



## WENDT GRINDING TECHNOLOGIES LIMITED

### DIRECTORS REPORT

The Directors are pleased to present the ninth Annual Report and Audited Accounts for the year ended March 31st 2014.

#### Key Financial Summary -:

	31/3/2013	(INR in lacs) 31/03/2014
Sales	1108	1398.25
Other Income	17	26.2
Total Sales	1125	1424.25
Profit Before Tax (PBT)	292	261.19
PBT%	26%	18.39%
Provision for current tax	72	55.24
Profit after tax (PAT)	219	205.95
PAT %	20%	14.5%

#### Business Operations.-:

Our wholly-owned subsidiary WGTL has once again put up a remarkable performance by exceeding the planned figures despite continued industrial slowdown and political unrest.

Today WGTL is above Rs.140 Million Company delivering consistent results year-on-year for last 8 years despite ever increasing challenges & various odds.

During this challenging year, your Company faced numerous challenges like Auto industry business declined with completion of first car scheme, further old competitor dropped prices by 30% to reenter the market having direct effect on our sales resulting in 23% drop in reprofiling sales.

Besides Auto & auto ancillary, many customers could not regain especially in electronic segment & white good appliances, while various other customers operated at 50-60% levels with export deeply affected with Europe, Japan & USA continued recession, coupled with economic & political challenges in Thailand.



## WENDT GRINDING TECHNOLOGIES LIMITED

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However, with clear strategy to increase product & customer basket, your company generated additional business worth USD 1.0 Million to compensate this imminent drop to ensure sustainable growth during this most challenging year.

Clear & focused strategy along with various Business process improvements, your company had taken various proactive actions to counter the costs like efforts required to keep a fine balance between employee cost/fixed cost, marketing cost to gain new business ensuring sustainable & profitable growth!

Your Company maintained leadership position in reprofiling market segment in Thailand. Clear focus on increasing product & customer basket for traded products yielded very good results. This has helped your company to compensate 28% drop in reprofiles sales with over 40% increase in trading sales. Over all your Company could grow by another 27% during the financial year, despite all odds.

Your company also focused to grow export business to Vietnam & Japan with a clear focus on existing Japan group companies & strong products. Your company has achieved 38% growth in export business during the year.

With clear processes in place along with various Business Process Improvements to keep strict cost controls, increased product basket de-risking the business and enhanced understanding of market/region with a clear focus on high contribution products & effective supply chain management.

Further Your Company continues striving hard with a clear focus on the businesses with industries like Glass, Automobile, Steel, Auto parts, Wood, Furniture and construction industry. At the same time, your Company is increasing product basket to existing customers from above industries to optimize efforts/opportunity available and improve net realization.

Your company also launched Industrial ceramic products to become the pioneer in Thailand market, catering to cement & coal power industry. It has completed various projects with 2<sup>nd</sup> biggest cement plant in Thailand & has identified various new applications to ensure consistent growth. Your company has also taken this success to other cements plants to generate enquiries & ensure consistent growth.

Your company has also launched precision tubes to cater to auto & auto ancillary. We could get 100% market share for 1 item from 2<sup>nd</sup> biggest shock absorber plant in Thailand. Your company has also generated many new RFQ to ensure growth. Your company also evaluating project to ensure local value addition for precision tubes.



## **WENDT GRINDING TECHNOLOGIES LIMITED**

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Sustaining this growth, your company is looking ahead with another consistent growth for the next financial year. During this difficult year, your company clear focus on high contribution products, increased product basket to existing customers enhancing net product realization would result in sustainable & profitable growth.

Further, your Company is embarking on building and nurturing, business partners and customers to build this business with a long term prospective. At the same time, exploring opportunity to extend this service facility to other countries.

Further, working towards becoming a proffered Supplier, attaining the leadership position in field of grinding solutions!

Your Company also participated in two exhibitions in Thailand with a clear focus on improving brand image, building customer trust & increasing market reach. Your Company also developed local advertising materials & further conducted technical seminars with identified customers & channel partners and organized sales meets to build product awareness, customer trust & brand image.

Your Company has also identified projects for future expansion as well. Company would make further survey necessary along with feasibility study to finalize during the next financial year to keep up the growth path.

During the year, your Company revalidated "ISO9001-2008" certificate valid till 2015 with strong recommendation from "TUV NORD"

### **HUMAN RESOURCE -:**

Your Company focused on its Employee motivation & Total involvement, through series of training programs and brain storming sessions. This was done to build a cohesive, lean and effective team. Multi skilling of employees was promoted and encouraged to enhance individual as well as organizational value. Company continues to focus on recruit personnel with relevant adequate talent & positive attitude and focus on developing required skills with proper job orientation & on job training program.

During the year Company have maintained modest strength of 11 employees and plans to increase strength marginally to meet next year business plan & future growth.

### **DIRECTORS -:**

As per law and Company's Articles of Association one third of the Directors will retire by rotation at its Annual General Meeting. During the ninth Annual General Meeting Mr. J H Sastry, retires by rotation and being eligible, offers himself for re-appointment.





**WENDT GRINDING TECHNOLOGIES LIMITED**

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**AUDITORS :-**

Mr. Varanon Trathong was appointed as our Auditor of the Company and shall retire at the conclusion of the Annual General Meeting. Since he is being eligible for appointment, he offers himself for reappointment.

**ACKNOWLEDGMENT :-**

The Board of Directors record their appreciation for the excellent work done by the WGTI team and for the co-operation and guidance extended by Wendt India Ltd and it's Associates and group Companies .The Board of Directors also thanks the Government Departments , IEAT , United Overseas Bank (formerly Bank of Asia) M/s Deloitte Touche Tohmatsu Jaiyos Co., Ltd , Customers , Suppliers and Employees for the Continued Support and Co-operation.

**Bangkok**

**17<sup>th</sup> April 2014**

A handwritten signature in black ink, appearing to read "Rajesh Khanna", with a large loop at the start.

**RAJESH KHANNA**

**AUTHORISED DIRECTOR**

## INDEPENDENT AUDITOR'S REPORT

To Shareholders of WENDT GRINDING TECHNOLOGIES LIMITED

I have audited the accompanying financial statements of WENDT GRINDING TECHNOLOGIES LIMITED, which comprise the statement of financial position as at March 31, 2014, and the statement of income and statement of changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (NPAEs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinion*

In my opinion, the financial statements present fairly, in all material respects, the financial position of WENDT GRINDING TECHNOLOGIES LIMITED as at March 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (NPAEs).



(Varanon Trathong)

Certified Public Accountant (Thailand)

Registration No. 6886

April 17, 2014

Bangkok

WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014 AND 2013

	Note	2014	2013	2014	2013
		Baht	Baht	Rs.	Rs.
SHAREHOLDERS' EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Share capital	2	25,750,000.00	25,750,000.00	47,714,750.00	47,714,750.00
Reserve and surplus	3	50,415,601.42	51,948,955.08	93,420,109.43	96,261,413.76
Total shareholders' equity		76,165,601.42	77,698,955.08	141,134,859.43	143,976,163.76
LIABILITIES					
Current liabilities					
Trade payables	4	17,379,545.86	8,028,853.80	32,204,298.48	14,877,466.09
Other current liabilities	5	1,054,212.60	1,291,449.12	1,953,455.95	2,393,055.22
Short-term provisions	6	859,478.23	1,750,839.87	1,592,613.16	3,244,306.28
Total current liabilities		19,293,236.69	11,071,142.79	35,750,367.59	20,514,827.59
Total liabilities		19,293,236.69	11,071,142.79	35,750,367.59	20,514,827.59
Total liabilities and shareholders' equity		95,458,838.11	88,770,097.87	176,885,227.02	164,490,991.35

Significant accounting policies 1

Additional information to financial statements 23

See accompanying notes forming part of the financial statements

Bangkok, Thailand

April 17, 2014

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2014 AND 2013

	Note	2014	2013	2014	2013
		Baht	Baht	Rs.	Rs.
<b>ASSETS</b>					
Non - current assets					
Fixed assets					
Tangible assets	7	17,335,120.47	16,954,285.73	32,121,978.23	31,416,291.46
Intangible assets	8	1,638.44	9,691.70	3,036.03	17,958.72
Other non current asset	9	100,000.00	100,000.00	185,300.00	185,300.00
Total non - current assets		17,436,758.91	17,063,977.43	32,310,314.26	31,619,550.18
Current assets					
Current investments	10	32,530,397.22	21,903,617.42	60,278,826.05	40,587,403.08
Inventories	11	12,018,083.91	5,200,970.50	22,269,509.49	9,637,398.34
Trade receivables	12	5,622,057.65	5,981,387.60	10,417,672.83	11,083,511.22
Cash and cash equivalents	13	27,259,556.97	38,055,284.33	50,511,959.07	70,516,441.86
Short term loans and advances	14	362,622.89	549,141.35	671,940.22	1,017,558.92
Other current assets	15	229,360.56	15,719.24	425,005.12	29,127.75
Total current assets		78,022,079.20	71,706,120.44	144,574,912.76	132,871,441.18
Total assets		95,458,838.11	88,770,097.87	176,885,227.02	164,490,991.35
Significant accounting policies					
	1				
Additional information to financial statements					
	23				
See accompanying notes forming part of the financial statements					

Bangkok, Thailand

April 17, 2014

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WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENT OF INCOME

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

	<u>Note</u>	2014	2013	2014	2013
		Baht	Baht	Rs.	Rs.
<b>REVENUES</b>					
Revenue from operations	16	72,892,266.10	62,513,761.27	135,069,369.08	115,837,999.63
Other income	17	817,213.12	946,651.94	1,514,295.91	1,754,146.04
Total revenues		73,709,479.22	63,460,413.21	136,583,664.99	117,592,145.68
<b>EXPENSES</b>					
Purchase of stock in trade and supplies	18	49,548,038.66	30,317,130.21	91,812,515.64	56,177,642.28
Changes in stock in trade and supplies	19	(5,400,310.21)	1,282,319.93 -	10,006,774.82	2,376,138.83
Employee benefit expenses	20	7,583,456.39	7,077,066.67	14,052,144.69	13,113,804.54
Finance costs	21	130,931.43	110,260.20	242,615.94	204,312.15
Depreciation and amortization	7&8	1,887,416.29	1,938,047.86	3,497,382.39	3,591,202.68
Other expenses	22	5,744,799.95	5,451,908.82	10,645,114.31	10,102,387.04
Total expenses		59,494,332.51	46,176,733.69	110,242,998.14	85,565,487.53
Profit before income tax expense		14,215,146.71	17,283,679.52	26,340,666.85	32,026,658.15
Current income tax expense		2,883,015.07	4,119,230.08	5,342,226.92	7,632,933.34
Net profit for the year		11,332,131.64	13,164,449.44	20,998,439.93	24,393,724.81
Basic earnings per share					
		1.10	1.28	2.04	2.37
(Face value Baht 10 each)					
Significant accounting policies					
	1				
Additional information to financial statements					
	23				
See accompanying notes forming part of the financial statements					

Bangkok, Thailand

April 17, 2014

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853



**WENDT GRINDING TECHNOLOGIES LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEARS ENDED MARCH 31, 2014 AND 2013**

	2014	2013	2014	2013
	Baht	Baht	Rs.	Rs.
<b>Cash flows from operating activities</b>				
Net profit	11,332,131.64	13,164,449.44	20,998,439.93	24,393,724.81
Adjustment to reconcile net profit to net cash provided by (used in) operating activities				
Depreciation and amortization	1,887,416.29	1,938,047.86	3,497,382.39	3,591,202.68
Bad debt	26,266.36	36,023.17	48,671.57	66,750.93
Provision for diminution in value of inventory	164,533.52	623,638.35	304,880.61	1,155,601.86
(Gain) loss on sale of tangible assets	-	(12,542.72)	-	(23,241.66)
Unrealized exchange loss (gain)	(6,694.07)	(77,271.96)	(12,404.11)	(143,184.94)
Net profit from operating before changes of operating assets and liabilities	13,403,653.74	15,672,344.14	24,836,970.38	29,040,853.69
<b>Operating assets (increase) decrease</b>				
Inventories	(6,981,646.93)	433,689.25 -	12,936,991.76	803,626.18
Trade receivables	333,042.46	(1,616,034.43)	617,127.68	(2,994,511.80)
Short term loans and advances	(26,179.99)	(318,602.95)	(48,511.52)	(590,371.27)
Other current assets	(942.87)	(6,702.83)	(1,747.14)	(12,420.34)
<b>Operating liabilities increase (decrease)</b>				
Trade accounts payable	9,357,407.26	(822,818.51)	17,339,275.65	(1,524,682.70)
Other current liabilities	(237,236.52)	326,758.45	(439,599.27)	605,483.41
Short term provision	(891,361.64)	(263,760.67)	(1,651,693.12)	(488,748.52)
Net cash provided by operating activities	14,956,735.51	13,404,872.45	27,714,830.90	24,839,228.65
<b>Cash flows from investing activities</b>				
Invest in current investment	(10,626,779.80)	(10,380,605.67)	(19,691,422.97)	(19,235,262.31)
Purchase of tangible assets	(2,260,197.77)	(374,674.11)	(4,188,146.47)	(694,271.13)
Sales of tangible assets	-	22,803.74	-	42,255.33
Net cash used in investing activities	(12,886,977.57)	(10,732,476.04)	(23,879,569.44)	(19,887,278.10)
<b>Cash flows from financing activities</b>				
Dividend payment	(12,865,485.30)	-	(23,839,744.26)	-
Net cash provided by financing activities	(12,865,485.30)	-	(23,839,744.26)	-
<b>Net increase (decrease) in cash and cash equivalent</b>	(10,795,727.36)	2,672,396.41	(20,004,482.80)	4,951,950.55
<b>Cash and cash equivalent at the beginning of the period</b>	38,055,284.33	35,382,887.92	9,903,901.10	4,951,950.55
<b>Cash and cash equivalent at the ended of the period</b>	27,259,556.97	38,055,284.33	(10,100,581.70)	9,903,901.10

**Cash paid during the period**

Income tax 3,774,376.71 4,382,990.75

Significant accounting policies Note 1

Additional information to financial statements Note 23

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

See accompanying notes forming part of the financial statements

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014 AND 2013

	2014 Baht	2013 Baht	2014 Rs.	2013 Rs.
<b>NOTE 2 SHARE CAPITAL</b>				
Authorised :				
10,300,000 ordinary shares of Baht 10 each	103,000,000.00	103,000,000.00	190,859,000.00	190,859,000.00
Issued :				
25% of 10,300,000 ordinary shares of Baht 10 each	25,750,000.00	25,750,000.00	47,714,750.00	47,714,750.00
Paid up :				
25% of 10,300,000 ordinary shares of Baht 10 each	25,750,000.00	25,750,000.00	47,714,750.00	47,714,750.00
Total	25,750,000.00	25,750,000.00	47,714,750.00	47,714,750.00
Reconcile No. of share outstanding at the beginning and the ended of year				
No. of share outstanding at the beginning of the year	10,300,000.00	10,300,000.00	19,085,900.00	19,085,900.00
Add additional shares issued during the year	-	-	-	-
Less : Shares forfeited / bought back during the year	-	-	-	-
No. of share outstanding at the ended of the year	10,300,000.00	10,300,000.00	19,085,900.00	19,085,900.00
<b>NOTE 3 RESERVE AND SURPLUS</b>				
Legal reserve				
As per last balance sheets	1,300,000.00	1,300,000.00	2,408,900.00	2,408,900.00
Add : transfer from profit & loss account	1,765,957.36	-	3,272,318.99	-
	3,065,957.36	1,300,000.00	5,681,218.99	2,408,900.00
Surplus				
As per last balance sheets	50,648,955.08	37,484,505.64	93,852,513.76	69,458,788.95
Add : transfer from profit & loss account	11,332,131.64	13,164,449.44	20,998,439.93	24,393,724.81
Less : appropriation				
Proposed dividend	(12,865,485.30)	-	(23,839,744.26)	-
Transfer to reserve	(1,765,957.36)	-	(3,272,318.99)	-
Total	50,415,601.42	51,948,955.08	93,420,109.43	96,261,413.76
<b>NOTE 4 TRADE PAYABLES</b>				
Trade payables - related companies	16,056,961.10	7,021,176.43	29,753,548.92	13,010,239.92
Trade payables - other companies	1,322,584.76	1,007,677.37	2,450,749.56	1,867,226.17
Total	17,379,545.86	8,028,853.80	32,204,298.48	14,877,466.09
Amount of unpaid (over credit term 30/45/70 days)	2,202,646.62	607,613.02	4,081,504.19	1,125,906.93
<b>NOTE 5 OTHER CURRENT LIABILITIES</b>				
Other accrued expenses including bonus	931,102.73	948,224.00	1,725,333.36	1,757,059.07
Output VAT suspense	34,114.50	76,336.82	63,214.17	141,452.13
VAT payable	-	179,747.43	-	333,071.99
Withholding payable	88,995.37	87,140.87	164,908.42	161,472.03
Total	1,054,212.60	1,291,449.12	1,953,455.95	2,393,055.22
<b>NOTE 6 SHORT-TERM PROVISION</b>				
Current income tax	859,478.23	1,750,839.87	1,592,613.16	3,244,306.28
Total	859,478.23	1,750,839.87	1,592,613.16	3,244,306.28

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014 AND 2013

NOTE 7 FIXED ASSETS - TANGIBLE

In Baht

	Cost				Depreciation / Amortization				Net	
	As at	Addition	Deductions	As at	As at	Addition	Deductions	As at	As at	As at
	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2014	Mar 31, 2013
<b>TANGIBLE ASSETS</b>										
Land	5,341,850.00	-	-	5,341,850.00	-	-	-	-	5,341,850.00	5,341,850.00
Building and improvement	15,119,500.00	260,000.00	-	15,379,500.00	5,591,932.36	763,745.03	-	6,355,677.39	9,023,822.61	9,527,567.64
Machine	7,553,676.92	706,180.00	-	8,259,856.92	6,807,238.83	601,339.84	-	7,408,578.67	851,278.25	746,438.09
Office equipment	1,893,782.25	112,017.77	-	2,005,800.02	1,135,732.72	245,199.85	-	1,380,932.57	624,867.45	758,049.53
Tools	241,169.92	-	-	241,169.92	229,015.82	12,145.10	-	241,160.92	9.00	12,154.10
Vehicle	2,693,253.08	1,182,000.00	-	3,875,253.08	2,125,026.71	256,933.21	-	2,381,959.92	1,493,293.16	568,226.37
Total	32,843,232.17	2,260,197.77	-	35,103,429.94	15,888,946.44	1,879,363.03	-	17,768,309.47	17,335,120.47	16,954,285.73
Previous year	32,579,778.06	374,674.11	111,220.00	32,843,232.17	14,068,368.55	1,921,536.87	100,958.98	15,888,946.44	16,954,285.73	18,511,409.51

NOTE 8 FIXED ASSETS - INTANGIBLE

	Cost				Depreciation / Amortization				Net	
	As at	Addition	Deductions	As at	As at	Addition	Deductions	As at	As at	As at
	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2014	Mar 31, 2013
<b>INTANGIBLE ASSETS</b>										
Computer software	159,655.00	-	-	159,655.00	149,963.30	8,053.26	-	158,016.56	1,638.44	9,691.70
Total	159,655.00	-	-	159,655.00	149,963.30	8,053.26	-	158,016.56	1,638.44	9,691.70
Previous year	159,655.00	-	-	159,655.00	111,021.49	16,510.99	-	127,532.48	32,122.52	26,202.69

DEPRECIATION AND AMORTIZATION

	2014	2013
On fixed assets (Tangible assets) refer to Note 7	1,879,363.03	1,921,536.87
On fixed assets (Intangible assets) refer to Note 8	8,053.26	16,510.99
Total	1,887,416.29	1,938,047.86

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2014 AND 2013**

**NOTE 7 FIXED ASSETS - TANGIBLE**

**In Rupees**

	Cost				Depreciation / Amortization				Net	
	As at	Addition	Deductions	As at	As at	Addition	Deductions	As at	As at	As at
	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2014	Mar 31, 2013
<b>TANGIBLE ASSETS</b>										
Land	9,898,448.05	-	-	9,898,448.05	-	-	-	-	9,898,448.05	9,898,448.05
Building and improvement	28,016,433.50	481,780.00	-	28,498,213.50	10,361,850.66	1,415,219.54	-	11,777,070.20	16,721,143.30	17,654,582.84
Machine	13,996,963.33	1,308,551.54	-	15,305,514.87	12,613,813.55	1,114,282.72	-	13,728,096.28	1,577,418.60	1,383,149.78
Office equipment	3,509,178.51	207,568.93	-	3,716,747.44	2,104,512.73	454,355.32	-	2,558,868.05	1,157,879.38	1,404,665.78
Tools	446,887.86	-	-	446,887.86	424,366.31	22,504.87	-	446,871.18	16.68	22,521.55
Vehicle	4,990,597.96	2,190,246.00	-	7,180,843.96	3,937,674.49	476,097.24	-	4,413,771.73	2,767,072.23	1,052,923.46
<b>Total</b>	<b>60,858,509.21</b>	<b>4,188,146.47</b>	<b>-</b>	<b>65,046,655.68</b>	<b>29,442,217.75</b>	<b>3,482,459.69</b>	<b>-</b>	<b>32,924,677.45</b>	<b>32,121,978.23</b>	<b>31,416,291.46</b>
Previous year	60,370,328.75	694,271.13	206,090.66	60,858,509.21	26,068,686.92	3,560,607.82	187,076.99	29,442,217.75	31,416,291.46	34,301,641.82

**NOTE 8 FIXED ASSETS - INTANGIBLE**

	Cost				Depreciation / Amortization				Net	
	As at	Addition	Deductions	As at	As at	Addition	Deductions	As at	As at	As at
	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2013	during the year	during the year	Mar 31, 2014	Mar 31, 2014	Mar 31, 2013
<b>INTANGIBLE ASSETS</b>										
Computer software	295,840.72	-	-	295,840.72	277,881.99	14,922.69	-	292,804.69	3,036.03	17,958.72
<b>Total</b>	<b>295,840.72</b>	<b>-</b>	<b>-</b>	<b>295,840.72</b>	<b>277,881.99</b>	<b>14,922.69</b>	<b>-</b>	<b>292,804.69</b>	<b>3,036.03</b>	<b>17,958.72</b>
Previous year	295,840.72	-	-	295,840.72	205,722.82	30,594.86	-	236,317.69	59,523.03	48,553.58

**DEPRECIATION AND AMORTIZATION**

	2014	2013
On fixed assets (Tangible assets) refer to Note 7	3,482,459.69	3,560,607.82
On fixed assets (Intangible assets) refer to Note 8	14,922.69	30,594.86
<b>Total</b>	<b>3,497,382.39</b>	<b>3,591,202.68</b>

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

**WENDT GRINDING TECHNOLOGIES LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**AS AT MARCH 31, 2014 AND 2013**

**NOTE 9 OTHER NON CURRENT ASSETS**

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Deposit with more than 12 months maturity	100,000.00	100,000.00	185,300.00	185,300.00
Total	100,000.00	100,000.00	185,300.00	185,300.00

**NOTE 10 CURRENT INVESTMENTS**

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Investments in funds	32,530,397.22	21,903,617.42	60,278,826.05	40,587,403.08
Total	32,530,397.22	21,903,617.42	60,278,826.05	40,587,403.08

**NOTE 11 INVENTORIES**

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
(At lower of cost and net realisable value)				
Stock in trade	7,865,671.67	3,122,581.43	14,575,089.60	5,786,143.39
Goods in transit for stock in trade	3,836,181.51	2,254,844.79	7,108,444.34	4,178,227.40
Supplies	480,764.25	447,182.63	890,856.16	828,629.41
Less : Provision for diminution in value of inventory	(164,533.52)	(623,638.35)	(304,880.61)	(1,155,601.86)
Total	12,018,083.91	5,200,970.50	22,269,509.49	9,637,398.34

**NOTE 12 TRADE RECEIVABLES**

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Trade receivables due for a period exceeding 6 months (from the date they were due for payment)				
Considered Good	96,966.95	13,133.18	179,679.76	24,335.78
Considered Doubtful	26,266.36	36,023.17	48,671.57	66,750.93
Other trade receivables				
Considered Good	5,525,090.70	5,968,254.42	10,237,993.07	11,059,175.44
Considered Doubtful	-	-	-	-
Less : Provision for doubtful trade receivable	(26,266.36)	(36,023.17)	(48,671.57)	(66,750.93)
Total	5,622,057.65	5,981,387.60	10,417,672.83	11,083,511.22

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014 AND 2013

NOTE 13 CASH AND CASH EQUIVALENTS

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Cash on hand	17,836.35	6,958.00	33,050.76	12,893.17
Deposits in transit	111,619.54	51,654.25	206,831.01	95,715.33
Cash with bank - margin money	27,130,101.08	37,996,672.08	50,272,077.30	70,407,833.36
Total	27,259,556.97	38,055,284.33	50,511,959.07	70,516,441.86

NOTE 14 SHORT TERM LOANS AND ADVANCES

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Advances to related person - considered good	203,718.00	232,596.00	377,489.45	431,000.39
Prepaid expenses	114,332.89	135,045.71	211,858.85	250,239.70
Other advances - considered good	44,572.00	181,499.64	82,591.92	336,318.83
	362,622.89	549,141.35	671,940.22	1,017,558.92

NOTE 15 OTHER CURRENT ASSETS

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Revenue Department receivable	212,698.45	-	394,130.23	-
Unrealized Input VAT	16,662.11	15,719.24	30,874.89	29,127.75
	229,360.56	15,719.24	425,005.12	29,127.75

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

NOTE 16 REVENUE FROM OPERATIONS

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Sale of products	60,492,947.10	46,544,619.27	112,093,430.98	86,247,179.51
Sale of services	12,399,319.00	15,969,142.00	22,975,938.11	29,590,820.13
Total	72,892,266.10	62,513,761.27	135,069,369.08	115,837,999.63

NOTE 17 OTHER INCOME

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Interest on bank and other deposits	813,368.18	565,766.98	1,507,171.24	1,048,366.21
Net gain on foreign currency transaction and translation	-	359,836.63	-	666,777.28
Net gain on sale of tangible assets	-	12,542.72	-	23,241.66
Scrap sales	3,844.94	8,505.61	7,124.67	15,760.90
Total	817,213.12	946,651.94	1,514,295.91	1,754,146.04

NOTE 18 PURCHASE OF STOCK IN TRADE AND SUPPLIES

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Imported				
Stock in trade	48,038,622.82	29,007,653.23	89,015,568.09	53,751,181.44
Supplies	1,420,909.24	680,856.70	2,632,944.82	1,261,627.47
Indigenously obtained				
Stock in trade	-	-	-	-
Supplies	88,506.60	628,620.28	164,002.73	1,164,833.38
	49,548,038.66	30,317,130.21	91,812,515.64	56,177,642.28

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

NOTE 19 CHANGES IN STOCK IN TRADE AND SUPPLIES

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Opening stock :				
Stock in trade	2,498,943.08	3,823,777.75	4,630,541.53	7,085,460.17
Supplies	447,182.63	404,667.89	828,629.41	749,849.60
	<u>2,946,125.71</u>	<u>4,228,445.64</u>	<u>5,459,170.94</u>	<u>7,835,309.77</u>
Closing stock :				
Stock in trade	7,865,671.67	2,498,943.08	14,575,089.60	4,630,541.53
Supplies	480,764.25	447,182.63	890,856.16	828,629.41
	<u>8,346,435.92</u>	<u>2,946,125.71</u>	<u>15,465,945.76</u>	<u>5,459,170.94</u>
Total	<u>(5,400,310.21)</u>	<u>1,282,319.93</u>	<u>(10,006,774.82)</u>	<u>2,376,138.83</u>

NOTE 20 EMPLOYEE BENEFIT EXPENSES

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Salary and allowance	6,162,101.31	5,709,020.68	11,418,373.73	10,578,815.32
Bonus	619,023.18	731,208.40	1,147,049.95	1,354,929.17
Staff welfare expenses	722,861.90	573,899.59	1,339,463.10	1,063,435.94
Contribution to Social Security Fund	79,470.00	62,938.00	147,257.91	116,624.11
Total	<u>7,583,456.39</u>	<u>7,077,066.67</u>	<u>14,052,144.69</u>	<u>13,113,804.54</u>

NOTE 21 FINANCE COSTS

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Interest expense	-	-	-	-
Bank charge	130,931.43	110,260.20	242,615.94	204,312.15
Total	<u>130,931.43</u>	<u>110,260.20</u>	<u>242,615.94</u>	<u>204,312.15</u>

NOTE 22 OTHER EXPENSES

	2014	2013	2014	2013
	<i>Baht</i>	<i>Baht</i>	<i>Rs.</i>	<i>Rs.</i>
Repair and maintenance :				
Building	54,603.00	115,558.31	101,179.36	214,129.55
Vehicle	112,112.11	123,082.82	207,743.74	228,072.47
Office equipment	37,363.00	19,672.15	69,233.64	36,452.49
Machine	18,430.00	56,058.70	34,150.79	103,876.77
Tools	12,360.00	11,060.00	22,903.08	20,494.18
Electricity	154,952.49	219,415.57	287,126.96	406,577.05
Management fee	1,093,939.41	937,706.42	2,027,069.73	1,737,570.00
Travel and conveyance	799,931.73	641,295.19	1,482,273.50	1,188,319.99
Freight outward	456,631.86	372,561.52	846,138.84	690,356.50
Adverting promotion and commission	305,299.62	197,334.61	565,720.20	365,661.03
Auditor's remuneration	150,500.00	199,000.00	278,876.50	368,747.00
Security expenses	463,656.00	421,914.00	859,154.57	781,806.64
Communication expenses	193,516.58	191,846.32	358,586.22	355,491.23
Insurance	81,248.34	82,241.66	150,553.17	152,393.80
Provision for doubtful trade receivables	26,266.36	36,023.17	48,671.57	66,750.93
Provision for diminution in value of inventory	164,533.52	623,638.35	304,880.61	1,155,601.86
Loss on foreign currency transaction and translations	368,936.65	-	683,639.61	-
Miscellaneous expenses	1,250,519.28	1,203,500.03	2,317,212.23	2,230,085.56
Total	<u>5,744,799.95</u>	<u>5,451,908.82</u>	<u>10,645,114.31</u>	<u>10,102,387.04</u>

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

In Baht

NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

1) EARNINGS IN FOREIGN EXCHANGE

	2014	2013
FOB value of exports	13,501,942.28	9,989,457.34
Total	13,501,942.28	9,989,457.34

2) EXPENDITURE IN FOREIGN CURRENCIES

	2014	2013
Management fee	1,093,939.41	937,706.42
Commission expenses	211,969.13	93,929.74
Total	1,305,908.54	1,031,636.16

3) BASIC EARNINGS PER SHARE

A) The amount used as the numerator in calculating basic earnings per share is the net profit after tax for the year disclosed in Income Statement	11,332,131.64	13,164,449.44
B) The number of share (shares)	10,300,000.00	10,300,000.00
C) Earnings per share	1.10	1.28

4) TRANSACTION WITH RELATED PARTY

A) Related party transactions :

Name of related party	Description Of relationship	Nature of Transaction	Amount of transaction (Baht)	Amt.outstanding at end of year 2014	
				Dr.	Cr.
Wendt India Limited	Parent company	Accrued exps	1,093,939.41	-	1,093,939.41
Wendt India Limited	Parent company	Purchase	9,198,326.55	9,198,326.55	-
Wendt India Limited	Parent company	Management fee	1,093,939.41	1,093,939.41	-
Carborundum Universal Limited	Related company	Purchase	22,427,816.43	22,427,816.43	-
Tube Investment of India Ltd.	Related company	Purchase	9,281,334.13	9,281,334.13	-
Carborundum Universal - Ceramic	Related company	Purchase	4,703,043.87	4,703,043.87	-
Wendt Boart SA	Related company	Purchase	1,040,340.52	1,040,340.52	-
Wendt GMBH	Related company	Purchase	257,602.25	257,602.25	-

Name of related party	Description Of relationship	Nature of Transaction	Amount of transaction (Baht)	Amt.outstanding at end of year 2013	
				Dr.	Cr.
Wendt India Limited	Parent company	Accrued exps	937,706.42	-	937,706.42
Wendt India Limited	Parent company	Sales	22,076.46	-	22,076.46
Wendt India Limited	Parent company	Purchase	5,974,445.77	5,974,445.77	-
Wendt India Limited	Parent company	Management fee	937,706.42	937,706.42	-
Carborundum Universal Limited	Related company	Purchase	21,313,603.77	21,313,603.77	-
Carborundum Universal - Kerala	Related company	Purchase	446,247.68	446,247.68	-
Wendt Boart SA	Related company	Purchase	450,945.99	450,945.99	-
Wendt GMBH	Related company	Purchase	6,027.89	6,027.89	-

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2014 AND 2013

In Baht

In Rs.

NOTE 23 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

1) EARNINGS IN FOREIGN EXCHANGE

		2014	2013
FOB value of exports		25,019,099.04	18,510,464.45
	Total	25,019,099.04	18,510,464.45

2) EXPENDITURE IN FOREIGN CURRENCIES

		2014	2013
Management fee		2,027,069.73	1,737,570.00
Commission expenses		392,778.80	174,051.81
	Total	2,419,848.52	1,911,621.80

3) BASIC EARNINGS PER SHARE

A) The amount used as the numerator in calculating basic earnings per share

is the net profit after tax for the year disclosed in Income Statement

20,998,439.93 24,393,724.81

B) The number of share (shares)

10,300,000.00 10,300,000.00

C) Earnings per share

2.04 2.37

4) TRANSACTION WITH RELATED PARTY

A) Related party transactions :

Name of related party	Description	Nature of	Amount of	Amt.outstanding at end of year 2014	
				Dr.	Cr.
Wendt India Limited	Parent company	Accrued exps	2,027,069.73	-	2,027,069.73
Wendt India Limited	Parent company	Purchase	17,044,499.10	17,044,499.10	-
Wendt India Limited	Parent company	Management fee	2,027,069.73	2,027,069.73	-
Carborundum Universal Limited	Related company	Purchase	41,558,743.84	41,558,743.84	-
Tube Investment of India Ltd.	Related company	Purchase	17,198,312.14	17,198,312.14	-
Carborundum Universal - Ceramic	Related company	Purchase	8,714,740.29	8,714,740.29	-
Wendt Boart SA	Related company	Purchase	1,927,750.98	1,927,750.98	-
Wendt GMBH	Related company	Purchase	477,336.97	477,336.97	-

Name of related party	Description	Nature of	Amount of	Amt.outstanding at end of year 2013	
				Dr.	Cr.
Wendt India Limited	Parent company	Accrued exps	1,737,570.00	-	1,737,570.00
Wendt India Limited	Parent company	Sales	40,907.68	-	40,907.68
Wendt India Limited	Parent company	Purchase	11,070,648.01	11,070,648.01	-
Wendt India Limited	Parent company	Management fee	1,737,570.00	1,737,570.00	-
Carborundum Universal Limited	Related company	Purchase	39,494,107.79	39,494,107.79	-
Carborundum Universal - Kerala	Related company	Purchase	826,896.95	826,896.95	-
Wendt Boart SA	Related company	Purchase	835,602.92	835,602.92	-
Wendt GMBH	Related company	Purchase	11,169.68	11,169.68	-

The India Rupee equivalent to the figures given in foreign currency have been converted at 1 Bhat = INR 1.853