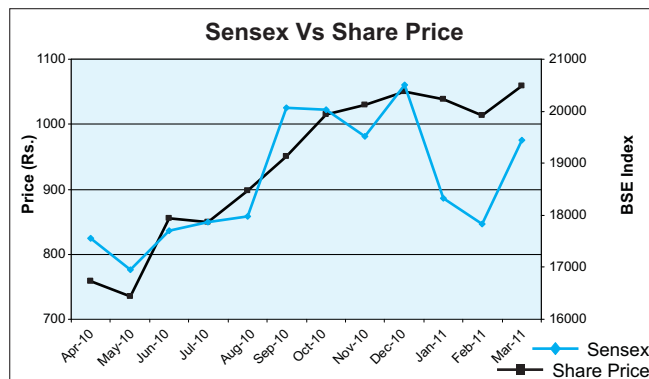
Bombay Stock Exchange : 505412
National Stock Exchange : WENDT
Listing Fee : Paid

7. NSDL & CDSL (ISIN) : INE274C01019

8. Share Price Data

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April 2010	780.00	681.00	780.00	688.00
May 2010	787.00	706.30	810.00	722.00
June 2010	930.20	740.00	924.00	731.05
July 2010	882.00	808.05	880.00	787.00
August 2010	989.00	841.05	1011.00	846.15
September 2010	1040.00	892.10	1052.00	882.40
October 2010	1074.40	901.10	1060.00	913.50
November 2010	1124.00	932.05	1200.00	937.00
December 2010	1199.00	990.00	1199.00	983.25
January 2011	1264.25	1025.00	1140.00	1015.00
February 2011	1109.05	955.00	1087.90	951.20
March 2011	1120.00	995.00	1075.00	985.00

9. Stock Performances

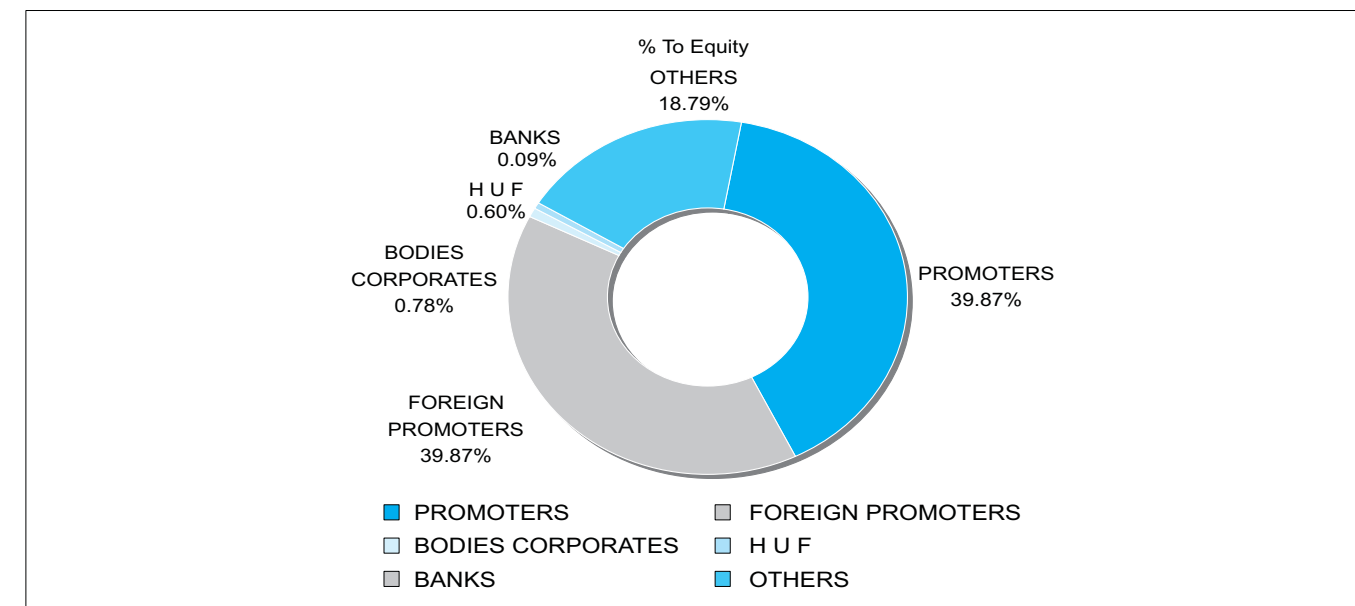


10. Distribution of Shareholding as on 31st March, 2011

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	3,579	97.15%	248,993	2,489,930	12.45%
5001 - 10000	64	1.74%	49,362	493,620	2.47%
10001 - 20000	20	0.54%	29,646	296,460	1.48%
20001 - 30000	8	0.22%	21,642	216,420	1.08%
30001 - 40000	1	0.02%	3,085	30,850	0.15%
40001 - 50000	2	0.05%	8,204	82,040	0.41%
50001 - 100000	5	0.14%	33,320	333,200	1.67%
100001 & Above	5	0.14%	1,605,748	16,057,480	80.29%
TOTAL	3,684	100%	2,000,000	20,000,000	100%

11. Share holding Pattern as on 31.03.2011

Category	Cases	Holding	% of Equity
PROMOTERS (PRO)	2	797,352	39.87%
FOREIGN PROMOTERS (FPR)	2	797,352	39.87%
RESIDENT INDIVIDUALS (PUB)	3,423	374,618	18.73%
BODIES CORPORATES (LTD)	102	15,532	0.78%
HUF	112	12,173	0.60%
BANKS (BNK)	2	1,850	0.09%
NON RESIDENT INDIANS	32	948	0.05%
CLEARING MEMBERS	9	175	0.01%
TOTAL	3,684	2,000,000	100.00%



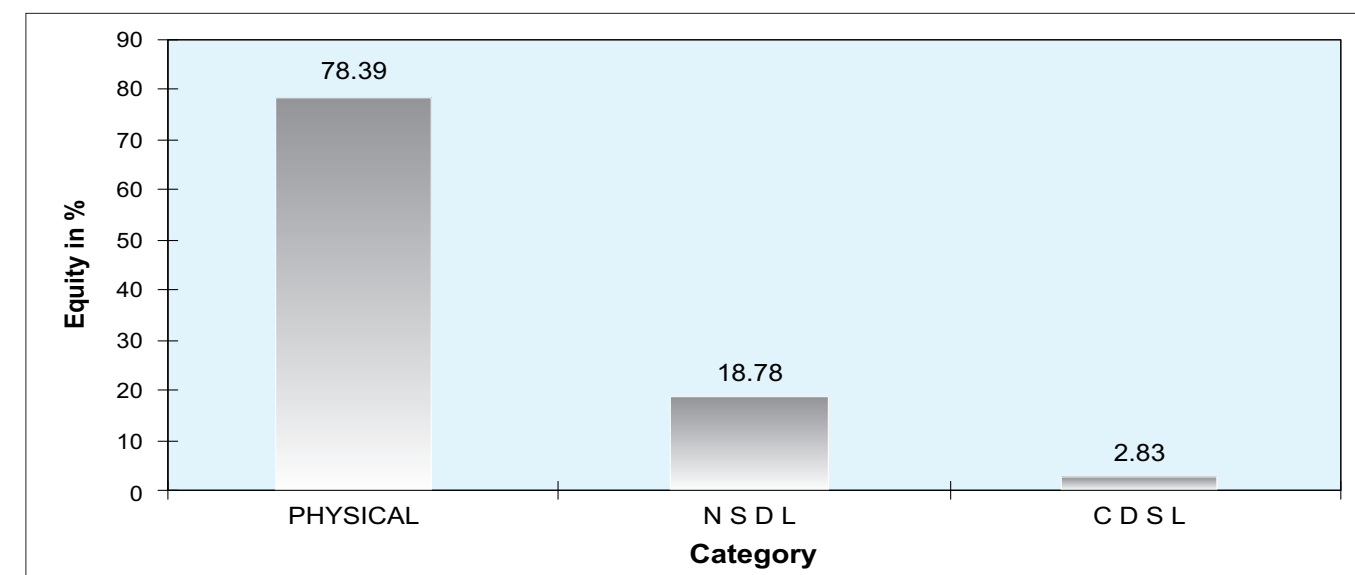
12. Dematerialisation of Shares

Your Company has signed agreements with both National Securities (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 2011; 432,113 Shares constituting 21.61 % of the total paid up capital of the company have been dematerialized.

Shareholding Summary as on 31/03/2011			
Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	575	1,567,887	78.39%
N S D L	2,342	375,527	18.78%
C D S L	767	56,586	2.83%
TOTAL	3,684	2,000,000	100.00%



13. Share Transfer Process

The applications for transfer of shares and other requests from shareholders holding shares in physical form are processed by Karvy Computershare Private Limited. 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. The Board has delegated power to approve transfers to the Share Transfer & Investor Grievance Committee.

14. Complaints received during the financial year ended 31st March 2011 by the Company and the Registrar and Share Transfer Agents of the Company

Nature of Complaints	No. of complaints	
	Received	Resolved
Non receipt of Dividend Warrants	20	20
Non receipt of Annual Report	2	2
Non receipt of securities	3	3
Total	25	25

15. Unclaimed Dividend

Section 205 of the Companies Act, 1956, 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.

Year	Type of Dividend	Dividend per share (Rs.)	Date of declaration	Due date for transfer
2004	Final	15/-	30/07/2004	04/09/2011
2005	Final	15/-	25/07/2005	30/08/2012
2006	Final	15/-	21/07/2006	26/08/2013
2007	Final	17.5/-	23/07/2007	28/08/2014
2008	Final	20/-	21/07/2008	26/08/2015
2009	Interim	10/-	30/03/2009	05/05/2016
2009	Final	20/-	27/07/2009	01/09/2016
2010	Final	25/-	27/07/2010	01/09/2017

16. Unclaimed Shares

As per the provisions of Clause 5A of the Listing Agreement, the unclaimed share lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. As on March 31, 2011, there is 1 allottee pertaining to 25 unclaimed equity shares of the Company and the same are lying in the escrow Account.

In accordance with the said Clause 5A of the Listing Agreement, the Company has sent three reminders to the person concerned vide letter dated 02.02.2011, 15.03.2011 and 18.04.2011.

17. Investor Services

17.1 Equity shares of the Company are under compulsory demat trading by all the investors, with effect from 5th April, 1999. Considering the advantages of script less trading, investors are requested to consider de-materialization of their shareholding so as to avoid inconvenience in future.

17.2 Investors/beneficial owners 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, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500 081

17.3 Investors holding shares in physical form are requested to notify to the Company, change in

their address/ Pin Code number and Bank Account details promptly by written request under the signatures of sole/first joint holder. Beneficial Owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, etc., directly to their DP.

17.4 To prevent fraudulent encashment of dividend warrants, investors are requested to provide their Bank Account details (if not provided earlier) to the Company (if shares are held in physical form) or to DP (if shares are held in demat form), as the case may be, for printing of the same on their dividend warrants.

17.5 Investors are requested to furnish self –attested copy of their PAN card, at the time of submitting the physical share certificate(s) for transfer, transmission, deletion or any other request, to the Company. The Securities and Exchange Board of India (SEBI), vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009, and SEBI/MRD/DoP/SE/RTA/Cir-08/2010, dated January 07, 2010 has made it mandatory for the transferee(s) to furnish the copy of the PAN Card to the Company for registration of physical transfer of shares and for transmission, deletion of shares in physical form.

17.6 In case of loss/misplacement of share certificate, investors should immediately lodge a FIR/ Complaint with the police and inform to Company along with original or certified copy of FIR/ acknowledged copy of the complaint.

17.7 Investors are requested to maintain a record of their specimen signature before lodgment of shares with the Company to obviate possibility of difference in signature at a later date.

17.8 Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

17.9 Section 109A of the Companies Act, 1956 extends nomination facility to individuals holding shares in physical form in Companies. Shareholders, in particular those holding shares in single name, may avail of above facility by furnishing the particulars of their nominations in the prescribed Nomination Form.

17.10 Shareholders who have not yet encashed their dividend warrants for the years 2003-2004 to 2009-10 may approach the Company for revalidation/ issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers/ DP & Client ID.

18. Plant Location

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

19. Addresses for Communication

Compliance Officer & Company Secretary

Apeksha Nagori
Wendt (India) Limited
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
Tel: +91 4344 276851/52, 405500
Email: Investorservices@wendtindia.com
apekshanagori@wendtindia.com

Registrar & Share Transfer Agent

Karvy Computershare Private Limited
Unit: Wendt (India) Limited
Plot Nos: 17-24, Vittalrao Nagar,
Madhapur, Hyderabad- 500 081
Tel: +91 40 23420815 / 824
Fax: +91 40 23420814 / 23420857
Email: mailmanager@karvy.com
Website: www.karvy.com

Toll Free number of Registrar & Share Transfer Agent's exclusive call centre

1-800-3454001

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.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2011

M M Murugappan
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED

1. We have audited the attached Balance Sheet of WENDT (INDIA) LIMITED (the "Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;

ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF WENDT (INDIA) LIMITED

(Referred to in paragraph 3 of our report of even date)

- (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
 5. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors, is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
- For Deloitte Haskins & Sells
Chartered Accountants
(Registration No.008072S)
- S. SUNDARESAN
Partner
(Membership No. 25776)
- Chennai
29th April 2011
- (i) Having regard to the nature of the Company's business/activities/result, clauses iii (b) to (d), (iii) (f) and (g), (v), (vi), (viii), (ix)(b), (xii), (xiii), (xiv), (xvi), (xvii), (xix) and (xx) of CARO are not applicable.
 - (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 were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
 - (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable 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 neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations 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 the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor

Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

- (viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current financial year or in the immediately preceding financial year.
- (ix) 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 during the year.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (xi) According to the information and explanations provided to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

S. SUNDARESAN
Chennai
29th April 2011
Partner
(Membership No. 25776)

Standalone Financial Statements

BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in 000's)

	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	20,000	20,000
Reserves and Surplus	2	561,423	460,218
		<u>581,423</u>	<u>480,218</u>
DEFERRED TAX LIABILITY (NET)			
		23,846	23,279
		<u>605,269</u>	<u>503,497</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
	3		
Gross Block at cost		500,006	443,752
Less: Depreciation		191,603	165,922
Net Block		308,403	277,830
Capital Work-in-progress		17,990	17,176
		<u>326,393</u>	<u>295,006</u>
INVESTMENTS			
	4	225,731	167,174
CURRENT ASSETS, LOANS AND ADVANCES			
	5		
Inventories		101,476	70,433
Sundry Debtors		149,585	117,437
Cash and Bank Balances		9,905	13,064
Loans and Advances		44,036	31,801
		<u>305,002</u>	<u>232,735</u>
Less: CURRENT LIABILITIES AND PROVISIONS			
	6		
Current Liabilities		170,401	118,833
Provisions		81,456	72,585
		<u>251,857</u>	<u>191,418</u>
Net Current Assets		53,145	41,317
		<u>605,269</u>	<u>503,497</u>
SIGNIFICANT ACCOUNTING POLICIES	12		
NOTES ON ACCOUNTS	13		

The schedules referred to above form an integral part of the balance sheet

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

For and on behalf of the Board

S SUNDARESAN
Partner

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in 000's)

	Schedule	31.03.2011	31.03.2010
INCOME			
Gross Sales		882,157	595,779
Less: Excise duty		67,061	36,382
Net Sales		815,096	559,397
Machining Charges		2,221	1,500
Other Income	7	29,895	22,165
		<u>847,212</u>	<u>583,062</u>
EXPENDITURE			
Raw Materials Consumed		245,886	167,622
Purchase of Traded Goods		13,036	8,117
Employees Cost	8	109,517	97,847
Other Costs	9	220,949	153,796
Depreciation / Amortisation		29,781	25,918
Interest and Finance Charges		6	22
(Accretion) / Decretion to Stock	10	(7,539)	(15,725)
		<u>611,636</u>	<u>437,597</u>
Profit before tax		<u>235,576</u>	<u>145,465</u>
Less: Provision for Taxation			
Current		75,500	46,827
Deferred		567	405
Profit after tax		<u>159,509</u>	<u>98,233</u>
Profit brought forward from previous year		72,435	67,506
Profit available for appropriation		<u>231,944</u>	<u>165,739</u>
APPROPRIATIONS			
General Reserve		35,000	35,000
Final Dividend @ 250%		50,000	50,000
Tax on dividend		8,304	8,304
Balance carried to balance sheet		138,640	72,435
		<u>231,944</u>	<u>165,739</u>
Earning per share Rs.(Basic and Diluted) (face value Rs.10/-each)		79.76	49.12
Aggregate no. of shares used for calculation of basic and diluted EPS		2,000,000	2,000,000
SIGNIFICANT ACCOUNTING POLICIES	12		
NOTES ON ACCOUNTS	13		

The schedules referred to above form an integral part of the profit and loss account

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

For and on behalf of the Board

S SUNDARESAN
Partner

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in 000's)

	31.03.2011	31.03.2010
OPERATING ACTIVITIES		
PROFIT BEFORE TAX	235,576	145,465
ADJUSTMENT FOR :		
Depreciation / Amortisation	29,781	25,918
Provision for doubtful debts (net of reversal)	2,848	4,033
Interest and Finance charges	6	22
Interest received	(582)	(212)
Dividend from investments	(13,318)	(10,380)
Loss on sale / scrapping of Fixed assets	782	(729)
Surplus provision of previous year for expenses	(74)	(1,156)
Profit on sale of investments (Net)	(201)	(238)
Un realised exchange Loss	237	289
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	255,055	163,012
ADJUSTMENTS FOR CHANGES IN :		
Inventories	(31,043)	(18,211)
Sundry Debtors	(35,305)	2,808
Loans and Advances	(3,336)	1,462
Current Liabilities and Provisions	53,972	23,543
CASH FLOW FROM OPERATING ACTIVITIES	239,343	172,614
Direct Tax Paid	(70,150)	(50,429)
NET CASH FLOW (A)	169,193	122,185
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(64,418)	(64,832)
Proceeds from Sale of Fixed Assets	904	6,629
Purchase of Long Term Investments.	-	(9,716)
Sale / Redemption of Long Term Investments	-	50
Purchase of current Investments.	(436,193)	(265,191)
Sale / Redemption of current Investments	381,522	227,894
Interest Received	57	91
Dividend from Investments	6,586	10,380
NET CASH FLOW (B)	(111,542)	(94,695)
FINANCING ACTIVITIES		
Loan to Subsidiary	(2,500)	(2,500)
Repayment of Loans	-	(3,633)
Interest and Finance charges	(6)	(22)
Dividend Paid (including tax thereon)	(58,304)	(23,399)
NET CASH FLOW (C)	(60,810)	(29,554)
NET CASH INFLOW/(OUTFLOW) (A+B+C)	(3,159)	(2,064)
OPENING CASH AND CASH EQUIVALENTS D	13,064	15,128
CLOSING CASH AND CASH EQUIVALENTS E	9,905	13,064
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)	(3,159)	(2,064)

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 - Cash Flow Statements. Cash and cash equivalents include balances with scheduled banks on Dividend account Rs.2,120 (000's) (Previous year Rs.1,836 (000's)) and deposits under lien Rs 30 (000's) (Previous year Rs.30(000's) which are available for restricted use by the Company. Previous year's figures have been reclassified / regrouped wherever necessary to facilitate comparison with those for the current year.

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

For and on behalf of the Board

S SUNDARESAN
Partner

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE -1		
SHARE CAPITAL		
AUTHORIZED		
3,000,000 Equity Shares of Rs.10/-each	30,000	30,000
	<u>30,000</u>	<u>30,000</u>
ISSUED AND SUBSCRIBED AND PAID-UP		
2,000,000 (Previous year 2,000,000) Equity Shares of Rs 10/- each fully paid.	20,000	20,000
(Of the above 1,500,000 Equity shares were allotted as Bonus shares by capitalization of General and Capital Redemption Reserve)		
	<u>20,000</u>	<u>20,000</u>

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 31.03.2010	Additions/ (Deletion)	As at 31.03.2011
CAPITAL RESERVE			
Capital Subsidy	2,098	-	2,098
OTHER RESERVES			
General Reserve	385,685	35,000	420,685
	<u>387,783</u>	<u>35,000</u>	<u>422,783</u>
Surplus as shown in Profit and Loss account	72,435		138,640
	<u>460,218</u>		<u>561,423</u>

SCHEDULES

SCHEDULE 3

FIXED ASSETS

(Rs. in 000's)

Description	Gross Block at Cost				Depreciation / Amortisation				Net Block	
	As at 1.4.2010	Additions	Deletions	As at 31.3.2011	Up to 31.3.2010	For the year	Deletions	Up to 31.3.2011	As at 31.3.2011	As at 31.3.2010
TANGIBLE ASSETS										
Land	366	--	--	366	--	--	--	--	366	366
Buildings	67,255	1,989	--	69,244	15,169	2,114	--	17,283	51,961	52,086
Plant & Machinery	294,175	47,753	2,245	339,683	113,323	20,378	2,131	131,570	208,113	180,852
Furniture, Fixture and Equipments	57,432	10,218	1,413	66,237	25,685	3,772	1,077	28,380	37,857	31,747
Vehicles	9,657	600	2,128	8,129	2,492	780	892	2,380	5,749	7,165
INTANGIBLE ASSETS										
Technical Knowhow	7,108	--	--	7,108	3,678	1,037	--	4,715	2,393	3,430
ERP-Software	7,759	1,480	--	9,239	5,575	1,700	--	7,275	1,964	2,184
TOTAL	443,752	62,040	5,786	500,006	165,922	29,781	4,100	191,603	308,403	277,830
Previous year	359,576	94,601	10,425	443,752	144,528	25,918	4,524	165,922	277,830	

SCHEDULES

(Rs. in 000's)

	Nominal Value Rs.	No. of Shares / Units			Value	
		As at 31.3.2010	Additions / (Sale)	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010
SCHEDULE 4 INVESTMENTS						
A LONG TERM						
UNQUOTED - TRADE-EQUITY SHARES						
In Subsidiary Companies						
i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND (Partly paid up @ 2.5 Baht per share of face value 10 Baht)	10(Baht)	10,299,993	--	10,299,993	27,739	27,739
ii) WENDT MIDDLE EAST FZE- SHARJAH (Fully paid share face value AED 150,000)	150000(AED)	6	2	8	15,316	11,631
SUB TOTAL				A	43,055	39,370
B CURRENT INVESTMENTS - UN QUOTED - NON TRADE						
UNITS IN MUTUAL FUND						
1 ICICI Pru -Flexible Income Plan Premium daily Dividend	100	440,521	1,422,430 (1,610,630)	252,321	26,684	46,584
2 ICICI Pru Blended Plan B-Daily Dividend-Option 1	10	--	468,783 (468,783)	--	--	--
3 ICICI Pru Blended Plan B Institutional-Daily Dividend-Option II	10	--	2,321,523	2,321,523	23,233	--
4 ICICI Pru -Long Term Floating Rate Plan B-Monthly Dividend	10	--	699,825 (699,825)	--	--	--
5 ICICI Pru -Blended Plan B- Dividend-OPTION 1	10	--	574,716 (574,716)	--	--	--
6 ICICI Pru -Interval Fund -Monthly Interval Plan I -Institutional Dividend	10	--	310,187 (310,187)	--	--	--
7 ICICI Pru -Interval Fund -Qtrly Interval Plan I-Institutional Dividend	10	--	312,232	312,232	3,122	--
8 ICICI Prudential Fund II Quarterly Interval Plan -Institutional Dividend	10	--	859,596	859,596	8,596	--
9 ICICI Prudential Interval Fund II Qly. Intl Plan F -Inst. Div	10	--	916,331	916,331	9,163	--
10 ICICI Pru -Liquid Plan -Institutional -Dividend -daily	100	--	42,201 (42,201)	--	--	--
11 Birla Sun Life Savings Fund -retail-Daily div-Reinvestment	10	1,266,915	5,368 (1,272,283)	--	--	12,678
12 Birla Sun Life Savings Fund -instl. - daily div. Reinvestment	10	--	1,780,120 (1,780,120)	--	--	--
13 Birla Sun Life Floating Rate Fund -Ret.-Long Term-Daily Dividend	10	--	1,802,574 (1,802,574)	--	--	--
14 Birla Sun Life Floating Rate Fund- Retail-Long Term-Weekly Dividend	10	--	305,959	305,959	3,062	--
15 Birla Sun Life Ultra Short Term Fund- Institutional-Daily Dividend	10	--	3,753,325 (1,699,066)	2,054,259	20,554	--
16 BSL Interval Income Fund-INSTL-Quarterly-Series 1-Dividend	10	500,000	1,274,298 (506,139)	1,268,159	12,682	5,000
17 BSL Qtrly Interval Series 4 - Dividend Reinv.	10	--	502,391 (502,391)	--	--	--
18 BSL Interval Income Fund-INSTL-Qtrly-Sr 2- Div-Payout	10	2,000,000	-- (2,000,000)	--	--	20,000
19 BSL Medium Term plan-retail - Qtrly div-pay out	10	488,383	-- (488,383)	--	--	4,900
Total carry forward					107,096	89,162

SCHEDULES

(Rs. in 000's)

No. of Shares / Units					Value	
	Nominal	As at	Additions /	As at	As at	As at
	Value Rs.	31.3.2010	(Sale)	31.3.2011	31.3.2011	31.3.2010
Total brought forward					107,096	89,162
20 Reliance Money Manager Fund-Instl Option -Daily Dividend Plan	1000	--	18,689 (16,478)	2,211	2,214	--
21 Reliance Interval Fund-Qtly.Plan-Series I-Retail Div Plan	10	--	499,466	499,466	5,000	--
22 Reliance Qtrly Interval fund-Series III-inst-Div plan	10	1,840,746	837,676	2,678,422	26,794	18,413
23 Reliance Monthly Interval fund-Series II-Retail Growth plan	10	--	461,716	461,716	6,000	--
24 Reliance Medium Term fund- Daily Div plan	10	1,183,270	425,778 (1,609,048)	--	--	20,229
25 Reliance Money Manager Fund Retail option -Daily Dividend Plan	1000	--	10,499 (10,499)	--	--	--
26 IDFC Fixed Maturity Quarterly Series-59 Dividend	10	--	300,000 (300,000)	--	--	--
27 IDFC Fixed Maturity Plan Monthly Series-25 Dividend	10	--	301,659 (301,659)	--	--	--
28 IDFC Money Manager Fund - Treasury Plan A- Daily Dividend	10	--	808,982 (303,881)	505,101	5,086	--
29 IDFC Ultra Short Term Fund - Daily Dividend	10	--	502,768 (502,768)	--	--	--
30 IDFC Ultra Short Term Fund - Monthly Dividend	10	--	1,694,209	1,694,209	17,196	--
31 IDFC Savings Advantage Fund Plan A- Monthly Dividend	10	--	3,026 (3,026)	--	--	--
32 IDFC Savings Advantage Fund Plan A- Daily Dividend	1000	--	3,073	3,073	3,073	--
33 IDFC Fixed Maturity 100 Days Series 1-Dividend	10	--	306,006	306,006	3,060	--
34 L&T FMP -II (DECEMBER 91 D B)- Growth	10	--	700,000 (700,000)	--	--	--
35 L&T FMP -III (MAR 90 D B)- Dividend	10	--	700,000	700,000	7,157	--
SUB TOTAL					B	182,676*
TOTAL					(A + B)	225,731
						167,174

* Aggregate NAV of units Rs.183,184 (000s) (31/03/2010 Rs.128,052 (000s))

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories		
Raw Materials	48,986	28,480
Work-in-progress	39,520	31,597
Finished Goods	6,301	6,685
Stores and Spares	6,669	3,671
	<u>101,476</u>	<u>70,433</u>
Sundry Debtors (Unsecured)		
Over Six Months		
Considered Good	5,937	12,176
Considered Doubtful	7,874	5,027
	<u>13,811</u>	<u>17,203</u>
Other Debts - Considered Good	143,648	105,261
	<u>157,459</u>	<u>122,464</u>
Less: Provision for doubtful debts	7,874	5,027
	<u>149,585</u>	<u>117,437</u>
Cash and Bank Balances		
Cash on hand	41	40
Cheques on hand	1,695	2,090
With Scheduled Banks on:		
Current Account	5,964	9,063
Deposit Account *	85	35
Dividend Account	2,120	1,836
	<u>9,905</u>	<u>13,064</u>
* Includes Rs.30 (000's) under lien with a bank (Previous year Rs.30 (000's))		
Loans and Advances:		
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for value to be received		
Capital Advances	2,941	1,377
Other Advances	10,000	8,850
Due from Subsidiaries	12,041	5,151
Deposits	2,623	2,460
Balance with Excise and Customs Authorities	8,243	7,037
Advance payment of Income Tax and Fringe Benefit tax (Net of Provision)	8,188	6,926
	<u>44,036</u>	<u>31,801</u>
	<u>305,002</u>	<u>232,735</u>

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 6		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
a) Total outstanding dues to Micro Enterprises and Small Enterprises (Refer Note No.11 of schedule 13)	3,684	2,405
b) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises	126,970	101,921
Advance from Customers	27,982	4,271
Unclaimed Dividend (Refer Note No.12 of schedule 13)	2,120	1,836
Other liabilities	9,645	8,400
	170,401	118,833
PROVISIONS		
For Taxation and Fringe Benefit tax (Net of Advance tax)	11,743	4,123
For Dividend	50,000	50,000
For Dividend tax	8,304	8,304
For Employee Benefits	11,409	10,158
	81,456	72,585
	251,857	191,418
SCHEDULE - 7		
OTHER INCOME		
Interest from Term Deposit / other deposit *	57	92
Interest on loan to Subsidiary **	525	120
Dividend (Gross) -Investments		
Trade Investments	7,447	7,187
Non Trade Investments	5,871	3,193
Commission	3,422	1,733
Sale of Scrap (net of Excise duty)	2,148	1,352
Service Charges	1,079	1,866
Technical Service Income	662	567
Management Fee	3,044	1,873
Profit on sale of Investments (net)	201	238
Profit on sale of Assets (net)	--	731
Bad debts recovered	46	18
Surplus provision of previous year		
For doubtful debts	806	225
For other expenses	74	1,156
Miscellaneous Income	480	797
Exchange gain (net)	4,033	1,017
	29,895	22,165
* Tax deducted at Source	4	8
** Tax deducted at Source	--	--

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 8		
EMPLOYEES COST		
Salaries, Wages and Bonus	89,995	74,605
Contribution to Provident and Other Funds	6,735	7,596
Welfare Expenses	12,787	15,646
	109,517	97,847
SCHEDULE - 9		
OTHER COSTS		
Consumption of Stores and Spares	37,241	26,669
Power and Fuel	17,169	13,637
Rent	532	668
Rates and Taxes	4,928	2,923
Insurance	1,444	1,545
Repairs to:		
Buildings	5,146	2,576
Machinery	9,380	6,403
Other Assets	2,463	1,026
	16,989	10,005
Royalty	16,471	10,953
Processing Charges	45,785	25,971
Directors' Sitting Fees	260	360
Auditors' Remuneration		
Audit Fees	600	450
Tax Audit Fees	100	100
For Other Services	100	227
For Reimbursement of Expenses	143	92
	943	869
Bank Charges	2,294	2,218
Service Fee	11,950	8,215
Travel and Conveyance	15,833	13,242
Freight outward and packing charges (Net)	8,991	4,968
Selling Commission	2,926	1,089
Communication Expenses	2,177	2,084
Bad debts written off	178	1,940
Less: Transferred from Provision	131	769
	47	1,171
Provision for doubtful debts	3,785	5,027
Professional charges	2,803	1,319
Publicity	1,067	827
Sales expenses	8,909	5,409
Office and General Expenses	1,243	702
Research and Development Expenses	6,192	5,666
Contribution to Research Institution	200	200
Miscellaneous Expenses	10,770	8,059
	220,949	153,796

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE -10		
(ACCRETION) / DECRETION TO STOCK		
Opening Stock:		
Work-in-progress	31,597	19,004
Finished Goods	6,685	3,553
	38,282	22,557
Closing Stock:		
Work-in-progress	39,520	31,597
Finished Goods	6,301	6,685
	45,821	38,282
(ACCRETION) / DECRETION TO STOCK	(7,539)	(15,725)
Includes Excise Duty Differential *	36	(354)

* Represents excise duty relating to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in the profit and loss account represents excise duty on sales during the year.

SCHEDULE - 11

QUANTITATIVE PARTICULARS

1. CAPACITIES, PRODUCTION, TURNOVER AND STOCK

Class of Goods	UNIT	Installed Capacity	Actual Production	Opening Stock	Closing Stock	Turnover	
						Quantity	Value
RESIN, METAL & ELECTROPLATED	NOS.	250,000	202,658	12,443	10,456	204,645	556,260
DIAMOND / CBN WHEELS, HONES		(250,000)	(167,188)	(9,314)	(12,443)	(164,059)	(446,397)
PELLETS, DRESSING TOOLS ETC.							
DIAMOND SEGMENTED SAWS,	NOS.	3,000	2,641	656	1,096	2,201	13,416
MINING PRODUCTS & TOOLS		(3,000)	(2,534)	(157)	(656)	(2,035)	(5,213)
MACHINERY & ACCESSORIES	NOS.	25,000	7,766	4	13	7,757	223,229
		(25,000)	(3,085)	(4)	(4)	(3,085)	(92,176)
OTHERS (Includes products purchased and sold)							22,191
							(15,611)
TOTAL							815,096
							(559,397)

Note: 1. Installed capacities are as certified by the management and have not been verified by the auditors, this, being a technical matter.
2. Licensed capacity is not applicable.
3. Figures in brackets relate to previous year.

SCHEDULES

(Rs. in 000's)

SCHEDULE -11 (Contd.)

2. RAW MATERIALS CONSUMED	UNIT	QUANTITY	VALUE
Industrial & Synthetic Diamonds and Cubic Boron Nitride	Carat	4,092,534	96,316
		(3,291,238)	(77,726)
Bonding Mixture and Matrix Powder	Kgs	6,430	28,267
		(5,949)	(25,457)
Steel	Kgs	104,964	8,096
		(79,177)	(5,073)
Steel	Nos	90,578	19,597
		(48,076)	(14,507)
Others *			93,610
			(44,859)
Total			245,886
			(167,622)

* In view of the large number of items, individually costing less than 10% of raw material consumed, quantitative details have not been disclosed.

Of the above	%	
Imported	66	162,804
	(66)	(110,514)
Indigenous	34	83,082
	(34)	(57,108)
	100	245,886
	(100)	(167,622)
3. CONSUMPTION OF STORES AND SPARE PARTS	%	
Imported	21	7,639
	(23)	(6,065)
Indigenous	79	29,602
	(77)	(20,604)
	100	37,241
	(100)	(26,669)

Note: Figures in brackets relate to previous year.

SCHEDULES

SCHEDULE 12

SIGNIFICANT ACCOUNTING POLICIES

1 ACCOUNTING CONVENTION:

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said financial statements comply with the relevant provisions of the Companies Act, 1956 (the Act) and the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules 2006, to the extent applicable.

2 USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results may vary from these estimates.

3 FIXED ASSETS:

- Fixed assets are stated at original cost (net of CENVAT / VAT wherever applicable) including expenses related to acquisition and installation. Borrowing costs are capitalized as part of qualifying fixed assets when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.
- 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.
- Depreciation is provided, on all depreciable assets, except intangible assets, on a straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on assets added / disposed of 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.
- Intangible Assets are amortized over a period of 5 years or based on the period of usage / licence, whichever is less.
- Individual assets costing less than Rs.5000 each are depreciated in full in the year of acquisition.

4 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.

5 INVENTORIES:

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

SCHEDULES

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 are recognised on despatch of goods. Sales are accounted net of sales tax / VAT, discounts and returns as applicable.
- 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.

7 EMPLOYEE BENEFITS:

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits including accumulated compensated absences are determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis.

LONG TERM COMPENSATED ABSENCES

Accumulated Compensated absences which falls 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 Profit and Loss Account on an accrual basis.

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 profit and loss account at the year end. Actuarial Gains and Losses arising during the year are recognised in the Profit and Loss Account immediately.

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

8 INCOME TAX:

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 judgement that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be received or settled. The effect on deferred tax assets and liabilities arising from change in tax rates is recognized in the income statement in the period of enactment of the change.

SCHEDULES

9 FOREIGN CURRENCY TRANSACTIONS:

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 profit and loss account .

Exchange differences arising on actual payments / realizations and year end restatements are dealt with in the profit and loss account .

10 RESEARCH AND DEVELOPMENT:

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on Research and Development is included in fixed assets and depreciated in accordance with the depreciation policy of the company.

11 PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when an enterprise has a present obligation as a result of past event, 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.

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to accounts.

12 SEGMENT REPORTING:

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

- Inter-segment revenues are accounted 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"

13 IMPAIRMENT OF ASSETS:

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the Company estimates the recoverable amount of the group of assets as a whole, and the impairment loss is recognised.

14 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.

SCHEDULES

(Rs. in 000's)

SCHEDULE 13 NOTES ON ACCOUNTS A

	31.03.2011	31.03.2010
1 Contingent Liability not provided for:		
a) Disputed income tax demands under appeal	5,932	5,932
The company has received favourable orders from the Commissioner of Income Tax (Appeals) (CIT-A) in respect of two assessment years, however the department is in appeal with the Income Tax Appellate Tribunal. In respect of one assessment year, the Company has received a favourable order from CIT-A but the order giving effect to the CIT -A order is yet to be received by the Company.		
The said amounts has been arrived at based on the assessment order 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.		
b) Guarantees given by Company's Bankers	18,551	6,313
c) Bills Discounted	9,065	1,990
2 The Company is having 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.		
3 During the year the Company, based on the Board's approval has converted loan given to Wendt Middle East FZE a subsidiary, into equity amounting to Rs.3,685 (000's). The Company has completed the necessary regulatory formalities in this regard. Accordingly the investment in the said subsidiary stands increased to Rs.15,316 (000's) from Rs.11,631(000's)		
4 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs.2,941 (000's)-previous year Rs.1,377 (000's))	76,021	29,555
5 Debtors include dues from Subsidiary Companies :		
a) Wendt Grinding Technologies Ltd	1,877	2,083
(Maximum amount outstanding Rs.3,822 (000's), previous year Rs.4,529 (000's))		
b) Wendt Middle East FZE	2,449	2,629
(Maximum amount outstanding Rs.5,321 (000's), previous year Rs.7,502 (000's))		
6 SEBI Disclosure requirement		
Additional information to comply with SEBI disclosure requirement as disclosed by the management and not verified by the auditors.		
Advance to subsidiaries:		
a) Wendt Grinding Technologies Ltd	9,291	1,597
(Maximum amount outstanding Rs.9,291 (000's), previous year Rs.1,597(000's))		
b) Wendt Middle East FZE	2,750	3,553
(Maximum amount outstanding Rs.7,525 (000's), previous year Rs.3,760 (000's))		
7 Value of imports on CIF basis:		
Raw Materials and Components	168,060	105,580
Stores and Spare parts	12,015	9,349
Capital Goods	16,713	31,339
8 Expenditure in Foreign Currency		
Royalty (on payment basis)	9,858	9,073
Travel	2,586	2,004
Commission	--	237
Others	243	176

SCHEDULES

(Rs. in 000's)

	31.03.2011	31.03.2010
--	------------	------------

9 Remittances in foreign currencies :

	Year to which dividend relates	Number of non-resident shareholders	Number of Shares held by them	Amount remitted	
Dividend on Equity Shares	2009-10 2008-09 (final)	1 1	797,352 797,352	19,934	7,973

10 Earnings in Foreign exchange :

i) F.O.B.Value of goods exported	144,602	124,104
ii) Others	14,439	10,914

11 There are no dues to Micro and Small Enterprises as per Micro , Small and Medium Enterprises Development Act 2006 which are outstanding for more than 45 days at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors

12 The unclaimed dividend of Rs. 2,120 (000's) represents those relating to the years 2004 to 2010 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.

13 Earning per share (EPS) is calculated as under

a) Numerator - Net profit for the year	159,509	98,233
b) Denominator - weighted average number of equity shares Basic and diluted	20,00,000	20,00,000
c) Nominal value of shares (in rupees)	10	10
Earning per share (in rupees) Basic and diluted	79.76	49.12

14 Deferred Tax

14.1 Notes

Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income" as detailed below.

14.2 Details

	Deferred Tax (Asset) / Liability as on 1-4-2010	Current year Charge / (Credit)	Deferred tax (Asset) / Liability as on 31-3-2011
a Difference between book and tax depreciation	28,439	2,492	30,931
b Others	(169)	(557)	(726)
c Provision for doubtful debts	(1,949)	(953)	(2,902)
d Leave salary provision	(3,042)	(415)	(3,457)
Net Total	23,279	567	23,846

SCHEDULES

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

1) List of Related parties

D) Party with whom control exists -Subsidiaries

- a Wendt Grinding Technologies Ltd
- 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

(Rs. in 000's)

Transaction with related parties

Particulars	Subsidiaries		Joint venturers		Total	
	10-11	09-10	10-11	09-10	10-11	09-10
Purchase of Capital Goods						
Wendt GmbH Germany	--	--	10,360	1,584	10,360	1,584
Other Purchases						
Wendt GmbH, Germany	--	--	51,974	33,633	51,974	33,633
Carborundum Universal Limited (CUMI)	--	--	5,655	4,254	5,655	4,254
Wendt Grinding Technologies Ltd Thailand	63	--	--	--	63	--
Sale of Goods						
Wendt GmbH Germany	--	--	52,186	39,753	52,186	39,753
Carborundum Universal Limited (CUMI)	--	--	19,235	14,871	19,235	14,871
Wendt Grinding Technologies Ltd Thailand	12,140	10,459	--	--	12,140	10,459
Wendt Middle East FZE	6,425	4,206	--	--	6,425	4,206
Investment made / conversion of loan to equity						
Wendt Middle East FZE	3,684	9,716	--	--	3,684	9,716
Loan given						
Wendt Middle East FZE	2,500	2,500	--	--	2,500	2,500
Payment of Service Fee and Commission						
Carborundum Universal Limited (CUMI)	--	--	12,027	8,318	12,027	8,318
Payment of Royalty						
Wendt GmbH Germany	--	--	15,934	10,953	15,934	10,953
Payment of Dividend						
Carborundum Universal Limited (CUMI)	--	--	19,934	7,974	19,934	7,974
Wendt GmbH Germany	--	--	19,934	7,974	19,934	7,974
Management fee, Commission and Interest receipts						
Wendt GmbH Germany	--	--	3,422	1,733	3,422	1,733
Wendt Grinding Technologies Ltd Thailand	3,044	1,873	--	--	3,044	1,873
Wendt Middle East FZE	525	121	--	--	525	121
Dividend received						
Wendt Grinding Technologies Ltd Thailand	7,447	7,187	--	--	7,447	7,187
Reimbursement of Expenses - Paid						
Wendt GmbH Germany	--	--	--	71	--	71
Carborundum Universal Limited (CUMI)	--	--	634	610	634	610
Reimbursement of Expenses - Received						
Wendt GmbH Germany	--	--	180	31	180	31
Carborundum Universal Limited (CUMI)	--	--	237	660	237	660
Wendt Grinding Technologies Ltd Thailand	125	120	--	--	125	120
Wendt Middle East FZE	1,146	1,115	--	--	1,146	1,115
Amount due From						
Wendt GmbH Germany	--	--	7,926	3,917	7,926	3,917
Carborundum Universal Limited (CUMI)	--	--	1,986	2,901	1,986	2,901
Wendt Grinding Technologies Ltd Thailand	11,168	3,681	--	--	11,168	3,681
Wendt Middle East FZE	5,199	6,183	--	--	5,199	6,183
Amount due to						
Wendt GmbH Germany	--	--	28,181	17,109	28,181	17,109
Carborundum Universal Limited (CUMI)	--	--	15,370	8,958	15,370	8,958

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.

SCHEDULES

(Rs. in 000's)

16. Employee Benefits

I Defined Contribution Plans

- Provident Fund
- Superannuation Fund
- Employers' Contribution to Employee's State Insurance
- Employers' Contribution to Employee's Pension Scheme 1995.

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

	31.03.2011	31.03.2010
Employers Contribution to Provident Fund *	2,030	1,621
Employers' Contribution to Superannuation Fund *	2,419	2,127
Employers' Contribution to Employee's State Insurance	419	193
Employers' Contribution to Employee's Pension Scheme 1995 *	1,222	1,167

* Included in Contribution to provident and other funds (Refer Schedule 8)

II Defined Benefit Plan

a) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2011	31.03.2010
Discount Rate	8% p.a.	8% p.a.
Salary Escalation Rate	8% p.a.	8% 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.

A) Change in Present Value of Obligation :-

Particulars	31.03.2011	31.03.2010
Present Value of Obligation as at beginning of the year	12,942	9,412
Current Service Cost	995	700
Interest cost	1,035	753
Benefits Paid	(724)	Nil
Net Actuarial Losses / (Gains) Recognized in the Year	(93)	2,077
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Closing Present Value of Obligations	14,155	12,942

SCHEDULES

(Rs. in 000's)

B) Change in the Fair Value of Assets

Particulars	31.03.2011	31.03.2010
Opening Fair Value of Plan Assets	13,985	10,894
Expected Return on Plan Assets	1,264	1,043
Actuarial Gains / (Losses)	Nil	Nil
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	393	2,048
Assets Acquired due to Acquisition	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(724)	Nil
Closing Fair Value of Plan Assets	14,918	13,985

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

Particulars	31.03.2011	31.03.2010
Closing Present Value of Funded Obligations	14,155	12,942
Closing Fair Value of Plan Assets	14,918	13,985
Closing Funded Status	763	1,043
Unrecognized Actuarial (gains) / losses	Nil	Nil
Net Asset / (Liability) recognized in Balance Sheet	763	1,043

D) Amount recognized in the Balance Sheet

Particulars	31.03.2011	31.03.2010
Closing Present value of obligations	14,155	12,942
Closing Fair Value of plan assets	14,918	13,985
Net Asset / (Liability) recognized in Balance Sheet	763	1,043

E) Expenses recognized in the Profit & Loss Account

Particulars	31.03.2011	31.03.2010
Current Service Cost	995	700
Past Service Cost	Nil	Nil
Interest Cost	1,035	753
Expected Return on Plan Assets	(1,264)	(1,043)
Actuarial Losses / (Gain)	(93)	2,077
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Total Expenses	673	2,487
Less: Reimbursement received from a Subsidiary	(28)	Nil
Net expenses recognized in the Profit and Loss Account	645	2,487

SCHEDULES

(Rs. in 000's)

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

Particulars	31.03.2011	31.03.2010
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.

b) Long Term Benefit Plan (Leave Salary) Assumptions at the Valuation Date:

Particulars	31.03.2011	31.03.2010
Discount Rate	8.05% p.a.	7.75% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% 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	31.03.2011	31.03.2010
Charge in the profit and loss account	1,250	(124)
Liability as at the year end	11,409	10,158

17 Foreign Currency Exposure as at March 31, 2011, that have not been hedged by a derivative instrument or other wise

Particulars	31.3.2011		31.3.2010		Currency
	Amount	Amount (Foreign Currency)	Amount	Amount (Foreign Currency)	
Due to					
- Creditors against	24,981	552	22,686	497	USD
Import of goods	31,984	499	19,305	314	EUR
and Services	1,175	16	96	1	GBP
Due from	18,514	419	23,519	527	USD
- Debtors	12,806	205	6,551	110	EUR
(includes Loan)	2,750	233	3,553	298	AED
	4,070	57	1,974	29	GBP

18 Segment Disclosure

A) PRIMARY SEGMENT INFORMATION

Notes on Segment Information

- The company is organised into two main business segments, namely :
 - Super Abrasives & b) Machines, Accessories and Components.

SCHEDULES

(Rs. in 000's)

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments.

- Segment Assets, Segment Liabilities & fixed assets used in Company's business have not been identified to any reportable segment, as these are used interchangeably between segments and hence segment disclosure related to total carrying amount of segment assets, liabilities and fixed assets have not been given.

Particulars	31.3.2011	31.3.2010
1. Segment Revenue		
a) Super Abrasives (Net of excise duty)	590,634	465,622
b) Machines, Accessories and Components	226,683	95,275
Total	817,317	560,897
Less:- Inter Segment Revenue	--	--
Net sales / Income From Operations	817,317	560,897
2. Segment Results (Profit) (+) / Loss (-) before tax and interest.		
a) Super Abrasives	164,909	119,970
b) Machines, Accessories and Components	73,304	31,933
Total	238,213	151,903
Less: (i) Interest and Financial charges	6	22
(ii) Other un-allocable Expenditure net of un-allocable income of Rs.29,896 (31.3.2010 Rs.22,165)	2,631	6,416
(iii) Income tax	76,067	47,232
Profit after Tax	159,509	98,233

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical Market

Particulars	31.03.2011	31.03.2010
India	672,715	436,793
Europe	89,007	68,639
Others	55,595	55,465
Total Revenues	817,317	560,897

- Previous year's figures have been reclassified / regrouped wherever necessary to facilitate comparison with those for the current year

Signatures to Schedules 1 to 13

For and on behalf of the Board

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

SCHEDULES

SCHEDULE 13

B

1. Balance Sheet Abstract and Company's General Business Profile.

I Registration Details:

Registration No.	3913
State Code	08
Balance Sheet Date	31st March 2011

II Capital Raised during the Year

Public Issue	NIL
Right Issue	NIL
Private Placement	NIL

III Position & Mobilization and Deployment of Funds

Total Liabilities	(Amount in Rs.in 000's) 605,269
Total Assets	605,269

Sources of Funds

Paid-up Capital	20,000
Reserves & Surplus	561,423
Secured Loans	--
Unsecured Loans	--
Deferred tax liability	23,846

Application of Funds

Net Fixed Assets	326,393
Investments	225,731
Net Current Assets	53,145

IV Performance of the Company

Total Turnover/Income	847,212
Total Expenditure	611,636
Profit Before Tax	235,576
Profit After Tax	159,509
Earning per share in Rs.	79.76
Dividend Rate(%)	250

V Generic name of Three Principal Products / services of the Company (as per monetary report)

I (a) Item Code No.	68.01 & 68.04
(b) Products description	Diamond / CBN Wheels, Electroplated Wheels & Pellets.
II (a) Item Code No.	82.02,82.07 & 84.67
(b) Products description	Diamond Segmented Saws, Diamond Dressing Tools, Mining Products & Tools.
III (a) Item Code No.	84.60 & 38.23
(b) Products description	Machines & Accessories

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

APEKSHA NAGORI
Company Secretary

SCHEDULES

Statement of Holding Company's Interest in Subsidiary Company (Pursuant to Section 212(1)(e) and (f) of the Companies Act 1956)

	Wendt Grinding Technologies Ltd	Wendt Middle East FZE
1. Name of the Company	Wendt Grinding Technologies Ltd	Wendt Middle East FZE
2. The Financial year of the Subsidiary ended on	31st March 2011	31st March 2011
3. a i) Number of ordinary shares held by Wendt (India) Ltd in the Subsidiary Company on the above date	10,299,993	8
ii) Face value and paid up value per share	Face Value Paid up value Thai Baht 10 - Thai Baht 2.50	Face Value Paid up value 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 (000's)	Rs in (000's)
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 31 st March 2011*	25,081	(9,085)
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt (India) Ltd	27,674	(8,787)
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 31st March 2011	7,447	
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt (India) Ltd	7,187	

*Computed based on the exchange rates as on 31 st March 2011

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

APEKSHA NAGORI
Company Secretary

Consolidated Financial Statements

AUDITORS' REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF WENDT (INDIA) LIMITED AND ITS SUBSIDIARIES

1. We have audited the attached Consolidated Balance Sheet of WENDT (INDIA) LIMITED ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs.109,952,493, as at 31st March, 2011, total revenues of Rs. 95,587,706 and net cash inflows amounting to Rs.33,401,108 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 and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
 4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
 5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.
- For Deloitte Haskins & Sells**
Chartered Accountants
(Registration No.008072S)
- S. SUNDARESAN
Partner
(Membership No. 25776)
- Chennai
29th April 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. in 000's)

	Schedule	31.03.2011	31.03.2010
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	20,000	20,000
Reserves and Surplus	2	590,462	478,106
		610,462	498,106
LOAN FUNDS			
Unsecured loan	3	6,691	--
DEFERRED TAX LIABILITY (NET)			
		23,846	23,279
		640,999	521,385
APPLICATION OF FUNDS			
FIXED ASSETS			
	4		
Gross Block at cost		551,840	492,744
Less: Depreciation		211,770	179,443
Net Block		340,070	313,301
Capital Work-in-progress		18,094	17,176
		358,164	330,477
INVESTMENTS			
	5	191,853	136,384
CURRENT ASSETS, LOANS AND ADVANCES			
	6		
Inventories		109,451	80,253
Sundry Debtors		158,287	121,902
Cash and Bank Balances		57,506	27,264
Loans and Advances		36,707	29,731
		361,951	259,150
Less: CURRENT LIABILITIES AND PROVISIONS			
	7		
Current Liabilities		178,853	127,088
Provisions		92,116	77,538
		270,969	204,626
		90,982	54,524
		640,999	521,385
SIGNIFICANT ACCOUNTING POLICIES			
	12		
NOTES ON ACCOUNTS			
	13		

The schedules referred to above form an integral part of the balance sheet
In terms of our report attached For and on behalf of the Board
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

S SUNDARESAN
Partner

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in 000's)

	Schedule	31.03.2011	31.03.2010
INCOME			
Gross Sales		938,067	622,855
Less: Excise duty		67,061	36,382
Net Sales		871,006	586,473
Machining Charges		41,899	28,894
Other Income	8	19,677	19,266
		932,582	634,633
EXPENDITURE			
Raw Materials Consumed		245,960	156,069
Purchase of Traded Goods		45,152	37,016
Employees Cost	9	124,435	107,911
Other Costs	10	233,699	166,580
Depreciation / Amortisation		35,710	30,765
Interest and Finance Charges		83	22
(Accretion) / Decretion to Stock	11	(7,539)	(15,725)
		677,500	482,638
Profit before tax			
		255,082	151,995
Less: Provision for Taxation			
Current		86,160	51,779
Deferred		567	405
Profit after tax			
		168,355	99,811
Profit brought forward from previous year		83,289	76,782
Profit available for appropriation		251,644	176,593
APPROPRIATIONS			
Transfer to:			
General Reserve		35,000	35,000
Final Dividend @ 250%		50,000	50,000
Tax on dividend		8,304	8,304
Balance carried to balance sheet		158,340	83,289
		251,644	176,593
Earning per share Rs.(Basic and Diluted) (face value Rs.10/-each)		84.18	49.91
Aggregate no. of shares used for calculation of basic and diluted EPS		2,000,000	2,000,000
SIGNIFICANT ACCOUNTING POLICIES			
	12		
NOTES ON ACCOUNTS			
	13		

The schedules referred to above form an integral part of the profit and loss account.
In terms of our report attached For and on behalf of the Board
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

S SUNDARESAN
Partner

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2011

K SRINIVASAN
Director

APEKSHA NAGORI
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in 000's)

	31.03.2011	31.03.2010
OPERATING ACTIVITIES		
PROFIT BEFORE TAX	255,082	151,995
ADJUSTMENT FOR :		
Depreciation / Amortisation	35,710	30,765
Provision for doubtful debts (net of reversal)	2,872	4,033
Interest and Finance charges	83	22
Interest received	(264)	(212)
Dividend from investments	(5,871)	(10,380)
Loss on sale / scraping of Fixed assets	859	(710)
Surplus provision of previous year for expenses	(74)	(1,156)
Profit on sale of investments (Net)	(201)	(238)
Un realised exchange Loss	237	289
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	288,433	174,408
ADJUSTMENTS FOR CHANGES IN :		
Inventories	(29,198)	(23,845)
Sundry Debtors	(39,567)	(2,877)
Loans and Advances	(1,881)	1,557
Current Liabilities and Provisions	54,169	31,935
CASH FLOW FROM OPERATING ACTIVITIES	271,956	181,178
Direct Tax Paid	(75,643)	(52,733)
NET CASH FLOW (A)	196,313	128,445
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(67,426)	(68,039)
Proceeds from Sale of Fixed Assets	888	6,629
Purchase of Long Term Investments.	--	--
Sale / Redemption of Long Term Investments	--	50
Purchase of current Investments.	(436,790)	(265,190)
Sale / Redemption of current Investments	381,522	228,082
Interest Received	264	212
Dividend from Investment	5,871	10,380
NET CASH FLOW (B)	(115,671)	(87,876)
FINANCING ACTIVITIES		
Borrowing / (Repayment) of Loan	6,691	(3,853)
Interest and Finance charges	(83)	(22)
Dividend Paid (including tax thereon)	(58,304)	(30,586)
NET CASH FLOW (C)	(51,696)	(34,461)
Translation Adjustment	(D) 1,296	(4,681)
NET CASH INFLOW/(OUTFLOW) (A+B+C+D)	30,242	1,427
OPENING CASH AND CASH EQUIVALENTS E	27,264	25,837
CLOSING CASH AND CASH EQUIVALENTS F	57,506	27,264
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (F-E)	30,242	1,427

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 - Cash Flow Statements. Cash and cash equivalents include balances with scheduled banks on Dividend account Rs.2,120 (000's) (Previous year Rs.1,836 (000's)) and deposits under lien Rs 30 ('000) (Previous year Rs.30 ('000) which are available for restricted use by the Company). Previous year's figures have been reclassified / regrouped wherever necessary to facilitate comparison with those for the current year.

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

S SUNDARESAN
Partner

Chennai
29th April 2011

For and on behalf of the Board

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

APEKSHA NAGORI
Company Secretary

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORIZED		
3,000,000 Equity Shares of Rs.10/-each	30,000	30,000
	<u>30,000</u>	<u>30,000</u>
ISSUED AND SUBSCRIBED AND PAID UP		
2,000,000 (Previous year 2,000,000) Equity Shares of Rs 10/- each fully paid.	20,000	20,000
(Of the above 1,500,000 Equity shares were allotted as Bonus shares by capitalization of General and Capital Redemption Reserve)		
	<u>20,000</u>	<u>20,000</u>

SCHEDULE - 2

RESERVES AND SURPLUS

	As at 31.3.2010	Additions/ (Deletion)	As at 31.3.2011
CAPITAL RESERVE			
Capital Subsidy	2,098	--	2,098
OTHER RESERVES			
General Reserve	384,812	38,312	423,124
Translation Adjustment	7,907	(1,007)	6,900
	<u>394,817</u>	<u>37,305</u>	<u>432,122</u>
Surplus as shown in Profit and Loss account	83,289		158,340
	<u>478,106</u>		<u>590,462</u>

	31.03.2011	31.03.2010
SCHEDULE - 3		
UNSECURED LOAN		
Loan from Bank	6,691	--
	<u>6,691</u>	<u>--</u>

SCHEDULES TO CONSOLIDATED ACCOUNTS

SCHEDULE 4 FIXED ASSETS													(Rs. in 000's)
Description	Gross Block at Cost					Depreciation/Amortisation					Net Block		
	As at 1.4.2010	Additions	Deletions	Translation adjustment	As at 31.3.2011	Up to 31.3.2010	For the year	Deletions	Translation adjustment	Up to 31.3.2011	As at 31.3.2011	As at 31.3.2010	
TANGIBLE ASSETS													
Land	7,780	--	--	423	8,203	--	--	--	--	--	8,203	7,780	
Buildings	87,997	2,187	--	1,186	91,370	19,838	3,212	--	268	23,318	68,052	68,159	
Plant & Machinery	309,741	47,839	2,244	514	355,850	119,439	24,078	2,131	293	141,679	214,171	190,302	
Furniture, Fixture & Equipments	59,855	10,431	1,476	123	68,933	26,788	4,303	1,077	60	30,074	38,859	33,067	
Vehicles	12,466	600	2,128	161	11,099	4,116	1,369	893	97	4,689	6,410	8,350	
INTANGIBLE ASSETS													
Technical Knowhow	7,107	--	--	--	7,107	3,679	1,036	--	--	4,715	2,392	3,428	
ERP-Software	7,798	1,480	--	--	9,278	5,583	1,712	--	--	7,295	1,983	2,215	
TOTAL	492,744	62,537	5,848	2,407	551,840	179,443	35,710	4,101	718	211,770	340,070	313,301	
Previous year	400,683	103,458	10,461	(936)	492,744	153,431	30,765	4,525	(228)	179,443	313,301		

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	Nominal Value Rs.	No. of Units / Certificates			Value	
		As at 31.3.2010	Additions / (Sale)	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010
SCHEDULE 5						
INVESTMENTS						
CURRENT INVESTMENTS - UN QUOTED - NON TRADE						
UNITS IN MUTUAL FUND						
1 ICICI Pru -Flexible Income Plan Premium daily Dividend	100	440,521	1,422,430 (1,610,630)	252,321	26,684	46,584
2 ICICI Pru Blended Plan B-Daily Dividend-Option 1	10	--	468,783 (468,783)	--	--	--
3 ICICI Pru Blended Plan B Institutional-Daily Dividend-Option II	10	--	2,321,523	2,321,523	23,233	--
4 ICICI Pru -Long Term Floating Rate Plan B-Monthly Dividend	10	--	699,825 (699,825)	--	--	--
5 ICICI Pru -Blended Plan B- Dividend-OPTION 1	10	--	574,716 (574,716)	--	--	--
6 ICICI Pru -Interval Fund -Monthly Interval Plan I -Institutional Dividend	10	--	310,187 (310,187)	--	--	--
7 ICICI Pru -Interval Fund -Qtrly Interval Plan I-Institutional Dividend	10	--	312,232	312,232	3,122	--
8 ICICI Prudential Fund II Quarterly Interval Plan -Institutional Dividend	10	--	859,596	859,596	8,596	--
9 ICICI Prudential Interval Fund II Qly. Intl. Plan F -Inst. Div	10	--	916,331	916,331	9,163	--
10 ICICI Pru -Liquid Plan -Institutional -Dividend -daily	100	--	42,201 (42,201)	--	--	--
11 Birla Sun Life Savings Fund -Retail-Daily div-Reinvestment	10	1,266,915	5,368 (1,272,283)	--	--	12,678
12 Birla Sun Life Savings Fund -Instl. - daily div. Reinvestment	10	--	1,780,120 (1,780,120)	--	--	--
13 Birla Sun Life Floating Rate Fund -Ret.-Long Term-Daily Dividend	10	--	1,802,574 (1,802,574)	--	--	--
14 Birla Sun Life Floating Rate Fund- Retail-Long Term-Weekly Dividend	10	--	305,959	305,959	3,062	--
15 Birla Sun Life Ultra Short Term Fund- Institutional-Daily Dividend	10	--	3,753,325 (1,699,066)	2,054,259	20,554	--
16 BSL Interval Income Fund-INSTL-Quarterly-Series 1-Dividend	10	500,000	1,274,298 (506,139)	1,268,159	12,682	5,000
17 BSL Qtrly Interval Series 4 - Dividend Reinv.	10	--	502,391 (502,391)	--	--	--
18 BSL Interval Income Fund-INSTL-Qtrly-Sr 2- Div-Payout	10	2,000,000	-- (2,000,000)	--	--	20,000
19 BSL Medium Term Plan-Retail - Qtrly div-pay out	10	488,383	-- (488,383)	--	--	4,900
20 Reliance Money Manager Fund-Instl Option -Daily Dividend Plan	1000	--	18,689 (16,478)	2,211	2,214	--
21 Reliance Interval Fund-Qtly.Plan-Series I-Retail Div Plan	10	--	499,466 --	499,466	5,000	--
Total carry forward					114,310	89,162

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	No. of Units / Certificates				Value	
	Nominal	As at	Additions /	As at	As at	As at
	Value Rs.	31.3.2010	(Sale)	31.3.2011	31.3.2011	31.3.2010
Total brought forward					114,310	89,162
22 Reliance Qtrly Interval fund-Series III-inst-Div plan	10	1,840,746	837,676	2,678,422	26,794	18,413
23 Reliance Monthly Interval fund-Series II-Retail Growth plan	10	--	461,716	461,716	6,000	--
24 Reliance Medium Term fund- Daily Div plan	10	1,183,270	425,778	--	--	20,229
			(1,609,048)			
25 Reliance Money Manager Fund Retail option -Daily Dividend Plan	1000	--	10,499	--	--	--
			(10,499)			
26 IDFC Fixed Maturity Quarterly Series-59 Dividend	10	--	300,000	--	--	--
			(300,000)			
27 IDFC Fixed Maturity Plan Monthly Series-25 Dividend	10	--	301,659	--	--	--
			(301,659)			
28 IDFC Money Manager Fund - Treasury Plan A- Daily Dividend	10	--	808,982	505,101	5,086	--
			(303,881)			
29 IDFC Ultra Short Term Fund - Daily Dividend	10	--	502,768	--	--	--
			(502,768)			
30 IDFC Ultra Short Term Fund - Monthly Dividend	10	--	1,694,209	1,694,209	17,196	--
31 IDFC Savings Advantage Fund Plan A- Monthly Dividend	10	--	3,026	--	--	--
			(3,026)			
32 IDFC Savings Advantage Fund Plan A- Daily Dividend	1000	--	3,073	3,073	3,073	--
33 IDFC Fixed Maturity 100 Days Series 1-Dividend	10	--	306,006	306,006	3,060	--
34 L&T FMP -II (DECEMBER 91 D B)- Growth	10	--	700,000	--	--	--
			(700,000)			
35 L&T FMP -III (MAR 90 D B)- Dividend	10	--	700,000	700,000	7,157	--
					182,676*	127,804*
UOB Asset Management					9,177	8,580
TOTAL					191,853	136,384

* Aggregate NAV of units Rs.183,184 (000's) (31/03/2010 Rs.128,052 (000's))

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories		
Raw Materials	56,330	37,824
Work-in-progress	39,520	31,597
Finished Goods	6,301	6,685
Stores and Spares	7,300	4,147
	109,451	80,253
Sundry Debtors (Unsecured)		
Over Six Months	6,091	12,176
Considered Good	7,899	5,027
Considered Doubtful	13,990	17,203
	152,196	109,726
Other Debts - Considered Good	166,186	126,929
	7,899	5,027
Less: Provision for doubtful debts	158,287	121,902
Cash and Bank Balances		
Cash on hand	103	124
Cheques on hand	2,373	2,319
With Scheduled Banks on:		
Current Account	52,825	22,955
Deposit Account *	85	30
Dividend Account	2,120	1,836
	57,506	27,264
* Includes Rs.30 (000's) under lien with a bank (Previous year Rs.30 (000's))		
Loans and Advances:		
Unsecured - Considered Good		
Advances recoverable in cash or in kind		
or for value to be received		
Capital Advances	2,941	1,377
Other Advances	10,274	9,820
Deposits	2,770	2,548
Balance with Excise and Customs Authorities	8,243	7,037
Advance payment of Income Tax and Fringe Benefit Tax (Net of Provision)	12,479	8,949
	36,707	29,731
	361,951	259,150

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 7		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors:-		
a) Total outstanding dues to Micro Enterprises and Small Enterprises	3,684	2,405
b) Total outstanding dues to Creditors Other than Micro Enterprises and Small Enterprises	134,857	110,176
Advance from Customers	27,518	4,271
Unclaimed Dividend (Refer Note No.5 of Schedule 13)	2,120	1,836
Other Liabilities	10,674	8,400
	178,853	127,088
PROVISIONS		
For Taxation and Fringe Benefit Tax (Net of Advance Tax)	22,403	9,075
For Dividend	50,000	50,000
For Dividend Tax	8,304	8,304
For Employee Benefits	11,409	10,159
	92,116	77,538
	270,969	204,626
SCHEDULE - 8		
OTHER INCOME		
Interest from Term Deposit / other deposit *	264	212
Dividend from Investments	5,871	10,380
Commission	3,422	1,733
Sale of Scrap (net of Excise duty)	2,224	1,358
Service Charges	1,079	1,866
Technical Service Income	662	567
Profit on sale of Investments (net)	201	238
Profit on sale of Assets (net)	--	710
Bad debts recovered	46	18
Surplus provision of previous year		
For doubtful debts	806	225
For other expenses	74	1,156
Miscellaneous Income	480	803
Exchange gain (net)	4,548	--
	19,677	19,266
* Tax deducted at Source	4	8

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 9		
EMPLOYEES COST		
Salaries, Wages and Bonus	104,887	84,669
Contribution to Provident and Other Funds	6,763	7,596
Welfare Expenses	12,785	15,646
	124,435	107,911
SCHEDULE - 10		
OTHER COSTS		
Consumption of Stores and Spares	37,278	26,703
Power and Fuel	17,169	13,637
Rent	1,572	1,781
Rates and Taxes	5,188	3,998
Insurance	1,839	1,665
Repairs to:		
Building	5,235	2,609
Machinery	9,998	6,732
Other Assets	2,463	1,026
	17,696	10,367
Royalty	16,471	10,953
Processing Charges	48,352	29,527
Directors' Sitting Fees	260	360
Auditors' Remuneration		
Audit Fees	872	634
Tax Audit Fees	100	100
For Other Services	100	227
For Reimbursement of Expenses	143	92
	1215	1053
Bank Charges	2,623	2,399
Service Fee	11,950	8,215
Travel and Conveyance	18,581	15,329
Freight outward and packing Charges (Net)	8,992	4,968
Selling Commission	3,177	1,089
Communication Expenses	2,984	2,659
Bad debts written off	178	1,940
Less: Transferred from Provision	131	769
	47	1,171
Provision for doubtful debts	3,809	5,027
Professional charges	2,803	1,319
Publicity	2,226	1,865
Sales Expenses	8,909	5,409
Office and General Expenses	2,773	1,908
Research and Development Expenses	6,192	5,666
Contribution to Research Institution	200	200
Miscellaneous Expenses	11,393	9,312
	233,699	166,580

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE - 11		
(ACCRETION) / DECRETION TO STOCK		
Opening Stock:		
Work-in-progress	31,597	19,004
Finished Goods	6,685	3,553
	38,282	22,557
Closing Stock:		
Work-in-progress	39,520	31,597
Finished Goods	6,301	6,685
	45,821	38,282
(ACCRETION) / DECRETION TO STOCK	(7,539)	(15,725)
Includes Excise Duty Differential*	36	(354)

*Represents excise duty relating to difference between the opening and closing stock of finished goods. The excise duty shown as deduction from sales in the profit and loss account represents excise duty on sales during the year.

SCHEDULE 12

SIGNIFICANT ACCOUNTING POLICIES TO CONSOLIDATED ACCOUNTS OF WENDT INDIA LTD WITH ITS SUBSIDIARIES

1 BASIS OF CONSOLIDATION:

a Preparation of Accounts

The consolidated financial statements are prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" as notified under the Companies (Accounting Standards) Rules 2006.

b Principles of Consolidation

The Consolidated financial statements comprise the financial statements of Wendt (India) Ltd (the Holding Company) and its Subsidiaries. The financial statements of all the Companies are in accordance with the Generally Accepted Accounting Principles in India. The effects of Inter-Company transactions are eliminated on consolidation.

c Companies included in Consolidation

Sl. No	Name of the Subsidiary	Country of Incorporation	Ownership Proportion	
			31.03.2011	31.03.2010
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%

2 ACCOUNTING CONVENTION:

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The said financial statements comply with the relevant provisions of the Companies Act, 1956 (the Act) and the mandatory Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules 2006, to the extent applicable.

SCHEDULES TO CONSOLIDATED ACCOUNTS

3 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results may vary from these estimates.

4 FIXED ASSETS:

- Fixed assets are stated at original cost (net of CENVAT / VAT wherever applicable) including expenses related to acquisition and installation. Borrowing costs are capitalized as part of qualifying fixed assets when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.
- 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.
- Depreciation is provided, on all depreciable assets, except intangible assets, on a straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.
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.
- Intangible Assets are amortized over a period of 5 years or based on the period of usage / licence, whichever is less.
- Individual assets costing less than Rs.5000 each are depreciated in full in the year of acquisition.
- A) In the case of the Subsidiary Company 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

- Building 20
- Machine & Equipment, Tools, Furniture & Fixture, Vehicles 5

B) In the case of the Subsidiary Company 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

- Plant and Machinery 4
- Lease hold improvements 4
- Furniture and Fixtures 3
- Computers 3

5 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.

6 INVENTORIES:

- Finished Goods and work-in-progress are valued at lower of cost or net realizable value. Cost comprises of materials, labour and an appropriate proportion of production overheads and excludes interest, selling and distribution expenses. Material cost is computed on weighted average basis.

SCHEDULES TO CONSOLIDATED ACCOUNTS

- b Raw materials, stores and spares are valued at lower of cost or net realizable value. Cost computed on weighted average basis includes freight, taxes and duties net of CENVAT / VAT credit, wherever applicable.

7 REVENUE RECOGNITION:

- a Revenues are recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses. Revenue from Sale of goods are recognised on despatch of goods. Sales are accounted net of sales tax / VAT, discounts and returns as applicable.
- b Export Benefits under Advance licence scheme are recognized on accrual basis on completion of export obligation.
- c Dividend income on investments is accounted for when the right to receive the payment is established

8 EMPLOYEE BENEFITS:

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits including accumulated compensated absences are determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis.

LONG TERM COMPENSATED ABSENCES

Accumulated Compensated absences which falls 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 Profit and Loss Account on an accrual basis.

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 Plans

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 there of is paid and absorbed in the profit and loss account at the year end. Actuarial Gains and losses arising during the year are recognised in the Profit and Loss Account immediately.

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

9 LEASES:

Leases executed on or after April 1, 2001 have been classified and accounted as per the requirements in Accounting Standard 19 – Leases.

10 INCOME TAX:

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 judgement that realization is more likely than not. Deferred tax assets and

SCHEDULES TO CONSOLIDATED ACCOUNTS

liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be received or settled. The effect on deferred tax assets and liabilities arising from change in tax rates is recognized in the income statement in the period of enactment of the change.

11 FOREIGN CURRENCY TRANSACTIONS:

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 profit and loss account.

Exchange differences arising on actual payments / realizations and year end restatements are dealt with in the profit and loss account.

12 RESEARCH AND DEVELOPMENT:

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on Research and Development is included in fixed assets and depreciated in accordance with the depreciation policy of the company.

13 PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when an enterprise has a present obligation as a result of past event, 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.

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to accounts.

14 SEGMENT REPORTING

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

- 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"

15 IMPAIRMENT OF ASSETS:

At each balance sheet date, the carrying values of the tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where there is an indication that there is a likely impairment loss for a group of assets, the Company estimates the recoverable amount of the group of assets as a whole, and the impairment loss is recognised.

16 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.

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
SCHEDULE 13		
NOTES ON ACCOUNTS		
A		
1 Contingent Liability not provided for:		
a) Disputed income tax demands under appeal	5,932	5,932
The company has received favourable orders from the Commissioner of Income Tax (Appeals) (CIT-A) in respect of two assessment years, however the department is in appeal with the Income Tax Appellate Tribunal. In respect of one assessment year, the Company has received a favourable order from CIT-A but the order giving effect to the CIT -A order is yet to be received by the Company.		
The said amounts has been arrived at based on the assessment order 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.		
b) Guarantees given by Company's Bankers	18,551	6,313
c) Bills Discounted	9,065	1,990
2 The Company is having 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.		
3 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs. 2,941(000's) -previous year Rs. 1,377(000's))	76,021	29,555
4 Notes relating to Lease		
a) Office Equipment & Vehicle	860	860
Cost of leased assets		
b) Net carrying amount as on 31-3-11 (written down value)	--	24
c) Reconciliation between total minimum lease payments and their present value :		
Total minimum lease payments as on 31-3-2011	--	42
Less- Future liability on interest account	--	6
Present value of lease payments as on 31-3-2011	--	36
d) Year wise future minimum lease rental payments on contracts entered after 1-04-2001		
	Total Minimum Lease payments as on 31-3-2011	Present value of Lease payments as on 31-3-2010
		Total Minimum Lease payments as on 31-3-2011
		Present value of Lease payments as on 31-3-2010
i) Not later than one year	NIL	NIL
		42
		36

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2011	31.03.2010
5 The unclaimed dividend of Rs. 2,120 (000's) represents those relating to the years 2004 to 2010 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 & Protection Fund.		
6 Earning per share (EPS) is calculated as under		
a) Numerator - Net profit for the year	168,355	99,811
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
Earning per share (in rupees) Basic and diluted	84.18	49.91
7 Deferred Tax		
7.1 Notes		
Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on Income " as detailed below.		
7.2 Details		
	Deferred Tax (Asset) / Liability as on 1-4-2010	Current year Charge / (Credit)
a Difference between book and tax depreciation	28,439	2,492
b Others	(169)	(557)
c Provision for doubtful debts	(1,949)	(953)
d Leave salary provision	(3,042)	(415)
Net Total	23,279	567
8 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) Parties having significant influence with whom transactions have taken place during the year		
a Carborundum Universal Limited (CUMI)		
b Wendt GmbH Germany		

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

Transaction with related parties

Particulars	Parties having significant influence	
	10-11	09-10
Purchase of Capital Goods		
Wendt GmbH	10,360	1,584
Other Purchases		
Wendt GmbH	52,668	33,636
Carborundum Universal Limited	8,530	21,066
Sale of Goods		
Wendt GmbH	52,186	39,753
Carborundum Universal Limited	19,235	14,871
Payment of Service Fee & Commission		
Carborundum Universal Limited	12,027	8,318
Payment of Royalty & Technical Fee		
Wendt GmbH	15,934	10,953
Payment of Dividend		
Carborundum Universal Limited	19,934	7,974
Wendt GmbH	19,934	7,974
Service Charges, Commission & Interest receipts		
Wendt GmbH	3,422	1,733
Reimbursement of Expenses Paid		
Wendt GmbH	-	71
Carborundum Universal Limited	634	610
Reimbursement of Expenses Received		
Wendt GmbH	180	31
Carborundum Universal Limited	237	660
Amount due From		
Wendt GmbH	7,926	3,917
Carborundum Universal Limited	1,986	2,901
Amount due to		
Wendt GmbH	28,181	17,112
Carborundum Universal Limited	18,245	13,381

- 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.

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

9 Employee Benefits

I Defined Contribution Plans

- a. Provident Fund
b. Superannuation Fund
c. Employers' Contribution to Employee's State Insurance
d. Employers' Contribution to Employee's Pension Scheme 1995.

During the year, the Company has recognized the following amount in the Profit and Loss Account-

	31.3.2011	31.3.2010
Employers Contribution to Provident Fund *	2,030	1,621
Employers' Contribution to Superannuation Fund *	2,419	2,127
Employers' Contribution to Employee's State Insurance	419	193
Employers' Contribution to Employee's Pension Scheme 1995 *	1,222	1,167

* Included in Contribution to provident and other funds (Refer Schedule 9)

II Defined Benefit Plan

a) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2011	31.03.2010
Discount Rate	8% p.a.	8% p.a.
Salary Escalation Rate	8% p.a.	8% 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.

A) Change in Present Value of Obligation :-

Particulars	31.03.2011	31.03.2010
Present Value of Obligation as at beginning of the year	12,942	9,412
Current Service Cost	995	700
Interest cost	1,035	753
Benefits Paid	(724)	Nil
Net Actuarial Losses / (Gains) Recognized in the Year	(93)	2,077
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailements & Settlements"	Nil	Nil
Closing Present Value of Obligations	14,155	12,942

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

B) Change in the Fair Value of Assets

Particulars	31.03.2011	31.03.2010
Opening Fair Value of Plan Assets	13,985	10,894
Expected Return on Plan Assets	1,264	1,043
Actuarial Gains / (Losses)	Nil	Nil
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	393	2,048
Assets Acquired due to Acquisition	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	(724)	Nil
Closing Fair Value of Plan Assets	14,918	13,985

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

Particulars	31.03.2011	31.03.2010
Closing Present Value of Funded Obligations	14,155	12,942
Closing Fair Value of Plan Assets	14,918	13,985
Closing Funded Status	763	1,043
Unrecognized Actuarial (gains) / losses	Nil	Nil
Net Asset / (Liability) recognized in Balance Sheet	763	1,043

D) Amount recognized in the Balance Sheet

Particulars	31.03.2011	31.03.2010
Closing Present value of obligations	14,155	12,942
Closing Fair Value of plan assets	14,918	13,985
Net Asset / (Liability) recognized in Balance Sheet	763	1,043

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

E) Expenses recognized in the Profit & Loss Account

Particulars	31.03.2011	31.03.2010
Current Service Cost	995	700
Past Service Cost	Nil	Nil
Interest Cost	1,035	753
Expected Return on Plan Assets	(1,264)	(1,043)
Actuarial Losses / (Gain)	(93)	2,077
Losses / (Gains) on "Curtailements & Settlements"	Nil	Nil
Total Expenses to be recognized in the Profit & Loss Account	673	2,487

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

Particulars	31.03.2011	31.03.2010
Others (insurer managed funds)*	100%	100%

* The details with respect to the composition of investments in the fair value of plan assets have not been disclosed in the absence of the aforesaid information.

b) Long Term Benefit Plan (Leave Encashment)

Assumptions at the Valuation Date:

Particulars	31.03.2011	31.03.2010
Discount Rate	8.05% p.a.	7.75% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% 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	31.03.2011	31.03.2010
Charge in the profit and loss account	1,250	(124)
Liability as at the year end	11,409	10,159

SCHEDULES TO CONSOLIDATED ACCOUNTS

10 Foreign Currency Exposure as at March 31, 2011, that have not been hedged by a derivative instrument or other wise (Rs. in 000's)

Particulars	31.3.2011				31.3.2010				Currency
	Amount AED	Amount Thai Baht	Amount INR	Amount (Foreign Currency)	Amount AED	Amount Thai Baht	Amount INR	Amount (Foreign Currency)	
Due to									
- Creditors against Import of goods and Services	--	--	24,981	552	--	--	22,686	497	USD
	--	13,106	19,400	--	--	7,973	11,168	245	USD
	397	--	4,813	--	515	--	6,313	140	USD
	--	--	31,984	499	--	--	19,305	314	EUR
	--	--	1,175	16	--	--	96	1	GBP
	--	--	--	--	--	--	166	4	CHF
Due from									
- Debtors (includes Loan)	--	--	11,600	262	--	--	17,209	385	USD
	--	--	12,806	205	--	--	6,551	110	EUR
	--	--	4,070	57	--	--	1,974	29	GBP

11 SEGMENT DISCLOSURE

A) PRIMARY SEGMENT INFORMATION

Notes on Segment Information

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

a) Super Abrasives & 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.

2) Segment assets, Segment liabilities and fixed Assets used in 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 related to total carrying amount of segment assets, liabilities and fixed assets have not been given.

(Rs. in 000's)

1. Segment Revenue	2010-11	2009-10
a) Super Abrasives	686,222	520,092
b) Machines, Accessories and Components	226,683	95,275
Total	912,905	615,367
Less:- Inter Segment Revenue	--	--
Net sales/Income From Operations	912,905	615,367
2. Segment Results (Profit) (+) / Loss (-) before Tax and Interest		
a) Super Abrasives	191,665	126,500
b) Machines, Accessories and Components	73,304	31,933
Total	264,969	158,433
Less: (i) Interest	83	22
(ii) Other Un-allocable Expenditure net off Un-allocable income of Rs.22,724 (31.3.2010 Rs.22,165)	9,804	6,416
(iii) Income tax	86,727	52,184
Profit after Tax	168,355	99,811

SCHEDULES TO CONSOLIDATED ACCOUNTS

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical market

(Rs. in 000's)

Particulars	31.3.2011	31.3.2010
India	672,715	436,793
Europe	89,007	68,639
Others	151,183	109,935
Total Revenues	912,905	615,367

12 Disclosure of Information Relating to Subsidiary Companies (Vide General Circular No 2/2011 dated 08.02.2011 issued by Ministry of Corporate Affairs).

(Rs. in 000's)

	Wendt Grinding Technologies Ltd		Wendt Middle East FZE	
	31-3-2011	31-3-2010	31-3-2011	31-3-2010
Capital	38,115	36,068	14,564	11,043
Reserves and Surplus	40,177	19,532	(17,551)	(9,600)
Total Liabilities**	102,859	69,459	10,650	8,844
Total Assets***	102,859	69,459	10,650	8,844
Details of Investments	9,177	8,580	--	--
Turnover	101,682	63,713	11,346	2,310
Profit Before Taxation	36,533	15,272	(8,964)	(8,792)
Provision for Taxation	10,660	4,952	--	--
Profit After Tax	25,873	10,320	(8,964)	(8,792)
Proposed Dividend	7,578	7,187*	--	--

* Dividend paid ** Total Liabilities include : Unsecured loan, Current Liabilities and Provisions and Deferred Tax Liability. *** Total Assets include: Net Fixed Assets, Investments, Current Assets and Loans and Advances.

The above information is given pursuant to the requirement of granting exemption under sub section (8) of Section 212 of the Companies Act, 1956. This information is prepared by the management and has not been subjected to audit.

13 The figures relating to subsidiaries have been reclassified wherever necessary to conform with the presentation of the holding company's financial statements.

14 Previous year's figures have been reclassified / regrouped wherever necessary to facilitate comparison with those for the current year.

Signatures to Schedules 1 to 13

For and on behalf of the Board

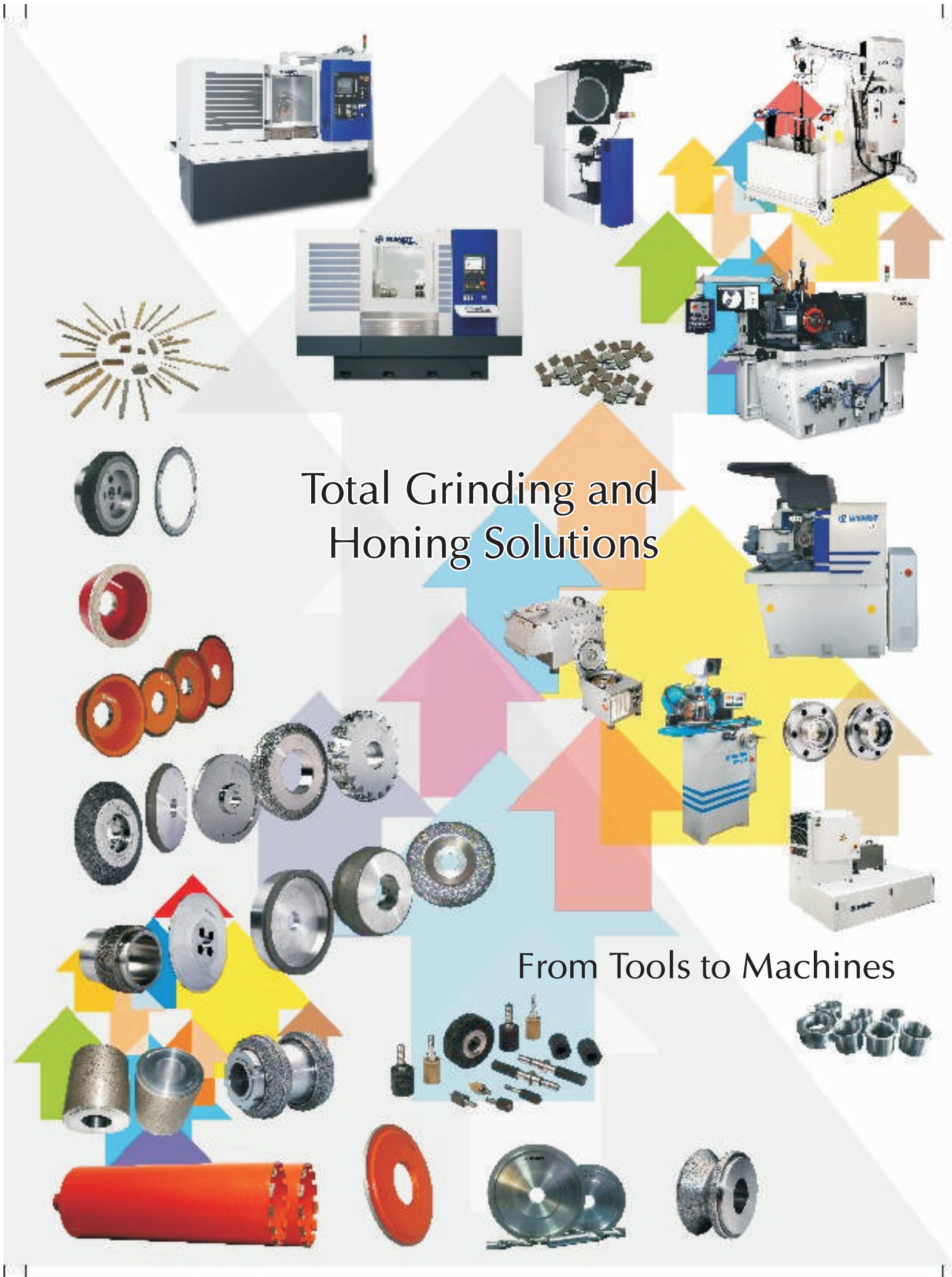
M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

K SRINIVASAN
Director

Chennai
29th April 2011

APEKSHA NAGORI
Company Secretary



Total Grinding and
Honing Solutions

From Tools to Machines

Water is Extremely Precious.
Let us Conserve it.



Rain Water harvesting at WENDT



Water Treatment Plant at WENDT

This drop of Water is the Elixir of Life. Sadly in the race of progression, man has little concern to conserve it. Vast bodies of Water, be it rivers or lakes are being polluted by Industrial discharge.

At WENDT we ensure Effluent from our manufacturing lines is treated in a state-of-the-art zero-discharge water treatment plant and re-used. Precious rain water is harvested and conserved to re-charge the soil.

At WENDT we strive to do our bit. We honestly do...





Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Wendt (India) Limited will be held on Wednesday, 27th July, 2011 at 04.00 PM at Bharathiya Vidya Bhavan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2011 and the Balance Sheet as at that date together with the report of Directors and Auditors thereon.
2. To declare Dividend.
3. To elect a Director in place of Shrinivas G Shirgurkar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to fix their remuneration.

NOTES

1. As per Clause 49 of the Listing Agreement with the Stock Exchanges, the brief resume, functional expertise of the Director proposed for re-appointment are furnished below along with details of Companies in which he is a Director and the Committees of which he is a Member.

Particulars	Shrinivas G Shirgurkar
Date of Birth	08 th April 1948
Date of Appointment	17 th April 2006
Qualification	BE (Mechanical)
Experience in specific functional areas	In 1970, he started his career as a Machine Tool designer and in 1979 set up Ace Designers as a partnership firm offering machine tool design consultancy. Now he is the Managing Director of Ace Designers Ltd which is one of the largest manufacturers of CNC turning machines in India, with a market share of over 40%
Directorships held in other Companies (public and private) other than Wendt	Ace Manufacturing Systems Limited, Ace Multi Axes Systems Limited, Auto CNC Machining Private Limited, Micromatic Machine Tools Private Limited.
Board Committees (Member/ Chairman) other than Wendt	Nil

2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. **Proxy form, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxy, form submitted on behalf of the Limited Companies, Societies, Partnership Firms, etc. must be supported by appropriate resolution/authority as applicable, issued on behalf of the nominating organization.**
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting to avoid inconvenience.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July 2011 to 27th July 2011 (both days inclusive). The dividend on the Equity shares, as recommended by the Board of Directors, subject to the approval of the Members in the Annual General Meeting, will be paid to all the members whose names appear in the Register of Members on 27th July 2011 in respect of Physical shares. In respect of the dematerialized shares, the dividend will be paid to the beneficial owner of the shares whose names appear in the statement of the beneficial ownership, furnished by the NSDL & CDSL.



The Members desiring to avail the facility of receipt of dividend through Electronic Clearing System (ECS) are requested to fill up the Form ("ELECTRONIC CLEARING SERVICE MANDATE FORM") annexed to this Annual Report and send back as mentioned therein.

5. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
6. Members are requested to note that dividend not encashed or claimed within seven years from the Company's Unpaid Dividend Account, will be transferred, as per Section 205A of the Companies Act, 1956, to the Investor Education & Protection Fund (IEPF). The detail of Unpaid/ Unclaimed dividend which shall be transferred to IEPF during the year 2011-12 is as follows:

Financial Year	Date of declaration of Dividend	Last date of Claiming Dividend	Proposed date for transfer to IEPF
2003-04	30th July 2004	4th August 2011	4th September 2011

Members who wish to claim dividends, which remain unclaimed are requested to correspond either with the Company Secretary at the Company's registered office or the Company's Registrar and Share Transfer Agent M/s Karvy Computershare Pvt. Limited., Karvy House, Plot No. 17-24, Vitalrao Nagar, Madhapur, Hyderabad-500 081

7. Share holders holding shares in physical form are requested to intimate the following to the Company's Registrar and Share Transfer Agents, M/s Karvy Computershare Private Ltd., Plot Nos 17-24, Vitalrao Nagar, Madhapur, Hyderabad – 500 081
 - a) Full bank particulars to enable the same to be incorporated in the dividend warrant
 - b) Change, if any, in their address immediately.
 - c) Apply for consolidation of folios, if shares are under multiple folios.
 - d) Quote ledger folio numbers, in all their correspondence.
 - e) Request for nomination forms for making nomination as per amended provisions of the Companies Act, 1956.
8. Members or Proxies should bring the Attendance Slip duly filled in for attending the meeting.
9. Members are requested to quote their registered folio no. or demat account no. and Depository Participant (DP) ID number on all correspondence with the Company.
10. Members are requested to register their email addresses and intimate changes in the email addresses from time to time with the Company / Registrar & Share Transfer Agent, so as to enable to serve the documents to the shareholders through electronic mode.
11. Shareholders desiring any information on the accounts are requested to write to the Company at least one week before the meeting date.

By order of the Board
For Wendt (India) Limited

Chennai
1st July 2011

M M Murugappan
Chairman

The Company Law Board (CLB), Chennai Bench has vide its interim order dated 18th January 2011 directed the Company to take its prior permission for convening any shareholders meeting. Accordingly the Company has vide CLB order dated 1st July 2011 received the approval for convening the 29th Annual General Meeting and consequently the notice has been issued as of this date.



WENDT (INDIA) LIMITED

Regd. Office: Flat No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore – 560 047.

21st June 2011

Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular no. 17/2011 dated 21st April 2011 and circular no. 18/2011 dated 29th April 2011, announced a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies and contributing towards a Greener environment. In terms of the said circular, service of notice/documents by company to its shareholders which are required to be made under the provisions of the Companies Act, 1956 can be done through the electronic mode to the registered email addresses of the shareholders.

Advantages of registering for e-communication:

- Receive communication promptly
- Avoid loss of document in postal transit
- Reduce paper consumption and save trees
- Eliminate wastage of paper
- Save costs on paper and on postage

With a view to lending strong support to this environment friendly initiative of the Ministry of Corporate Affairs, the Company proposes to send documents such as Notice of the Annual General Meeting, Auditor's Report etc., henceforth to all its esteemed shareholders, including your good self in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail id to the following email id - cs.wendt@karvy.com quoting your folio number/DP ID- Client ID. Alternatively, you may also write to our Registrar and Share Transfer Agent at the following address:

Karvy Computershare Private Limited
Unit: Wendt (India) Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad- 500081

Please note that as a member of the Company, you will be entitled to receive all such communications in physical form, free of cost, upon request.

We expect to receive your support and co-operation in this initiative.

Thanking you,

Yours faithfully,
For **Wendt (India) Limited**

Apeksha Nagori
Company Secretary

Note: Shareholder(s) are requested to keep the Company/ Registrar and Share Transfer Agent informed as and when there is any change in the e-mail address.



WENDT (INDIA) LIMITED

ATTENDANCE SLIP

Registered Office: No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore-560047

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBER OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING. PLEASE NOTE THAT CHILDREN WILL NOT BE ALLOWED INSIDE THE MEETING HALL.

FOLIO NO / CLIENT ID & DP ID NO:
NAME AND ADDRESS

I hereby record my presence at the Twenty Ninth ANNUAL GENERAL MEETING held at Bharathiya Vidya Bhavan, Race Course Road, Bangalore – 560 001 at 4.00 PM on Wednesday the 27th July 2011.

SIGNATURE OF THE SHARE HOLDER / PROXY *

* Strike out which ever is not applicable



WENDT (INDIA) LIMITED

PROXY

Registered Office: No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore-560047

FOLIO NO / CLIENT ID & DP ID NO:

I / we ofbeing a member / Members of WENDT (INDIA) LIMITED here by appoint of or failing him of as my / our our PROXY to attend and vote for me / us and on my / our behalf at the TWENTY NINTH ANNUAL GENERAL MEETING of the company to be held at 4.00 PM on Wednesday the 27th July 2011 and at any adjournment thereof.

Dated this day of of 2011

Signed by the said

NOTE: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

FORMS RECEIVED BY THE REGISTRAR/ DP ON OR BEFORE 22 ND JULY 2011 SHALL BE CONSIDERED FOR ECS CREDIT WHILE EFFECTING DIVIDEND PAYMENT FOR THE YEAR 2010-11. IN CASE OF FORMS RECEIVED AFTER 22 ND JULY 2011 DIVIDEND SHALL BE PAID THROUGH PHYSICAL WARRANTS FOR THE YEAR 2010-11.

(In case of Physical Holding)

To
Karvy Computershare Private Ltd
(Unit : Wendt (India) Limited)
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad 500 081

(In case of Electronic Holding)

To
The Depository Participant Concerned

Dear Sirs,

(Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY)

For Shares held in physical Form

Regd. Folio No.

For Shares held in electronic Form

DP ID	
CLIENT ID	

Name of First holder	
Bank Name	
Branch Name	
Branch Code	
	(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank). Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch and code number.

Account Type	Savings		Current		Cash Credit	
--------------	---------	--	---------	--	-------------	--

Ledger No./Ledger Folio No.	
-----------------------------	--

A/c No. (as appearing in the cheque book)																	
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Effective date of this mandate	
--------------------------------	--

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Wendt India Limited or Karvy Computershare Private Ltd responsible.

I further undertake to inform the Company any change in my Bank/ Branch and Account Number.

Name of First holder: _____
Place: _____
Date: _____

Signature of First holder