



WENDT GRINDING TECHNOLOGIES LIMITED

DIRECTORS REPORT

The Directors are pleased to present the seventh Annual Report and Audited Accounts for the year ended March 31st 2012.

Key Financial Summary -:

	(INR in Million)	
	31/3/2011	31/3/2012
Sales	101.5	103.1
Other Income	0.05	0.05
Profit before tax	36.2	26.6
Provision for current tax	7.3	5.1
Profit after tax	25.8	16.8

Business Operations.-:

Your Company continues to perform well with consistent growth on sustainable basis despite all odds. During this challenging year, your Company faced numerous challenges like most devastated floods in last 50 years closing over 15000 factories, Tsunami effect and completion of Solar Glass project, coupled with economic & political challenges in Thailand, resulting in business drop with various customers. However, this was well compensated by our focused effort on widening our customer base & our product basket

Your Company maintained leadership position in reprofiling market segment in Thailand. However, completion of solar glass project running for 18 months coupled with floods resulted in 57% drop in profiling business. Clear focus on increasing product & customer basket for traded products yielded very good results. Your Company could sustain 65% trading growth achieved last year & yet could grow by another 15% during the financial year, despite all odds. This proved very crucial to compensate the drop in existing business including reprofiling sales to maintain sales at marginally above last year levels.

Overall, CAGR for sales last 2 years remain healthy with sales grew at 30.9% & PAT at 31.5% levels, clearly ensuring long term sustainably profitable growth

This was achieved through clear processes in place along with various Business Process Improvements to keep strict cost controls, increased product basket de-risking the business



WENDT GRINDING TECHNOLOGIES LIMITED

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.

Now 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 neighbors countries. Further, working towards becoming a proffered Supplier, attaining the leadership position in field of grinding

Your Company also participated in 1 exhibition in Thailand & 1 in Vietnam with a clear focus on brand building & increasing market reach. Your Company also developed local advertising materials, conducted technical seminars 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 2013 with strong recommendation from "TUV NORD"

HUMAN RESOURCE -:

Your Company focused on it's 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 seventh Annual General meeting Mr. Rajesh Khanna, retires by rotation and being eligible, offers himself for re-appointment.

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 WGTL team and for the support ,co-operation and guidance extended by Wendt India Ltd , it's parent Company 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
23rd April 2012



RAJESH KHANNA
AUTHORISED DIRECTOR

REPORT OF INDEPENDENT AUDITOR

To Shareholders of Wendt Grinding Technologies Limited

I have audited the accompanying statements of financial position of Wendt Grinding Technologies Limited as at March 31, 2012 and 2011, and the related statements of income for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those Standards require that I 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wendt Grinding Technologies Limited as at March 31, 2012 and 2011, and the results of its operations for the years then ended in accordance with generally accepted accounting principles.



Varanon Trathong
Certified Public Accountant (Thailand)
Registration No. 6886

Bangkok, Thailand

April 10, 2012

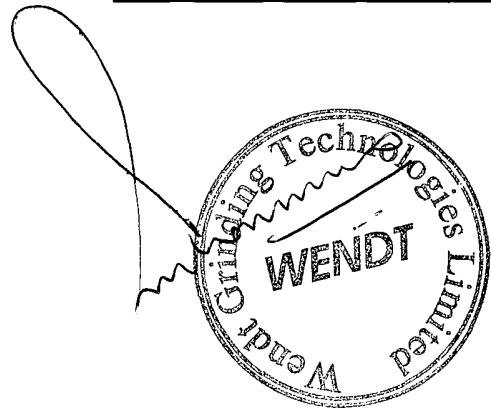
WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2012 AND 2011

Unit : Baht

	Note	2012	2011
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	1	25,750,000.00	25,750,000.00
Reserve and surplus	2	38,784,505.64	26,759,766.83
Total shareholders' equity		<u>64,534,505.64</u>	<u>52,509,766.83</u>
LIABILITIES			
Current liabilities			
Trade payables	3	8,944,302.50	6,741,370.46
Other current liabilities	4	964,690.67	6,365,384.66
Short term provision	5	2,014,600.54	3,490,875.62
Total current liabilities		<u>11,923,593.71</u>	<u>16,597,630.74</u>
Total liabilities		<u>11,923,593.71</u>	<u>16,597,630.74</u>
Total liabilities and shareholders' equity		<u>76,458,099.35</u>	<u>69,107,397.57</u>



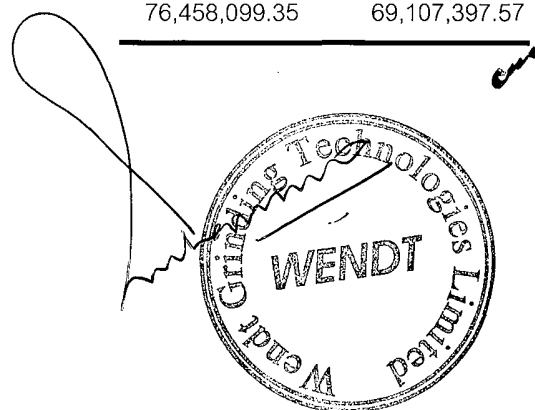
WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2012 AND 2011

Unit : Baht

	Note	2012	2011
ASSETS			
Non - current assets			
Fixed assets			
Tangible assets	6	18,511,409.51	19,388,051.10
Intangible assets	7	26,202.69	48,633.51
Other non current asset	8	100,000.00	100,000.00
Total non - current assets		18,637,612.20	19,536,684.61
Current assets			
Current investments	9	11,523,011.75	6,255,146.68
Inventories	10	6,258,298.10	5,547,329.85
Trade receivables	11	4,416,734.58	6,338,360.60
Cash and cash equivalents	12	35,382,887.92	31,243,744.21
Short term loans and advances	13	110,197.10	52,182.00
Other current assets	14	129,357.70	133,949.62
Total current assets		57,820,487.15	49,570,712.96
Total assets		76,458,099.35	69,107,397.57



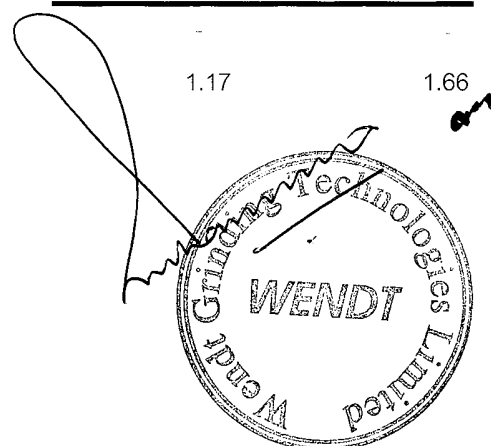
WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENT OF INCOME

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

Unit : Baht

	Note	2012	2011
REVENUES			
Revenue from operations	15	65,494,998.17	69,307,481.33
Other income	16	532,131.48	544,986.86
Total revenues		66,027,129.65	69,852,468.19
EXPENSES			
Purchase of stock in trade and supplies	17	34,884,493.42	28,835,176.80
Changes in stock in trade and supplies	18	(916,929.19)	602,798.98
Employee benefit expenses	19	6,749,930.09	6,448,645.86
Finance costs	20	114,664.15	137,006.20
Depreciation	6&7	1,834,535.18	2,966,771.25
Other expenses	21	6,193,433.86	6,435,190.75
Total expenses		48,860,127.51	45,425,589.84
Profit before income tax expense		17,167,002.14	24,426,878.35
Income tax expense		5,142,263.33	7,330,661.46
Net profit		12,024,738.81	17,096,216.89
Basic earnings per share	23	1.17	1.66



WENDT GRINDING TECHNOLOGIES LIMITED**NOTES TO FINANCIAL STATEMENTS****AS AT MARCH 31, 2012 AND 2011**

Unit : Baht

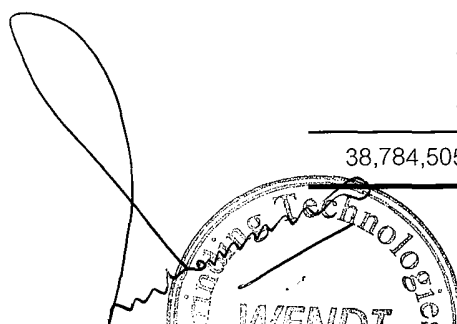
NOTE 1 SHARE CAPITAL

	2012	2011
Authorised :		
10,300,000 ordinary shares of Baht 10	103,000,000.00	103,000,000.00
Issued :		
25% of 10,300,000 ordinary shares of Baht 10	25,750,000.00	25,750,000.00
Paid up :		
25% of 10,300,000 ordinary shares of Baht 10	25,750,000.00	25,750,000.00
Total	25,750,000.00	25,750,000.00

	2012	2011
Reconcile No. of share		
No. of share outstanding at the beginning of the year	10,300,000.00	10,300,000.00
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

NOTE 2 RESERVE AND SURPLUS

	2012	2011
Legal reserve		
As per last balance sheets	1,300,000.00	586,379.06
Add : transfer from profit & loss account	-	713,620.94
	1,300,000.00	1,300,000.00
Surplus		
As per last balance sheets	25,459,766.83	14,197,105.40
Add : transfer from profit & loss account	12,024,738.81	17,096,216.89
Less : appropriation		
Proposed dividend	-	(5,119,934.52)
Transfer to reserve	-	(713,620.94)
Total	38,784,505.64	26,759,766.83



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 2 Aa REMITTANCES IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

Year to which dividend relates	2012	2011
Number of non-resident shareholders to whom remittance was made	N/A	7
Number of shares on which remittance was made	N/A	10,299,999.00
Amount remitted	N/A	5,119,934.02

NOTE 3 TRADE PAYABLES

	2012	2011
Trade payables - related companies	8,072,697.50	5,799,997.28
Trade payables - other companies	871,605.00	941,373.18
Total	8,944,302.50	6,741,370.46
Amount of unpaid (over credit term 30/45 days)	466,860.31	633,106.84

NOTE 4 OTHER CURRENT LIABILITIES

	2012	2011
Unpaid dividend	-	5,119,934.52
Accrued bonus	500,000.00	461,783.33
Other accrued expenses	210,536.73	288,781.69
Output VAT suspense	60,952.64	225,792.63
VAT payable	112,012.62	192,864.25
Withholding payable	81,188.68	76,228.24
Total	964,690.67	6,365,384.66

NOTE 5 SHORT TERM PROVISION

	2012	2011
Current tax	2,014,600.54	3,490,875.62
Total	2,014,600.54	3,490,875.62



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

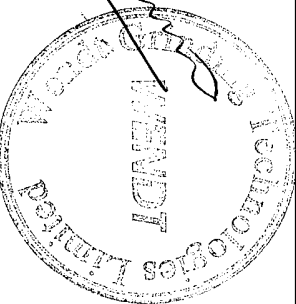
AS AT MARCH 31, 2012 AND 2011

NOTE 6 FIXED ASSETS - TANGIBLE

	Cost				Depreciation / Amortisation				Net	
	As at Mar 31, 2011	Addition during the year	Deductions during the year	As at Mar 31, 2012	As at Mar 31, 2011	Addition during the year	Deductions during the year	As at Mar 31, 2012	As at Mar 31, 2012	As at Mar 31, 2011
TANGIBLE ASSETS										
Land	5,341,850.00	-	-	5,341,850.00	-	-	-	-	5,341,850.00	5,341,850.00
Building and improvement	15,081,700.00	50,850.00	-	15,132,550.00	4,074,697.35	756,262.54	-	4,830,959.89	10,301,590.11	11,007,002.65
Machine	7,553,676.92	-	-	7,553,676.92	5,615,867.98	596,500.32	-	6,212,368.30	1,341,308.62	1,937,808.94
Office equipment	1,420,851.76	222,393.67	25,967.29	1,617,278.14	807,328.52	211,183.92	19,186.39	999,326.05	617,952.09	613,523.24
Tools	241,169.92	-	-	241,169.92	199,318.78	14,868.83	-	214,187.61	26,982.31	41,851.14
Vehicle	2,024,253.08	669,000.00	-	2,693,253.08	1,578,237.95	233,288.75	-	1,811,526.70	881,726.38	446,015.13
Total	31,663,501.68	942,243.67	25,967.29	32,579,778.06	12,275,450.58	1,812,104.36	19,186.39	14,086,368.55	18,511,409.51	19,388,051.10
Previous year	31,300,526.66	448,045.89	85,070.87	31,663,501.68	9,369,860.49	2,934,840.29	29,050.20	12,275,450.58	19,388,051.10	21,930,866.17

NOTE 7 FIXED ASSETS - INTANGIBLE

	Cost				Depreciation / Amortisation				Net	
	As at Mar 31, 2011	Addition during the year	Deductions during the year	As at Mar 31, 2012	As at Mar 31, 2011	Addition during the year	Deductions during the year	As at Mar 31, 2012	As at Mar 31, 2012	As at Mar 31, 2011
INTANGIBLE ASSETS										
Computer software	159,655.00	-	-	159,655.00	111,021.49	22,430.82	-	133,452.31	26,202.69	48,633.51
Total	159,655.00	-	-	159,655.00	111,021.49	22,430.82	-	133,452.31	26,202.69	48,633.51
Previous year	159,655.00	-	-	159,655.00	79,090.53	31,930.86	-	111,021.49	48,633.51	80,564.47



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 8 OTHER NON CURRENT ASSETS

	2012	2011
Deposit with more than 12 months maturity	100,000.00	100,000.00
Total	100,000.00	100,000.00

NOTE 9 CURRENT INVESTMENTS

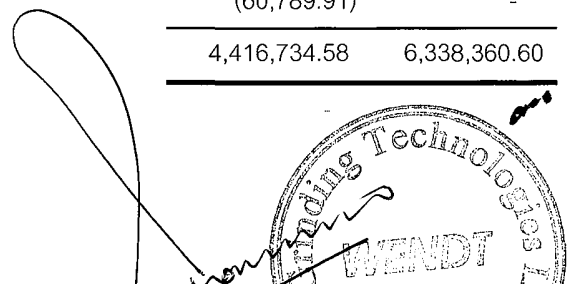
	2012	2011
Investments in Funds	11,523,011.75	6,255,146.68
Total	11,523,011.75	6,255,146.68

NOTE 10 INVENTORIES

	2012	2011
Stock in trade	3,823,777.75	2,881,265.96
Goods in transit for stock in trade	2,029,852.46	2,235,813.40
Supplies	404,667.89	430,250.49
Total	6,258,298.10	5,547,329.85

NOTE 11 TRADE RECEIVABLE

	2012	2011
Debts due for a period exceeding 6 months		
Considered Good	51,663.67	87,753.91
Considered Doubtful	60,789.91	-
Other debt		
Considered Good	4,365,070.91	6,250,606.69
Considered Doubtful	-	-
Less : Provision for doubtful	(60,789.91)	-
Total	4,416,734.58	6,338,360.60



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WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 12 CASH AND CASH EQUIVALENTS

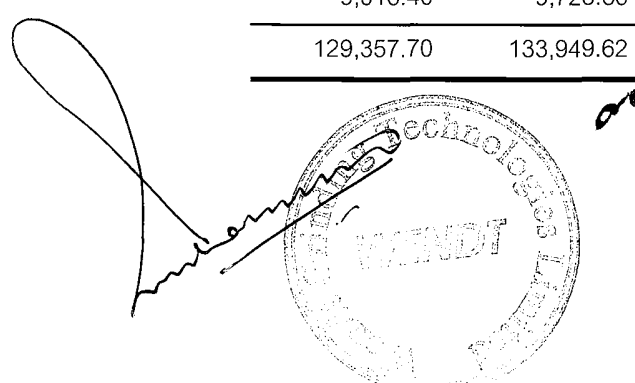
	2012	2011
Cash with bank - margin money	35,212,790.02	30,755,763.47
Deposits in transit	103,868.90	462,274.24
* Cash on hand	66,229.00	25,706.50
Total	35,382,887.92	31,243,744.21

NOTE 13 SHORT TERM LOANS AND ADVANCES

	2012	2011
Advances to related person - considered good	90,307.50	47,000.00
Other advances - considered good	19,889.60	5,182.00
	110,197.10	52,182.00

NOTE 14 OTHER CURRENT ASSETS

	2012	2011
Prepaid expenses	120,341.30	124,224.26
Unrealized Input VAT	9,016.40	9,725.36
	129,357.70	133,949.62



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WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 15 REVENUE FROM OPERATIONS

	2012	2011
Sale of products	48,283,134.17	42,262,942.43
Sale of services	17,211,864.00	27,044,538.90
Total	65,494,998.17	69,307,481.33

NOTE 15 a EARNINGS IN FOREIGN EXCHANGE

	2012	2011
FOB value of exports	9,578,227.00	6,937,757.00
Total	9,578,227.00	6,937,757.00

NOTE 16 OTHER INCOME

	2012	2011
Interest income	417,171.48	141,301.88
Gain on exchange rate	-	351,804.80
Other income	108,408.60	-
Scrap sales	6,551.40	51,880.18
Total	532,131.48	544,986.86

NOTE 17 PURCHASE OF STOCK IN TRADE AND SUPPLIES

	2012	2011
Imported		
Stock in trade	34,000,798.18	27,479,317.57
Supplies	391,428.98	555,418.15
Indigenously obtained		
Stock in trade	-	-
Supplies	492,266.26	800,441.08
Total	34,884,493.42	28,835,176.80

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WENDT GRINDING TECHNOLOGIES LIMITED

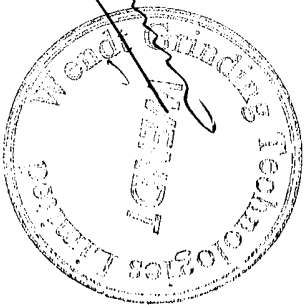
NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2012 AND 2011

NOTE 17 a ON GOODS TRADED

Unit : Baf

Particulars	Opening stock		Purchase		Sales		Closing stock	
	As at April 1, 2011	As at 1 April 1, 2010	For the year ended March 31, 2012	For the year 2011 March 31, 2011	For the year ended March 31, 2012	For the year 2011 March 31, 2011	As at 1 March 2012	As at March 31, 2011
Stock from Wendt India Limited	1,268,105.56	722,435.33	6,376,222.83	8,376,548.55	6,334,089.68	7,830,878.32	1,310,238.71	1,268,105.56
Stock from others	4,279,224.29	4,899,361.37	28,508,270.59	20,458,628.25	27,839,436.49	21,078,765.33	4,948,059.39	4,279,224.29
Total	5,547,329.85	5,621,796.70	34,884,493.42	28,835,176.80	34,173,526.17	28,909,643.65	6,258,298.10	5,547,329.85



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 18 CHANGES IN STOCK IN TRADE AND SUPPLIES

	2012	2011
Opening stock :		
Stock in trade	2,881,265.96	3,570,678.01
Supplies	430,250.49	343,637.42
	<u>3,311,516.45</u>	<u>3,914,315.43</u>
Closing stock :		
Stock in trade	3,823,777.75	2,881,265.96
Supplies	404,667.89	430,250.49
	<u>4,228,445.64</u>	<u>3,311,516.45</u>
Total	<u>(916,929.19)</u>	<u>602,798.98</u>

NOTE 19 EMPLOYEE BENEFIT EXPENSES

	2012	2011
Salary and allowance	5,525,117.67	5,179,955.50
Bonus	673,723.44	546,412.86
Staff welfare	476,586.98	639,050.50
Social Security Fund	74,502.00	83,227.00
Total	<u>6,749,930.09</u>	<u>6,448,645.86</u>

NOTE 20 FINANCE COSTS

	2012	2011
Interest expense	-	4,297.33
Bank charge	114,664.15	132,708.87
Total	<u>114,664.15</u>	<u>137,006.20</u>

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WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

Unit : Baht

NOTE 21 OTHER EXPENSES

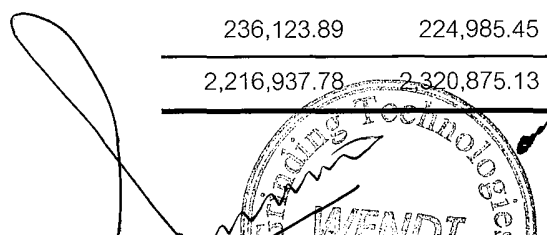
	2012	2011
Repair and maintenance :		
Building	52,563.00	271,920.00
Vehicle	133,468.80	88,737.76
Office equipment	15,445.00	24,948.36
Machine	16,256.05	34,270.72
Tools	12,860.00	4,960.00
Total repair and maintenance	230,592.85	424,836.84
Electricity	194,577.49	250,206.60
Management fee	1,980,813.89	2,095,889.68
Travelling expenses	1,110,039.07	1,137,857.55
Advertising promotion and commission	526,335.67	796,665.58
Insurance	88,584.82	87,749.36
Loss on exchange rate	58,443.43	-
Miscellaneous expenses	2,004,046.64	1,641,985.14
Total	6,193,433.86	6,435,190.75

NOTE 21 a MISCELLANEOUS EXPENSES INCLUDE PAYMENT TO AUDITORS

	2012	2011
Audit fee - external auditor	151,000.00	136,000.00
Audit fee - internal auditor	42,500.00	-
Total	193,500.00	136,000.00

NOTE 21 b EXPENDITURE IN FOREIGN CURRENCY

	2012	2011
Management fee	1,980,813.89	2,095,889.68
Commission expense	236,123.89	224,985.45
Total	2,216,937.78	2,320,875.13



WENDT GRINDING TECHNOLOGIES LIMITED**NOTES TO FINANCIAL STATEMENTS****FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

Unit : Baht

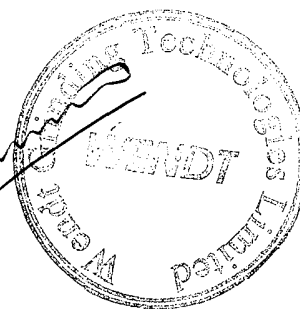
NOTE 22 RELATED PARTY DISCLOSURES

A) Name of related party and nature of relationship where control exists :

Name of related party	Nature of relationship
N/A	N/A

B) Related party transactions :

Name of related party	Description Of relationship	Nature of Transaction	Amount of transaction (Baht)	Amt.outstanding at end of year 2012	
				Dr.	Cr.
Wondt India Limited	Parent company	Accrued exps	1,980,813.89	-	1,980,813.89
Wondt India Limited	Parent company	Sales	17,190.35	-	17,190.35
Wondt India Limited	Parent company	Purchase	6,376,226.83	6,376,226.83	-
Wondt India Limited	Parent company	Management fee	1,980,813.89	1,980,813.89	-
Carborundum Universal Limited	Related company	Purchase	19,865,270.86	19,865,270.86	-
Carborundum Universal - Kerala	Related company	Purchase	281,831.51	281,831.51	-
Carborundum Universal - Ceramic	Related company	Purchase	3,113,838.32	3,113,838.32	-
Wendt Boart SA	Related company	Purchase	1,785,283.83	1,785,283.83	-
Wendt GMBH	Related company	Purchase	45,530.56	45,530.56	-



WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2012 AND 2011

Unit : Baht

Name of related party	Description Of relationship	Nature of Transaction	Amount of transaction (Baht)	Amt.outstanding at end of year 2011	
				Dr.	Cr.
Wondt India Limited	Parent company	Accrued exps	2,095,889.68	-	2,095,889.68
Wondt India Limited	Parent company	Sales	41,446.13	-	41,446.13
Wondt India Limited	Parent company	Purchase	8,376,548.55	8,376,548.55	-
Wondt India Limited	Parent company	Management fee	2,095,889.68	2,095,889.68	-
Wondt India Limited	Parent company	Dividend	5,119,934.02	5,119,934.02	-
Carborundum Universal Limited	Related company	Purchase	15,455,645.38	15,455,645.38	-
Carborundum Universal - Kerala	Related company	Purchase	15,564.06	15,564.06	-
Wondt Boart SA	Related company	Purchase	2,018,616.89	2,018,616.89	-
Wondt GMBH	Related company	Purchase	65,307.07	65,307.07	-

NOTE 23 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

b) The number of share is 10,300,000 shares.

