WENDT

Wendt (India) Limited

CIN : L85110KA1980PLC003913

Plot No: 69/70, SIPCOT Industrial Estate, Hosur - 635 126, Tamil Nadu
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WENDT

41st ANNUAL REPORT 2022-2023

Engineering Flair with Environmental Care...

Do More with Less

WENDT (INDIA) LIMITED

Prestigious Awards & Recognitions

ICAI Award for excellence in financial Reporting 2021-22

Excellence is never an accident. It is always the result of high intention, sincere efforts, and intelligent execution, it represents the wise choice of many alternatives- choice, not chance, determines your destiny.

-Aristotle

DO MORE WITH LESS

DO MORE WITH LESS is to devote time for Value added activity, finding ways and means to achieve more out of what we have. (as resources are scarce)

Focus on timely completion of all the business transactions by simplifying the procedures and the processes.

- **Doing things better**
- **Simplicity in Strategy and clarity in execution**
- **Vital Few Concept – 80 – 20 rule – Pareto Principle**
- **Right Person on the Right Job**
- **Manage Our Time.**
- **Planning and Prioritizing**
- **Grouping Similar task together to focus**
- **Simplify Procedure**
- **Reduce Waste**
- **Every Spend to Measure and Come with Cost Saving**
- **Reduce Losses**
- **Increase Productivity & Efficiency, reduce cycle time & Cost**
- **Improve Process Controls and Ensure defect free products to customers**
- **Consistency, Timely Response**
- **Zero Breakdown**
- **Right Material @ Right Time @ Right Price**
- **Optimum Utilization of Resources**
- **Ease of doing business - Digitalisation**
- **Leveraging the three Verticals - Super Abrasives, Machine Tool Division and Precision Products.**

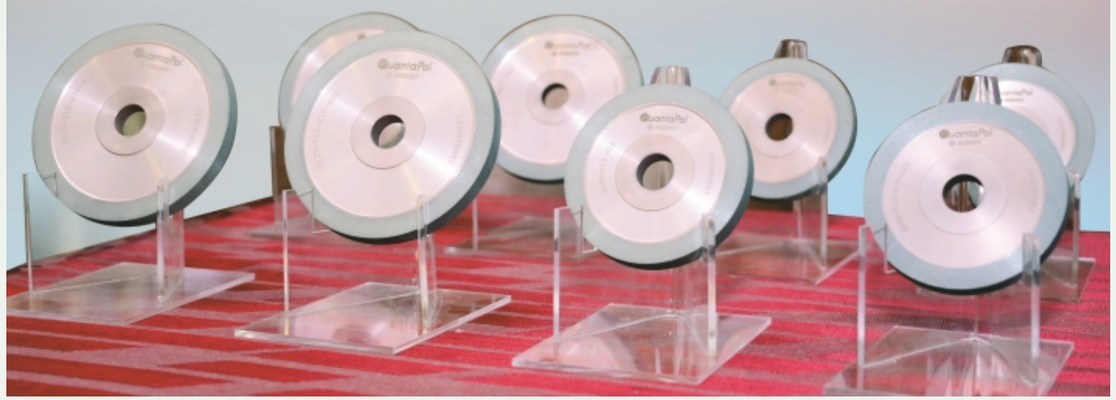
New Product Launch

Super Abrasive Tools

Fluting

Gashing

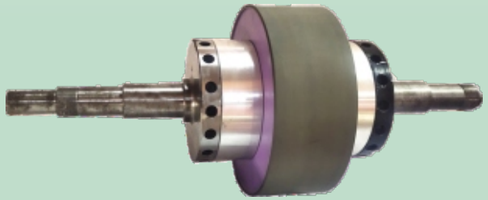
Deep Grinding Wheel



QuantaPol Hybrid Wheel Launch

New Product Development

VITRIFIED CBN CAM SHAFT WHEEL



Razor Blade

VITRIFIED CBN CRANK SHAFT WHEEL

Insert grinding wheel

New Product Development

Machine Tools

WXG 750TS - Double Side Fine Grinding Machine

TOOL & CUTTER GRINDING MACHINE

WTG -300 AXIS (CNC Version)

DELTA -200

Delta-200 (TC Ring & Guide roll Grinding Machine)

TOOL & CUTTER GRINDING MACHINE

WTG - 01 (Manual Version)

Precision Products

Eccentric Shaft

Slilicon Nitride Roller

Lower bearing

Upper Bearing

Middle Plate

Lower Chamber

BOARD OF DIRECTORS	
Chairman & Non-Executive Independent Director	Mr. Shrinivas G Shirgurkar
Non-Executive Independent Director	Ms. Hima Srinivas
Non-Executive Independent Director	Mr. M Lakshminarayan
Non-Executive Independent Director	Mr. Bhagya Chandra Rao
Non-Executive Non-Independent Director	Mr. N Ananthaseshan
Non-Executive Non-Independent Director	Mr. Muthiah Venkatachalam
SENIOR MANAGEMENT	
Chief Executive Officer	Mr. C Srikanth
Unit Head	Mr. S Sundariya
Chief Financial Officer	Mr. Mukesh Kumar Hamirwasia
COMPANY SECRETARY	Mr. Arjun Raj P
BANKERS	State Bank of India ICICI Bank Limited
STATUTORY AUDITOR	M/s. Price Waterhouse Chartered Accountants LLP
INTERNAL AUDITOR	M/s. Profaids Consulting
SECRETARIAL AUDITOR	M/s. R Sridharan & Associates, Company Secretaries
REGISTERED OFFICE	Flat No. 105, 1 Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore-560047, Karnataka Tel.: +91 80 25701423/1424 Fax:+91 80 25701425
FACTORY	Plot No. 69/70, SIPCOT Industrial Estate, Hosur- 635126, Tamil Nadu Tel: +91 4344 276851/52, 405500 Fax: +91 4344 405620, 405630
REGISTRAR & SHARE TRANSFER AGENT	M/s. KFin Technologies Limited (formerly known as "KFin Technologies Private Limited) Unit: Wendt (India) Limited Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032; Toll Free no.: 1800-309-4001; E-mail: einward.ris@kfintech.com; Website: https://ris.kfintech.com

CONTENTS

	Pages
Financial Track Record	8 - 14
Report of the Directors	16 - 95
Secretarial Audit Report	96 - 99
Report on Corporate Governance	100 - 114
General Shareholder Information	115 - 121
Independent Auditor's Report on Standalone Financial Statements	124 - 133
Standalone Financial Statements	136 - 187
Independent Auditor's Report on Consolidated Financial Statements	190 - 198
Consolidated Financial Statements	200 - 251

SAFE HARBOR

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

FINANCIAL TRACK RECORD - STANDALONE

Rs. In Lakhs, except EPS

Year ended 31st March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUE										
Net sales	9449	10560	11655	12779	12685	13986	12037	11945	15812	19095
Domestic sales	7110	7890	8354	9760	8828	9733	8033	8637	11858	13783
Export sales	2339	2670	3301	3019	3857	4253	4004	3308	3954	5312
Other Operating Income	116	136	162	170	257	299	290	128	190	295
Other Income	495	664	486	373	428	410	767	634	554	661
PROFITABILITY										
Operating EBITDA	1605	1900	1849	2173	2259	2478	1329	1867	3803	5371
Profit before depreciation	2098	2556	2335	2534	2668	2887	2093	2499	4430	6030
Profit before tax	1640	1764	1499	1570	1651	1904	1189	1653	3615	5249
Profit after tax	1187	1485	1041	1169	1230	1345	934	1291	2710	4012
Dividend % (Actual & Proposed)	250%	250%	250%	250%	250%	300%	250%	300%	650%	800%
EPS (Rs.)	59.34	74.24	52.06	58.47	61.49	67.33	46.70	64.56	135.49	200.58
ASSETS EMPLOYED										
Fixed assets	5510	5608	6060	6078	5595	5689	5533	5497	5275	5638
Investments	1703	1866	1360	1502	2229	3596	3524	3669	6225	6840
Net current assets*	1505	2047	1505	3077	3233	2154	2479	2800	2555	4399
Non- current assets	-	-	470	339	338	330	604	752	504	228
Total assets	8718	9521	9395	10996	11395	11769	12140	12718	14559	17105
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	8031	8790	9544	10043	10707	11261	11766	12358	14214	16733
Loan fund	-	-	-	-	-	-	-	-	-	-
Non- current liability	-	-	127	187	91	0	0	0	0	0
Deferred tax liability	487	531	553	566	397	308	174	160	145	172
Total funds	8718	9521	10424	10996	11395	11769	12140	12718	14559	17105

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

Note : 2016, 2017,2018,2019 ,2020 ,2021,2022 and 2023 figures are as per IND AS

Engineering Flair with Environmental Care...

FINANCIAL TRACK RECORD - CONSOLIDATED

Rs. In Lakhs, except EPS

Year ended 31st March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUE										
Net sales	10890	12274	14296	15597	14657	16178	14063	13567	17724	20761
Other Operating Income	119	131	145	149	237	277	260	96	157	263
Other Income	185	193	236	164	255	242	485	396	387	499
PROFITABILITY										
Operating EBITDA	2012	2330	2215	2504	2612	2979	1828	2200	4167	5615
Profit before depreciation	2193	2516	2450	2656	2847	3221	2310	2594	4552	6113
Profit before tax	1675	1686	1580	1657	1804	2193	1361	1700	3691	5302
Profit after tax	1166	1354	1078	1205	1312	1541	1003	1277	2707	4009
Dividend % (Actual & Proposed)	250%	250%	250%	250%	250%	300%	250%	300%	650%	800%
EPS (Rs.)	58.30	67.70	53.88	60.26	65.62	77.07	50.13	63.83	135.34	200.45
ASSETS EMPLOYED										
Fixed assets	5770	5915	6324	6316	5884	5989	5825	5722	5469	5804
Investments	1873	2077	1388	1467	2245	3636	3598	3747	6448	7096
Net current assets*	2059	2498	3198	3861	4173	3370	3905	4266	3907	5907
Non- current assets	-	-	474	345	348	333	609	758	510	232
Total assets	9702	10490	11384	11989	12650	13328	13937	14493	16334	19038
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	9015	9759	10499	11032	11962	12826	13568	14138	15996	18671
Loan fund	-	-	-	-	-	-	-	-	-	-
Non- current liability	-	-	132	191	91	-	-	-	-	-
Deferred tax liability	487	531	553	566	397	302	169	155	138	167
Total funds	9702	10490	11384	11989	12650	13328	13937	14493	16334	19038

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

Note : 2016, 2017,2018,2019 ,2020,2021,2022 and 2023 figures are as per IND AS

...Total Grinding and Honing Solutions

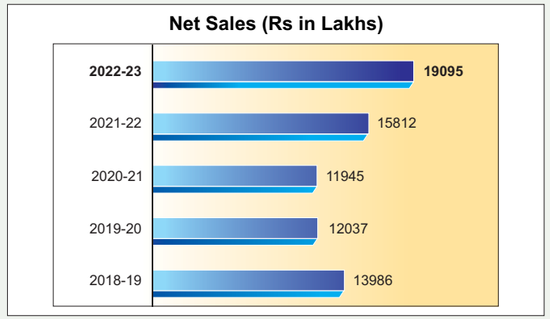
DELIVERING SUSTAINABLE PROFITABLE GROWTH

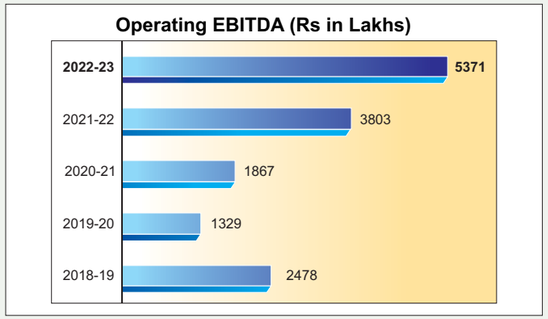
Highest Ever Sales & Profitability

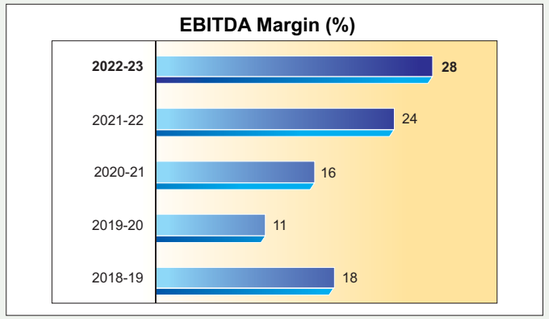
Performance Highlights in Financial Year 2022-23

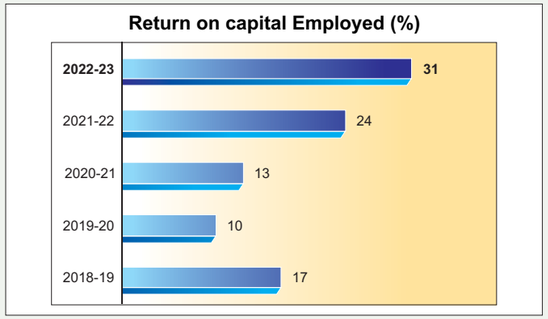
- Sales
  Rs. 19095 Lakhs (↑ 21% YOY)
- Earning before interest taxes depreciation and amortization (Operating EBITDA)
  Rs. 5371 Lakhs (↑ 41% YOY)
- Profit Before Tax (PBT)
  Rs. 5249 Lakhs (↑ 45% YOY)
- Profit After Tax (PAT)
  Rs. 4012 Lakhs (↑ 48% YOY)
- Earning Per Share (EPS)
  Rs. 200.58/- (↑ 48% YOY)
- Market Capitalisation
  Rs. 170174 Lakhs (↑ 68% YOY)

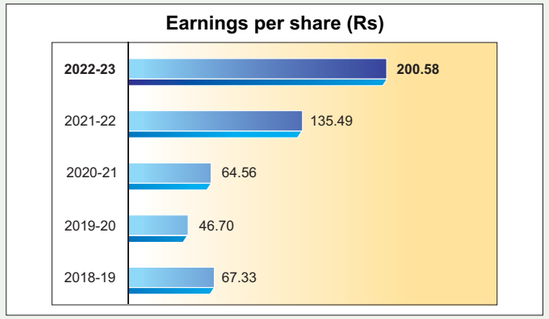
HIGHEST DIVIDEND ANNOUNCED 800%
Rs. 80 per share (800% on face value of Rs. 10 per share)











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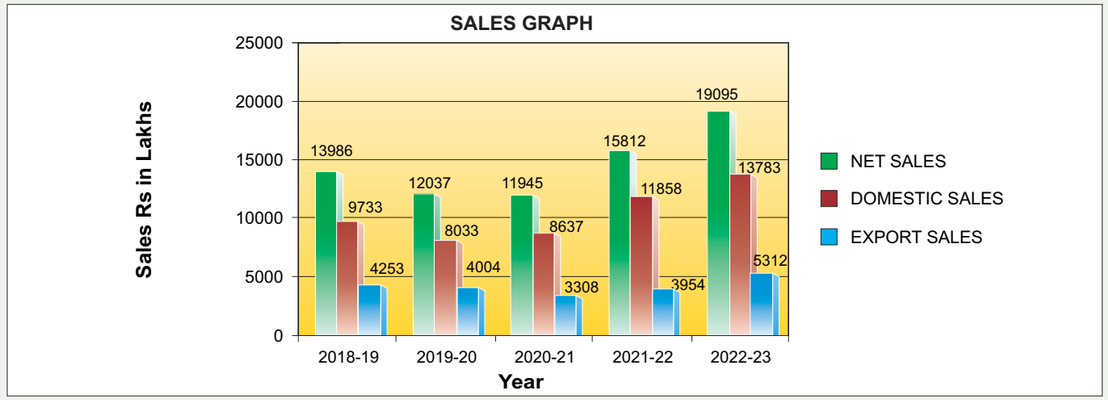
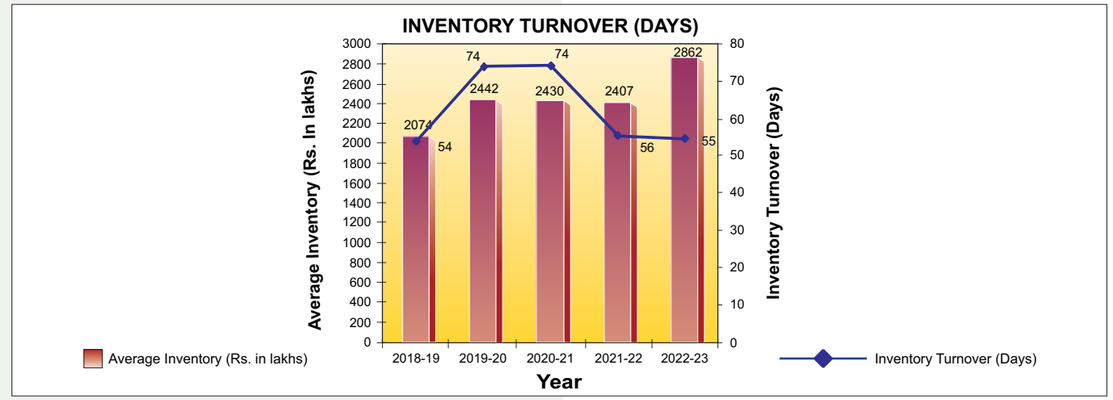
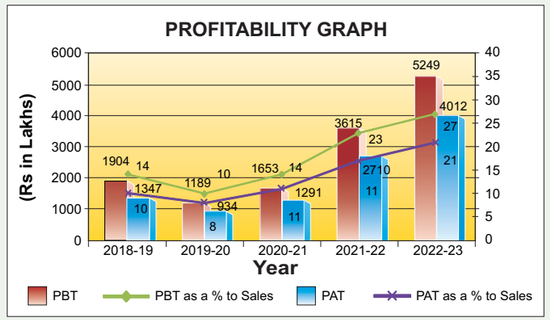
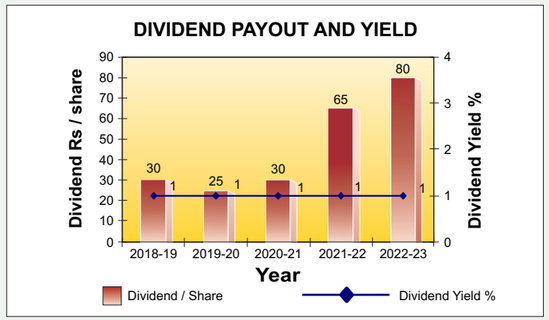
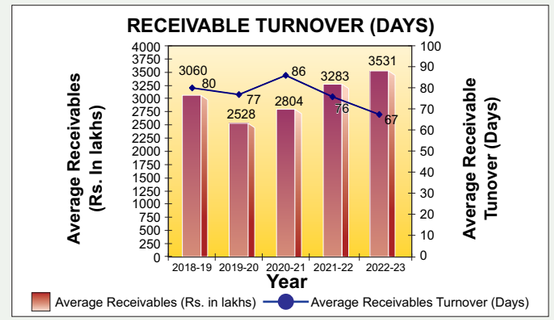
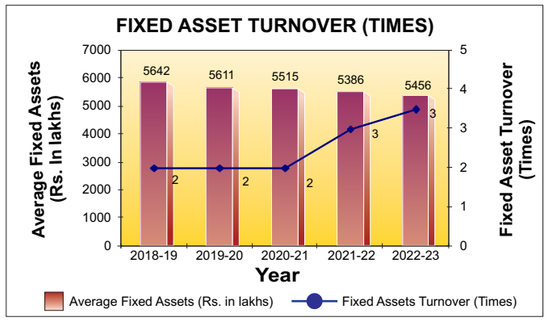


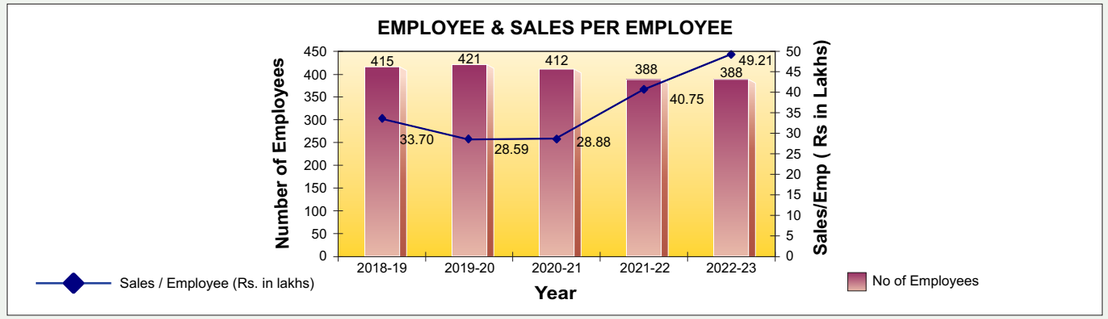


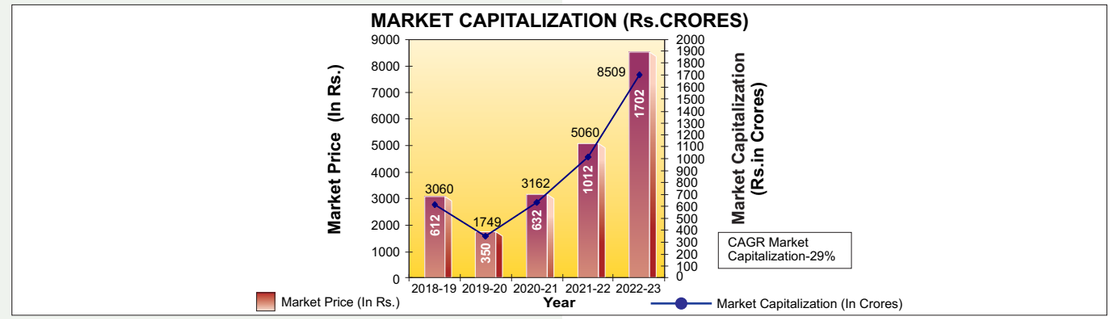






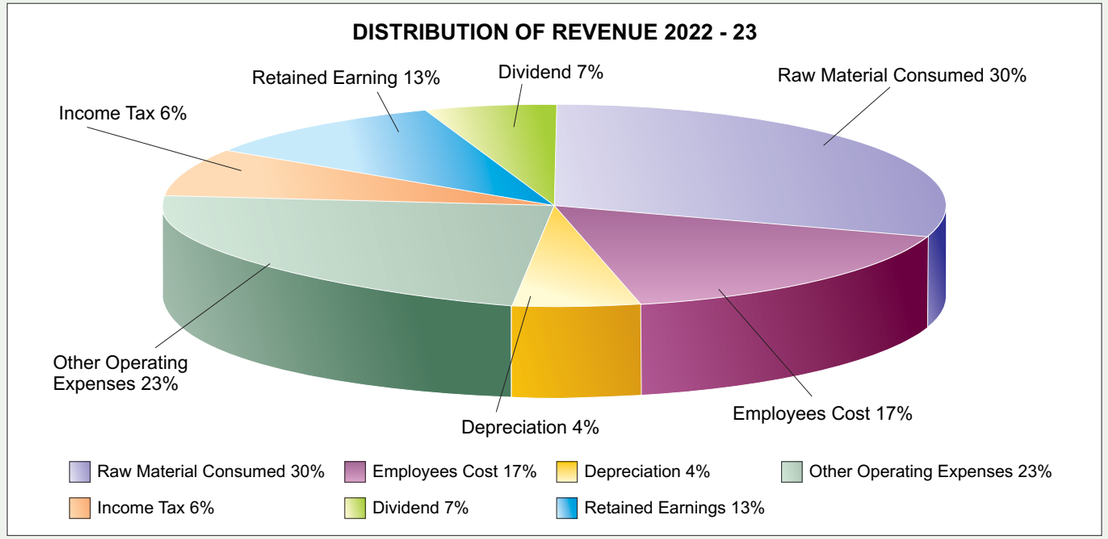


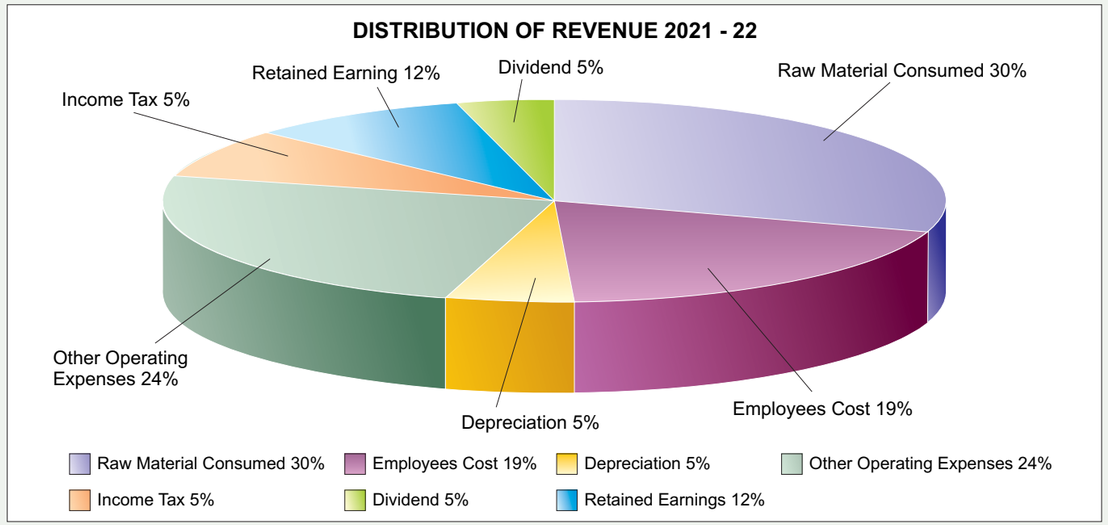




Engineering Flair with Environmental Care...

...Total Grinding and Honing Solutions





Engineering Flair with Environmental Care...

Report of the Directors

REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

TO THE MEMBERS OF WENDT (INDIA) LIMITED

Your Directors have the pleasure in presenting the 41st Annual Report of Wendt (India) Limited (hereinafter referred to as 'the Company') together with the Audited Financial Statements for the year ended 31st March 2023. The Management Discussion & Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as 'the Listing Regulations') has been included in the Directors' Report to avoid duplication and overlap.

ECONOMIC OVERVIEW

In a world that is more interconnected than ever before, all countries are getting impacted by what is happening in other countries. Apart from change in date, very little in FY 2022-23 feels different from the one gone by for the global economy. Geopolitical uncertainties continued unabated, a legacy of the last year, and there is wide consensus among economists now that the global economy is on verge of entering a phase of severe slowdown. Amidst this, the Indian economy remains a bright spot and GDP had grown around 7 per cent in 2022-23, making it the fastest growing major economy in the world for third time in a row.

The uncertainties caused by Russia Ukraine war which started in Feb 22 escalated further with more sanctions imposed on Russia by NATO, leading to surge in global crude oil and gas price, food grains like wheat and corn

and several other commodities casting a shadow on global growth prospects and cascading inflationary trend. This had major impact on almost all major economies of the world like US, Europe etc. including energy crisis and resultant production restriction. China, however, had its own surge of COVID variant which led to total lockdown including travel restrictions for some months impacting its economic growth.

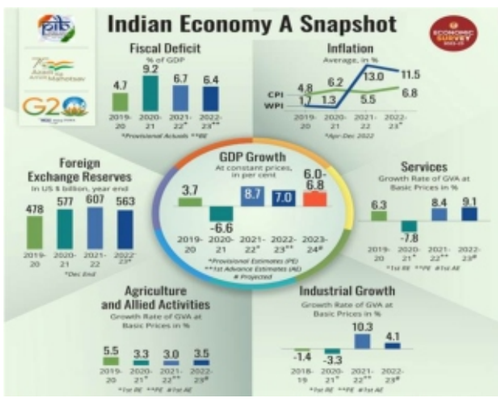
India, tackled this situation well by sourcing cheaper crude from Russia and using this as an arbitrage to keep its foreign exchange outflow low. The Indian economy had a transitory slowdown impacted by the overall slowing global demand and domestic consumption. However, the Indian economy is poised for growth as the Government has utilised this opportunity to sustain the ongoing momentum for infrastructure expansion and strategic policy thrust to lay solid foundation for medium to long term growth. As per the outlook data 6.8% growth is expected in FY 2023-24 maintaining India's status quo as the fastest growing global economy.

The optimistic growth can be assessed from number of positives for India like thrust on capex spend, rebound of private consumption boosting production activity, near universal vaccination coverage enabling people to spend on contact based services, opening of restaurants, hotel, shopping malls, aviation, tourism sector resulted in creation of record capacities, return of migrant workers to cities to work in construction sites leading to significant decline in housing market inventory, strengthening of corporate balance sheets, well capitalised public sector banks ready to increase credit supply and credit growth to the Micro, Small, Medium Enterprises (MSME) sector to name a few. In order to curb rising inflation, while the Central banks worldwide were busy in unprecedented repo rates hike, RBI did better job by balancing between inflation and growth, depreciating currency against US dollar and capital flight by raising rates.

India's growth can be attributed to record direct tax collections (Income Tax both personal and corporate) and GST collections, increased spending and pick up in private sector investment. The corporate sector performance is expected to show robust growth with improvement in net margins due to softening off the commodity prices from their recent highs.

India is also set to act as an important contributor of global economic recovery in the current year. The International Monetary Fund (IMF) expects emerging economies to account for four-fifth of global growth this year, with India alone expected to play the role of a global growth engine and contribute more than 15%. The stable growth of the Indian economy is aided by sustained government capital expenditure, deleveraging of the corporate sector, lower gross non-performing assets in the banking sector, and moderation in commodity prices.

In this context, the Government continued its agenda of structural reforms like rationalisation of **Production Linked Incentive Schemes** (PLI Schemes) to boost manufacturing in India and Make for World and stimulate output and investments. Specifically, support to economic growth will come from the expansion of public digital platforms and from the path-breaking measures announced such as PM Gati Shakti and



National Logistics Policy. The initiatives like vehicle scrappage policy, thrust on renewable and non-conventional energy sources is expected to reduce the India's overreliance on fossil fuel. To promote 'Ease of Doing Business' initiatives like proposed digitisation of land records, digital payments, single window clearance ensuring faster setup of new manufacturing units, faceless assessment and tax administration will boost manufacturing and help in making India a global manufacturing hub. The Government's continued heavy lifting on the capex front will also help drive in the private sector greenfield capex, which via its multiplier effect will help support domestic growth.

Though India is better placed than its global peers, the path to sustained recovery, however, will be distorted, given three major challenges India is likely to face. First, inflation is likely to remain high in the coming years even though it has already peaked. Second, aggressive tightening of monetary policies across the central banks of the advanced economies is likely to cause global slowdown in 2023, impacting domestic investment and consumer demand as the propensity to save increases. Tighter liquidity conditions may also result in capital outflows. Third, the labour market is yet to improve, and the pandemic's seemingly imminent return remains a wild card that could derail the strong recovery in consumer demand and service sector both of which are critical to GDP growth. In short, FY 2023-24 will be a challenging year for businesses and the Government to continue the growth momentum.

INDUSTRY STRUCTURE & DEVELOPMENTS

The demand for Super Abrasive products is closely linked to the level of industrial production. Super Abrasives are used to manufacture long-lasting, expensive items like auto and aircraft parts, demand for which is highly cyclical. Diamond and Cubic Boron Nitride (CBN) Super Abrasive products are used extensively in aerospace industry and other industrial applications where price considerations are less significant as they incur high initial costs. They are used in the machining of materials such as nickel, cast iron and cobalt-based superalloys, where precision in machining operations is of prime importance.

Increasing complexity of Super Abrasive technology in high performance applications and its high initial cost provide entry barriers for small-scale and medium-scale companies to compete with the global market leaders. While industry leaders can afford significant research operations, most unorganised players do not have access to substantial R&D resources. This disparity can make it difficult for small and medium-scale companies to compete in the market, in terms of developing products that may require advanced technologies.

The Company being a total Grinding Solution provider, innovation is at the core of the Company's products and processes. As such majority of our products are customised to fulfil the customer's requirements.

Our comprehensive product range backed by state-of-the-art technology, valued-added services and consistent performance, by and large fulfil the needs and expectations of our customers in diverse industrial segments.

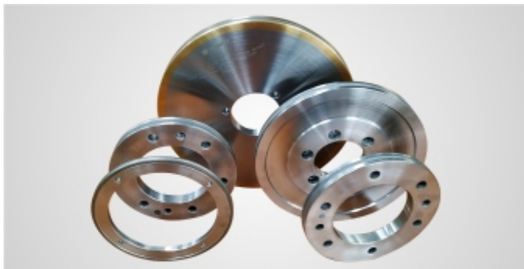
The Company is a preferred supplier for many of the automobile, auto component, engineering, aerospace, defence, ceramics customers for their Super Abrasive Tooling solutions, Grinding & Honing Machines and Precision components. A major contribution to the Company's revenues comes from these industries.

Also, the Company is committed to introducing new products and exploring new markets for Glass Wheels for Auto/Solar/Construction Application; Textile industry for Knife grinding industry; High performance grinding wheels for the cutting tool industry.

COMPANY PERFORMANCE OVERVIEW (STANDALONE)

(Rs. in lakhs)

	FY 2022-23	FY 2021-22	% change
Domestic Sales	13783	11858	16%
Export Sales	5312	3954	34%
Total Sales	**19095**	**15812**	**21%**
EBITDA	5371	3803	41%
Other Operating and Other Income	956	744	28%
Profit Before Tax	5249	3615	45%
Profit After Tax	4012	2710	48%
Capital Employed	16933	14414	17%
Earnings per Share - Rs.	200.58	135.49	48%



During the FY 2022-23, the Company clocked its highest ever sales of Rs.19095 lakhs, higher by 21% per cent over the previous year.

The Super Abrasive Business comprising Diamond/CBN Grinding Wheels in various Bonding Systems, Rotary Dressers, Stationary Dressers, Hones and Segmented products is the biggest business vertical for the company. With the respite from COVID 19 pandemic due to widespread vaccination during the previous year and surge of pent-up demand, the Company took several initiatives like regaining lost business, new products development, new customer acquisition, price correction, horizontal deployment of successful applications and products, looking at new customers, opportunities and markets, leveraging all its products as a complete package solution to serve customer better, sourcing etc., to grow the Super Abrasives Business.

These initiatives helped the Super Abrasive Business achieve sales of Rs. 13455 lakhs, its highest ever, growth of 22 % over the previous year.

The Domestic Super Abrasive Business recorded sales of Rs. 8810 lakhs, growth of 14 % over last year. This is the highest ever sales for Domestic Super Abrasive business. The higher sales was from industries like auto, auto ancillaries, steel, bearings, engineering, cutting tools, resellers etc.

The Export Super Abrasive sales during the year was Rs. 4645 lakhs, higher by 39% over the previous financial year. This is the highest Super Abrasive exports ever. The higher exports were due to increased sales from focus countries like USA, UK, Germany, Indonesia, Korea, Russia etc. The Company's strategy on continued emphasis on 10 focus countries for exports and other marketing initiatives like new customer addition, horizontal deployment of successful applications and products, dedicated customer meetings/calls, email campaigns, conducting technical seminars for steel, glass grinding etc., helped in exports growth. Also, could be able to achieve Rupee Rouble trade.

In the Machines Business, sales were Rs. 2777 lakhs, growth of 13% over previous year. The machine business recorded its highest ever sales despite continued supply chain issues leading to global shortage of semi-conductor chips and other related parts which goes into manufacturing of machines. The timely execution and delivery of machines to various customers was ensured by better planning, bulk ordering of parts for the entire year, working closely with critical vendors and also developing alternate vendors. The initiatives like advance schedule release helped to execute machines on time.

During the year, the Company manufactured 40 machines. Of these 20 numbers are the regular Delta 150/200 series machines. During the year, the Company executed for the first time 11 metres length longest bed twin spindle -twin bed grinding machine model WXG 750. Besides, some of the new machines executed includes OPRA Series 200, 300 and 400 series for steel and round tools, WBM machines refurbishing etc. The Company's strategy of moving from industry specific to application-based machines has yielded good results during the year. These machines have been well received by the customers projecting a good performance. Machine sales in the export market achieved good growth and acceptance by the customers.

The Precision Products business clocked sales of Rs 2863 lakhs, higher by 24 % over the previous year. The precision components business achieved its highest ever sales during the previous year. Besides the existing products like vanes, distance piece, TP blade, inserts etc. the Company could establish new products like silicon nitride roller project, rotors and rings etc. and started regular billing. The Company continues to focus on developing new products for its components business as a part of its de-risking strategy and looking at alternate opportunities wherever possible.

During the year, the Company has signed a Sales Partnership Agreement with Lithoz GmbH, a global market and innovation leader in ceramic 3D printing to accelerate business in Indian 3D Printing market. Besides, the access to 3D printing technology will help Wendt to produce complex designs and parts which are not easily manufactured.

In order to serve the customers better, during the previous year, the Company set up a facility in Pune for insert grinding application. The facility has started production and is expected to scale up production in future with addition of newer business.

The Company has uploaded its new products and applications in social media platforms like LinkedIn, YouTube etc., to create awareness amongst its customers. During the year, the Company has launched its new website with modified and improved content for better interaction and engagement with the customers. The website look and feel has been enhanced with graphics and user interface. The

customers can choose Company's products and successful applications and place their order online. These initiatives are focussed towards Digital Marketing and Ease of Doing Business in terms of servicing customers better.

On the Information Technology side, the Company has started Digitisation initiative of its core processes in order to make ease of doing business and eliminate duplication and non-value additions. The demo and vendor finalisation has been completed and order has been placed for digitisation of Dealer Portal, vendor portal and HR portal which is expected to yield benefits from the coming years.

Wendt Stall at IMTEX Exhibition

During the year, the Company participated in several exhibitions to showcase its products and to build rapport with customers. Some of the exhibitions where the Company participated and displayed its products are IMTEX machine tool exhibition by IMTMA, National Steel Expo Raipur, Indomech Nagpur, Faridabad, Ceramic Customer Meet at Hosur, Mela at Nataraja Coimbatore and Machine Tools Exhibition 2022 in Indonesia. Besides, the Company also conducted several Technology Days and technical seminars at various customer places to educate the customer on our products and applications and to know and eradicate their pain points. Besides, the Company has also started building Dashboard for trial and application establishment, preparation of Data Bank of all products, applications, customers based on their potential and market size and case studies of successful applications.

The Company leverages its core strength like complete product range- Super Abrasives, Machine Tools and Precision Components, access to German technology, renowned global brand **'Wendt',** global connect, domain knowledge and continued patronage from customers to grow its business and serve its customers better. It continues its focus on exploring new business opportunities in Aerospace, Compressor & Hydraulic parts, Special Inserts, Carbide industry, deploying its core competencies - Expertise, Experience and Knowledge on Grinding, Machines & Super Abrasive Tools for producing related precision components.

Focus on Process Efficiency

The Company continues to focus on improving operational efficiency as well as optimal utilisation of various resources- man, material and machines in manufacturing and production areas. The Company has implemented various initiatives to improve efficiency of its processes and products. Some of the key ones are –

- The **QRM** (Quick Response Management) Initiative - Paired-cell Overlapping Loops of Cards with Authorisation (POLCA) which was started as a pilot in the earlier years has been deployed successfully in three of the production cells. This envisages reorganising the machine layout in the shopfloor thereby reducing lead-time/ waiting time between workstations and improvement in shopfloor inventory and other resources. This initiative is beneficial in addressing some of the key areas like planning and scheduling, production reliability, materials availability, and product delivery. This needs to be extended not only in manufacturing process but also in support functions.
- **Reliability on Product delivery (ROPD) improvement**- improvement in product delivery for all major cells through POLCA.
- **Loss reduction** in major cells through Cross Functional Teams (CFT) to reduce in process rejections.
- **Method Engineering**- CFT to work on Methods improvement through productivity improvement projects, automating repetitive and manual tasks, value engineering, process simplification and eliminating redundancies or NVAs, flexible manufacturing and capacity utilisation ensuring all resources are utilised to the optimum.

Supply Chain efficiency is one of the Company's key focus areas. The Company continues its focus in reducing product lead time and improving operational efficiency by reducing Work in Progress (WIP).

On the raw materials front, the Company continuously develops alternative, reliable and competitive sources/suppliers for critical raw materials including Diamond/CBN, machine castings, systems, electrical, chemicals etc. However, to mitigate supply chain disruption the Company has tied up with critical suppliers with annual orders delivery schedules.

FUTURE PROSPECTS AND OUTLOOK

The Company's products are used extensively for Auto, Auto ancillaries, Engineering, Cutting Tools, Steel, Ceramics, Refractories, Defence, Aerospace, Construction and other industry segments. As such the Company closely monitors the developments in these sectors and accordingly devises its business strategy.

In the auto ancillary segment, rising middle class income and huge youth population in India is expected to be key demand driver. India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles. With the continued emphasis on green planet and reducing carbon emission, focus is shifting to Electric Vehicles (EV). The EV industry is expected to create 5 crores jobs by 2030 (Indian Brand Equity Foundation (IBEF)). India enjoys a strong position in the global heavy vehicles market as it is the largest tractor producer, second-largest bus manufacturer, and third-largest heavy truck manufacturer in the world. Further, initiatives like the PLI schemes for automobile and auto components, Automotive Mission Plan 2026, vehicle scrappage policy, flexi fuels etc., is expected to provide growth opportunities to the automobile sector. Indian automotive industry (including component manufacturing) is expected to reach Rs. 16.16-18.18 trillion (US$ 251.4-282.8 billion) by 2026 (IBEF).

With regards to the Steel industry, India's finished steel consumption is anticipated to increase to 230 Million Tonnes (MT) by FY 2030-31 from 134 MT in FY 2021-22. As of April 2022, India was the world's second largest producer of crude steel, with an output of 10.14 MT. In FY 2021-22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT respectively. During April-October 2022, the production of crude steel and finished steel stood at 71.56 MT and 68.17 MT respectively. The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. Due to the Government's continued thrust on infrastructure development including building railways, roadways and highways etc., the demand for Indian steel is expected to increase further.

Indian Abrasive market is valued at $363.26 million in 2021 and is expected to project a robust growth with a CAGR of 6.61% to reach $ 541 million by FY 2026-27. Initiatives like **'Smart Cities Mission'** and **'Housing for All'** along with rising demand for electronics and automobiles are driving the growth of Indian abrasive market.

The global Super Abrasives market is estimated to grow at a CAGR of 6.78% to USD 14.45 billion (Rs. 11.82 trillion) during 2021-2030. The dominating region is the Asia Pacific with major countries being China, India, Japan, South Korea and other regions being North America-US, Canada, Europe -Germany, UK, France, Italy etc. The largest segment of Super Abrasives market was the diamond segment accounting to 67% out of which the largest market is the electroplated diamond. By the end user industry, the electronic segment has the highest demand of super abrasives occupying 49% market share followed by automotive and oil and gas, which accounted for 14% and 10% market share respectively. The electronics industry was

worth USD 1787 million in 2016. The highest market share by country is occupied by Japan with USD 918 million followed by US with USD 581 million. Major factors responsible for the growth of global super abrasives market include growing awareness regarding adoption of high-end technologies and their benefits coupled with the continuing growth of the automotive industry. In addition to this, the product is widely popular due to its long lifecycle, high scale hardness and superlative performance, which is anticipated to spur the global super abrasives market growth. However, some of the factors that might act as major impediments to the growth of super abrasives market across the globe in the years to come are high cost of production along with product price volatility due to the fluctuating raw material costs.

Wendt Grinding Technologies Limited visit by Chief Executive Officer and Chief Financial Officer

The expected growth of the above sectors provides good opportunities for the Company's products Super Abrasives, Machines, and Precision Components in future.

The Company's growth lies in constantly monitoring changes in the external environment and adapting to the customer needs that are emerging. Accordingly, mega trends and underlying new opportunities that unfolds are being tracked continuously.

The growing usage of Super Abrasive products for various medical applications such as Surgical Instruments, Hypodermic Needles, Dental implants, Knee, Hip and Shoulder joints create new opportunities for the Company to explore through technical collaboration and new products development. Also, growing Consumer Electronic Segment with manufacturing facilities in India is expected to provide a wide array of opportunities for consumption of Super Abrasives in the coming years. The focus on semiconductor industry which will make India a major hub for manufacturing semiconductors is expected to be a major growth engine. The Company is exploring necessary tie-ups and collaboration to venture into these growing sectors.

To bridge the gap between optimising existing technologies & investing in advancements, the Company's in-house R&D efforts are aimed at strengthening the existing technology, complemented by new methods of manufacturing.

Adoption and deployment of appropriate technologies for indigenous Bond development, streamlining processes has been the key focus areas for Company's growth prospect and the Company will continue to do so.

SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

The Company's wholly owned subsidiary, Wendt Grinding Technologies Limited, Thailand, achieved sales of Thai Baht 870 lakhs (Rs. 1974 lakhs) which is 14% lower than the last year. This is despite unprecedented challenges and industry slowdown on account of increase in COVID-19 infection, EV impetus, geopolitical uncertainties due to anti-China thrust and China - Taiwan relations, rising costs and all odds. The subsidiary continues to demonstrate its strong resolve and business acumen challenging the unfavourable conditions and churning out results on a consistent basis.

The Profit Before Tax was Thai Baht 115 lakhs (Rs. 263 lakhs), 34% lower than previous year and the Profit After Tax has been Thai Baht 92 lakhs (Rs. 209 lakhs), 34% lower over previous year.

During this challenging year, the subsidiary resorted to strict cost and receivables control, clear business focus in terms of increasing product and customer basket and strengthening the export business. These initiatives have helped in de-risking the business by compensating for the decline in existing products. Focus on providing value added services, enhancing product basket, new customer additions and entering new geographies have yielded desirable results.

The subsidiary will continue to focus on core business & value-added service and increased customer/product base along with measures to ensure OPEX, safety and cash flow to achieve sustainable & profitable growth.

During the year, the subsidiary successfully received strong recommendation and revalidated **"ISO9001-2015"** audit from "TUV NORD".

WENDT MIDDLE EAST FZE, SHARJAH

Wendt Middle East FZE (WME), Sharjah, the other wholly owned subsidiary of the Company, had applied for voluntary de- registration during previous year.

The clearance from the Hamriyah Free Zone Authority (HFZA) was received in May 2022, after which WME has been de-registered.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company (incorporating the operations of the Company and its wholly owned overseas subsidiary), for the financial year 2022-23 are prepared in compliance with the applicable provisions of the Companies Act, Accounting Standards as prescribed by Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared based on the audited financial statements of the Company and its subsidiary, as approved by their respective Board of Directors.

Pursuant to provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with the relevant documents and the Auditors' Report thereon form part of this Annual Report. A statement of summarised financials of all subsidiaries of the Company in form AOC-1 forms part of the Annual Report. The audited annual accounts and related information of the subsidiaries is available in our website www.wendtindia.com.

Inauguration of Application Lab by Group Chairman

The key financial information on the consolidated operations are as follows: -

KEY CONSOLIDATED FINANCIAL SUMMARY

(Rs. in lakhs)

	FY 2022-23	FY 2021-22	% change
Sales	20761	17724	17%
EBITDA	5615	4167	35%
Other operating and other Income	762	543	40%
Profit Before Tax	5302	3691	44%
Profit After Tax	4009	2707	48%
Earnings per share - Rs.	200.45	135.34	48%

Anniversary Pooja

DIVIDEND

Considering the past dividend pay-out ratio and the current year's operating profit, the Board has recommended a final dividend of Rs. 50/- per equity share of Rs. 10/- each for the year ended 31st March 2023. Besides, in January 2023, an interim dividend at the rate of Rs. 30/- per equity share of Rs.10/- each was declared and paid in February 2023. This aggregates to a total dividend of Rs. 80/- per equity share of Rs.10/- each for the year which is highest ever declared by the Company since inception.

The Company has adopted the Dividend Distribution Policy as approved by the Board in line with the Listing Regulations and the same is available on the Company's website https://wendtindia.com/wp-content/themes/wendtindia/pdf/dividend-distribution-policy.pdf. The dividend paid as well as being recommended for the year ended 31st March 2023 is in line with this policy.

TRANSFER TO RESERVES

The Company transferred Rs.401 lakhs to the General Reserve. An amount of Rs. 9856 lakhs is retained in the Statement of Profit & Loss.

APPROPRIATIONS

(Rs. in lakhs)

Appropriations	
Profit After Tax	4012
Add: Other Comprehensive Income	7
Add: Balance brought forward from previous year	7738
Total	**11757**
Recommended appropriations	
Transfer to General Reserve	(401)
Dividend -Final (Dividend paid for 2021-22 Rs. 45/- per share of face value of Rs. 10/- each)	(900)
Dividend -Interim (Dividend paid for 2022-23 Rs. 30/- per share of face value of Rs. 10/- each)	(600)
Balance carried forward	9856

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but an opportunity to make a difference. The Company's Corporate Social Responsibility programmes are aimed at inclusive growth and sustainable development of the community.

The Company's Corporate Social Responsibility pursuits have always been based on the foundation of ethical behaviour in all its business transactions and contributions for economic development of not only the workforce and their families but also extending to the local communities and the society at large. The Company being a part of the Murugappa Group has been upholding this tradition by allocating a part of its profits for fulfilling its social responsibilities. The Group's philosophy is to serve the communities in which it operates through the services of service-oriented philanthropic institutions with education and healthcare being the core focus areas.

The Company's Skill Development Program was set up in 2012 in collaboration with Carborundum Universal

CSR Donation to Government School at Zuzuvadi for classroom Construction

Limited. The major focus was to provide high quality vocational and technical training to less privileged youth from weaker sections of the society by uplifting their lives and equipping them with employable skill sets. This training programme is designed based on the coaching methodology defined by Government of India, Ministry of Skill Development and Entrepreneurship. This builds up a skill bank of technically competent and industry ready work force benefitting the less privileged sections of the society.

The three years training programme is based on National Council of Vocational Training syllabus. This training is imparted with stipend to the enrolled students and free boarding facilities ensuring that they earn while they learn. Not only does this initiative help in imparting formal education, but also helps them in honing them to become a valuable citizen while helping them in seeking gainful employment upon successful completion of the course.

During the year, the Company undertook a project of constructing classrooms in a Government High School at Zuzuvadi, situated in the SIPCOT, Hosur. The Company focuses its CSR activities on rejuvenating schools as most of the schools are in desperate need of an overhaul and lack even the most basic facilities. This CSR project leverages contribution to build classrooms and provide other basic amenities for encouraging education in the rural and remote locations.

The Company also gives importance to green environment and tree plantation in the nearby communities by distributing and planting free saplings every year. Employees are encouraged to participate in activities like blood donation camps, creating awareness on road safety, nominating employees with RTO as traffic wardens, 5S campaigns towards cleaner environment, imparting special education to the school children to name a few.

The Company in line with the amendments in Companies Act, 2013, formulated annual action plan, which was approved by the Board of Directors, in pursuance of the CSR Policy of the Company, based on which spending on CSR activities were done. The Company, during the year 2022-23 has spent Rs. 31.72 lakhs towards CSR activities and the unspent CSR amount of Rs. 12.00 Lakhs owing to the on-going

project of construction of classroom was transferred to the Unspent CSR account pursuant to section 135(6) of the Companies Act, 2013.

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

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

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND (IEPF)

In terms of Section 124 (5) of the Companies Act, 2013, an amount of Rs. 4,62,235 being unclaimed dividend during the year, pertaining to the final dividend for the FY 2014-15 (Rs. 2,59,035) and the interim dividend for the Interim Dividend of FY 2015-16 (Rs. 2,03,200) was transferred to IEPF after sending due reminders to the shareholders.

FIXED DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed thereunder and no amount of principal or interest was outstanding as on the balance sheet date.

LOANS AND INVESTMENTS

Particulars of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are given below. There were no loans or guarantees covered under section 186 granted during the year.

(Rs. in lakhs)

Description	As on 31.03.2022	Movement (net of deletions)	As on 31.03.2023
Loans given by the Company	-	-	-
Corporate Guarantee given by the Company	-	-	-
Investments made by the Company	277.39	-	277.39

Current Investments: Investments in Mutual Funds as on 31.03.2023 was Rs. 6563 Lakhs.

KEY RATIOS

Sl. no.	Ratios	In terms of	31.03.2023	31.03.2022
1.	**Performance Ratios**			
a.	Operating Profit / Net Sales	(%)	24	19
b.	EBIDTA / Net Sales	(%)	32	28
c.	PBIT / Net Sales	(%)	28	22
d.	Net Profit / Net Sales	(%)	21	17
e.	ROCE	(%)	31	24
f.	ROE	(%)	26	20
g.	Fixed Asset Turnover Ratio	Times	3.50	2.94
2.	**Activity Ratios**			
a.	Inventory Turnover Ratio	Days	55	56
b.	Receivable Turnover Ratio	Days	67	76
3.	**Liquidity Ratio**			
a.	Current Ratio	Times	2.07	1.66

The significant change in operating profit, EBITDA and PBIT to net sales is mainly on account of operational efficiency measures including variable and fixed cost reduction initiatives undertaken in the previous year. This has also resulted in favourable change in ROCE and ROE for the year ended 31st March 2023.

Engineer's Day Celebration

QUALITY

The Company follows a quality assurance system with stringent tests built into every stage of production ensuring the quality of its products. The quality consciousness built in the company's DNA backed by a thorough understanding of customer application needs and "one to one" customer support, has made the Company a synonym for quality and reliability. The product quality was enhanced by introducing Gemba inspection and risks were reduced resulting in improvement of production efficiencies thereby garnering customer loyalty. Ensuring that Process & Product audits are being performed and regular testing of the product and ensuring that the quality is within the standard.

The Company has implemented 'Green Channel Suppliers & Vendors' which will eliminate incoming inspection thereby reducing production lead time & faster customer delivery. The Green channel suppliers are selected after assessment and evaluation of their processes and facilities. The Company continued planned supplier audits for assessing supplier gaps if any thereby improving incoming materials quality performance. The Company also introduced Quality assurance agreements with suppliers which will help supplier to understand their roles, responsibilities, and expectations.

The Company has certifications of ISO 9001: 2015, IS0 14001: 2015, ISO 45001: 2018, AS9100 Rev D, IATF 16949: 2016 and EN 13236: 2019 reinforcing its commitment to ensure that Quality Management Standards are met.

IATF 16949: 2016 pertains to manufacturing of precision products and AS9100 pertains to Aerospace applications. In order to comply with the safety norms and requirements of overseas customers, the Company

Safety Day Celebration

Communication Meeting

has successfully renewed ISO 9001: 2015, IS0 14001: 2015, ISO 45001: 2018, AS9100 Rev D and IATF 16949: 2016 Standards during the year. Quality being the uncompromised differentiator, the Company aims to ensure that product quality is built by deploying and embracing effective quality control management, process robustness, quality assurance and discipline at every stage of material flow.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

Safety continues to be the key area of focus for the Company. Behaviour based training both in person as well as virtually were conducted to promote a culture of safe working. The Company recognises the need and is committed to provide Safe, Healthy and Socially Accountable Work Culture in the Organisation.

All personnel on a periodical basis receive effective health and safety training, including on-site training, job specific training etc. During the year, the Company has provided trainings for creating awareness about the significance of safety amongst employees and visitors including by way of setting up of safety training kiosk.

The Annual medical check-up facility continue to assess the health status and risk of our employees. Employees are benefitted from awareness sessions organised on the theme- FHH (Fitness, Health and Happiness) and employees were encouraged to take initiatives to improve their health and fitness.

Quarterly mock drills for fire safety, special medical attention for employees working in special process & sensitive areas, use of personal protection equipment (PPEs), zero discharge of ETP/STP and hazardous waste handling are some of the initiatives, which the Company undertook during this year.

The Company continues following the COVID-19 protocols and safety measures in terms of social distancing, including restricted movement of manpower, use of hand sanitisers and face mask at workplace and home. This has enabled the Company to continue uninterrupted production.

RECOGNITIONS AND AWARDS

The Company encourages its employees to participate in customer audits, group competitions, various national and international events & competitions. During the year, Company received many awards and accolades from well recognised organisations, establishments and certifying bodies for various distinctive achievements. Needless to mention that these recognitions and accolades enhance the passion and optimism among the employees and acts as key motivator for the Company as a whole. Some of the key recognitions received during the year are as follows:

- **ICAI Award for Excellence in Financial Reporting FY 2021-22**

  The Company's Annual Report FY 2021-22 was adjudged winner in Plaque category by The Institute of Chartered Accountants of India for Manufacturing and Trading Companies with turnover less than Rs 500 crores.

- **QCFI -CCQC 2022 Competition**

  12 teams participated in CCQC Competition during Oct 2022. 9 teams won Gold Award and 3 teams bagged Silver Award.

- **CUFEST 2022 Awards**

  Employees participated in Group-level Quality competition 'CUFEST 2022' (Quality festival of CUMI), and won awards for Kaizen, Supply Chain Excellence and Cross Functional Collaboration, HR Excellence and Suggestion Scheme.

- **Shine Awards**

  Murugappa Group recognises Best role Models for its five lights- Integrity, Passion, Quality, Respect and Responsibility. During the year, 3 of the Company's employees were declared shine award winners. Besides, Shine Award certificate of appreciation was given to 3 other employees of the Company.

- **Individual Excellence Award**

  Organisation awarded employees who demonstrated high sense of ownership and responsibility and delivered consistent results in various areas such as productivity, cycle time reduction, Safety, Quality, Problem solving, Customer satisfaction, Innovation, QRM, and best 5S practices.

- **Eminent Engineer Award**

  One of our employees, Ms. Chitra was conferred with Eminent Woman Engineer Award by the Institution of Engineers, Hosur Chapter during the Women's Day celebration at Hosur.

Brand Ambassador Award

5S Zonal Champion

OPPORTUNITIES & THREATS

OPPORTUNITIES

Disruptive technologies like Electric Automobiles, the recent emerging trend in the automotive industry, although a threat to the IC engine, also provides opportunities to explore this segment and find parts suitable for EV vehicles.

Nano Cubic Boron Nitride abrasives are likely to augment applicability of Super Abrasives in many medical and electronic industry applications. The Company is exploring venturing into EV, medical and electronics segments by collaboration and technology tie-ups with global partners to grow further.

The industries in the Auto, Aerospace, and Electronics manufacturing space demand high-performance applications. Improvements in the design of diamond wheels used to finish ceramics can be key to cost-effective manufacturing. Metal-bond specially design wheels for longer wheel life can lead to shorter process cycle times while also ensuring longer life, thereby reducing the overall grinding cost. The company achieving the aerospace certification is a step in looking at growing this segment in future.

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

Further, the Government's focus on Projects like **'Make In India'** and **'Make for World'** are expected to give a boost to the Company's products being import substitute, thus helping in conservation of precious foreign exchange during these difficult times.

THREATS

Industry leaders across globe, with high brand value afford significant Research operations. Investment in R&D activities by these major players to innovate the existing products and to develop new technologies to sustain competition in the market is very high. On the other hand, we have many unorganised, regional proprietary run entities that are smaller in size with limited offering, which address customers' requirements in a specific region.

In order to counter both the extremes, the Company strives to evolve a unique approach to improve its market presence, market share and address both the segments. To address the price competitive market, the Company has launched fast moving and Standard Super Abrasives and other tooling products and has been aggressively conducting promotional activities at the vicinity of high potential customers. For addressing the high performance, quality conscious segment, the Company is working with foreign Research Institutes and is on lookout for product specific, niche manufacturers for acquiring state-of-the-art technology.

Enterprise Value Addition (EVA)

The Company has been able to continuously add value, the summary of which is given below:

(Rs. in lakhs)

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Generation of Gross Value added	9432	7494	5451	5251	5800
Breakup on Application of Value added					
Payment to Employees	3362	3110	2928	3136	2892
Payment to Shareholders (on payment basis)	1500	800	700	300	600
Payment to Government	1213	921	375	404	740
Payment to Directors	39	29	24	22	21
Towards replacement and expansion	3318	2634	1424	1389	1547
Total	**9432**	**7494**	**5451**	**5251**	**5800**

- Gross Value Added is Revenue less Expenditure (excluding depreciation, expenditure on employee & directors service).
- Payment to Government is current tax + dividend distribution tax.
- Replacement and expansion is retained earnings +depreciation + deferred tax.
- The Company has been constantly investing towards replacement and expansion expenditure to ensure fulfilment of market demand.

RISK & CONCERN

The Company has constituted a Risk Management Committee aligned with the requirements of the Companies Act, 2013 and Listing Regulations. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

The Company has a robust business risk management process to identify, evaluate and mitigate risks impacting business including those which may threaten the existence of the Company. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. This also defines risk management approach across the organisation across various levels including documentation and reporting.

The Company determines the categories of risk from – strategic, operational, environmental, legal, social, cyber risks, extended enterprise and financial which the organisation may be exposed to and could impact its ability to conduct its business operations without disruption, to provide customer satisfaction and achieve sustainable success.

The Risk Management also forms an integral part of the Company's Business Plan.

The Company has also developed a structured Risk Management Policy encompassing the risk management objectives, principles, processes, responsibility for implementation, maintenance of risk registers, review of risk movements, risk reporting framework etc.

After the risk is identified, Risk Prioritisation is undertaken which involves assigning a score based on impact (potential outcome) & likelihood (probability of occurrence). The risks are also assessed for velocity (how fast a risk can impact an organisation) to assess the need for crisis plan. The risk response of the Company is of the following types:

- Avoidance i.e., not to start or continue with an activity which gives rise to a risk.
- Sharing the risk i.e., sharing with another party, the burden of loss or the benefit of gain, from a risk.
- Mitigating risk, an action that reduces the impact or likelihood of a risk.
- Retention, where no worthwhile controls actions are feasible, and the risk is within the organisation's risk tolerance.

Some of the risks associated with the business and the related mitigation plans are given below. However, the risks given below are not exhaustive and assessment of risk is based on management perception.

Raw Material commodity price increase

Why is it considered as a Risk?

- non availability due to pandemic and global unrest.
- scarcity of raw material.
- logistics issues-supply chain disruption.
- Increased price with surging commodity price.

Mitigation Plan/Counter Measure to address

- Identifying alternate source of raw material.
- Bulk ordering and fixing annual price of critical raw materials.
- Premium price for faster delivery.
- Better forecasting and advance ordering in bulk.
- Vendor managed inventory to mitigate supply chain disruption.

User Industry concentration Risk

Why is it considered as a Risk?

- Disruption in the overall automotive market landscape due to transition of the automobile industry towards hybrids and electric vehicles.
- Effect on Customer Relationship with change in ownership.
- Disruptive innovation & process changes.
- Newer technology like Integrated Starter Generator and Belt-Driven Starter Generator that are likely to replace alternator and generator in the automobile.

Mitigation Plan/Counter Measure to address

- Identifying alternate Industry base Segments based on Mega Trends- Aerospace, Bearings, Razor Blade, Glass, Power (Solar, Nuclear, Wind and Gas).
- Widening the customer base/new industry segment & new geographies thereby de-risking the business.
- Pursuing product innovation and new application development as per government norms.
- Building relationship and engagement with the customer by adopting new initiatives conducting Technical Seminar - both online and onsite, participation in international exhibitions, CRM & Knowledge Management application.
- Focus on Digital Marketing, to acquire new customers and pursue new applications.
- Working with renowned research universities and technical consultants, to develop new products.

Competition Risk

Why is it considered as a Risk?

- Loss in share of business for standard and low precision products, due to presence of many unorganised regional players often adopting measures like pricing strategy, free samples, longer credit period etc.
- Disruption in global competition by low-cost products.
- Organised players spending on Research and Development and coming up with new products.
- Major companies acquiring local dealers/ manufacturers and entering partnerships with major end users to continuously supply products.

Mitigation Plan/Counter measure to address

- Launching High Performance standard products, with competitive price and branding products by conducting seminar at Tier 1 & Tier 2 cities, Melas at dealer locations and participating in various exhibitions.
- Measures like New product development, lost business regain, gain from competition, horizontal deployment of successful applications.
- Association with external agency for developing new products for different applications.
- Automation and Robotisation to address lower manufacturing cost and enhance competitiveness.
- Offering products against import substitute by focusing on cost, delivery, quality and technical support.
- Conventional Abrasives application migrating to Super Abrasives.
- Collaborating and partnering.
- Leveraging the three verticals -Super Abrasives, Machines and Precision components.

Technology Risk

Why is it considered as a Risk?

- Elimination of Machining Process (Turning, Milling, Grinding, Honing).

- High investment on Technology by key global players.
- Access to advanced technologies.

Mitigation Plan/Counter Measure to address

- Enhance in-house R&D efforts (DSIR approved R&D) to strengthen existing technology, complemented by new methods of manufacturing.
- Association with external Research laboratories/ Technical institutes for technology upgradation.
- Collaboration with external consultants for product and process Innovations.
- Initiated overseas partnership for Additive Manufacturing.

HR Risk

Why is it considered as a Risk?

- Millennial work force - no long-term interest.
- Attrition of skilled/trained manpower by competition leading to disruption of operations or knowledge gap.
- Delay in recruitment of talents as per business needs.
- Succession planning for key roles.

Mitigation Plan/Counter Measure to address

- Facilitate to enhance technical and behavioural capabilities through e-learning modes and Webinars.
- Improve leadership readiness to manage the growth initiatives by identifying internal and external incumbent for next set of leadership positions through the Internal Development Programs (IDP).
- Focus on acquiring high skilled talents from best-in-class domains/organisations.
- Design & implement career road map through structured development plan for career enhancement based on roles and job descriptions.
- Mentoring and Coaching programme for employees for enhancing engagement level.
- JD mapping and identifying training needs to fill gaps for employee development ensuring right person on right job.

Regulatory or Legal Risk

Why is it considered as a Risk?

- Non-adherence to government advisories, Standard Operating Procedures etc., exposes the Company to legal and compliance risks.

Mitigation Plan/Counter Measure to address

- Closely monitoring information on government circulars, notification, advisories and disseminating the same to the operating team for implementation as well as monitoring adherence through robust compliance management system.

Cyber Security Risk

Why is it considered as a Risk?

- Disruption of technology service providers (in Work from Home conditions)
- Data breach, loss or exposure increase due to a remote/mobile workforce.
- Security breaches, compliance, bugs due to unauthorised access and potential attacks

Mitigation Plan/Counter Measure to address

- The Company has a robust IT Security Policy implemented with a periodic review mechanism.
- The Company has a backup process available for data restoration. The Company has identified alternate service providers in case of switch over.
- Implemented SIEM (Security Information and Event Management) for identifying, monitoring, recording and analysing security events or incidents in a real-time IT environment.
- Continuous review of the Disaster Recovery Strategy & Business Continuity Policy in place for Technical Controls.
- Data Center access limited to authorised personnel.
- Crisis Management Group in Place.
- Strengthening network security.
- Enhancing Information Security policies & procedures.
- Vulnerability Assessment and Penetration Testing (VAPT) for information system conducted periodically.
- Updating patches monthly and monitoring for issues antivirus update for entire environment including standalone IT assets.
- Periodic awareness emailers to employees on Do's and Don'ts to ward off cyber threats like phishing and malware attacks.
- Information shared on 'Need to Know Basis'.

INDIAN ACCOUNTING STANDARDS (IND AS) - IFRS CONVERGED STANDARDS

The Company had adopted Ind AS with effect from 1st April 2016 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 notified by the Ministry of Corporate Affairs on 16th February 2015.

INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has an Internal Control system commensurate with the size, scale and complexity of its operations. The controls have been designed and categorised based on the nature, type and the risk rating so as to effectively ensure the reliability of operations with adequate checks and balances.

The Company's internal control system covers the following aspects:

- Safeguarding the assets of the Company.
- Financial proprietary of business transactions.
- Compliance with prevalent statues, regulations, policies and procedures.
- Control over capital and revenue expenditure with reference to approved budgets.

The Internal Audit function is delegated to an external firm which evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements. The scope of the Internal Audit is annually determined by the Audit Committee considering inputs from the Statutory Auditors and the Management Team. Significant audit observations and the corrective/ preventive actions taken by the process owners is presented to the Audit Committee. Periodic review of the adherence to the agreed action plan is carried out.

The Audit Committee of the Board periodically reviews audit plans, observations, and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

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

INTERNAL FINANCIAL CONTROLS (IFC)

Internal Control is a process, effected by an entity's Board of Directors, Management and other personnel, designed to provide reasonable assurance relating to operations, reporting and compliance as defined by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission (appointed by SEC, USA).

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

a) orderly and efficient conduct of its business, including adherence to accounting policies,

b) safeguarding of its assets,

c) prevention and detection of frauds and errors,

d) accuracy and completeness of accounting records and

e) timely preparation of reliable financial information.

The key components of IFC followed by the Company are:

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

The adequacy of IFC is ensured by:

- Documentation of risks and controls associated with major processes.
- Validation classification of existing Controls to mitigate risks.
- Improving the effectiveness of controls through data analytics.
- Performing testing of controls by Independent Internal Audit firm.
- Implementation of sustainable solutions to Audit observations.

The IFC Audit is conducted annually by an independent firm of Chartered Accountants by testing of controls to ensure that all controls are operational, effective, adequate and identifying improvements to controls wherever necessary which is reviewed by the Audit Committee.

FINANCIAL REVIEW

Liquidity and Cash Equivalents

The Company follows efficient working capital management practices. This requires being prudent in capital expenditure. Also, making its cash conversion cycle more efficient through faster collections from debtors, faster conversion from raw materials to finished goods through QRM resulting in healthy cash generation. Thereby the Company was able to maintain its debt free status. The Company holds sufficient cash and cash equivalents to meet its futuristic strategic growth initiatives by following prudent investment policy. The Company's cash surplus position helps to eliminate short and medium-term liquidity risks.

The Company's robust Cash Management Policy is based on:

a. Uses cash to provide sufficient working capital to address business objectives of the Company and to add value to all stakeholders by continued enhancement.

b. Conserves sufficient cash as reserves that will aid the Company in venturing into meaningful business opportunities that unfold in future.

c. Prudently invests surplus funds that the business generates in liquid investments including AAA rated debt schemes of mutual funds as per the Board approved policy. This ensures availability, safety and liquidity of the Company's funds while allowing reasonable yield as per the prevailing market rates. The surplus funds are generated through stringent control on working capital.

As on 31st March 2023, the Company's investment in debt mutual funds was Rs. 6563 lakhs in securities holding papers with high credit rating and Rs. 500 lakhs in Corporate Fixed Deposits.

Costs

The year continued with high commodity price along with supply chain disruption. The Company managed its cost by negotiating annual price with critical suppliers and buying in bulk based on annual demand projection. To combat supply chain disruption, the Company continues developing alternate suppliers as a part of its de-risking strategy. Also, the Company continues looking at indigenisation of some of the supplies. Initiatives like Vendor Managed Inventory (VMI) has ensured continuity of supplies of critical items including rationalisation of costs. Focus on Cost Optimisation has yielded savings in all the business segments – Super Abrasives, Machines and Precision Components. The rigorous variable and fixed cost reduction initiatives undertaken in the previous year has resulted in good improvement in the bottom line.

FINANCIAL POSITION

Share Capital

The paid-up equity share capital as on 31st March 2023 was ₹ 200 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Shareholders' Funds

The shareholders' fund as on 31st March 2023 was Rs. 16,933 lakhs against Rs. 14,414 lakhs of previous year. Accordingly, the book value of the share stands at Rs. 847/- as compared to Rs. 721/- during the previous year.

Loan Funds

The Company continues its debt free status as it does not have any long-term borrowing. It continues to utilise its cash credit limit with the banks to bridge the short-term fund requirement and for meeting the temporary mismatches in its cash flow.

During the current year as well, the working capital limits of the Company continued to be rated by ICRA as **AA**- (pronounced ICRA double A minus) rating assigned to the Rs. 2 Crore Long-term Fund facilities of the Company which signifies low credit risk and stable. The short-term rating assigned to Rs. 19 crore Non-Fund Based working capital limit also continued to be reaffirmed as **A1+** (pronounced ICRA A one plus).

There are no material changes and commitments, affecting the financial position of the Company which have occurred between 31st March 2023 and the date of this Report.

ASSETS

CAPITAL EXPENDITURE

The Company follows the policy of being prudent in its capex spend. During the current year, the capital expenditure was Rs. 1152 lakhs (Previous year: 608 Lakhs). The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and new products capacity enhancements, which are critical for the future growth of the Company. As in the past, the Company follows the policy of funding all the capex through internal accruals. The Company reviews all its capex investments performance periodically against the projected ROI and Payback period.

INVENTORIES AND SUNDRY DEBTORS

The Company follows rigorous Working Capital Management, based on a well-organised process of continuous monitoring and control on Receivables, Inventories and other parameters. The overall inventory levels as on 31st March 2023 is Rs. 3155 lakhs which is higher than previous year by Rs. 587 lakhs, increase by 23%. In order to mitigate the supply chain disruption and ensure continuity of production, company hold strategic inventory of around Rs 350 lakhs.

Receivables (Gross) as on 31st March 2023, were at Rs. 3849 lakhs against Rs. 3312 lakhs during the previous year. The Company closely monitors the DSO (Days Sales Outstanding) through aggressive receivable management system including close follow ups and credit lock through the SAP system. This ensures that receivables are kept under control and payments received in time. The Company has reduced the receivable average credit days to 67 days from 76 days in the previous year.

FOREIGN EXCHANGE HEDGING

The Company, being a net exporter, continues to practice natural hedging of foreign exchange earnings and outflow and does not take forward covers. The net forex gain during the year has been Rs. 107 lakhs (Previous Year Rs. 82 lakhs).

HUMAN RESOURCE

Wendt being an engineering-knowledge-based Company, considers employees as its most precious assets. The Company has a strong and diverse workforce where every employee is involved as "partners" in the progress. The intangible asset comprises all the competencies of the people within the organisation in terms of education, experience, potential and capacity. The Company encourages & motivates diversity amongst employees and encourages them to take active part in activities such as Cross Functional Teams (CFTs), Kaizens, Small Group Activities (SGAs), and Suggestions.

The company emphasises Safety at the workplace with focused and highest attention from the Board. Periodic training and awareness sessions continue to be conducted for identification and elimination of unsafe working conditions.

Cordial relations continue to be maintained with the employees and the work atmosphere remained congenial throughout the year. The manpower strength of confirmed employees of the Company as on 31st March 2023 remained 388.

The Company has a policy on prevention of sexual harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The Company had constituted an Internal Complaints Committee as required under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. No complaints were received during the year under review.

The Company is in the process of evaluating the New Labour Codes, which are yet to be notified and identifying its impact on the business of the Company.

Major HR initiatives deployed during 2022-23

Enabling Change Management

- Initiated change management by encouraging employees to transform from "Command and Control" environment to "Empower & Enable" culture.
- Organisation restructuring has been done to ensure right people are placed at right place.
- HI potential employees are identified and initiated Individual Development Plan (IDPs), Business Leadership Programme (BLP), CUMI Leadership Programme (CLP) and other professional programs.
- Conducted DISC intervention for understanding behavioral style of functional heads.
- Strategy & Business Development workshop are conducted to large audience so that they can understand Business plan process and contribute to its success which gives a sense of belongingness to all employees.
- Elevated all Team members in Support function to MMS level as a strategic initiative.
- Created opportunities for all employees to interact with CEO and Senior Leadership Team to showcase their accomplishments, aspirations etc.

Hiring & Skill Development

- Recruited around 30 key talents laterally to support business needs.
- As part of competency enhancement, specific programs have been organised through Subject Matter Experts towards Customer centricity, Sales

excellence, Supervisory Development, Advanced communications etc., and Knowledge sharing sessions were conducted for the benefit of larger groups.

- Exclusive development program conducted for all Sales team including Key account management and Field Coaching Tool.
- Around 4 man days of trainings have been provided for each employee as part of capability enhancement on various competencies.

Improving employee engagement levels

- Interaction with every shopfloor employee by HR team to understand workplace issues, safety, grievances, scope for improvement etc., and taking timely action.
- Established business partnership of HR to extend focused support to business.
- Platforms are provided to employees by way of monthly structured reviews to share their highlights & plans and to seek support. Employees started focusing on Common objective as business goal rather than individual focus.
- Implemented Sales incentive scheme away from Balance Score Card system for field sales team to recognise their performance and motivate them.
- Revived existing Reward scheme to make it more transparent and exhaustive to cover all possible accomplishments with aforementioned changes.
- Change Agent - Video campaign is done to share positive experience of employees to all employees to bring in culture of growth mind set.
- Emphasised focus on TEI through various celebrations, competitions, communications etc.

With all the above interventions, employee engagement scores have been increased from 55% to 73%

Digitalisation of HR process

- Identified partner and started working on digitisation of all HR functions starting from Hire to Exit/Retire.

RELATED PARTY TRANSACTIONS

The Company as per the requirements of the Companies Act, 2013 and Regulation 23 of the Listing Regulations has a Policy for dealing with Related Parties. Further, in line with the amendments made in Listing Regulations pertaining to related party transactions which are effective on prospective basis i.e. w.e.f. 1st April 2022 onwards, the policy on dealing with related party transactions was amended to adapt to the changes.

In line with its stated policy, all Related Party transactions are placed before the Audit Committee for review and approval. Prior approval of the Committee is taken for the estimated value of transactions which are foreseen and repetitive in nature. Omnibus approval in respect of transactions which are not routine, or which cannot be foreseen or envisaged are also obtained as permitted under the applicable laws. The list of related parties is reviewed and periodically updated as per the prevailing regulatory conditions.

Further considering the regulatory changes in the SEBI Listing Regulations on the enhanced monitoring of transactions with Related Parties effective April 2022 as well as April 2023 an awareness session for the Thailand subsidiary was conducted to brief the requirements of the amended Listing Regulations. Following this, the changes were effected in their reporting framework as well as monitoring process at the entity level.

The details of transactions proposed to be entered with Related Parties are placed before the Audit Committee for approval on an annual basis before the commencement of the financial year. Thereafter, a statement containing the nature and value of the transactions entered by the Company with Related Parties is presented for quarterly review by the Committee. Further, revised estimates or changes, if any to the proposed transactions for the remaining period are also placed for approval of the Committee on a quarterly basis. Besides, the Related Party transactions entered during the year are also reviewed by the Board on an annual basis.

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis and hence no particulars are required to be entered in the Form AOC-2. Further, all transactions entered into with Related Parties during the year even at arms' length basis in the ordinary course did not exceed the thresholds prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 or Listing Regulations or the Company's Policy in this regard and hence no disclosure was required to be made in Form AOC-2. Accordingly, there are no contracts or arrangements entered with Related Parties during the year to be disclosed under Sections 188(1) and 134(h) of the Companies Act, 2013 in Form AOC- 2. The Form AOC-2 in the prescribed format is annexed to this report as Annexure-B.

There are no materially significant Related Party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives may have a potential conflict with the interest of the Company at large.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website https://wendtindia.com/wp-content/themes/wendtindia/pdf/policy-on-related-party-transactions.pdf. None of the Directors and KMPs had any pecuniary relationship or transaction with the Company other than those relating to remuneration in their capacity as Directors/Executives and corporate action entitlements in their capacity as shareholders of the Company.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Company's ethical and responsible behaviour complements its corporate culture. Being a public listed company, the Company recognises that its accountability is not limited only to its shareholders from a financial perspective but also to the larger society in which it operates. During the year 2019-20, consequent to the mandatory reporting of its business responsibility initiatives under the Listing Regulations, the Company had formulated a consolidated policy on Business Responsibility which lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment so that it contributes beyond financial and operational performance.

A copy of the Policy is available at https://wendtindia.com/wp-content/uploads/2023/06/busines-responsibility-policy.pdf.

SEBI, vide its circular dated May 10, 2021, introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) replacing the existing Business Responsibility Report (BRR) mandating the top 1,000 listed companies (by market capitalisation) from FY 2022-2023. BRSR is a performance based disclosure on nine defined principles of the 'National Guidelines on Responsible Business Conduct'. It is intended towards having quantitative and standardised disclosures on ESG parameters to enable comparability across companies, sectors and time.

The Business Responsibility and sustainability Report for the year ended 31st March 2023 in terms of amended Regulation 34 of the Listing Regulations is annexed to this Report as **Annexure E**.

GOVERNANCE

BOARD OF DIRECTORS

As on 31st March 2023, the Board of the Company comprised six Directors of which majority (four) are independent.

During the FY 2022-23, at the 40th AGM of the Company, Mr. Rajesh Khanna retired from the Board of the Company as a Non-Executive Director with effect from 22nd July 2022.

Mr. Muthiah Venkatachalam was appointed as an additional Director at the Board meeting held on 2nd August 2022. Approval of the Members by way of Postal ballot was obtained on 29th September 2022. Consequent to the changes in the Board composition, the constitution of Stakeholders Relationship Committee was reviewed and revised more fully detailed in the Corporate Governance section of the Report.

Mr. Muthiah Venkatachalam retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. A proposal for his re-appointment is included in the Notice convening the 41st Annual General Meeting for consideration and approval by the shareholders.

The Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. In the opinion of the Board, all the Directors appointed during the year are persons with integrity, expertise and possess relevant experience in their respective fields.

All the Independent Directors of the Company have registered their names in the Independent Directors Databank and had completed test/exempted as required under the Companies Act, 2013 and the Rules referred therein.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. C Srikanth, Chief Executive Officer, Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer and Mr. P Arjun Raj, Company Secretary are the Key Managerial

Personnel of the Company as per Section 203 of the Companies Act, 2013.

BOARD MEETINGS

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

During the year, six (6) Board Meetings were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance of the directors are given in the Corporate Governance Report forming an integral part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees as per the evaluation framework adopted by the Board on the recommendation of the Nomination and Remuneration Committee. Structured assessment forms were used in the overall Board evaluation comprising various aspects of the Board's functioning in terms of structure, its meetings, strategy, governance and other dynamics of its functioning besides the financial reporting process, internal controls and risk management. The evaluation of the Committees was based on their terms of reference fixed by the Board besides the dynamics of their functioning in terms of meeting frequency, effectiveness of contribution etc.

Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as their level of engagement and contribution, objective judgement etc. The Executive Director's evaluation was based on leadership qualities, strategic planning, communication, engagement with the Board etc.

The Chairman was also evaluated based on the key aspects of his role. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, the Board as whole and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held during the year.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has formulated the criteria for Board nominations as well as the policy on remuneration for Directors and employees of the Company.

The criteria for Board nominations lays down the qualification norms in terms of personal traits, experience, background and standards for independence besides the positive attributes required for a person to be inducted into the Board of the Company. Criteria for induction into Senior Management positions have also been laid down.

The Remuneration policy provides the framework for remunerating the members of the Board, Key Managerial Personnel and other employees of the Company. This Policy is guided by the principles and objectives enumerated in Section 178(4) of the Companies Act, 2013 and reflects the remuneration philosophy and principles of the Murugappa Group to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The policy lays down broad guidelines for payment of remuneration to Executive and Non-Executive Directors within the limits approved by the shareholders. Further details are available in the Corporate Governance Report.

The Board Nomination criteria and the Remuneration policy are available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/Remuneration-Policy.pdf.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Board comprises five members out of which four are independent. Mr. Shrinivas G. Shirgurkar is the Chairman and other members are Mr. M Lakshminarayan, Mrs. Hima Srinivas, Mr. Bhagya Chandra Rao and Mr. N Ananthaseshan. During the year, five Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company does not fall under the category of companies required to mandatorily undertake Cost Audit. However, the Company maintains cost accounting records in respect of products of the Company.

PARTICULARS OF EMPLOYEES

The information on employees and other details required to be disclosed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report as **Annexure D**.

STATUTORY AUDITORS AND AUDITORS' REPORT

In line with the requirements of the Companies Act, 2013, the Company, with the approval of the shareholders at the Annual General Meeting held on 22nd July 2022. re-appointed M/s. Price Waterhouse Chartered Accountants LLP (Reg. No. FRN 012754N/N500016) (PWC) as the Statutory Auditors of the Company to hold office from the conclusion of 40th Annual General Meeting until the conclusion of the 45th Annual General Meeting (AGM) on a remuneration of Rs.12,50,000/- (excluding out of pocket expenses incurred by them in connection with the Audit and applicable taxes) for the FY 2022-23 and the remuneration to be decided by the Board for the subsequent years based on the recommendation of the Audit Committee.

As required under Regulation 33 of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by M/s. Price Waterhouse Chartered Accountants LLP on the Financial Statements of the Company for the year ended 31st March 2023 is provided in the financial section of the Annual Report.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and hence there are no details to be disclosed under Section 134(3)(ca) of the Act.

There were no material changes or commitments affecting the financial position after the end of the financial year and date of this report.

SECRETARIAL AUDIT

M/s. R Sridharan and Associates, Practicing Company Secretaries, Chennai were appointed as the Secretarial Auditor to undertake the Secretarial Audit of the Company for the FY 2022-23. The report of the Secretarial Auditor for year ended 31st March 2023 is annexed to and forms part of this Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in the Report.

In terms of Regulation 24A of the Listing Regulations, there is no material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of this Regulation is a subsidiary whose income/net worth exceeds 10 per cent of the consolidated income/net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. Hence, the requirement prescribed under Regulation 24A of the Listing Regulations is not applicable to the Company, in so far as material subsidiary is concerned.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

CORPORATE GOVERNANCE

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

CEO/CFO CERTIFICATE

Mr. C Srikanth, CEO and Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer have submitted a certificate to the Board on the integrity of the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations.

VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

The Company has a well-established whistle blower policy as part of vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimisation of Director(s)/employee(s) who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle blower policy is available on the Company's website at the following link https://wendtindia.com/wp-content/themes/wendtindia/pdf/Whistle-Blower-Policy.pdf. It is affirmed that during the year, no employee was denied access to the Audit Committee.

ANNUAL RETURN

The Annual Return in Form **MGT-7** is available at https://wendtindia.com/wp-content/uploads/2023/06/Annual-Return-Form-MGT-7.pdf.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board, to the best of its knowledge and belief and according to the information and explanations obtained by it confirm that:

- in the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards have been followed and there have been no material departures from the same.
- they have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits 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 Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.
- proper internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

OTHER CONFIRMATIONS

No application under the Insolvency and Bankruptcy Code, 2016 (IBC) was made on the Company during the year. Further, no proceeding under the IBC was initiated or is pending as at 31st March 2023. There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGMENTS

The Board gratefully acknowledges the co-operation received from various stakeholders of the Company viz., customers, suppliers, partners, banks, government and other statutory authorities, auditors, business associates and shareholders. The Directors extend their gratitude to all the regulatory agencies like SEBI, Registrar of Companies, Stock Exchanges and other Central and State Government authorities/agencies, vendors and sub-contracting partners for their support. The Board also acknowledges the unstinted co-operation, commitment and dedication made by all the employees of the Company in the previous financial year.

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

On behalf of the Board
For Wendt (India) Limited

Shrinivas G Shirgurkar
Chairman

Place: Bengaluru
Date: April 21, 2023

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE A

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

a) Conservation of Energy

The Company does not fall under the category of power intensive industries. However, the Company adopts sustained efforts to reduce energy consumption. The organisation is an ISO 14001 certified Company. ISO 14001 is an International Management System Standard (IMS) on Environment Management. The environmental policy of the Company focusses on conservation of natural resources and minimisation of pollution. The following energy conservation measures were undertaken by the Company during the year:

- In office area 90% lights were converted into LED lights.
- Effluent Treated permeate water reused to Cooling towers & Plating shop.
- All wash basin water taps were converted into sensor type to reduce water consumption.
- New Pressure Equipment Directive Facilities adopted with polycarbonate sheet for natural lights & provided natural turbo ventilators.
- Cool coat for roof top in HR office & plant VIII-Precision Product Division
- Installed higher rating UPS in non-temperature controlled facility at plant VIII- Precision Product Division.
- Converted the Old wooden boxes/packing materials for new packing.
- Energy saving panel for lightings through main feeder.
- Dripping system in some areas for gardening.
- 100 per cent rainwater for flushing & washings in skill development centre.
- Conversion of aluminium scraps/chips in to melting /casting of our own use.
- Provided AHF (active harmonic filter) in main power distribution system to ensure the quality of power.
- Introduction of Natural Turbo Ventilation, which is reckoned as a perfect and natural air exhausting option for the industry.
- Installation of Solar Heater in many areas to increase dependency on clean energy.
- Installation of APFC (Automatic Power Factor Controllers) to improve/stabilise power factor.
- Optimum utilisation of energy through process redesigning as well as maximum utilisation of equipment that offers improved energy efficiency.
- Time switches installed at various places for automatic control of streetlights.
- Replacement of all conventional high energy consumption lightening, by installation of LED and induction lights in major areas.
- Introduction of LDR-Light Dependent Resistance sensor harnessing natural daylight for all outdoor lighting with automatic controls.
- The Company has taken measures to save water whereby 100 per cent of the domestic effluent and the trade effluent are treated and used for gardening and electroplating processes (Zero discharge).

  During the year, a capital investment of about Rs. 483. 76 Lakhs was made on energy conservation equipments.

b) Technology Absorption, Adaptation and Innovation

The Company is continuously focussing on upskilling its employees in digital marketing, use of IT & digital technology, to complement our traditional way of reaching out to customers in a much cost-effective manner in order to enhance the customer experience.

The Company's R&D team has taken initiatives to develop own technologies and patent novel concepts/designs to become the front-line runners in the Super Abrasives technology and has put in efforts for indigenised bonding systems suitable for varied verticals in Super Abrasives.

The Company's in-house R&D also collaborates with renowned institutes & laboratories to further strengthen existing technology, complemented by new methods of manufacturing. Increasing implementation of these manufacturing technologies drive the demand of products for Bearing & Guide Ways, Gears, Cam & Crank shaft and in industries like Semi-conductor, Biomedical, Aerospace, Cutting Tool, Engineering & Auto Sectors.

The Company is also supported by the rich experience, knowledge pool and R&D facility of Carborundum Universal Limited, shareholder of the Company and pioneers in the field of conventional abrasive & material science for some of the application developments for specific areas. No technology was imported by the Company during the last three years.

RESEARCH & DEVELOPMENT (R&D)

The Research and Development function of the Company represents the activities it undertakes to innovate and introduce new Super Abrasive products and services to improve its existing offerings. The objective of R&D is to design and develop new processes/products through the advancement of Materials Science & Machining Techniques towards providing the "Complete Grinding Solutions" to its customers. The Company's R&D facilitates the development of future products or the improvement of current products and/or operating procedures.

The Company's R&D centre is recognised by Department of Scientific and Industrial Research (DSIR) under the Ministry of Department of Science and Technology, Government of India. This recognition was valid till 31st March 2023 and the Company is the process of renewing the same.

The Company's R&D is keen on filing patents and publishing papers in the peer reviewed SCI journals. The R&D personnel also build their network by attending seminars, workshops, national & international conferences and develop transferable skills by undertaking required training and workshops.

Industrial Research & Development plays an important role in the innovation process by developing future technology and future capabilities, which transforms into new products, processes and services. This offers a basic platform to conduct both fundamental and applied research for better understanding of the products and push the frontiers of the technology further.

In this context, the R&D team has taken efforts to develop products for flute grinding, Brake Disc (2W and 4W) honing and products for solar and laminated glass. Efforts are also made to penetrate ceramic additive manufacturing space by developing products for customers and eventually working towards building 3D printing machines.

The Company is agile in adapting to situations and shifting their product baskets into the non-automobile sectors, electronic industries with the help of its R&D in fast growing areas like semi-conductor, biomedical which pose big challenge for sustainability. In this context, the R&D team is focussed to develop new products with superior performance. Addressing products to these sectors requires high competency and superior bonding systems to match ever growing market competition.

On the other hand, the Company also aims at addressing the gaps on account of process developments. New processes such as hot press sintering, vacuum brazing, advanced powder filling process, grit coating, and advanced electroplating process replaced the conventional methods. These processes substantially decreased the cycle time and enhanced the quality of the products being manufactured in an economical and effective way.

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

1. Indigenisation of bonds for Super Abrasives as import substitution.
2. Development of alternate high-performance materials and processes for self-sufficiency.
3. Grinding Solutions for new applications like valve stem cut-off, grinding of plastic balls and belts, 2W & 4W brake disc, solar and tampered glass, razor blade, semi-conductor, biomedical and carbide grinding.
4. Upgrading Manufacturing Technologies to match the changing needs of the customer as well as to venture into new markets.
5. Development of precision products for auto and non-auto industries like compressor, and hydraulic pumps.

The Company mainly caters to niche market where majority of customers are OEMs and look for technologically superior products with consistent performance. Majority of the customers consider the Company as a One-Stop Shop for Complete Grinding Solutions offering technologically superior products with reliable performance. The Company can address the ever-changing needs & expectations of its customers, by virtue of its strong focus on R&D and customer centricity. This facilitates the Company to retain its position in the market and also enable justification of premium for its product.

(i) Expenditure on R&D **(Rs. in lakhs)**

Sl. No.	Particulars	2022-23	2021-22
a)	Capital Expenditure	249	2
b)	Recurring (revenue expenditure)	172	142
c)	Total Expenditure	421	144
d)	Total R&D Expenditure as a percentage of turnover	2.21%	0.91%

(ii) Foreign Exchange Earnings and Outgo **(Rs. in lakhs)**

Sl. No.	Particulars	2022-23	2021-22
a)	Foreign Exchange Used	4357	3287
b)	Foreign Exchange Earned	5550	4170

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: April 21, 2023

Shrinivas G Shirgurkar
Chairman

ANNEXURE B

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

a)	Name(s) of the related party and nature of relationship	**Nil**
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section188	

2. Details of material contracts or arrangements or transactions at arm's length basis: Nil

a)	Name(s) of the related party & nature of relationship	**Nil**
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: April 21, 2023

Shrinivas G Shirgurkar
Chairman

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	**Brief outline on CSR policy of the Company**	The Company recognises the importance of sustainable growth benefitting all stakeholders including the society in which it operates. CSR is imbibed into its values and beliefs and all business activities even before the compulsory spend was mandated. It continues to perform its CSR obligations directly through the skill development centre as well indirectly through contributions to recognised implementing agencies in the field of Education and Healthcare, in line with the CSR Annual Action Plan and the CSR Policy of the Company. In line with its objectives and practices, the CSR policy focuses on Health, Education and Skill Development. The policy is uploaded in the website of the Company.

2. Composition of CSR Committee

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Hima Srinivas	Chairperson / Independent & Non-Executive Director	2	2
2.	Mr. Shrinivas G Shirgurkar	Member / Independent & Non-Executive Director	2	2
3.	Mr. Bhagya Chandra Rao	Member / Independent & Non-Executive Director	2	2
4.	Mr. N Ananthaseshan	Member /Non-Independent & Non-Executive Director	2	2

3.	**Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** (i) Composition of the CSR Committee: https://wendtindia.com/wp-content/uploads/2022/11/Committee-Composition.pdf (ii) CSR Policy: https://wendtindia.com/wp-content/themes/wendtindia/pdf/csrpolicy.pdf (iii) CSR Projects: https://wendtindia.com/wp-content/uploads/2023/06/CSR-Projects-for-the-FY-2022-23.pdf

4.	**Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**	Not Applicable

5.	**(a) Average net profit of the Company as per Section 135(5)**	Rs. 2185.93 Lakhs
	(b) Two percent of average net profit of the company as per section 135(5)	Rs. 43.72 Lakhs
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
	(d) Amount required to be set off for the financial year, if any	-
	(e) Total CSR obligation for the financial year [(5b)+(5c)-(5d)]	Rs.43.72 Lakhs

6. (a) **Amount spent on CSR Projects : (both Ongoing Project and other than ongoing Project*)** Rs. 31.72 Lakhs

*The details of the projects are given as annexure.

	b. Amount spent in Administrative Overheads	-
	c. Amount spent on Impact Assessment, if applicable	-
	d. Total amount spent for the Financial Year [(6a)+(6b) +(6c)]	Rs. 31.72 Lakhs

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount. (in Rs.)	Date of transfer.	Name of the Fund	Amount.	Date of transfer
Rs. 31.72 Lakhs	Rs. 12.00 Lakhs	Will be transferred before 30th April 2023*	Nil		

**The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules").*

f. Excess amount for set off, if any

Sl. No	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	43.72 Lakhs
(ii)	Total amount spent for the Financial Year	31.72 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. **Details of Unspent Corporate Social responsibility amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section 6 of section 135 (in Rs. Lakhs)	Balance Amount in unspent CSR Account under sub -section (6) of Section 135 (in Rs. Lakhs)	Amount spent in the Financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)	Deficiency, if any
					Amount (in Rs).	Date of transfer.		
1	FY-1- 2021-22	-	-	-	-	-	-	-
2	FY-2- 2020-21	-	-	-	-	-	-	-
3	FY-3- 2019-20	-	-	-	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

If yes, enter the number of Capital assets created/ acquired: NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Office
Nil							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** During FY 2022-23, the Company has spent Rs. 31.72 Lakhs on various projects. The unspent balance of Rs. 12.00 Lakhs is towards an ongoing project and was transferred to the unspent CSR account and would be spent in accordance with the CSR Rules.

			For and on behalf of the Board of Directors
DATE: April 21, 2023 **PLACE: Bengaluru**			
NAME OF THE DIRECTOR	**HIMA SRINIVAS**	**SHRINIVAS G SHIRGURKAR**	**SRIKANTH C**
DESIGNATION	**CHAIRPERSON - CSR COMMITTEE**	**MEMBER - CSR COMMITTEE & CHAIRMAN - BOARD**	**CHIEF EXECUTIVE OFFICER**
DIN	**07556717**	**00173944**	**-**

Annexure to CSR Report

Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in Rs. Lakhs)	Amount spent in the current financial Year (in Rs. Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration No.
1.	Constructing Class Rooms at Government Hr. Sec. School, Zuzuvadi, Hosur	Promoting Education	Yes	Krish-nagiri	Tamil Nadu	6 Months	16.09	4.09	12.00	Direct	-	-

Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in Rs. Lakhs)	Mode ofimplemen-tation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number*
1.	Centre for Skill Development	Employment enhancing vocational skills	Yes	Krishnagiri District, Tamil Nadu		27.63	Yes	-	

ANNEXURE D

STATEMENT OF EMPLOYEES' REMUNERATION

A. The details of top ten employees in terms of remuneration drawn during the financial year 2022-23 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel)Amendment Rules, 2016 are as follows:

Sl. No.	Name and Age	Designation/ Nature of duties	Gross remuneration paid (Rs.)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1.	Srikanth C (58)	Chief Executive Officer	1,13,23,807	B.E / MBA (37 Years)	01-04-2021	Carborundum Universal Ltd
2.	S Sundariya (59)	Unit Head	63,96,942	IIIE (40 years)	03-08-1992	Rane Brake Lining Limited
3.	Mukesh Kumar Hamirwasia (51)	Chief Financial Officer	56,21,224	B.Com (Hons.), ACA, AICWA (25 years)	15-04-2010	Ecom Gill Coffee Trading Pvt. Ltd.
4.	Uday R B (54)	Senior General Manager–Sales & Marketing	36,41,645	M. Tech (30 years)	17-01-2005	Sundram Fasteners Ltd.
5.	Rathinam P (52)	General Manager - SA Manufacturing	32,64,945	M. Tech (31 years)	08-06-1992	Nil
6.	Amit Kumar Gupta (51)	General Manager - SA Marketing (Domestic)	29,11,760	B.E Mechanical Engineering (27 years)	27-01-2003	Diato India Private Limited
7.	Satheesh C (51)	Dy. General Manager - Human Resources	26,92,350	B.Sc., PGDPM (28 years)	17-08-2016	Carborundum Universal Limited
8.	Raghunatha Naidu B P (55)	General Manager -NSA (MTD & PC)	24,44,005	B.E, MBA (28 years)	09-06-2004	Indicarb Limited
9.	Margabandu V S (48)	Asst General Manager - Finance & Accounts	24,19,765	M.Com, AICWA, ACS (26 Years)	08-03-1997	Nil
10.	Vinod K G (52)	DGM – Product Sourcing	21,20,220	B.E Mechanical Engineering (29 Years)	05-05-1994	Nil

Details of employees who were employed for part of the year and earning eight lakh and fifty thousand rupees per month apart from the top ten employees: Nil

a) Remuneration shown above includes salary, allowances, Company's contribution to provident, superannuation and gratuity funds, medical facilities and perquisites valued as per income tax rules.

b) The employment of the above persons is whole-time in nature and terminable with 3 months' notice on either side.

c) The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company. Further, no employee of the Company is covered by the Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (employee holding by himself or with his family shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director). Hence, the details required under Rule 5(3) (viii) is not applicable.

d) The remuneration details are for the financial year 2022-23 and all other particulars are as on 31st March 2023.

e) None of the employees of the Company were in receipt of remuneration for the FY 2022-23 in excess of Rupees one crore and two lakh rupees per year or eight lakh and fifty thousand rupees per month.

B. The details of remuneration during the year 2022-23 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 as are as follows:

(i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. Shrinivas G Shirgurkar	Chairman and Independent Director	1.38
Ms. Hima Srinivas	Independent Director	1.68
Mr. M Lakshminarayan	Independent Director	1.31
Mr. Bhagya Chandra Rao	Independent Director	1.47
Mr. N Ananthaseshan	Non-Executive Director	-
Mr. Muthiah Venkatachalam	Non-Executive Director	0.74

(ii) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	Increase (%)
Mr. Shrinivas G Shirgurkar	Chairman & Independent Director	37.50
Ms. Hima Srinivas	Independent Director	32.39
Mr. M Lakshminarayan	Independent Director	32.73
Mr. Bhagya Chandra Rao	Independent Director	34.43
Mr. N Ananthaseshan	Non - Executive Director	-
Mr. Muthiah Venkatachalam @	Non - Executive Director	-
Mr. C Srikanth*	Chief Executive Officer	15.34
Mr. Mukesh Kumar Hamirwasia	Chief Financial Officer	13.05
Mr. Arjun Raj P**	Company Secretary	-

@not comparable since he had joined the Board during the Financial year.

**excludes incentive paid during FY 2022-23 as no incentive was paid in FY 2021-22.*

***deputed from Carborundum Universal Limited.*

The increase in remuneration of Non-Executive Independent Directors was mainly on account of increase in Commission paid. During the year Commission paid to non-executive directors increased to Rs. 5 lakhs from Rs.3 Lakhs.

(iii) Percentage increase/decrease in the median remuneration of employees in the financial year: 15.74 percent increase in median remuneration of employees (employees who were in employment for the whole of FY 2022-23 & whole of FY 2022-23 considered for this purpose in the respective financial years).

(iv) Number of permanent employees on the rolls of the Company as on 31st March 2023: 388

(v) The average annual increase in salaries of employees was 12.28% compared to a increase in managerial remuneration of 27%. During the year Commission paid to non-executive directors increased to Rs. 5 lakhs from Rs.3 Lakhs. Hence, the confirmation with respect to exceptional circumstances for increase in managerial remuneration does not arise.

Annual increase in employee's remuneration is based on Company and individual performance. The individual performance parameters vary based on employee cadres.

(vi) The Company affirms that the remuneration is in compliance with its Remuneration policy.

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: April 21, 2023

Shrinivas G Shirgurkar
Chairman

ANNEXURE E

BUSINESS RESPONSIBILITY AND SUSTAINABLITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L85110KA1980PLC003913
2	Name of the Listed Entity	Wendt (India) Limited
3	Year of incorporation	21st August 1980
4	Registered office address	Flat No 105, Cauvery Block National Games, Housing complex, Koramangala, Bangalore, Karnataka-560 047
5	Corporate address	Wendt (India) limited, 69/70, SIPCOT Industrial Area, Hosur , Tamil Nadu-635126
6	E-mail	wil@wendtindia.com
7	Telephone	04344-405500/ 04344-276851/52
8	Website	https://www.wendtindia.com/
9	Financial year for which reporting is being done	1st April 2022 to 31st March 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11	Paid-up Capital	20 lakh equity shares of Rs. 10/- each aggregating to Rs. 2/- crores
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Arjun Raj P, Company Secretary Ph: 044-30006142, email: arjunrajp@wendtindia.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Yes, the disclosure under this report has been made on a standalone basis for Wendt (India) Limited.

II. Products/services

14 Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacture of Super Abrasive Grinding Wheels	Sale of Super Abrasive Grinding Wheels	70.00%
2	Manufacture of Special purpose Grinding and Honing Machines	Sale and services of Machines including spares	15.00%
3	Manufacture of Precision Components	Sale of Precision components	15.00%

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Products/Services	NIC Code	% of total Turnover contributed
1	Super Abrasives	23993	70%
2	Machine Tools	25920	15%
3	Precision components	28299	15%

III. Operations

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	3	5
International	Nil		

17 Markets served by the entity:

The Major Industry sectors services include both domestic and international like USA, Europe, South East Asia, Russia, Australia- Automobile, Glass, Vitreous tiles, Cutting Tools, Ceramics, Refractory, Machine OEM's, Defence, Engineering, Steel, Bearing, Prints, Papers, Auto components, Watch, Aerospace, Textile, Power, Gem & Jewellery.

a. Number of locations

Locations	Number
National (No. of States)	On a standalone basis, the Company carries on its manufactring operations in Hosur, Tamil Nadu and Pune, Maharasthra & registered office at Bangalore, Karnataka.
International (No. of Countries)	On a consolidated basis, the Company's wholly owned subsidiary Wendt Grinding Technologies Limited carries its manufacturing operations in Thailand.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Rs. 5312 Lakhs (28% of the total turnover for FY 2022-23)

c. A brief on types of customers

The Company catres to a diverse range of customers across various industries, predominantly serving B2B customers - supplying Super Abrasive, Grinding Wheels, Special Purpose Grinding and Honing Machines and Precision Components. There are approx 1400 customers both domestic and overseas. The major customers belong to auto, Auto Anciliaries, Steel, Cutting Tools, Engineering, Refractory, Ceramics, Defence, Aerospace, Construction etc.

IV. Employees

18 Details as at the end of Financial Year: 2022-23

a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
	EMPLOYEES					
1	Permanent (D)	184	168	91%	16	9%
2	Other than Permanent (E)	0	0	0	0	0
3	**Total employees (D + E)**	184	168	91%	16	9%
	WORKERS					
4	Permanent (F)	204	198	97%	6	3%
5	Other than Permanent (G)	119	108	91%	11	9%
6	**Total employees (F + G)**	323	306	95%	17	5%

b. Differently abled Employees and workers:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. C	% (C / A)
	EMPLOYEES					
1	Permanent (D)	4	4	100%	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	**Total differently abled employees (D + E)**	4	4	100%	0	0
	WORKERS					
4	Permanent (F)	2	2	100%	0	0
5	Other than Permanent (G)	0	0	0	0	0
6	**Total differently abled employees (F + G)**	2	2	100%	0	0

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel	3*	-	-

** Includes CEO, CFO and Company Secretary*

20 Turnover rate for permanent employees and workers (Disclose the trend for past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.84%	1.10%	15.94%	13.99%	2.80%	16.79%	15.33%	-	15.33%
Permanent Workers	2.45%	0.49%	2.94%	3.66%	0.41%	4.07%	1.95%	-	1.95%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Wendt Grinding Technologies Limited (WGTL) , Thailand	Subsidiary	100%	No

VI. CSR Details

22 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
(ii) Turnover (in Rs.) : 19095 lakhs
(iii) Net worth (in Rs.) : 16933 lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
		No of complaints filed during the year	No of complaints pending resolution at close of the year	Remarks	No of complaints filed during the year	No of complaint spending resolution at close of the year	Remarks
Communities	Yes, a mechanism is in place to interact with community and to understand their concerns, if any	Nil					
Investors (other than shareholders)	Yes-Refer Note 2						
Shareholders	Yes-Refer Note 2						
Employees and workers	Yes-Refer Note 3						
Customers	Yes-Refer Note 4						
Value Chain Partners	Yes-Refer Note 3						
Others (Please Specify)	nil						

Note 1 Community Grievances : https://wendtindia.com/contact-us/
Note 2 Shareholder and Investor Grievance : https://wendtindia.com/investors/
Note 3 Employees, Workers and Value Chain : https://wendtindia.com/investors/whistleblowerspolicy/
Note 4 Customer Grievances : https://wendtindia.com/contact-us/

24. Overview of the entity's material responsible business conduct issues

Note : Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Employee turnover (attrition) and skills development	Risk	High employee attrition leads to loss of knowledge and expertise, leading to reduced productivity. Also, high employee attrition impacts Company brand image and its ability to attract, develop, motivate and retain talent critical to business success.	As the Company is an engineering, knowledge based Company, employee are its most precious assets. It places great emphasis on human capital for sustainable business operations. Therefore, the Compnay provides training and development programs to employees to enhance and develop their skills. Job rotation is practiced to ensure right person is in the right job. Employees are rewarded based on performance and recognition mechanism. Also, gaps found in performance appraisal is addressed by training programs.	**Negative**
2	Technology Risk	Opportunity/ Risk	Technology is ever changing and plays a vital role in our operations from process automation and quality control to supply chain management and customer engagement. Failure to keep abreast with latest technological changes could pose a competitive disadvantage and impact Company's ability to meet customer demands. Further, in this digital world, threats; like cyber attacks and data breaches could result in financial losses, reputational damages which could impact the brand reputation of the Company.	Company invests in Research and Development to mitigate the technology related risks and has a DSIR approved R&D facility in house towards this. The R&D focusses on improving our processes and products and develop innovative solutions meeting the evolving needs of the customers. The Company is taking steps to strengthen its cyber security measures to protect our data and infrastructure assets. The technological advancement also provides opportunity to upgrade our offerings to customers in a more sustainable manner.	Positive/ Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Environmental Footprint : Air, Water, Waste, climate change, Green House Gas (GHG) emission.	Risk	Environmental risks like air, water pollution, waste generation and disposal, climate change and resource scarcity can impact Company's operations and disrupt the business. Failure to comply with environmental regulations can lead to imposition of fines, penalties and legal action leading to reputational damages.	The Company is in process of investing in energy efficient technologies, reducing gas emissions, increasing water efficiency and to mitigate the extreme climate risks like global warming. Though the Company is not highly energy intensive Company, however, we are exploring renewable energy. The Company has installed ETP (Effluent Treatment Plant) and Sewage Treatment Plant (STP) to treat, reuse and discharge water in accordance with the norms of the pollution control department. Company tracks and monitors all environmental regulations through Compliance Management System.	Positive/ Negative
4	Corporate Governance- Board oversight, conflict of interest, Ethics, Risk and Compliance (Transparency and disclosure)	Opportunity/ Risk	Strong coporate governance is the core to achieve sustainable business operations. The identification of risks, opportunities, operating procedures, monitoring, checking and verification systems helps organisation to ensure business continuity, and build trust and reputation.	Strong Corporate Governance is core to achieving the organisation's mission and any risks can undermine stakeholder trust, damage reputation and disrupt the business. The Company has a well defined corporate governance structure and zero tolerance to any breach of the code of conduct.	Positive/ Negative
5	Social Responsibility : Alignment with local communities	Risk	The business must be rooted in community and be aligned with the community's larger interests. Any adversarial relationship can impact the Company's ability to create long term value	Job creation, skill development, supporing local relief efforts, fostering local communities and paying taxes.	Negative
6	Market preference	Risk/ Opportunity	In today's dynamic world, customer preferences and needs are constantly evolving, failure to understand and adopt to these changes could result in declining sales and market share, impacting our financial performance and ability to meet stakeholders needs. Today's customer is focussed on sustainability and ethical business practices. Failure to align our business practices with the changed market preference can lead to lost business opportunities, legal liabilities and reputational damages.	The Company conducts market research and customer satisfaction survey to understand customer preference and expectation and continuously adopts to changing preferences.	Negative/ Positive

Section B: MANAGEMENT AND PROCESS DISCLOSURE

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs ('MCA') advocates nine principles as given below:

- PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.
- PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.
- PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.
- PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.
- PRINCIPLE 5: Businesses should respect and promote human rights.
- PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

  PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.
- PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Please refer Principal wise policies - Note 1 below

1	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1a.Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	www.wendtindia.com								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company encourages its value chain partners to engage in responsible and sustainable business practices, taking into account their capabilities and resources. To enable this, Company has Fair Trade practices, Whistle Blower Policy, Grievance Mechanism etc.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company has been certified for ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, EN13236, EN9100:2018, IATF 16949 Standards.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NA	NA	NA	NA	NA	NA	NA	NA	NA
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We recognise the importance of Environmental, Social and Governance (ESG) factors in creating a sustainable future for our business and society as a whole. We believe that by prioritising ESG considerations, we can better manage risks, drive long term value creation and contribute to more equitable and prosperous world. ESG principles embedded in every aspect of our operations, right from business strategy and decision making process to our practices and interactions with our stakeholders. The Board comprises of individuals with diverse background and experiences, including expertise in ESG matters, enabling us to effectively manage these considerations in our decision making processes. As a Company committed to ESG principles, our policies and practices include the Company's Code of Conduct, Human Rights Policy, Code of Conduct for Prevention of Insider Trading, Policy on prevention of Sexual Harassment, Whistle Blower Policy, anti-corruption and anti-bribery policy, Corporate Social responsiblity, Grievance Redressal mechanism etc. All these policies have the common Spirit of Murugappa Group- The **Five Lights** which is the guiding principle in all our dealings. The environment impact covers Climate resources (Energy, Water, Air), Waste management etc. The Company is committed conducting beneficial and fair business practices to the labour, human capital and the community. It provides employees and business associates with working conditions which are clean safe, healthy and fair. Overall, our commitment to sustainability and responsible corporate citizenship is an integral part of our business strategy and we believe that by pursuing these goals, we will not only create long term value for our stakeholders but also contribute to a more equitable and sustainable world.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. N Ananthaseshan Designation: Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board and its Committees oversee the strategy, governance, compliance, stakeholders interest, risk management and sustainability practices of the Company. The Board Committees comprise of Audit Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Responsibility Committee. The Risk Management Committee reviews the ESG aspects specially from the risk or opportunity perspective.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q
Compliance with statutory requirements of relevance to the principles, and, rectification of any non- compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Q	Q	Q	Q	Q	Q	Q	Q	Q

	P1	P2	P3	P4	P5	P6	P7	P8	P9

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Our leadership team has developed various policies and procedures on material aspects of our Company. At present, the Company has not undergone an external agency assessment of our policies. However, the Internal Auditors of the Company review the implementation of policies from time to time. The Company's Plant has been subject to audit by external certification agencies.
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:	All principles are covered in the policies.
The entity does not consider the Principles material to its business (Yes/No)	Not applicable
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	
It is planned to be done in the next financial year (Yes/No)	
Any other reason (please specify)	

Y- Yearly
Q- Quarterly

Note 1
Principle-Wise Policies

P1	P2	P3	P4	P5	P6	P7	P8	P9
The spirit of Murugappa Group-The Five Lights -Integrity, Passion, Quality, Respect, Responsibility								
	Air Emissions Policy	People policy		Human Rights Policy	Air Emissions Policy			
Code of Conduct for Board & Senior Management	Air Emissions Policy	People policy		Human Rights Policy	Air Emissions Policy			
Familiarisation programme								
Supplier code of conduct				POSH Policy				
Code of Practice and Fair Disclosure of Unpublished Price Sensitive Information	Water Management policy	Remuneration Policy	Grievance Redressal Mechanism		Water Management policy		Corporate Social responsibility Policy	Quality Policy
Determination of Materiality of an Event	Waste Management policy	Policy on Board Diversity			Water Management policy			
Dividend Distribution Policy								
Policy for determining Material Subsidiaries								
Material Subsidiary Policy								
Business Responsibility Policy								
Policy for preservation of documents								
Policy on Related party transactions								
Remuneration Policy								
Whistle Blower Policy								
Terms and reference - appointment of Independent Director								
POSH Policy								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Wendt (India) Limited is committed to high standards of business ethics and integrity. The Company has a "Zero Tolerance Policy" when it comes to deviation from ethical business conduct. The Company promotes transparency in business transactions with all its stake holders including business partners.

The spirit of Murugappa group-The **Five lights** comprising **Integrity, Passion, Quality, Respect & Responsibility** governs all its business dealings. The Company has a code of conduct for its business operations and all the stake holders connected with the Company as suppliers, contractors, business partners, associates, its personnel employed by the Company or engaged to provide services are required to be aligned with the same.

The Company and its subsidiaries are governed by this philosophy in addition to the requirements of their Local Jurisdiction.

The Company's Anti-Sexual Harassment policy also provides guidelines and obligations for respectful behaviour at the workplace, that is free from discrimination and harassment. The Respectful Workplace principle ensures that the people are treated with dignity and respect in any Workplace of Wendt. Under the Company's POSH (Prevention of Sexual Harassment) policy which aligns with the Government of India's Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted specific internal committees to address complaints and concerns around Sexual Harassment.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	During the year 2022-23, various programs and discussions were conducted for the Board members . These programs comprehensively covered various aspects of the BRSR 9 principles highlighted in the Business Responsibility and Sustainability Reporting, and were delivered in the form of quarterly presentations covering topics such as SEBI listing Regulations, Difference between BRR and BRSR reporting, corporate governance, regulatory changes, domestic and global corporate and industry developments, sustainability and ESG updates, policy awareness, grievance mechanism, occupational health and safety aspects, and risk management and mitigation measures.		
Key Managerial Personnel	63	Whistle Blowing Mechanism, BRSR, POSH, IMS Awareness, IATF Awareness, Sustainability Practices	100%
Employees other than BoD and KMPs		Whistle Blowing Mechanism, POSH, IMS Awareness, IATF Awareness, Sustainability Practices.	100%
Workers	31	Safety, Health, Whistle Blowing, POSH & IMS Awareness, COVID protocols	100%

2. **Details of fines/penalties/punishment/award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine Settlement Compounding fee	NIL				
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment	NIL				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The organisation has anti-Bribery policy, Code of Conduct for Directors and Senior Management and Supplier policy and the 5 Lights which is the guiding principle for all activities in the organisation.

Supplier Policy

We strive to build a partnership based on a policy of transparency in all our dealings and adherence to agreed business terms, with suppliers of goods, sub-contractors, and the people who provide service to us.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

The Whistle Blower mechanism of the Company provides the Directors, Employees, customers and vendors an avenue to raise concerns, in line with the Company's commitment to open communication and standards of ethical, moral and Legal business conduct. During this year, there was no referral made under the Whistle Blower policy of the Company.

	FY 2022-23 (Current Financial Year)		FY2021-22 (Previous Financial Year)	
	Numbers	Remarks	Numbers	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of KMP	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year: 2022-23

The Company has formulated a supplier Code of Conduct which is provided to all suppliers along with the general terms and conditions emphasising on integrity aspects.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes	Value Chain Partners
1	POSH Awareness Training to Canteen & Service providers	55% - 11 Service providers	Service Providers - POSH
1	POSH Training to Canteen & Service providers	48% - 13 Service providers	Service Providers - POSH
1	Safety Training Kiosk	100%	Safety Training Kiosk - SIS Security services
19	Safety Training	100 % required - 19 Sub-contractors	Safety Training - Sub-contractors
60	Gemba Training on Safety practices to Contractors - Construction, Electrical, Welding, gas Safety	60 Contractors	Building Contractors, Electrical Workers, Welding workers, Scrap collection person, Gas loading and unloading persons.
29	Customer Awareness	70%	Customer Awareness

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The Board has approved a Code of Conduct for Board Members and senior Management Personnel wherein a Director / KMP (acting within the Authority conferred upon them by the Company and under other applicable laws) Undertakes to.:

- Act fairly and transparently and not participate in any decision-making process on a subject matter in which a conflict of interest exists or is likely to exist such that an independent judgment of the Company's best interest cannot be exercised.
- Avoid having any personal and/or financial interest in any business dealings concerning the Company.
- Not hold any positions or jobs or engage in other businesses or interests that are prejudicial to the interests of the Company in complaince with the statutory provisions and the Code of Conduct, requisite disclosure(s) is made by the Directors/KMP to the Company.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

The Company caters to the B2B Market and has close interaction with customers on the goods manufactured for them. The Safety, health and workplace environment concerns are deeply inculcated not only in the processes involved to make the product but in the end product itself.

The Company undertakes to assure safety and optimal resource use over the Life cycle of its products. The purpose statement has been laid out after undertaking a very elaborate and participative exercise across the organisation to

facilitate a common message strategy. The Integrated Management System Policy is built on continual improvement by focussing on Processes, conservation of natural resources, Protection of environment, Prevention of pollution, injury and ill health Elimination of Hazards & minimising risks with effective consultation and participation of all employees.

The Company's Social Accountability policy has built the need to be committed to provide Safe, Healthy and Socially Accountable work culture in the Organisation.

The Company's Environmental Pledge is built on reduction of Carbon foot print, Reusable shopping bags, Reduction of fuel by carpooling, refusing usage of plastic bottles, involvement in neighbourhood clean-up and minimise water usage.

Through the above the Company attempts to meet the UN Sustainable Development Goals (SDG).

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	89%	80%	(1) New technology -3D ceramic printing initiation for products catering to niche applications. (2) Process optimisation in electroplating of wheels reducing carbon footprint.
Capex	42%	0.09%	(1) Installed New Electroless world class facility Plating Line-provides Quality plating process, further, there is substantial reduction in water and power consumption in the process. (2) Optimised the insulation of three chamber furnace leads to improved thermal insulations by replacing advanced thermal insulation, resulted in savings in power consumption from existing through minimising the heat dissipation and optimising heating mechanism.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   b. If yes, what percentage of inputs were sourced sustainably?

At present, the Company does not capture data of any percentage of inputs which are sourced sustainably.

The Company has a robust system and exercises due diligence in selection of its suppliers and vendors who should be aligned to our value system. While selecting the suppliers, weightage is given to suppliers who are from the local district and who are marginalised to ensure we provide support to them to earn a livelihood. The Company is committed to procuring goods and services from these suppliers as part of our commitment to support marginalised communities.

The Company encourages sustainable sourcing by promoting suppliers and vendors to get certified for ISO 14001, IMS, SA 8000, OHSAS. The Company considers ESG compliance as a parameter while rating and evaluating the suppliers.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Duly recognising that over-consumption results in unsustainable exploitation of the planet's resources, the business units in the Company are committed to promoting sustainable consumption, including recycling of resources.

While setting the Environment, Health and Safety objectives and targets, considerations are given to reuse, recycle, reduction, handling and disposal of wastes. Measurable performance indicators include waste produced per unit of production. The Company has installed high-tech pre-treatment line in the place of conventional treatment to ensure clean production and reduction in hazardous waste generation. During the year, the Company has achieved significant waste reduction in the case of electroplating products. The Company has zero discharge facility for sewage, canteen, electroplating process, paint booth, DM water effluent and used coolant through RO method. This treated water is reused for relevant manufacturing processes. The Company has been achiveing reduction in wastes year on year.

The Company has a secured landfill facility inline with the applicable guidelines for storage of hazardous waste. The Company has also created a vermi compost facility to convert all the garden/green waste into manure.

During this year, the Company has carried out recycling of Aluminum scrap into castings 23 tonnes of Aluminum ingot has been converted from Aluminum Turnings generating a revenue of Rs. 44.32 Lakhs.

Most of our products before and after use do not contribute to the generation of e-waste and hazardous waste.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable. Protection of the Environment ranks high among the Company's Goals and as a responsible corporate citizen, the Company is committed taking definite steps to protect the Environment. The Quality, Environment, Health and Safety policy of the Company covers all its business verticals and it applies to the contractors as well, engaged with the Company including by way of incorporating the Safety, Health and Environment compliances in the agreement and in certain cases also cover the interest customers/suppliers/transporters/contractors etc.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, While formal Life Cycle Assessment (LCA) have not been yet undertaken by the Company for its products, we continously innovate and strive for optimal usage of resources over the life cycle of the products manufactured by us. The Company uses sustainable processes to reduce, reuse and recycle the products and the waste generated out of it. The Company takes all efforts to ensure that whatever it produces is safe and environment friendly.

Over the years, the Company has been continuously making improvements in recycling and reusing of waste, consumption of water and energy and optimal use of available natural resources. The Company has been certified in recognised standards such as ISO 9001, ISO 14001, ISO 45001, TS16949, EN13236 & EN9100 to ensure its products have a sustainable use from a social and environmental perspective.

Super Abrasives:

The dimensions like Diameter(D), Thickness/Height (T) and Bore(H) of the products are designed with specific criteria so that they can resist the expected forces and loads when used as intended and also avoids rejection of Parts.

Resin, Metal bond and Other Super Abrasive products are designed in such a way that, when used in accordance with instruction, there is no hazardous decomposition of products.

Latest versions of scrubber and exhaust systems have been installed in manufacturing of electroplated products and its design for improved air quality.

All Super Abrasives products are 100% recyclable once the life cycle of product is complete. The Company has successfully implemented EN13236 standards to address the safety norms and requirements of overseas customers.

Machine Tools.:

The Company's machines are designed with operator safety system and necessary interlock to ensure safety at customers' during operation.

Machine Tools includes a range of machines such as Rotary surface grinding, Notch milling, TC Ring Grinding, Vertical & Horizontal honing, Cylindrical grinding and accessories that adhere to the international standards and CE Certification fulfilling the international safety norms.

The business offers IOT (Internet Of Things) enabled machines helps in reducing energy consumption and also helps in optimum usage of resources via constant feedback to the user through the various sensors. Some of the sustainability measures include reuse of wooden packing materials, special application software with operator screens to prevent air cutting, optimise panel cooler ratings using software for selection, reduce usage of lubrication by continuous monitoring, centrifugal filtration systems to reduce paper based filter consumption, electrostatic precipitators and fume extractors.

Precision Components.:

Dust collection systems & mist collection system installed in Grinding Machine and Honing Machine enable collection of dust and oil mist at the time of grinding operations thus ensuring safe and clean environment.

The Company manufactures products customised for customers based on their recommended design incorporating cleanliness and environment friendly standards.

The packing material used for products supplied to its customers can be reused multiple times and be recycled.

The Machines used are designed with operator safety system and necessary interlock to ensure safety during usage and production.

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent externa agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the weblink
NA					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Super Abrasive Products	NIL	However, we ensure to reuse, recycle, repurpose the byproducts. We have installed ETP/STP plant that supports recycling of Used Coolant, Water that is in turn used for Toilets and gardening purposes.
Machine Tool Division	NIL	
Precision Products	NIL	

No, there are no significant social or environmental concerns and/or risks arising from production or disposal of our products/services as identified in the Life Cycle Perspective/Assessments (LCA).

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or reused input material to total material	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Aluminum Turnings	23 tonnes	32.61 tonnes
Wooden Packing Material	Corrugated box conversion-savings - 5.85L Used Ply wood savings-1.8L	Nil
ETP Water usage	2310 kl	1700 kl
STP Water usage	8367 kl	7075 kl

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Current Financial Year)		
	Re Used	Recycled	Safely Disposed	Re Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	2.26 tonnes	Nil	Nil	2.54 tonnes
E-waste	Nil	Nil	1.16 tonnes	Nil	Nil	Nil
Hazardous waste	Nil	Nil	Safely Disposed in m.tonnes 1. Plating metal sludge - 0.592 tonnes 2. Spent solvent - 1.880 tonnes 3. Process waste residue - 0.485 tonnes 4. Spent carbon or filter medium - 0.255 tonnes 5. Acids & Alkali residues - 2.869 tonnes 6. Chemical sludge from waste water treatment - 13.859 tonnes 7. Used oil or spent oil - 5.2844 tonnes 8. Discarded container - 0 tonnes	Nil	Nil	Nil
Other waste (MS Solid)	Nil	Nil	65.48 tonnes	Nil	Nil	81.80 tonnes

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered - Management Staff											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	168	168	100%	168	100%	NA	NA	168	100%	168	100%
Female	16	16	100%	16	100%	16	100%	NA	NA	16	100%
Total	184	184	100%	184	100%	16	100%	168	100%	184	100%
Out of 184 Employees above , 23 Employees covered under ESIC and amongst them 22 - Male & 1 - Female											

b. Details of measures for the well-being of workers:

% of workers covered - Non- Management Staff, Trainees and Temporary Employees - Under Insurance											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers - NMS & TM											
Male	198	198	100%	198	100%	NA	NA	198	100%	198	100%
Female	6	6	100%	6	100%	6	100%	NA	NA	NA	NA
Total	204	204	100%	204	100%	6	100%	198	100%	198	100%
Out of 204 persons above, 48 persons covered under ESIC and amongst them 44 - Male & 4 - Female											

% of workers covered - Non- Management Staff, Trainees and Temporary Employees - Under ESIC											
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers - NMS & TM											
Male	108	108	100%	108	100%	NA	NA	108	100%	108	100%
Female	11	11	100%	11	100%	11	100%	NA	NA	NA	NA
Total	119	119	100%	119	100%	11	100%	108	100%	108	100%

2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	100%	100%	Y	100%	100%	Y
Others-please specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Most of our offices and factories are accessible to differently-abled employees. Disabled employees who are part of various business units have been mapped with roles that can be performed with ease and based on this assessment, further evaluation is done to identify roles that can be performed remotely/ home.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

NIL

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes, there is Grievance Redressel Mechanism in place. The Company neither supports nor engages in discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender etc., that could give rise to discrimination. The Company does not tolerate any behaviour that is threatening, abusive, exploitative, or sexually coercive, including gesture, language and physical contact at the work place. The Company is in compliance with the applicable laws, collective bargaining agreements and industy standards with respect to employment conditions.

Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	1) We have Works committee exclusively to discuss about the grievances and which meets once in a quarter. (Grievances related to all the employees are discussed here). 2) Other than this we have Canteen Committee, Health & Safety Committee, Events Committee to discuss about the grievances related to their respective areas and work towards their improvement.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022 - 2023 (Current Financial Year)			FY 2021 - 2022 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	184	0	0	144	0	0
- Male	168	0	0	128	0	0
- Female	16	0	0	16	0	0
Total Permanent Workers	204	44	22%	244	45	18%
- Male	198	44	22%	237	45	19%
- Female	6	0	0	7	0	0

8. Details of training given to employees and workers

Category	Total (A)	FY 2022 - 2023 (Current Financial Year)				Total (D)	FY 2021 - 2022 (Previous Financial Year)			
		On healthand safety		On Skill upgradation			On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	168	168	100%	118	70%	128	128	100%	83	65%
Female	16	16	100%	16	100%	16	16	100%	16	100%
Total	184	184	100%	134	73%	144	144	100%	99	69%
Workers										
Male	198	198	100%	140	71%	237	237	100%	190	80%
Female	6	6	100%	6	100%	7	7	100%	7	100%
Total	204	204	100%	146	72%	244	244	100%	197	81%

9. Details of performance and career development reviews of employees and worker

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	168	168	100%	128	128	100%
Female	16	16	100%	16	16	100%
Total	184	184	100%	144	144	100%
Workers						
Male	198	143	72%	237	181	76%
Female	6	6	100%	7	7	100%
Total	204	149	73%	244	188	77%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the Company has been certified for ISO 45001:2018 Standards - Occupational Health and Safety Management System. The Entire Plant and its operations are being covered under the Scope of ISO 45001:2018 Standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has conducted Hazard / risk study of all the functions and operations carried out in the Premises. The entire site is divided into meaningful areas for analysis of activities and hazards. Core Group members and Head of the Departments carryout the analysis in their identified areas. While carrying out the study the Company has considered the Manufacturing, Design and Development, Product Development, Conversion, Transportation, Handling, storage, Maintenance, inspection, testing, office, housekeeping, purchasing, Subcontractor, Supplier and Waste Management activities.

The Company has a Health and safety committee and Social Performance Team which carries out internal Audit. Safety committee ensures regular safety patrolling and address the hazards observed during the Patrolling processes. The Company monitors stringently the unsafe conditions, Unsafe acts, Near misses and first Aid cases. This has helped the Organisation to be free of any Incidents / accidents.

Reported Unsafe acts, Unsafe conditions, near misses are analysed and corrective actions are taken to minimise probability of similar incidents.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, Employees - Workers are part of Hazard / Risk Analysis study. Workers are empowered to report on the identified work related hazards, Unsafe conditions to ensure Work place safety. Employees are encouraged to be part of Health and Safety committee and other committees of the Company. This is one more platform to report the work related hazards and any improvements to be imparted in the processes.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)Yes, The Company provides best medical facilities to its employees and they have access to Occupational Health center.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company believes that its employees are an indispensable asset. To ensure safety and health of its employees, the Company provides effective health and safety training, including on site training, job specific training. These trainings are repeated for new/re-assigned personnel to avoid untoward incidents and are also provided training in case of technology related changes and/or the introduction of new machinery that might pose risk to health and safety.

Providing and maintaining a safe and hygiene working environment is a continuous process at wendt. Periodic awareness sessions, training on usage of protective equipment, identifying and eliminating unsafe conditions are given top priority. Work place safety is of prime importance to the Company and there have been sustained efforts over the year in training employees to raise awareness of safe work practices. A Stringent safety Assessment is being practiced.

With a focus on ergonomics, reducing waste and clutter, minimising unnecessary movements and reducing fatigue, this initiative aims at creating a truly world-class environment in the Company.

The Company is an ISO 14001 certified for Environment Management systems and ISO 45001 Certified for Occupational Health and safety Management systems.

A safe work place is ensured with the help of various elements of safety management system - Operation and Maintenance procedure, Work Permit system, personnel safety using PPE's, trainings, Risk Analysis and Management process Safety information, Management of Change, Safety audit, Employee participation in building Safety culture, Incident investigation and Analysis, Emergency preparedness and Response. Contractor and Business associate Safety as well as Safety in facility Design/Construction are in place to ensure a healthy workplace. The following measures are also taken:

- At the Planning Stage - Selection of right equipment / Technology and processes
- Regular Awareness and Training programmes
- Establishing Engineering controls
- Disposal of Hazardous wastes in line with the statutory requirements,
- Hazardous waste management as per PCB Norms.
- Use of appropriate, adequate and reliable Personnel Protective Equipment (PPE)
- Regular Monitoring and Measurement of Noise, Temperature, Lux Levels, etc., to keep the levels under safe limits.
- Monitoring of Air and water as per PCB Norms.
- Display boards with hazard signage in identified areas
- Pre-employment, pre-placement and periodic medical check-ups of all employees to assess the health of workers. These check-ups include Biochemistry, ECG, Audiometry, Vision testing, pulmonary function test, Liver function test, Chest X-Ray etc.
- Organising health campaigns.

The Company continues to follow COVID related safety protocols which was initiated during 1st Wave like wearing nose masks, social distancing, sanitation, distribution of *Nilavembe kudineer* to the employees.

The Company has installed Safety Training kiosk which is a sophisticated touch screen based Digital tool with Audio Visual facility that can be used directly without any intervention to get safety awareness by our Guest, Visitors, Employees, drivers and New joiners in multiple languages to undergo appropriate safety training.

The Company conducts Annual Health check-up for all the Employees. The outcomes of the medical health camp illustrated good health condition of Wendt employees.

The Company has a fully equipped fitness center and a walking track which can be utilised by the employees before and after working hours.

Based on a dedicated assessment of risks and taking into account the results of internal/external monitoring undertaken, the human resources department in consultation with the departmental heads and the Social performance team identified the trainings to be provided and formulates a training plan for its employees.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% - Cholamandalam MS Risk Services Limited, Chennai during December 2022. - CII - EHS Assessment during January 2023.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

No Safety related incidents were faced - Not applicable.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees who are under GPA are covered under 50 times of their Gross as relief benefit to their families in times of untoward incident of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

It is an established practice that before processing the Contractor's monthly bills, the contractor needs to submit the confirmation of wage payments and statutory remittances for the temporary workers provided by them. After vetting the same, the Company processes and approves the monthly bills of the contractor for payment.

3. Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	70%
Safety Audit for all O/s Partners during Safety Day	75%

Safety Audit was conducted and selected Best performers towards H&S Practices. The Selected vendors were recognised with Awards during Safety Day.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable.

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company places a strong emphasis on stakeholder engagement as delivering its products and services. Responsiveness to stakeholders requirements is critical for the success of Company and create long term value. The stakeholder engagement provides valuable insight to the Company for its strategic planning. Effective stakeholder engagement requires regular proper communication, listening and collaboration.

We have implemented stakeholder identification process to classify the major stakeholders who have an impact on our business, as well as the impact our business has on them. These key stakeholders include Shareholders, Investors, Employees, Customers, Suppliers, Vendors, Regulators, Local Communities and Government Agencies. The Company has an established Stakeholders Relationship Committee for guiding stakeholder engagement. The Company management regularly interacts with key stakeholders and the functional heads are responsible for facilitating consultation with the Board on important stakeholder concerns.

While Stakeholder Engagement is a part of ongoing activity, the Company also undertakes formal survey to engage with and obtain stakeholder feedback. Over the years, the Company has engaged with the following major stakeholder groups that include or influenced by the Company activities. Business partners, Contractors, Customers, Investors and shareholders, Employees, NGO's etc.

The Company engages with them through multiple channels such as formal meetings, Customer help lines, Industry forums, Dealer / Distributors etc.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable& Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website	Frequency of engagement (Annually/ Half yearly/Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Governments and Regulatory Authorities	No	Inspection, Audits & Compliance Reports, Public disclosures on financial and ESG performance, Meetings, Seminars etc.,.	Annual / Half-yearly /Quarterly / Monthly	• Statutory Compliances, Establishing proper SOPs. • Strengthening systems through Audits and Feedbacks (improving existing practices). • Operational / Product Safety & Quality.
Industry & Trade Associations	No	Emails, SMS, Meetings, Website, Events , Seminar, Conferences	As per Requirement	• Industry concerns related to health, Environment, Safety, etc. • Collaboration for commercialisationof Technologies / products or joint Research, Providing product / Technology components.
Suppliers and vendors, Outsourcing partners and Contractors	Yes - MSME Vendors	Emails, SMS, Structured Meetings, Supplier and outsourcing partners Meets	As per Requirement	• Procurement of Material / Equipment /Services. • Vendor Awareness programmes related to Quantity and Quality, Health, Environment and Safety etc. • Migration from transactional relationship to long term partnership - sharing business plan and growth strategy. • Whistle Blower mechanism.
Customers	No	Emails, Meetings, Website, Events, Seminar, Conferences, CRM Portal	As per Requirement	• Customer Satisfaction / Service Improvement. • Marketing Products & Services. • Engagement related to Quality, Quantity, Safety and Environment.

Stakeholder Group	Whether identified as Vulnerable& Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website	Frequency of engagement (Annually/ Half yearly/Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and Shareholders	No	Public Disclosures on Financial performance, Annual general Meeting & Social Media	Annual	Make Investor / Shareholders aware of Business plans, performance and Sustainability.
Employees	Yes	Employee Satisfaction Survey, Grievance Redressal / ESS Portal, Electronic Communications, Conclaves, Workshops & Seminars	Ongoing	• Employee Awareness on Rules / Regulations, Benefits, career, personal Growth opportunities etc. • Ensuring a safe, healthy and nurturing environment. • Grievance Redressal. • Whistle Blower Mechanism.
Community	Yes	Notice Board, Physical visits, Advertisement	Ongoing	• CSR Activities.
Neighbouring Organisations.	Yes	Feedback from Neighbouring Organisations.	Annual	• Taking Feedback and Ensuring a safe, healthy and nurturing environment.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Stakeholder consultations are typically undertaken by respective Groups, Functional Heads and relevant Company officers. The Feedbacks/identified issues of Corporate concern are escalated to the Board-level either through direct channels or through various board committees which oversee aspects like Business Risks, CSR & sustainability, Marketing strategies and information technology oversight, Planning & Projects, Dispute settlement etc.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, as a Company, we recognise the importance of stakeholder consultation in our decision making process. Through these consultations, we gain valuable insight into the needs of the local community, especially the marginalised and vulnerable groups which helps us to develop our Corporate Social Responsibility programs. Protection of Environment ranks high among the Company's goals and as a responsible corporate citizen, the Company is committed to taking definite steps to protect the environment. The Quality, Environment, Health and safety policy of the Company covers all its business verticals and it applies to the contractors as well, engaged with the Company including by way of incorporating the Safety, Health and Environment compliances in the agreement and in certain cases also cover the interest of customers / suppliers / transporters / contractors etc.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company as a first step towards stakeholders engagement has identified relevant stakeholders both internal and external.

The Company has identified disadvantaged, vulnerable and marginalised stakeholders from the local community and has also engage them for their socio-economic development through various CSR interventions. The systems and processes are in place to systematically identify stakeholders, understanding their concerns and to engage with them. The feedback mechanism available for stakeholders to assess the service levels and other complaints follows the spirit laid down therein.

The Company seeks to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their well-being. The Company is dedicated to the cause of empowering people, educating them and in improving their quality of life. While the Company undertakes programmes based on the identified needs of the community, education and health care remains top priority. Across the different areas identified by the Company, it endeavours to reach the disadvantaged and the marginalised sections of the society to make a meaningful impact on their lives. The skill development center has been a major initiative towards addressing the social responsibility. The main objective behind the skill development center is to provide high quality vocational and technical training towards uplifting the lives of young children drawn from poor and deprived background. The Company also provides access to necessities like health care, drinking water and sanitation and the like to the underprivileged located in the neighbourhood.

PRINCIPLE 5 : Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (c)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	184	184	100%	144	144	100%
Other than permanent	0	0	-	0	0	-
Total Employees	184	184	100%	144	144	100%
Workers						
Permanent	204	204	100%	244	244	100%
Other than permanent	119	119	100%	87	87	100%
Total Workers	323	323	100%	331	331	100%

2. **Details of minimum wages paid to employees and workers in the following format:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/D)	No. (F)	%(F/D)
Employees										
Permanent										
Male	168	NA	NA	168	100%	128	NA	NA	128	100%
Female	16	NA	NA	16	100%	16	NA	NA	16	100%
Other than permanent										
Male	NA									
Female	NA									
Workers										
Permanent										
Male	198	NA	NA	198	100%	237	NA	NA	237	100%
Female	6	NA	NA	6	100%	7	NA	NA	7	100%
Other than permanent										
Male	108	108	100%	NA	NA	71	71	100%	NA	NA
Female	11	11	100%	NA	NA	16	16	100%	NA	NA

3. **Details of remuneration/salary/wages, in the following format**

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	5	7,50,000	1	9,40,000
Key Managerial Personnel (KMP)	3*	56,21,224	-	-
Employees other than BOD and KMP	128	10,05,281	16	9,94,081
Workers	236	5,03,527	6	3,78,981

* Company Secretary deputed from Carborundum Universal Limited.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Senior Management and various Committees. The Whistle blower mechanism of the Company provides the Directors, Employees, Customers and Vendors an avenue to raise concerns, in line with the Company's commitment to open communication and standards of ethical, moral and legal business conduct.

The Company has adopted the Social Accountability Standard to devise and auditable Voluntary mechanism based on UN Declaration of human rights, principles of ILO, International Human rights, labour norms and National Labour laws that is applicable not only to its employees but also to the stakeholders viz suppliers, sub-contractors, sub-suppliers, home workers etc.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, Works and other committees. The Whistle blower mechanism of the Company provides the Directors, Employees, Customers and Vendors an avenue to raise concerns, in line with the Company's commitment to open communication and standards of ethical, moral and legal business conduct.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at end of the year	Remarks	Filed during the year	Pending resolution at end of the year	Remarks
Sexual harassment	Nil					
Discrimination at work place						
Child labour						
Forced labour/ involuntary labour						
Wages						
Other human related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Management policy is to ensure no retaliation. The Company's Prevention of Sexual Harassment policy also provides guidelines and obligations for respectful behaviour at the workplace, that is free from discrimination and harassment. The Respectful Workplace principle ensures that the people are treated with dignity and respect in any Workplace of Wendt. Under the Company's POSH (Prevention of Sexual Harassment) policy which aligns with the Government of India's Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013, the Company has constituted specific internal committees at its location to address complaints and concerns around Sexual Harassment.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, no discrimination on basis of gender, caste or creed.

9. Assessments for the year

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third party)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at work place	100%
wages	100%
Others please specify	None

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

The Grievance Redressal committee and guidelines are updated from time to time to address any uncovered aspect arising out of human rights grievances. No such changes were made during the Year 2022-23.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

We ensure 100% compliance of statutory provisions. Due reporting of the same is also done to the concerned Government offices as per the statue. The due diligence for the same is also regulated through the periodic internal inspections.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others - please specify	None

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (in Mega Joules) (A)	1,38,62,880	1,28,32,387
Total fuel consumption (in Mega Joules) (B)	5,32,206	3,63,586
Energy consumption through other sources (C)	-	-
Total energy consumption (in Mega Joules) (A+B+C)	1,43,95,086	1,31,95,973
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.0075 Mega Joule /Rupee	0.0083 Mega Joule /Rupee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) FY22-23 CII-EHS Assessment during January 2023 - Overall EHS assessment- certified as Silver Award for EHS Commitment If yes, name of the external agency. CII-Chennai.

2. (a) Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) - NA

(b) If yes, disclose whether targets set under the PAT scheme have been achieved. - NA

(c) In case targets have not been achieved, provide the remedial action taken, if any. - NA

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	18567.6 kl	16158 kl
(iv) Seawater / desalinated water	NA	NA
(v) Others- SIPCOT water	3016.7 kl	3725 kl
Total volume of water withdrawal (in kilolitres) (I + ii + iii + iv + v)	21584.3 kl	19883 kl
Total volume of water consumption (in kilolitres)	21584.3	19883
Water intensity per rupee of turnover (Water consumed /turnover)	0.0000113 kl/Rupee	0.0000126 kl/Rupee
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES / NO)	FY22-23 CII-EHS Assessment during January 2023 Overall EHS assessment-certified as Silver Award for EHS Commitment	
If yes, name of the external agency.	CII- Chennai	

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, as a responsible organisation the Company gives importance to reduce, reuse and recycle water. This is achieved through installation of Effluent Treatment Plant (ETPs) and Sewage Treatment Plants (STPs) in line with the compliance norms in force. These systems enable the Company to reuse and recycle water and utilise it again within the plant premises for process reuse, gardening and toilet flushing etc.

Water Recycle and Reuse: The Company has installed a RO plant to achieve Zero discharge of water waste. The Company treats its process effluents and reuses in its process. This facility has also been installed in the Company's manufacturing facility for electroplated products.

The company's Green belt within its facility is fully maintained using Sewage recycled water.

Water recharge: Water collected out of rain is harvested through a percolation pond carrying a storage capacity of 1.2 Million litres.

The Company has installed rain water harvesting in the CCSD Building with an Underground storage capacity of 0.6 million liters and being directly used for Toilets and hand wash purposes of CCSD and FG Stores since April 2020 onwards.

Scrubbers has been built in the plating process for reducing the Odour and discharge of particulate matter.

We are a Zero discharge company.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	microgram / m3	max 22 & min 11	max 22 & min 11
SOx	microgram / m3	max 18 & min 8	max 18 & min 8
Particulate matter (PM)	microgram / m3	max 60 & min 44	max 60 & min 44
Persistent organic pollutants (POP)	Not done		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES / NO) If yes, name of the external agency: No.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	NA	NA	NA
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)	NA		
If yes, name of the external agency.			

**Note: The company has not captured the GHG emissions during FY22-23. However, these GHG are not produced during our manufacturing process. The company has a green campus with more than 10000 trees which produces sufficient oxygen and absorbs Carbon di oxide.*

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

NIL.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	2.26 tonnes	2.54 tonnes
E-waste (B)	1.16 tonnes	-
Bio - medical waste (C)	0.355 tonnes	0.360 tonnes (approx.)
Construction and demolition waste (D)	-	2.15 tonnes
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	12.905 tonnes	7.917 tonnes
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Paper – 34 tonnes corrugated box-7.32 tonnes Wood-21.90 tonnes MS Solid – 65.48 tonnes	Paper – 30 tonnes corrugated box-8.63 tonnes Wood-13.75 tonnes MS Solid – 81.80 tonnes
Total (A+B + C + D + E + F + G + H)	**145.38 tonnes**	**147.15 tonnes**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (ii) Re-used (iii) Other recovery operations	Presently, we do not have data for capturing the recycle, reuse and other recovery operations as per category of waste.	
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration- Plating metal sludge	0.195	0.185
Spent solvent	0.999	0.801
Process waste Residue	0.083	0.459
spent carbon or filter medium	0.224	0.071
(ii) Landfilling- TSDF Acids & Alk ali Residues,	0.112	1.492
Chemical sludge from waste water treatment	4.808	7.932
(iii) Other disposal operations - Spent oil	1.205	1.87
Discorded container	0.291	0.095
Total	7.917	12.905
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	Yes	
If yes, name of the external agency.	Ramky-Chennai & Green Gene Enviro Protection and Infrastructure Private Limited -Ranipet (Tamil Nadu)	

9a. Briefly describe the waste management practices adopted in your establishments.

Our Company follows the principle of "Reduce, recycle and Reuse" to effectively manage waste. We use various initiative to reduce, recycle and reuse the waste. Some of the initiatives outlined below:

Energy:

The Company's Manufacturing processes are not power intensive. However, the Company takes continuous efforts to reduce energy consumption. The Integrated Management system policy of the Company focuses on Processes, Conservation of Natural resources, Protection of Environment, Prevention of Pollution towards Environment.

The Energy conservation measures include reforms such as installation of Energy savers in the lighting circuit to conserve energy through replacement of high voltage consumption lamps with LED lights, introduction of LDR-Light dependent resistance sensors that harnesses natural daylight for all outdoor lighting with automatic controls.

The Company has initiated discussion for Installation of Solar Energy in its facilities.

Reduction during usage by consumers (energy, water) has been achieved since the previous year.:

Innovation and listening to the voices of customers has always been the Company's priority. Constantly adjusting our processes, methods and systems across the value chain in shortest possible time and designing our responses in terms of products, services and behavior ensures manufacturing excellence.

The Super Abrasive wheel (CBN / Diamond) provides an advantage of reduced risk of thermal damage to the work place. The reduced risk of thermal damage in CBN Grinding is at times attributed to the lower grinding specific Energies. This advantage can allow a marked increase in removal rate whilst maintaining surface quality of the component compared to grinding with conventional abrasives such as aluminium oxide.

Super Abrasive wheels extend bearing, spindle and overall machine life thereby reducing the power draw and energy consumption for acceleration and deceleration in linear and rotary movement.

The Company offers an eco-friendly high-performance coolant along with its super abrasive wheels and machines to ensure there is optimum usage of super abrasive wheels and reduction in waste generated during grinding process.

b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Duly recognising the over-consumption results in unsustainable exploitation of the planet's resources the business units in the company are committed to promoting sustainable consumption, including recycling of resources.

While setting the Environment, Health, Safety objectives and targets, considerations are given to reuse, recycle, reduction, handling and disposal of wastes. Measurable performance indicators include waste produced per unit of production. The Company has installed high tech pretreatment line in the place of conventional treatment to ensure clean production and reduction in hazardous waste generation. During the year, the Company has achieved a significant waste reduction in case of electroplating products. The Company has zero discharge facility including for sewage, canteen, electroplating process, paint booth, DM Water effluent and used coolant through RO Method. This treated water is reused for relevant manufacturing processes. The Company has been achieving reduction in wastes year on year.

The Company has a secured landfill in line with the applicable guidelines for storage of hazardous waste. The Company has also created a vermicomposting facility to convert all the garden/ green waste to manure.

During this year, the Company has carried out recycling of Aluminum scrap into castings. 23 tonnes of Aluminum ingots have been converted from aluminum turnings.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hot spots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	Not Applicable		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by external independent agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12a. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (YES/NO)

Yes, the Company is compliant with all the environmental requirements and has a valid consent to operate certificate from Pollution Control Board. 1.Air prevention & control of pollution act, 1981 as amended in 1987 (central act 14 of 1981). 2.Sewage & trade effluent under section 25 of water act, 1974 as amended in 1988 (central act 6 of 1974).

b. If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as agencies such as pollution control boards or by courts	Corrective taken, if any action
	Not Applicable			

Leadership Indicators

1. Provide a break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year) (TJ)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
Presently no electricity consumed which is generated from Renewable sources. **From non-renewable sources**		
Total electricity consumption (D)	1,38,62,880	1,28,32,387
Total fuel consumption (E)	5,32,206	3,63,585
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	143,95,086	131,95,972
Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)	FY22-23 CII-EHS Assessment during January 2023-Overall EHS assessment-certified as Silver Award for EHS Commitment	
If yes, name of the external agency.	CII- Chennai	

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
a. No treatment		
b. With treatment – please specify level of treatment		
(ii) To Groundwater	-	-
a. No treatment		
b. With treatment – please specify level of treatment		
(iii) To Seawater	-	-
a. No treatment		
b. With treatment – please specify level of treatment		
(iv) Sent to third-parties	-	-
a. No treatment		
b. With treatment – please specify level of treatment		
(v) Others	-	-
a. No treatment		
b. With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	-	-
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)	-	-
If yes, name of the external agency.	Not applicable	

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

For each facility / plant located in areas of water stress, provide the following information:	Nil
(i) Name of the area	
(ii) Nature of operations	
(iii) Water withdrawal, consumption and discharge in the following format:	

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Nil	
a. No treatment		
b. With treatment – please specify level of treatment		
(ii) Into Groundwater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iii) Into Seawater		
a. No treatment		
b. With treatment – please specify level of treatment		
(iv) Sent to third-parties		
a. No treatment		
b. With treatment – please specify level of treatment		
(v) Others		
a. No treatment		
b. With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES / NO)		
If yes, name of the external agency.		

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	We did not estimate our Scope 3 emissions for the last fiscal year, we now recognise the relevant material categories within Scope 3 emissions that pertain to our business type. We will then proceed to collect the necessary data and estimate these emissions accordingly in the near future.		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (YES / NO)			
If yes, name of the external agency.			

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
Not applicable			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company has put in place a disaster management and business continuity plan. The need for the same arose during COVID 19 lockdown during which the Company set up a Disaster management and Business continuity plan for restarting its operations with governmental approvals and following all guidelines. The Company conducts regular mock drills, fire safety training sessions for all its employees. Company has setup SOPs and guidelines for overcoming natural disasters, fires and other emergencies. These procedures are constantly reviewed and updated to reflect any changes in our operations or external factors. The Company has identified and established critical business functions and backup support plans to minimise downtime in case of any failure and ensure continuity of operations in case of any unforeseen disruptions. The Company has established partnerships with on call local emergency response from fire brigade, hospital and medical services to ensure timely and effective response in case of emergencies.

8a. Disclose any significant adverse impact to the environment, arising from the value chain of the entity.

b. What mitigation or adaptation measures have been taken by the entity in this regard.

We are planning to establish sustainable supply chain practices by working with suppliers who prioritise environmentally friendly practices. We also have a robust waste management system that focuses on reducing waste, reusing materials, and recycling wherever possible.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

At present, we have not assessed our value chain partners for environmental impacts. However, we acknowledge and are committed to conducting the same in future. We believe that by engaging with our value chain partners we can reduce the environmental impact by propagating sustainable practices.

PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. (a) Number of affiliations with trade and industry chambers/ associations.

Wendt (India) Limited is an active member of several national and international trade and industry chambers and associations.

(b) List the top trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industriy	State & National
2	Hosur Industries Association	State
3	Quality Circle Forum of India	State & National
4	NHRD, Hosur Chapter	State
5	IMTMA-Indian Machine Tool Manufacturer's Association	National
6	Indo German Chamber of Commerce	International
7	Bangalore Chamber of Commerce and Industry	National
8	Engineering Export Promotion Council	National
9	Indian Cutting Tool Manufacturer	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
No adverse order received and hence, no corrective action required.		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
The Company is not actively involved in lobbying. However, as a responsible corporate citizen, the Company is an active member of several national and international trade and insudtry chambers and associations. As part of these groups, the Company makes recommendations/ representations before regulators /associations for advancement and improvement of industrial climate in India. Wendt (India) Ltd, directly as well as through CUMI group teams, engages with the following associations : CII, FICCI, ASSOCHAM, IMTMA, HIA, ICAI etc.					

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year: No SIA was done in the current financial year.

Name and brief details of the project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant weblink
Not Applicable					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

All grievances could be submitted to wil@wendtindia.com. The grievances of the community can also be sent to the plant HR/Admin teams who will handle the same.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	28.85%	18.79%
Sourced directly from within the district and neighbouring districts	38.36%	32.46%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): NIL

Details of negative social impact identified	Corrective action taken
Nil	

No SIA was done in the current financial year.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Company attaches great importance to factors contributing towards community and society welfare activities. The Company has been practicing this right from the beginning with employment of underprivileged and rural people from surrounding areas.

During the year, the Company undertook a project of constructing classroom in a Government High School at Zuzuvadi, situated in the SIPCOT, Hosur. The Company focuses its CSR activities on rejuvenating schools as most of the schools are in desperate need of an overhaul and lack even the most basic facilities. This CSR project leverages contribution to build classrooms and provide other basic amenities for encouraging education in the rural and remote location.

The CUMI Center for Skill Development (CCSD) is a unique initiative undertaken by the Company jointly with its

promoter Carborundum Universal Limited since 2012 to build mutually beneficial relationship with the local community and society. The skill development centre is housed within the Company's Hosur facility augments the Company's commitment to society through initiatives that would address the needs of the underprivileged populations and create good citizens. The center provides specialised training based on National council for Vocational training syllabus for the rural youth drawn from the socially and underprivileged section of the society. The Job oriented skill training enhances their employability and aids in uplifting their socio economic status. The technically trained students can be employed by any industrial entity once they complete the training programme. The courses conducted in CCSD covers provision of extensive facilities including state-of-the-art classrooms, experienced and motivated instructors, a well-stocked library, audio visual aids, well-maintained machines & equipment for hands-on training etc. Apart from this, a very integral part of the programme is the importance attached to the development of soft skills through group activities, Yoga, Communication building exercises, NGO Activities & extra-curricular events. All this makes the program a holistic and enriching experience both professionally and personally for the students.

Another initiative that has been widely appreciated by the community is the traffic warden duty undertaken by the employees and students at Hosur. Employee volunteers and students of CCSD has been trained by the local police department and take up traffic management during peak hours in Hosur junction - a highly accident prone area.

The Traffic wardens also played a very crucial role in maintain social distancing norms amongst public and in controlling traffic in Hosur, Tamil Nadu through the entire lockdown.

Further, contributions in form of groceries were made to Abalashram, Sri Saratha nikethan NGO, Hosur.

S. No.	State	Aspirational District	Amount spent (In INR)
1	Traffic warden - 9 Members participated	Hosur	2 1/2 Hours in and around Hosur
2	CUMI Centre for Skill Development	Hosur	Rs. 27.62 lakhs
3	Construction of school Building, Zuzuvadi	Hosur	Rs. 16.10 lakhs (under construction)
	Total spent		Rs. 43.72 lakhs

3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Yes, Preference is given to local suppliers, Micro. Small and Medium scale Enterprises (MSMEs), Start-ups in accordance with the extent Government and Company Policies. Purchase preference is given to MSMEs and Local Suppliers as per Public Procurement Policy 2012.

b. From which marginalised /vulnerable groups do you procure?

MSME's in and around Hosur.

c. What percentage of total procurement (by value) does it constitute?

Please refer answer to question no.4 of essential indicators.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
None			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
None		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	CUMI Centre for Skill Development	89	100%
2	Classroom for Government school, Zuzuvadi	Students	Under construction

The Company's objectives are to pro-actively support meaningful socio-economic development in India and enable a large number of people to participate in and benefit from India's economic progress.

This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of the society. All CSR initiatives are for the support of the underprivileged / those who belong to the vulnerable /marginalised sections of the society in the community where it is located.

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company is a customer centric organisation and attaches considerable value to the Trust, Satisfaction and loyalty of our customers across the world. The Company strives to ensure that customer needs are satisfied and our products and services offer value to our customers. Hence, we believe that commitment to transparency is vital to build trust and credibility with our customers by demonstrating honesty and openness in handling complaints.

Customers can communicate their complaints via email or phone calls to the customer support team who will register the complaint with the FIR (First investigation Report) . After receipt of the complaint, acknowedgement is given within 24 hours. Technical complaints are handled by the Quality Control team and commercial complaints are handled by the Marketing team. The Company has set a target of customer complaint resolution within 15 days of registration. Process owners and Product Managers are responsible for identifying the root cause and implementing Corrective and Preventice action(CAPA) within the stipulated time frame. Marketing Head shall take the decision of product recall in consultation with the Senior Management.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of the year		Received during the year	Pending resolution at end of the year	
Data privacy	Nil					
Advertising						
Cyber-security						
Delivery of essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5a.Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes, we have a cyber security policy. The Company also has a Board level Committee on 'Risk Mangement' which includes the review of cyber security risk.

b. If available, provide a web-link of the policy.

The Policy is available in the Intranet of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

All information regarding the Company's products and services can be accessed through the Company's website : www.wendtindia.com and its periodic disclosures like Annual Report. The Company has uploaded its new products and successful applications on its social media pages like LinkedIn and YouTube.

Product related information can be accessed through website: https://wendtindia.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

- Organising workshops, Technical Seminars, Technology day at customer premises.
- Distribution of Material Safety Data Sheet (MSDS) of the Products.
- Handing over of Machine Manual while supplying Machine Tools.
- Sharing of General Principles of usage and Safety of Super Abrasive Products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

- Emails to customers.
- Telephonic Communication.

4.a.Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

We have implemented SAP as its operating software. All the products are identified with Unique serial Numbers that has appropriate Tracking and traceability on the Materials supplier to the Customers along with the Product Description.

b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).

Yes, we conduct Customer Satisfaction survey every year.

5. Provide the following information relating to data breaches

a. Number of instances of data breaches along with impact

Not Applicable

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended]

The Members,
WENDT (INDIA) LIMITED
CIN: L85110KA1980PLC003913
Flat No 105, Cauvery Block
National Games Housing Complex,
Koramangala, Bangalore - 560047

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WENDT (INDIA) LIMITED** [Corporate Identification Number: L85110KA1980PLC003913] (hereinafter called "the Company") for the financial year ended 31st March, 2023. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

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

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

(iv) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the year under review;

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

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

b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable during the year under review);

e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (not applicable during the year under review);

f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (not applicable during the year under review);

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the company is not registered as Registrar to an issue and share transfer Agent during the year under review);

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable during the year under review); and

i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; (not applicable during the year under review);

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

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

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

We have also examined compliance with the applicable clauses / regulations of the following:

(I) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) (revised effective from October 1, 2017) and Guidance Note on Meetings of the Board of Directors and General Meetings (revised) issued by The Institute of Company Secretaries of India.

(ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (hereinafter referred to as "Listing Regulations")

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive directors, Woman Independent Director and Independent Directors. The Company has appointed Chief Executive Officer pursuant to Section 203 of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all the directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The meeting convened at shorter notice and notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with.

During the year under review, the Board/ Committee Meetings convened through Video Conferencing and the Directors/Members who have participated in the Board/ Committee meetings through Video Conferencing were properly convened and recorded in compliance with the provisions of Section 173 (2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014. Further, the Circulars, Regulations and Guidelines issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and other relevant regulatory authorities pertaining to Board/ Committee meetings, General Meetings and other provisions of the Act, Rules and Regulations have been complied with by the Company.

Based on the verification of the records and minutes, the decisions at the Board/ Committee Meetings were taken with the consent of the Board of Directors/ Committee Members and no Director/ Member had dissented on any of the decisions taken at such Board/ Committee Meetings. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been duly recorded.

We further report that based on review of compliance mechanism established by the Company we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned

Company being a Listed entity this report is also issued pursuant to Regulation 24A of the Listing Regulations as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by the Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India as defined under Regulation 16(1)(c) and Regulation 24A of the Listing Regulations as amended during the period under review.

We further report that during the audit period, Wendt Middle East FZE, a wholly owned subsidiary of the Company situated in Hamriyah Free Trade Zone, Sharjah UAE has voluntarily de-registered itself with effect from 10th May, 2022, consequent to which it ceased to be the Wholly owned subsidiary of the Company.

For R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R. SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000154177

Place: Chennai
Date: 21st April, 2023

Note: This Report is to be read with letter of even date, which is annexed as "Annexure A" and Forms an integral part of this report.

'Annexure A to MR-3'

The Members,
WENDT (INDIA) LIMITED
CIN: L85110KA1980PLC003913
Flat No 105, Cauvery Block
National Games Housing Complex,
Koramangala, Bangalore - 560047

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records as per the Auditing Standards (CSAS-1 to CSAS-4) and Guidance Notes on ICSI Auditing Standards and Guidance Note on Secretarial Audit issued by The Institute of Company Secretaries of India. The verification was done to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be filed by the company under the specified laws.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. It is the responsibility of the management of the Company to devise proper systems to ensure compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards and to ensure that the systems are adequate and operate effectively. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R. SRIDHARAN
CP No. 3239
FCS No. 4775
PR. NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000154177

Place: Chennai
Date: 21st April, 2023

REPORT ON CORPORATE GOVERNANCE

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

Corporate governance is a process that aims to allocate corporate resources in a manner that maximises value for all Stakeholders – Shareholders, Employees, Customers, Suppliers, Environment and the Community at large. Good corporate governance is characterised by a firm commitment and adoption of ethical practices by an organisation across its entire value chain and in all of its dealings.

Company's Philosophy on Corporate Governance

Wendt (India) Limited ('the Company') is committed to high standards of governance, develop robust policies and align the interest of all stakeholders at large to foster a culture of responsibility and compliance. The driving forces of Corporate Governance at Wendt are its core values, belief in people, entrepreneurship, customer orientation and pursuit for excellence. The Company believes that Corporate Governance is not an end to itself but a catalyst in the process towards maximisation of stakeholders' value. Established Board processes, well-structured internal control systems, unrelenting trust of its people, customer centric approach and untiring efforts towards sustainable development and social responsibility are core to the Company's Corporate Governance practices. The Company's constant endeavour for corporate excellence has been well recognised and the Company's Annual Report for the FY 2021-22 has won the prestigious ICAI award for excellence in financial reporting in manufacturing and trading sector.

The Company has adopted a Code of Conduct for the Board and its employees which contains the fundamental principles and rules concerning ethical business conduct. This Code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence.

A. BOARD OF DIRECTORS

The Company's Board of Directors recognise its responsibilities towards all stakeholders and play a key role in not only providing directions in terms of strategy but also in upholding the highest standards of Governance. Wendt firmly believes that Board independence is essential to bring objectivity and transparency in the management of the Company. The Board of Directors provides leadership and strategic guidance to the Company's management, monitor the implementation of the plans and review the performance of the Company. The Independent Directors provide an objective judgement on matters placed before them.

The Company's day to day affairs are managed by the Chief Executive Officer, assisted by a competent Management team under the overall supervision of the Board. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board, Senior Management and all its employees.

(i) Size and Composition of the Board

The key to good Corporate Governance for a Company is a diverse Board with appropriate balance of professionalism, knowledge and experience.

The Board of Directors of the Company comprises of eminent persons who have collective experience in diverse fields of technology, engineering, finance, management and compliance. As of March 31, 2023, the Board at Wendt (India) Limited comprises of 6 Directors out of which 4 are Independent Directors including a Woman Director.

Name	Category	No. of Directorships/ (Chairman-ships) in companies[(a)]	No. of other Director-ships	No. of Committee memberships / (Chairmanships) in companies including Wendt[(b)]	No. of Board meetings attended (Total meetings held)	Attendance at last AGM	Shares held in Wendt
Mr. Shrinivas G Shirgurkar DIN - 00173944	Chairman, Non-Executive & Independent Director (ID)	6(2)	4	3(1)	6(6)	Yes	Nil
Mr. M Lakshminarayan DIN - 00064750	Non-Executive & Independent Director (ID)	7(2)	5	7(2)	5(6)	Yes	Nil
Ms. Hima Srinivas DIN - 07556717	Non-Executive & Independent Director (ID)	1	1	1(0)	6(6)	Yes	Nil
Mr. Bhagya Chandra Rao DIN - 00211127	Non-Executive & Independent Director (ID)	3	1	6(2)	6(6)	Yes	Nil
Mr. N Ananthaseshan DIN - 02402921	Non-Executive & Non-Independent Director (NED)	5(1)	6	3(1)	6(6)	Yes	Nil
Mr. Muthiah Venkatachalam DIN - 07045802	Non-Executive & Non-Independent Director (NED)	1	3	1(0)	4(4)*	NA	Nil

(a) Excluding Alternate Directorships and Directorships in Foreign companies, Private companies (which are not subsidiary or holding company of a Public company) and Section 8 companies;
(b) Only Audit & Stakeholders Relationship Committee of Public companies;
(c) Inter-se relationship between Directors – Nil.
* Appointed as Director w.e.f. 2nd August 2022.

The names of listed entities where the Directors hold directorship (excluding the Company) is given below:

Name of the Director	Company Name	Category
Shrinivas G Shirgurkar (SGS)	-	-
M Lakshminarayan (ML)	TVS Electronics Limited	Non - Executive Independent Director
	ZF Commercial Vehicle Control Systems India Limited	Chairman and Non - Executive Independent Director
	ASM Technologies Limited	Non - Executive Independent Director
	Suprajit Engineering Limited	Non - Executive Independent Director
	Sansera Engineering Limited	Non - Executive Independent Director
Hima Srinivas (HS)	-	-
Bhagya Chandra Rao (BCR)	Disa India Limited Shetron Limited	Non - Executive Independent Director
N Ananthaseshan (NA)	Carborundum Universal Limited	Managing Director
Muthiah Venkatachalam (MV)	-	-

Changes in Board composition during the financial year 2022-23

During the year ended 31st March 2023, there were no changes in the Board composition other than as detailed below:

Name	Category	Nature of Change	Remarks
Mr. Rajesh Khanna	Non-Executive Non-Independent Director	Retirement	Retired as a Non-Executive Director w.e.f. 22nd July 2022.
Mr. Muthiah Venkatachalam	Non-Executive Non-Independent Director	Appointment	The Board appointed Mr. Muthiah Venkatachalam as an Additional Director w.e.f. 2nd August 2022 and the shareholders through postal ballot passed on 29th September 2022 appointed him as an Non-Executive Non-Independent Director with effect from 2nd August 2022.
Ms. Hima Srinivas	Non-Executive Independent Director	Re-Appointment	The shareholders at the 40th AGM approved the re-appointment of Ms. Hima Srinivas as an Independent Director for another term of five (5) consecutive years effective from 24th April 2022.

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at its meeting held on 21st April 2023 has taken on record the declarations received from the Independent Directors. In the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the Management.

The Company operates in the field of Engineering and presence of engineers and technologists in the Board guiding the Company in its projects and strategy assumes significance. Considering the nature of the business the Company operates in, the Board members' skills/expertise could be in the field of engineering, finance, and management. The Directors are nominated to the Board based on their qualification and experience in order to maintain a healthy balance of diversified experts on the Board.

The matrix setting out the skills / expertise / competence of the Board of Directors identified by the Board as required in the context of its business(es) and sector(s) for it to function effectively and those available with the Board is given below:

Key Skills & competencies	Description	SGS	ML	HS	BCR	NA	MV
Technical	By qualification or by experience, having an understanding of the prevalent technology, future trends and its impact on the Company's manufacturing processes and products and further guide the Company in its innovation model.	✓	✓		✓	✓	✓
Financial	Understanding financial reporting process, capital allocation, audit processes, internal controls, understanding of treasury management, debt management, advising leveraging banking relationships etc.	✓	✓	✓	✓	✓	✓
Board positions/ Governance	Directorship positions or experience with Regulatory interfaces and having an insight into Board processes, structures, committee constitutions, protecting stakeholder interests, aligning with appropriate governance practices.	✓	✓		✓	✓	
Management	Leadership positions in enterprises by virtue of which has requisite experience in management skills or functional expertise across various functions of the Company, guiding strategies for sustainable enhancing enterprise reputation.	✓	✓	✓	✓	✓	✓
Strategic advisory	Ability to advise on organic/inorganic growth opportunities through acquisitions/combinations, assess, build or purchase proposals, appreciative of and understanding of the regulatory and legal requirements of the sector/industry in which the Company operates in.		✓		✓	✓	

(ii) Board Meetings

The Board meets at regular intervals and has a formal schedule in respect of matters placed before it for its consideration. While the routine matters for discussion include strategy, financial, operational and compliance matters, meetings are also convened as and when deemed necessary. The Board on a periodical basis reviews the key business initiatives, the performance of the subsidiaries and the matters concerning thereto, compliance with the applicable laws and provides appropriate directions, wherever necessary. The Board is supplied with adequate, relevant and timely information on the operations, financial performance of the Company to facilitate the Board to make well informed decision. While the detailed notes on the agenda to be discussed at the meeting is provided well in advance, presentations to supplement the agenda is made at the meeting by the Management. The Board also has complete access to the Management to seek clarifications on any matter of discussion. The Board has established procedures in place to periodically review compliance reports pertaining to all laws applicable to the Company.

The Board periodically reviews the matters required to

be placed before it, monitors the overall performance of the Company and *inter alia* reviews and approves the quarterly financial statements, business plan, capital expenditure etc. During the year, six Board meetings were held on 22nd April 2022, 22nd July 2022, 2nd August 2022, 19th October 2022, 18th January 2023 and 17th March 2023.The dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance from the Board members. As required under the Companies Act, 2013, the Company facilitates participation of a Director who is unable to attend the Board / Committee meetings physically, through video conference or other audio visual means in the manner prescribed under the relevant regulations. During the year, the Board meetings were held through video conferencing as well as in physical mode.

In line with Regulation 24 of the Listing Regulations requiring at least one Independent Director of the Company to be a Director on the Board of an unlisted material subsidiary, whether incorporated in India or not, Ms. Hima Srinivas, Independent Director was nominated to the Board of Wendt Grinding Technologies Limited on 3rd June 2019. For the purposes of this requirement, a material subsidiary means any subsidiary whose net worth exceeds 20% of the consolidated net worth of the Company or which has generated more than 20% of the consolidated income of the Company in the preceding financial year. As at 31st March 2023, Wendt Grinding Technologies Limited, Thailand does not meet the criteria of a material subsidiary mandating a Board representation. However, from a governance perspective, the Board decided that the representation of Ms. Hima Srinivas, Independent Director on the Board of Wendt Grinding Technologies Limited would continue. The Policy on Material Subsidiary is available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/Material-Subsidiary-Policy.pdf. The Board reviews the significant transactions and arrangements of the subsidiary companies besides being apprised of their business plan and performance.

In line with the amendments to the Companies Act, 2013, Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has in place policies for determining materiality for disclosure of events/information to stock exchanges, policy for preservation and archival of documents, dividend distribution policy, policy on related party transactions, business responsibility policy, whistle blower policy, corporate social responsibility policy, policy for prevention of sexual harassment at workplace. The above policies are periodically reviewed by the Board and are posted on the website of the Company at https://wendtindia.com/investors/.

Separate meeting of the Independent Directors

Besides the formal Board meetings, the Independent Directors hold meetings without the participation of the Non-Independent Directors and the members of the Management. During the year, the Independent Directors met on 17th March 2023 and reviewed the performance of the Non-Independent Directors, Board as a whole and also assessed the quality, quantity and timeliness of the flow of information between the Management and the Board.

(iii) Board Familiarisation

The members of the Board are equipped with many opportunities to familiarise themselves with the Company, the operations and the Management. At the time of appointment of a Director, a formal induction programme comprising of a detailed presentation on the operations, the business segments and profile, organisation structure and other market related information is done. Dedicated plant visits are also arranged for the Directors to enable them familiarise with the manufacturing and product processes. The Directors are also provided with a letter of appointment along with the Company's Code of Conduct detailing the duties and responsibilities of the Directors including that of an Independent Director.

On an ongoing basis as well, exclusive plant visits are organised periodically for the existing Directors to stay abreast of the operational and manufacturing processes. The Board is also apprised on a quarterly basis through presentations and discussions on the overall economic trends, the performance of the Company, analysis of the circumstances which helps or adversely impacts the Company's performance, the initiatives taken / proposed to be taken, marketing strategy, business risks and mitigation plan, the regulatory changes impacting the Company etc. These initiatives help the Directors in understanding the Company, its businesses, the regulatory arena in which it operates, thus enabling the Directors in effectively contributing to the Board. The familiarisation programme for Independent Directors is disclosed on the Company's website at - https://wendtindia.com/wp-content/uploads/2023/02/WIL-Familiarisation Programme.pdf.

(iv) Board Evaluation

During the year, the Board conducted an evaluation of its own performance, individual Directors as well as the working of the Committees as per the Board evaluation framework adopted by it. The manner and criteria for the evaluation of the Directors including the Independent Directors of the Company is detailed in the Directors' Report.

B. BOARD COMMITTEES

The Board has constituted various Committees for effectively discharging its responsibilities more specifically in areas as where specialised and extensive discussions are required. The Board's Committees include Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee and the Risk Management Committee. The Company Secretary acts as the Secretary to the Committees of the Board.

The Board at the time of constitution of each Committee determines the terms of reference and also delegates further powers from time to time. Various recommendations of the Committees are submitted to the Board for consideration & approval and the minutes of all meetings of the Committees are circulated to the Board for information.

AUDIT COMMITTEE

Terms of Reference

The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, review and approval of related party transactions entered by the Company and the subsidiary entities, scrutiny of inter-corporate loans & investments, review of utilisation of loans and/ or advances from / investments made in subsidiaries, review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, valuation of assets/undertakings of the Company, appointment of registered valuers etc., besides recommending the appointment of Auditors and their remuneration to the Board as well as approval of payments to Statutory Auditors for non-audit services and review of effectiveness of audit process. The Audit Committee also reviews the financial statements of unlisted subsidiary Company, in particular, the investments made by them.

Composition & Meetings

The Audit Committee comprises of five members of which four members including the Chairman are Independent Directors and all members of the Committee are financially literate. The Statutory Auditor, Internal Auditor and members of the Management Committee are invited to attend meetings of the Committee.

Shrinivas G Shirgurkar is designated as the Chairman of the Committee. During the financial year 2022-23, there was no change in the constitution of the Audit Committee.

During the year, the Committee had five meetings on 22nd April 2022, 22nd July 2022, 19th October 2022, 18th January 2023 and 17th March 2023 for reviewing the financial statements, considering the internal audit reports, audit plans and other matters as per the terms of reference of the Committee. The composition and attendance of the Committee members at the meetings held during the year are given below:

Name of Member	Category	No. of meetings attended (No. of meetings held)
Shrinivas G Shirgurkar, Chairman	ID	5 (5)
M Lakshminarayan	ID	4 (5)
Hima Srinivas	ID	5 (5)
Bhagya Chandra Rao	ID	5 (5)
N Ananthaseshan	NED	5 (5)

NOMINATION & REMUNERATION COMMITTEE

Terms of Reference

The role of the Committee is to (a) recommend to the Board the appointment of Directors (b) recommend re-election of Directors retiring by rotation (c) recommend the remuneration including pension rights and periodic increments of the Executive Director (d) determine the annual incentive of the Executive Director (e) recommend to the Board, the commission payable annually to each of the Non-Wholetime Directors, within the limits fixed by shareholders (f) formulating criteria for appointment of Directors and Senior Management and identification of persons who may be qualified to be appointed in these positions (g) devise policy on Board diversity (h) formulate criteria for evaluation of Independent Directors/Board, evaluation of the Directors' performance (i) recommend Remuneration policy to the Board (j) ensuring Board Diversity (k) recommend to the Board the appointment and remuneration payable to Senior Management (l) Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, preparing a description of the role and capabilities required of an independent director, pertaining to the appointment / re-appointment of such Independent Director.

The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of a Director and the criteria for Senior Management positions in terms of Section178(3) of the Companies Act, 2013 besides laying down the criteria for Board evaluation. The Board evaluation including that of the Independent Directors is done based on the evaluation framework detailed elsewhere in the Directors' Report. The Company also has in place a Board approved policy on the remuneration for Directors, Key Managerial Personnel and other employees which had been duly recommended by the Committee. The policy is available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/Remuneration-Policy.pdf.

Board Diversity Policy

The Company has a Board diversity policy in place which sets out the approach to having a diverse Board. A Board is diverse when the Board comprises qualified people having varied range of experience, possessing relevant expertise to the business. In line with the Board diversity policy, the Board is a balanced one having collective knowledge of business strategy, finance, manufacturing, technology, engineering etc.

Criteria for Board Nomination

The Nomination and Remuneration Committee is responsible for identifying persons for initial nomination as Directors as well as evaluating incumbent Directors for their continued service. The Committee has formulated criteria in terms of Section 178 of the Companies Act, 2013 and the Listing Regulations *inter alia* detailing the qualifications in terms of personal traits, experience & background, fit & proper, positive attributes and independence standards to be considered for nominating candidates for Board positions/re-appointment of Directors.

Criteria for Senior Management

The Nomination and Remuneration Committee is also responsible for identifying persons who are qualified to be appointed in Senior Management. The Committee has formulated criteria in terms of personal traits, competencies, experience & background, etc. to be considered for nominating candidates to Senior Management positions.

Composition & Meetings

The Committee comprises four members of which three are Independent Directors.

Mr. M Lakshminarayan is designated as the Chairman of the Committee. During the financial year 2022-23, there was no change in the constitution of the Nomination and Remuneration Committee.

The Committee met on three occasions during the year on 22nd April 2022, 22nd July 2022 and 18th January 2023. The composition and attendance of Committee members are given below:

Name of Member	Category	No. of meetings attended (No. of meetings held)
M Lakshminarayan, Chairman	ID	3 (3)
Shrinivas G Shirgurkar	ID	3 (3)
Bhagya Chandra Rao	ID	3 (3)
N Ananthaseshan	NED	3 (3)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The terms of reference of this Committee includes formulation of investor servicing policies, review of redressal of investor complaints and approval/ overseeing of transfers, transmissions, transpositions, splitting, consolidation of securities, issue of certificates, demat/remat requests, review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent, to consider and resolve the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance, review measures taken for effective exercise of voting rights by shareholders, review of various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders, administering the unclaimed shares suspense account and performing other functions as delegated to it by the Board from time to time.

Composition & Meetings

The Committee comprises three members with one Independent Director.

Mr. N Ananthaseshan is designated as the Chairman of the Committee. During the financial year 2022-23, the Stakeholders' Relationship Committee was re-constituted by the Board with the induction of Mr. Muthiah Venkatachalam in place of Mr. Rajesh Khanna on 2nd August 2022.

The Committee met on two occasions during the year on 22nd April 2022 and 22nd July 2022. The composition and attendance of Committee members are given below:

Name of Member	Category	No. of meetings attended (No. of meetings held)
N. Ananthaseshan, Chairman	NED	2 (2)
Bhagya Chandra Rao	ID	2 (2)
Muthiah Venkatachalam	NED	- *

**Appointed and inducted as Member w.e.f. 2nd August 2022.*

There were no investor service complaints received and pending as at 31st March 2023.

Mr. Arjun Raj P, Company Secretary is the Compliance Officer for the purposes of compliance with the requirements of the Listing Regulations.

KFin Technologies Limited, Hyderabad is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of the Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Terms of reference

The Board has constituted a Corporate Social Responsibility (CSR) Committee in line with the requirements of the Companies Act, 2013 for assisting in discharging its corporate social responsibility. The Board has approved a CSR policy formulated and recommended by the Committee which is uploaded and available on the Company's website at the following link https://wendtindia.com/wp-content/themes/wendtindia/pdf/csrpolicy.pdf. The functions of the Committee *inter alia* include recommending the annual action plan including the amount of expenditure to be incurred on the CSR activities during the year, monitoring the implementation of CSR activities as per the CSR policy of the Company from time to time.

Composition & Meetings

The Committee comprises four members of which three are Independent Directors. The Management Committee members are invited to the Committee meetings. Ms. Hima Srinivas is designated as the Chairperson of the Committee. During the financial year 2022-23, there was no change in the constitution of the Corporate Social Responsibility committee.

The Committee met twice on 22nd April 2022 and 17th March 2023 during the year. The composition and attendance of Committee members are as follows:

Name of Member	Category	No. of meetings attended (No. of meetings held)
Hima Srinivas, Chairperson	ID	2 (2)
Shrinivas G Shirgurkar	ID	2 (2)
Bhagya Chandra Rao	ID	2 (2)
N Ananthaseshan	NED	2 (2)

RISK MANAGEMENT COMMITTEE

The role of this Committee is to review the annual risk management framework to ensure that it is comprehensive & well developed, to periodically review the process for systematic identification and assessment of the business risks, to assess the critical risk exposures by specialised analysis and quality reviews and report to the Board the details of any significant development relating to these including the steps being taken to manage the exposures and review the risks associated with cyber security.

The Committee has formulated a risk management policy with the following key objectives:

- Strengthening the business performance by informed decision making and planning.
- Adding sustainability value to the activities of the Company.
- Enhancing risk awareness amongst employees.
- Having in place an early warning mechanism for identification of threats/opportunities.
- Enabling optimum resources allocation and efficient use.
- Promoting an innovative culture with proper understanding of risks.

During the year, the Committee periodically reviewed the risks in the risk registers prepared pursuant to the Risk Management Policy of the Company.

Composition & Meetings

The Committee comprises three members of which two are Independent Directors. The Management Committee members are invited to the Committee meetings. Mr. Bhagya Chandra Rao is designated as the Chairman of the Committee. During the financial year 2022-23, there was no change in the constitution of the Risk Management Committee.

The Committee met thrice on 22nd July 2022, 19th October 2022 and 18th January 2023 during the year. The composition and attendance of Committee members are as follows:

Name of Member	Category	No. of meetings attended (No. of meetings held)
Bhagya Chandra Rao, Chairman	ID	3 (3)
M Lakshminarayan	ID	2 (3)
N Ananthaseshan	NED	3 (3)

DIRECTORS' REMUNERATION:

The Company has in place a Remuneration policy to provide the framework for remuneration of the Board members as well as all employees including the Key Managerial Personnel and Senior Management. This policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short-term and long-term performance.

The compensation to the Non-Executive Directors (except Mr. N Ananthaseshan) takes the form of commission on profit. The Non-Executive Directors (except Mr. N Ananthaseshan) are paid remuneration by way of sitting fees for every Board/Committee meeting attended by them. Considering the increased time spent by Ms. Hima Srinivas, Independent Director in matters pertaining to the Company and its subsidiary, Wendt Grinding Technologies Limited, a differential commission is paid to her.

In view of the significant enhancement of the roles, duties and responsibilities of the Non-Executive Directors under the existing regulatory regime, the Board reviewed the compensation structure on 17th March 2023 and approved a revision in commission payable morefully detailed in the Annexure D to the Directors report.

The Remuneration Policy is made available on the website of the Company https://wendtindia.com/wp-content/themes/wendtindia/pdf/Remuneration-Policy.pdf.

REMUNERATION OF DIRECTORS

Non-Executive Directors

(Rs. in lakhs)

Director	Sitting Fee	Commission@
Shrinivas G Shirgurkar	2.70	5.00
M Lakshminarayan	2.30	5.00
Hima Srinivas	2.40	7.00
Bhagya Chandra Rao	3.20	5.00
N Ananthaseshan	-	0.00
Muthiah Venkatachalam (from 2nd August 2022)	0.80	3.31
Rajesh Khanna (till 22nd July 2022)	0.60	1.55
Total	**12.00**	**26.86**

@ will be paid after adoption of accounts by shareholders at the ensuing Annual General Meeting.

General Body Meetings

Last three Annual General Meetings

Financial Year	Date	Time	Venue	Special Resolution passed
2021-22	22.07.2022	03.00 PM	AGM Conducted through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')	1. Re-appointment of Ms. Hima Srinivas as an Independent Director. 2. Approval of payment of commission to Directors of the Company.
2020-21	23.07.2021	03.00 PM		No special resolutions passed.
2019-20	24.07.2020	03.00 PM		1. Approval of payment of remuneration to Directors in excess of the limits stipulated under Section 197 of the Companies Act, 2013 read with rules made thereunder.

There are no proposals to pass special resolutions through postal ballot except those requiring to be passed pursuant to the Companies Act, 2013/Listing Regulations which will be done after providing adequate notice to the shareholders. During the financial year 2022-23, the Company did not pass any special resolution through postal ballot.

Financial Year	Date	Type of resolution	Mode	Resolution passed
2022-23	29th September 2022	Ordinary resolution	Postal Ballot	Appointment of Mr. Muthiah Venkatachalam (DIN: 07045802) as a Non-Executive Non- Independent Director liable to retire by rotation effective 2nd August 2022.

For the above postal ballot exercise, Mr. R Sridharan, Practicing Company Secretary of M/s. R Sridharan & Associates, who had given his consent, was appointed as the Scrutiniser for conducting the postal ballot through remote e-voting in a fair and transparent manner. The notice for postal ballot was issued in accordance with the provisions of Companies Act, 2013, Listing Regulations and the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Company had engaged the services of M/s. KFin Technologies Limited to provide remote e-voting facility to its members to exercise their votes electronically in a secured manner on the resolution set forth in the postal ballot notice. In compliance with the MCA Circulars, voting for the special resolution set out in the postal ballot notice was provided and carried out through remote e-voting only. The remote e-voting commenced on 31st August 2022 (9.00 a.m. IST) and closed on 29th September 2022 (5.00 p.m. IST).

The consolidated results of the voting by Postal Ballot and e-voting were announced on 30th September 2022. The results were also displayed on the website of the Company at https://wendtindia.com/investors/ and on the website of KFin Technologies Limited at https://evoting.kfintech.com/ and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

The details of voting pattern are as below:

Particulars	Percentage
Votes in favour of the Resolution	99.98%
Votes against the Resolution	0.02%
Invalid Votes	0.00%

WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company is committed to the highest standards of Corporate Governance and stakeholder responsibility. To provide an avenue to raise concerns, if any, in line with the Company's commitment to the high standards of ethical, moral and legal conduct of business, the Company has established the Whistle Blower policy. The mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also for appointment of an Ombudsman who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. In line with the requirements of the Companies Act, 2013, the policy coverage extends to the Directors of the Company. The Ombudsman for dealing with any referrals made by Board members is the Chairman of the Audit Committee. In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Whistle Blower policy also covers reporting of instances that may result in leakage of Unpublished Price Sensitive Information (UPSI). The Whistle blower policy is available on the Company's website at https://wendtindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf. It is affirmed that during the year, no employee was denied access to the Audit Committee.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prohibition of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre -clearance for dealing in the Company's shares for all transactions by Directors and designated employees (together called 'Designated Persons') and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of unpublished price sensitive information (UPSI) in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. During the year, Audit Committee reviewed the compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and also verified that the systems for internal control as required under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively. The Company Secretary is responsible for implementation of the Code. The Company also has in place a Code for practices and procedures for fair disclosure of unpublished price sensitive information which is available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/Final-code-for-fair-disclosure.pdf.

DISCLOSURES

During the year, there were no material transactions with Related Parties. The Company has devised policies on dealing with Related Party Transactions and for determination of material subsidiary. Further, consequent to the amendments in Listing Regulations pertaining to related party transactions including the revised threshold for materiality of related party transactions, the policy on dealing with related party transactions was amended previous year. The same is available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/policy-on-related-party-transactions.pdf. The requirements of Regulation 17 to Regulation 27 of the Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report. Further, there were no instances of non-compliance by the Company nor were there any penalties or strictures imposed on the Company by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets in the preceding three years. The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's report.

DISCLOSURE RELATING TO FEE PAID TO STATUTORY AUDITOR

During the year, the Company has made the following payments to M/s. Price Waterhouse Chartered Accountants LLP, Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditor is a part. During the year, the Company's subsidiaries have not made any payments to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part. The Company has relied on the information furnished by the Statutory Auditors in respect of the firms / entities covered under network firm / network entity of which the Statutory Auditor is a part.

(Rs. in lakhs)

Network firm	Service availed	Amount
Price Waterhouse Chartered Accountants LLP	Statutory Audit including limited review	11.5
	Tax Audit and certifications	1.0

Payment in respect of non-audit services provided by the Statutory Auditors to the Company are made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company does not carry out commodity hedging activities and hence does not have any risk pertaining to commodity price.

DISCLOSURE ON CREDIT RATINGS

During the year, no credit ratings were obtained by the Company nor were there revisions. The disclosure relating to reaffirmation of the existing ratings in respect of the borrowings of the Company forms part of the Directors' Report and are available on the website of the Company at https://wendtindia.com/investors/#investors-credit-rating.

MEANS OF COMMUNICATION

The Company recognises the significance of dissemination of timely and relevant information to shareholders. In order to enable the stakeholders to understand the financial results in a meaningful manner, the Company gives a press release along with the publication of quarterly/ annual financial results. The quarterly unaudited financial results and the annual audited financial results are normally published in Business Standard (in English) and Vijaya Karnataka (in Kannada). Press releases are given to all important dailies. The quarterly/Annual Financial Results are promptly and prominently posted on the website at https://wendtindia.com/investors/.

MANAGEMENT DISCUSSION & ANALYSIS

In order to avoid duplication and overlap between the Directors' Report and a separate Management Discussion & Analysis (MD&A), the information required to be provided in the MD&A has been given in the Board's Report itself as permitted by the Listing Regulations.

NON-MANDATORY REQUIREMENTS

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website, and any major developments are conveyed in the press releases issued by the Company and posted on the Company's website. The Company therefore did not send the half yearly performance update individually to the shareholders of the Company.

Further, the Financial Statements have an unmodified opinion by the Company's Auditors.

The Internal Auditor reports directly to the Audit Committee for the purpose of audit conducted by him/her. Other non-mandatory requirements have not been adopted at present.

CEO/CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, Mr. C Srikanth, Chief Executive Officer and Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer of the Company have given a certificate to the Board on matters relating to financial reporting, compliance with relevant statutes and adequacy of internal control systems as contemplated in Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai on compliance with Corporate Governance requirements is annexed.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON THE DIRECTOR'S DISQUALIFICATION

A certificate from M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed and forms part of this Report.

CODE OF CONDUCT

The Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Company has adopted a Code of Conduct which applies to all its Directors and employees in terms of Regulation 17 of the Listing Regulations. All the Board Members and the Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct. A declaration signed by the Chief Executive is enclosed.

The Code of Conduct is available on the website of the Company at https://wendtindia.com/wp-content/themes/wendtindia/pdf/code-of-conduct-1.pdf.

GENERAL SHAREHOLDER INFORMATION

A separate section in this regard is annexed and forms part of this Report.

INSTRUCTIONS TO SHAREHOLDERS

Shareholders holding shares in physical form are requested to address their communications regarding change in address/contact details by quoting their folio number to the Company's Registrar and Share Transfer Agent (RTA) or to the Company by e-mailing to investorservices@wendtindia.com. Shareholders holding shares in electronic form may send the communications regarding the above to their Depository Participant.

The Ministry of Corporate Affairs vide circulars dated 5th May 2020 and 28th December 2022 has relaxed the requirement on companies to send Annual Report in physical mode owing to the practical difficulties. Accordingly, an electronic copy of the Annual Report will be sent to all the Members holding shares in dematerialised mode and whose e-mail IDs are available with the Depository Participant(s) and to all the Members holding shares in physical mode whose e-mail IDs are registered with the Company / RTA for communication purposes. Shareholders holding shares in physical mode are requested to furnish their e-mail addresses with Company's Registrar and Share Transfer Agent (RTA) or to the Company by e-mailing to investorservices@wendtindia.com for obtaining the Notice and the Annual Report. Alternatively, the same will also be made available on the website of the Company at https://wendtindia.com/investors/. Detailed information on registration of e-mail addresses with the Company/RTA is provided in the Notice convening the AGM.

Shareholders are requested to register their e-mail ID with the RTA / Depository Participant to enable the Company to send communications electronically. Members are advised to intimate the details of their PAN and bank account details to enable electronic remittance of dividend or alternatively for being incorporated in the dividend warrants. This would help to avoid fraudulent encashment of dividend warrants.

The Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/ MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 has made it mandatory for holders of physical securities to furnish their PAN, email address, mobile number, bank account details and also to either register or declare opt out for nomination facility against the shares held in the company. Also, new forms were introduced with respect to investor servicing, the details of which are available in the website of the Company at https://wendtindia.com/investors/#investors-mandatory-furnishing-of-pan.

Shareholders are requested to submit Form ISR-1 for updating PAN and other KYC details with RTA of the Company. In case of mismatch in the signature of the holder in the records of RTA, the shareholders shall furnish original cancelled cheque and banker's attestation of the signature as per Form ISR-2. It is advised that the shareholders send the original cancelled cheque with name of shareholder printed on it and duly filled Form ISR-2 along with Form ISR-1 to update signature so as to avoid further correspondence in case of signature mismatch. Shareholders are requested to submit Form SH-13 duly filled to register nomination in their Folios. However, in case shareholders want to opt-out of nomination, Form ISR-3 shall be submitted to RTA. Shareholders may send correspondences in respect of their holdings to M/s. KFin Technologies Limited at their contact details provided below:

KFin Technologies Limited
Registrar and Share Transfer Agent
Unit: Wendt (India) Limited
Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Hyderabad-500032, India,
Toll Free No.:1800 309 4001
Email: einward.ris@kfintech.com

Freezing of Folios without PAN, KYC details and Nomination:

Folios wherein any one of PAN, Aadhar and Nomination are not available on or after October 01, 2023, shall be frozen and the shareholders will not be eligible to lodge grievance or avail service request from the RTA or eligible for receipt of dividend in physical mode. After December 31, 2025, the frozen folios shall be referred by RTA/Company to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.

Members may note that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 effective from 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialised form with a Depository. Members would be able to transfer their shares only after necessarily dematerialising their physical shares. Hence, Members are encouraged to dematerialise their physical holdings to demat form at the earliest. As per the mandate of SEBI, the Company is required to conduct enhanced due diligence for transactions in physical folios of shareholders.

Members are also requested to note that pursuant to an amendment in the Finance Act, 2020, with effect from 1st April 2020, dividends declared by the Company will be taxed in the hands of the recipient of dividend i.e. shareholders. Hence, all dividends declared after 1st April 2020 by the Company have been paid/will be paid to the Members after deducting tax at the applicable rate of interest prescribed under the Income Tax Act, 1961. Members may note that in the absence of PAN, the Company would be required to deduct tax

at a higher rate prescribed under the Income Tax Act, 1961. Hence, Members who have not furnished their PAN to the Company are requested to immediately submit a copy of their PAN to the Company. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable to the Company on a yearly basis. The formats of Form 15G/Form 15H are available in https://wendtindia.com/investors/#investors-tax-on-dividend. Members may contact the Company Secretary or any executive in the Secretarial team at contact numbers provided in the General Shareholder Information in case of any clarification with respect to the dividends declared by the Company.

In case of Members holding shares in demat form, all intimations are to be sent to their respective Depository Participants (DPs). Shareholders may contact the Secretarial team in case of any query regarding their holdings in the Company.

SOCIAL ACCOUNTABILITY POLICY

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

On behalf of the Board
For Wendt (India) Limited

Shrinivas G Shirgurkar
Chairman

Place: Bengaluru
Date: April 21, 2023

GENERAL SHAREHOLDER INFORMATION

1. Addresses for Correspondence

Registered Office Address

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

Compliance Officer

Arjun Raj P
Wendt (India) Limited,
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
E-mail: arjunrajp@wendtindia.com

Registrar and Share Transfer Agent

KFin Technologies Limited,
Unit: Wendt (India) Limited,
Selenium Tower B, Plot 31 & 32, Financial District,
Nanakramguda, Serilingampally Mandal,
Hyderabad - 500 032;
Tel: +91-40-67161527;
Toll Free no.: 1800-309-4001;
E-mail: einward.ris@kfintech.com;
Website: www.kfintech.com;
Contact Person: Ms. Rajitha Cholleti

2. Corporate Identity Number:

L85110KA1980PLC003913

3. Auditors

Statutory Auditor

M/s. Price Waterhouse Chartered Accountants LLP,
5th Floor, Tower 'D', The Millenia,
1 & 2 Murphy Road, Ulsoor,
Bangalore - 560008

Internal Auditor (for the FY 2022-23)

M/s. Profaids Consulting,
OMS COURT, Level 3, No: 1, Nathamuni Street,
Gopathi Narayanaswami Chetty Road, T. Nagar,
Chennai - 600017

Secretarial Auditor (for the FY 2022-23)

M/s. R Sridharan & Associates, Company Secretaries,
Thiruvarangam Apartments, Flat No.3, First Floor,
New No.44, Old No.25, Unnamalai Ammal Street,
T.Nagar, Chennai – 600 017

4. Financial Year

1st April to 31st March

5. Plant Location

Wendt (India) Limited

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

b. Ground Floor, Shed No.7,
Survey No.38/1, Sharda Industri,
Khedekar Industrial Estate, Narhe, Pune,
Maharashtra, 411041

6. Subsidiary

M/s. Wendt Grinding Technologies Limited, Thailand

109/21, Moo.4, Tambon Pluakdaeng,
Aumpur Pluakdaeng,
Rayong 21140 Thailand

STOCK MARKET INFORMATION

1. Listing on stock exchanges and stock code

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	WENDT
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	505412

Annual listing fees has been paid to the above stock exchanges.
International Securities Identification Number (ISIN): INE274C01019

2. Depositories Connectivity

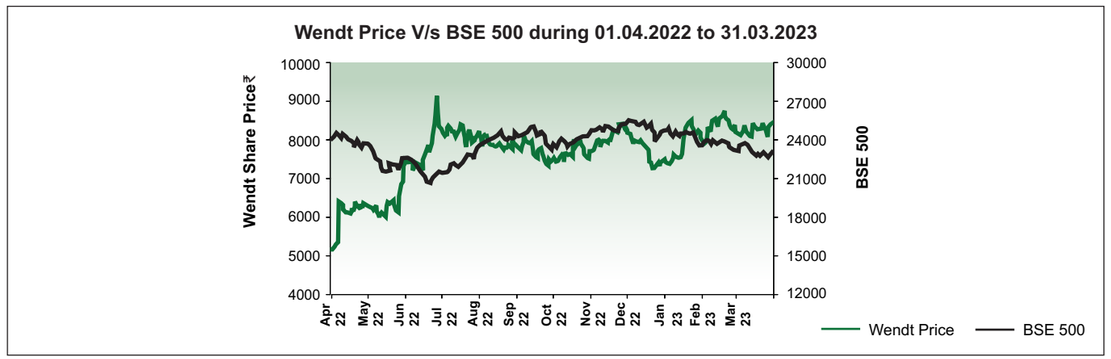
The Company has signed agreements with the following Depositories to provide the facility of holding equity shares in dematerialised form:

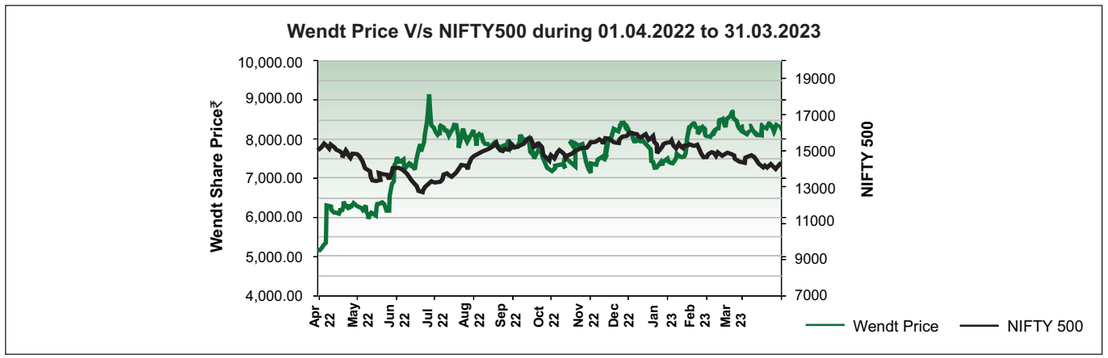
Name of the Depository	Website
National Securities Depository Ltd. (NSDL)	www.nsdl.co.in
Central Depository Services (India) Ltd. (CDSL)	www.cdslindia.com

3. Share Price Data

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Traded volume (No. of shares)	High (₹)	Low (₹)	Traded volume (No. of shares)
April 2022	7354.05	5026.90	5397	6648.80	4974.95	42021
May 2022	7115.90	5836.00	1874	7101.00	5850.00	21011
June 2022	9156.00	6931.15	9690	9195.55	6867.55	59253
July 2022	8790.00	7680.05	5227	8798.00	7630.00	33300
August 2022	8785.00	7322.00	1917	8289.85	7347.35	14686
September 2022	8216.00	7290.00	1794	8260.00	7280.00	16200
October 2022	8281.25	7350.05	1041	8339.95	7308.00	12266
November 2022	8647.95	7355.05	4359	8665.00	7551.00	15584
December 2022	8415.05	7050.00	9773	8424.80	7017.00	16195
January 2023	8589.90	7291.00	4636	8600.00	7290.00	19318
February 2023	8769.30	7812.05	1166	8790.00	7811.60	11345
March 2023	8579.35	7857.00	847	8549.85	7830.00	5987

4. Stock Performances in comparison to broad based indices:





5. Other information

Share Capital Details

The total number of outstanding shares as on 31st March 2023 is 20,00,000. All the shares have been fully paid up. As on 31st March 2023, 19,81,540 shares constituting 99.08% of the total paid up capital of the Company have been dematerialised. A quarterly audit is carried out by an independent auditor to reconcile the total share capital admitted with the Depositories and held in physical form with the issued and listed capital which is submitted to the stock exchanges and placed before the Board.

Shareholding Pattern as on 31st March 2023

Category	% to total paid up capital
Promoters	75.00
Mutual Funds	6.70
Bodies Corporate	0.45
Banks	0.09
Individuals	16.31
Non Resident Indians	0.39
HUF	0.52
Others (Clearing Members, IEPF etc.)	0.54
TOTAL	**100**

Distribution of Shareholding as on 31st March 2023

Category (Amount) (Rs.)	No. of holders	% to holders	Paid-up capital	% to Equity
1-5,000	8125	98.92	24,40,640	12.20
5,001 - 10,000	52	0.63	395270	1.98
10,001 - 20,000	22	0.27	298740	1.49
20,001 - 30,000	3	0.04	79670	0.40
30,001 - 40,000	4	0.05	139000	0.70
40,001 - 50,000	1	0.01	40060	0.20
50,001 - 1,00,000	1	0.01	57660	0.29
1,00,001 & Above	6	0.07	16548960	82.74
Total	**8214**	100.00	**20000000**	100.00

Outstanding GDRS/ADRS/Warrants etc.

The Company has not issued any GDRS/ADRS/Warrants or any convertible instruments during the financial year 2022-23.

Share Transfer Process

The applications for transfer of shares and other requests from shareholders holding shares in physical form are processed by KFin Technologies Limited, Company's Registrar and Share Transfer Agent. However, transfer of shares in physical mode is prohibited effective April 01, 2019. In respect of transmission of shares, all requests are considered for approval by the Stakeholders Relationship Committee. As stated in the Corporate Governance Report, Members holding shares in physical form are urged to dematerialise the shares as they would be unable to transfer the shares in physical form hereafter in view of the requirements prescribed in this regard by SEBI.

(ii) Dividend

The Board at its meeting held on 18th January 2023 had approved payment of an interim dividend on the equity shares of the Company at 300% i.e. Rs.30/- per equity share which was paid on 14th February 2023. The Board at its meeting held on 21st April 2023 has further recommended a payment of final dividend at 500% i.e. Rs. 50/- per equity share for the year ended 31st March 2023. The final dividend will be paid by 11th August 2023 upon declaration by the shareholders at the ensuing Annual General Meeting.

Unclaimed Dividend

Dividends remaining unclaimed/unpaid for a period of seven years shall be transferred to the Investor Education Protection Fund (IEPF). The details of dividend paid by the Company and the respective due dates of transfer of the unclaimed/unencashed dividend to the IEPF of the Central Government are as below:

Year	Type of Dividend	Dividend per share (Rs.)	Date of declaration	Due date for transfer
2015 - 16	Final	15.00	26/07/2016	01/09/2023
2016 - 17	Interim	10.00	24/01/2017	02/03/2024
2016 - 17	Final	15.00	24/07/2017	30/08/2024
2017 - 18	Interim	10.00	24/01/2018	02/03/2025
2017 - 18	Final	15.00	24/07/2018	30/08/2025
2018 - 19	Interim	15.00	23/01/2019	01/03/2026
2018 - 19	Final	15.00	22/07/2019	28/08/2026
2019 - 20	Final	25.00	24/07/2020	30/08/2027
2020 - 21	Interim	10.00	22/01/2021	28/02/2028
2020 - 21	Final	20.00	23/07/2021	29/08/2028
2021 - 22	Interim	20.00	21/01/2022	27/02/2029
2021 - 22	Final	45.00	22/07/2022	28/08/2029
2022 - 23	Interim	30.00	18/01/2023	24/02/2030

AGM & Dividend details

(i) Forthcoming Annual General Meeting

Friday, the 21st July 2023 at 3.00 P.M. IST through video conferencing/other audio visual means.

The Company has transferred unclaimed/unencashed dividends upto interim dividend for FY 2015-16 to the IEPF during the year ended 31st March 2023. The Company has uploaded the details relating to unclaimed dividends on its website for the information of its shareholders.

Shares transferred to IEPF

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company had published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communications to the concerned Members whose shares were liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter. As at 31st March 2023, the Company has transferred 10,726 shares to the IEPF Authority.

Shareholders are entitled to claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website https://www.iepf.gov.in/ along with the requisite documents. Shareholders are requested to contact the Company's RTA – KFin Technologies Limited or the Company in this regard. The contact details are available in the General Shareholder information of this Report.

The Company does not have any demat suspense account or unclaimed suspense account.

Other disclosures

During the year, there has been no instance where the Board did not accept the recommendation of its Committees. Further during the year, the Company has not raised funds through preferential allotment or qualified institutions placement.

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: April 21, 2023

Shrinivas G Shirgurkar
Chairman

Declaration on Code of Conduct

To,

The Members of Wendt (India) Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2023, as envisaged in regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: April 21, 2023

C Srikanth
Chief Executive Officer

CORPORATE GOVERNANCE CERTIFICATE

The Members
WENDT (INDIA) LIMITED
Flat No. 105, Cauvery Block,
National Games Housing Complex,
Koramangala, Bangalore – 560047.

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by Wendt (India) Limited (CIN: L85110KA1980PLC003913) having its Registered Office at Flat No. 105, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore - 560047, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (hereinafter called "SEBI (LODR) Regulations 2015") for the financial year ended 31st March, 2023. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V and Regulation 34(3) of SEBI (LODR) Regulations, 2015 as amended for the financial year ended 31st March, 2023.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R. SRIDHARAN
FCS No. 4775
CP No. 3239
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000154276

Place: Chennai
Date: 21st April, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34 (3) read with Schedule V Para-C Sub clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members
WENDT (INDIA) LIMITED
CIN: L85110KA1980PLC003913
Flat No. 105, Cauvery Block,
National Games Housing Complex
Koramangala, Bangalore - 560047

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **WENDT (INDIA) LIMITED (CIN: L85110KA1980PLC003913)** having its Registered Office at Flat No. 105, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore – 560047 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34 (3) read with Schedule V Part-C Sub clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board India /Ministry of Corporate Affairs or any such other statutory authority.

S.No.	DIN	NAME OF THE DIRECTOR	DESIGNATION	DATE OF APPOINTMENT
1.	00173944	Shrinivas G Shirgurkar	Non-Executive- Independent Director - Chairman	17/04/2006
2.	07556717	Hima Srinivas	Non-Executive- Independent Director	24/04/2017
3.	00064750	M Lakshminarayan	Non-Executive- Independent Director	20/03/2018
4.	02402921	N Ananthaseshan	Non-Executive - Non Independent Director	23/11/2019
5.	00211127	Bhagya Chandra Rao	Non-Executive-Independent Director	22/01/2021
6.	07045802	Muthiah Venkatachalam	Non-Executive - Non Independent Director	02/08/2022

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 R. SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R. SRIDHARAN
CP No. 3239
FCS No. 4775
PR NO.657/2020
UIN: S2003TN063400
UDIN: F004775E000154311

Place: Chennai
Date: 21st April, 2023

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Statements

Independent Auditor's Report

To the Members of Wendt (India) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Wendt (India) Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of revenue recognition on sale of goods Refer Note 2.4 (Revenue recognition) and Note 22 (i) (Revenue from contract with customers) of the standalone financial statements. The Company's revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at a point in time when the control of the goods is transferred to the customers, which is on dispatch or delivery in accordance with the terms of sales contracts, and there are no unfulfilled obligations that could affect the customer's acceptance of the products. We have identified the recognition of revenue as a key audit matter as the Company has various customers with different terms of sales contracts which increase the risk of error in the timing of revenue recognition. Revenue recognition is determined to be an area involving significant risk and hence requiring significant auditor attention. The Company and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned.	Our audit procedures relating to revenue recognition included the following: a. Understood and performed procedures to assess the design and test the operating effectiveness of management's key internal financial controls in relation to revenue recognition; b. Assessed the appropriateness of the revenue recognition accounting policies of the Company, by evaluating compliance with the Ind AS 115 'Revenue from Contracts with Customers'; c. Tested the reconciliation of the amounts as per the sales register to the general ledger; and the reconciliation items on a sample basis; d. Selected samples of revenue transactions during the year and inspected underlying documents which inter-alia included invoices, customer contracts/ orders and shipping documents/ customers' acceptance, as applicable, to determine the revenue recognised in accordance with the terms of sales contracts; e. Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with the terms of the sales contracts, in the appropriate financial period; f. Evaluated the appropriateness and adequacy of disclosures in the Standalone financial statements in respect of revenue recognition. Based on the above procedures performed, we did not identify any material exceptions in revenue recognition of sale of goods.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion and Analysis Report, Report on Corporate Governance and Business Responsibility and Sustainability Report, but does not include the Standalone financial statements and our auditor's report thereon.

   Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone financial statements

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

7. In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss(including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 46 (vi)(a) to the Standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 46 (vi)(b) to the Standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLG6890

Place: Bengaluru
Date: April 21, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the standalone financial statements as at and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under Section 143(3)(i) of the Act

1. We have audited the internal financial controls with reference to financial statements of Wendt (India) Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLG6890

Place: Bengaluru
Date: April 21, 2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Wendt (India) Limited on the standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the Standalone financial statements, are held in the name of the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment or Intangible Assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016)(formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks which are in agreement with the audited books of account. Also refer Note 17 to the standalone financial statements.

iii. (a) The Company has made investments in 6 mutual fund companies and has granted unsecured loans/ advances in the nature of loans to 233 employees of the Company during the year. The Company has not granted any loans to, or stood guarantee or provided security or made any investment in the subsidiary during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans /advances in the nature of loans to employees are as per the table given below:

	Amount (Rs. lakhs)
Aggregate amount granted during the year: - Loans /advances in the nature of loans to employees	27.91
Balance outstanding as at balance sheet date in respect of the above cases: - Loans /advances in the nature of loans to employees	21.64

Also refer Note 8 to the standalone financial statements.

(b) In respect of the aforesaid investments and loans/advances in the nature of loans, the terms and conditions under which such investments were made or loans/advances in the nature of loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans/advances in the nature of loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated. These loans/advances in the nature of loans to employees are interest free and hence, payment of interest is not applicable.

(d) In respect of the loans/advances in nature of loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans /advances in nature of loans which fell due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.

(f) The loans/advances in nature of loans granted during the year, had stipulated the scheduled repayment of principal and the same were not repayable on demand. There were no loans/advances in nature of loans which were granted during the year to promotors/related parties.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, in respect of the investments made by it. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company to that extent.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing other undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, duty of customs, cess, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, duty of customs, cess or goods and services tax, which have not been deposited on account of any dispute. The particulars of income tax as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	4.40	2000-01	High Court of Karnataka

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis during the year.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the group does not have any CICs, which are part of the group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 47 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under of Section 135(5) of the Act pursuant to an ongoing project to a special account in compliance with the provision of Section 135(6) of the Act until the date of our report. However, the time period for such transfer, i.e., a period of thirty days from the end of the financial year as permitted under the said sub-section has not elapsed until the date of our report. Also refer Note 44 to the standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLG6890

Place: Bengaluru
Date: April 21, 2023

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STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	**5,432.38**	5,184.22
(b) Capital work-in-progress	4	**175.69**	53.50
(c) Goodwill	5	**10.27**	10.27
(d) Other intangible assets	6	**19.28**	27.02
(e) Financial assets			
(i) Investments	7A	**277.39**	277.39
(ii) Other financial assets	8	**50.22**	44.22
(f) Other non-current assets	9	**20.43**	201.84
(g) Income tax assets (net)	10A	**157.45**	258.43
Total non - current assets (1)		**6,143.11**	**6,056.89**
2 Current assets			
(a) Inventories	11	**3,155.09**	2,567.94
(b) Financial assets			
(i) Investments	7B	**6,562.66**	5,947.68
(ii) Trade receivables	12	**3,783.36**	3,277.90
(iii) Cash and cash equivalents	13A	**131.85**	217.74
(iv) Bank balances other than (iii) above	13B	**26.39**	24.89
(v) Other financial assets	8	**581.53**	69.71
(c) Other current assets	9	**366.26**	243.36
Total current assets (2)		**14,607.14**	**12,349.22**
Total assets (1+2)		**20,750.25**	**18,406.11**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	14	**200.00**	200.00
(b) Other equity - reserves and surplus	15	**16,732.73**	14,214.36
Total equity (1)		**16,932.73**	**14,414.36**
Liabilities			
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	16	**172.37**	145.47
Total non - current liabilities (2)		**172.37**	**145.47**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	**-**	99.92
(ii) Trade payables			
- total outstanding dues of micro and small enterprises	18	**137.66**	138.29
- total outstanding dues of creditors other than micro and small enterprises	18	**2,088.80**	2,013.81
(iii) Other financial liabilities	19	**406.64**	412.05
(b) Provisions	20	**516.04**	521.78
(c) Income tax liabilities (net)	10B	**143.17**	53.86
(d) Other current liabilities	21	**352.84**	606.57
Total current liabilities (3)		**3,645.15**	**3,846.28**
Total liabilities (2+3)		**3,817.52**	**3,991.75**
Total equity and liabilities (1+2+3)		**20,750.25**	**18,406.11**

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	INCOME			
1	(a) Revenue from operations	22	**19,389.51**	16,002.51
2	(b) Other income	23	**661.32**	554.08
3	**Total income (1 + 2)**		**20,050.83**	**16,556.59**
4	**EXPENSES**			
	(a) Cost of materials consumed		**5,411.02**	4,677.16
	(b) Purchases of stock-in-trade		**552.76**	551.08
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	**56.08**	(195.55)
	(d) Employee benefits expense	25	**3,362.44**	3,110.12
	(e) Finance costs	26	**1.93**	2.09
	(f) Depreciation and amortisation expense	27	**780.76**	814.09
	(g) Other expenses	28	**4,636.40**	4,056.35
	Total Expenses		**14,801.39**	**13,015.34**
5	**Profit before exceptional item and tax (3-4)**		**5,249.44**	**3,541.25**
6	**Exceptional item**	29	**-**	**74.22**
7	**Profit before tax (5+6)**		**5,249.44**	**3,615.47**
8	**Tax expense**			
	(a) Current tax	30	**1,213.23**	921.41
	(b) Deferred tax charge / (credit)	30	**24.62**	(15.75)
	Total tax expense		**1,237.85**	**905.66**
9	**Profit for the period (7-8)**		**4,011.59**	**2,709.81**
10	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit obligation		**9.06**	(71.96)
	(ii) Income tax relating to the above		**(2.28)**	18.11
	B Items that may be reclassified to profit or loss		**-**	-
	Total other comprehensive income		**6.78**	**(53.85)**
11	**Total comprehensive income for the period (9+10)**		**4,018.37**	**2,655.96**
12	**Earnings per equity share (Rs.) (Face value of Rs 10 each):**	36		
	(1) Basic		**200.58**	135.49
	(2) Diluted		**200.58**	135.49

The above standalone Statement of profit and loss should be read in conjunction with the accompanying notes.
This is the standalone Statement of profit and loss referred to in our report of even date.

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(A) Equity Share Capital

Balance as at April 1, 2021	200.00
Add: Changes in equity share capital during the current year	-
Balance as at March 31, 2022	**200.00**
Add: Changes in equity share capital during the current year	-
Balance as at March 31, 2023	**200.00**

(B) Other Equity

Particulars	Reserves and surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 1, 2021	**6,205.13**	**6,153.27**	**12,358.40**
Profit for the year	-	2,709.81	2,709.81
Other comprehensive income for the year, net of income tax	-	(53.85)	(53.85)
Total comprehensive income for the year	**-**	**2,655.96**	**2,655.96**
Payment of final dividend for the preceding financial year	-	(400.00)	(400.00)
Payment of interim dividend for the current year	-	(400.00)	(400.00)
Transfer to General reserve	271.00	(271.00)	-
Balance as at March 31, 2022	**6,476.13**	**7,738.23**	**14,214.36**
Profit for the year	-	4,011.59	4,011.59
Other comprehensive income for the year, net of income tax	-	6.78	6.78
Total comprehensive income for the year	**-**	**4,018.37**	**4,018.37**
Payment of final dividend for the preceding financial year	-	(900.00)	(900.00)
Payment of interim dividend for the current year	-	(600.00)	(600.00)
Transfer to General reserve	401.00	(401.00)	-
Balance as at March 31, 2023	**6,877.13**	**9,855.60**	**16,732.73**

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax		**5,249.44**	**3,615.47**
Adjustments for :			
Depreciation and amortisation expense		**780.76**	814.09
Loss allowance for trade receivables (net of reversal)		**43.91**	15.49
Bad Debts written off		**24.99**	0.24
Finance costs		**1.93**	2.09
Interest income		**(26.41)**	(35.97)
Dividend from long term investments in subsidiaries		**(181.66)**	(171.05)
Loss / (Profit) on sale / discarding of property, plant and equipment (net)		**3.32**	15.94
Liabilities, no longer required, written back		**-**	(8.29)
Net Gain on sale / fair valuation of current investments (net)		**(282.16)**	(173.48)
Gain on disposal of subsidiary - exceptional item		**-**	(74.22)
Unrealised exchange loss / (gain)		**(8.96)**	4.61
Operating profit before working capital changes		**5,605.16**	**4,004.92**
Changes in working capital :			
(Increase)/Decrease in inventories		**(587.15)**	(320.95)
(Increase)/Decrease in trade receivables		**(562.92)**	(5.99)
(Increase)/Decrease in other financial assets		**(3.22)**	60.19
(Increase)/Decrease in other non-current financial assets		**(6.00)**	11.30
(Increase)/Decrease in other current assets		**(122.90)**	324.13
(Increase)/Decrease in other bank balances		**(1.50)**	2.15
Increase/(Decrease) in trade payables		**71.88**	(37.38)
Increase/(Decrease) in other current financial liabilities		**6.82**	56.17
Increase/(Decrease) in current provisions		**3.32**	(10.41)
Increase/(Decrease) in other current liabilities		**(253.73)**	87.36
Cash flow generated from operating activities		**4,149.76**	**4,171.49**
Income Taxes Paid (net of refunds)		**(1,022.94)**	(755.48)
Net Cash generated from operating activities	**(A)**	**3,126.82**	**3,416.01**
Cash flow from investing activities			
Capital expenditure on property, plant and equipment		**(977.27)**	(474.99)
Capital expenditure on intangible assets		**(5.57)**	-
Proceeds from sale of property, plant and equipment		**5.33**	-
Purchase of current investments		**(2,923.07)**	(3,522.32)
Sale of current investments		**2,590.25**	986.54
Proceeds from repayment of share capital by subsidiary		**-**	227.38
Interest income received		**17.81**	35.97
Dividend from long term investment in subsidiaries		**181.66**	171.05
Inter-corporate deposit made		**(500.00)**	-
Net Cash flows from / (used in) investing activities	**(B)**	**(1,610.86)**	**(2,576.37)**
Cash flow from financing activities			
Proceeds from Short term borrowing		**-**	99.92
Repayment of Short term borrowing		**(99.92)**	(99.74)
Finance costs paid		**(1.93)**	(2.09)
Dividend Paid		**(1,500.00)**	(800.00)
Net Cash flows (used in) financing activities	**(C)**	**(1,601.85)**	**(801.91)**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**(85.89)**	**37.73**
Cash and cash equivalents at the beginning of the year	**D**	**217.74**	**180.01**
Cash and cash equivalents at the end of the year (refer Note 13A)	**(A+B+C+D)**	**131.85**	**217.74**

Reconciliation of Cash and cash equivalents as per Statement of cash flows

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

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (Note 13A)	**131.85**	217.74
Balance as per statement of cash flows	**131.85**	**217.74**

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy and Notes references as per Standalone financial statements

Ind AS No.	Description	Accounting policy Reference	Note Reference
2	Inventories	2.16	11
7	Statement of Cash flows	2.18	13A & 13B
8	Accounting Policies, Changes in Accounting Estimates and Errors	2.1 & 2.2	
12	Income taxes	2.10.1 & 2.10.2	10A, 10B & 30
16	Property, plant and equipment	2.13	3, 4 & 27
19	Employee benefits	2.9	25 & 34
24	Related party disclosures		35
33	Earnings per share	2.11	36
36	Impairment of assets	2.15	3, 4 & 6
37	Provisions, Contingent liabilities and Contingent assets	2.19	20 & 37
38	Intangible assets	2.14	6 & 27
107	Financial instruments - Disclosures	2.20 & 2.21	8, 12, 17, 18, 19, 23 & 31
108	Operating segments	2.21	32
113	Fair value measurement		31
115	Revenue from contracts with Customers	2.4	21, 22 & 32
116	Leases	2.5	33

NOTE No.

1 COMPANY OVERVIEW

Wendt (India) Limited was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH, Germany and Carborundum Universal Limited, India. The Company is into manufacturing, selling and servicing of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and High Precision components. The Company's registered office is in Bangalore and factory is situated in Hosur, Tamilnadu. The CIN of the Company is L85110KA1980PLC003913.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

(iii) Operating cycle

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

(iv) New and amended standards adopted by the Company

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and were effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

2.2 Critical estimates and judgements

The preparation of these financial statements requires the use of accounting estimates which, by definition, which seldom equals the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

(i) Estimation of defined benefit obligation - refer note 34

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

2.3 Goodwill

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

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

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

2.4 Revenue recognition

The Company earns revenue from sale of goods and services of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and Precision products.

2.4.1 Sale of goods

Revenue from sale of goods is recognised when control of products has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Control of products is considered to be transferred at a point-in-time when goods have been despatched or delivered, as per the terms agreed with the customer.

Revenue is recognised at the transaction price which the company expects to be entitled.

The Company does not adjust any of the transaction prices for the time value of money as the contracts with customers do not contain a significant financing component, since the sales are generally made with a credit term of 30 to 60 days, which is consistent with market practice.

When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

2.4.2 Sale of services

Revenue from rendering of services is recognized as the services are rendered as per the terms of contracts with customers.

2.4.3 Dividend and interest income

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

Interest income from a financial asset is recognised and accrued using effective interest rate method.

2.4.4 Rental income

The company's policy for recognition of revenue from operating lease is described in note 2.5.1

2.5 Leasing - Operating

2.5.1 The Company as lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective lease assets are included in the balance sheet based on their nature.

2.5.2 The Company as lessee

The Company has a leasing arrangement which meets the definition of short team lease in accordance with Ind AS 116. The Company has elected to apply the practical expedient to not recognise a lease liability and right-of-use asset for short-term leases with a lease term of 12 months or less. Payments associated with short term leases are recognised on a straight line basis in the Statement of Profit and Loss.

2.6 Government Grants

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

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

Government grants relating to the purchase of property, plant and equipment are netted off with the cost of related asset.

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

2.7 Foreign currency transactions

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

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

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

2.8 Borrowing costs

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

2.9 Employee benefits

2.9.1 Long Term Employee Benefits

Defined Contribution Plans

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

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

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

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

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

Other long term Employee Benefits - Compensated Absences

The Company also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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

2.9.2 Short-term employee benefits

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

2.10 Taxation

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

2.10.1 Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

2.10.2 Deferred tax

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

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

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

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

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

2.10.3 Indirect taxes

Goods and Services Tax (GST) credit on materials purchased / services availed for production / input services are taken into account at the time of purchase and availing services. GST Credit on purchase of capital goods wherever applicable are taken into account as and when the assets are acquired. The GST credits so availed are utilised for payment of GST on outward supply and service. The unutilised GST credit is carried forward in the books.

2.11 Earnings per share

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

2.12 Research and development costs

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

2.13 Property, Plant and equipment

Freehold Land is carried at historical cost.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

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

Capital work-in-progress:

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

Depreciation

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

Depreciation on property, plant and equipment has been provided on the straight-line method as above based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

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

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

Estimated useful lives of the tangible assets as specified under Schedule II to the Companies Act, 2013 are as follows:-	
Buildings - Freehold	
(i) Factory Building	30 years
(ii) Building (Other than factory building)	60 years
Plant and Machinery	
(i) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office Equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and fittings	10 years
Motor Vehicles	8 years

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

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

2.14.2. Intangible assets acquired in a business combination

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

2.14.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets as specified under Schedule II to the Companies Act, 2013 are as follows:-	
Technical Knowhow	5 years
Computer Software	5 years
Brands and Trademarks	5 years
Patents	5 years

2.15 Impairment of tangible and intangible assets other than goodwill

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

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

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

2.16 Inventories

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

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

Provisions are made for potential obsolescence based on management assessment of aged inventory items.

2.17 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

amortised cost using the effective interest method, less loss allowance.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with maturity of 3 months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts.

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

2.19 Provisions and Contingencies

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

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

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

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

Contingent assets are not recognized in the financial statements.

2.20 Financial Instruments

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

Financial assets (excluding trade receivables which do not contain a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.21 Financial assets

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

2.21.1. Classification of financial assets

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

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 2.21.5

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

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

2.21.2 Investment in Subsidiary

Investment in subsidiary is carried at cost in accordance with Ind AS 27, less impairment, if any.

2.21.3 Investment in equity instruments at FVTOCI

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

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

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

FVTPL is a residual category for financial assets. Any financial categorisation which is not at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL, if doing so eliminates or significantly reduces a

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

measurement or recognition inconsistency.

2.21.5. Impairment of financial assets

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company measures the loss allowance at an amount equal to life time expected credit losses.

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

2.22 Segment Reporting

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

2.23 Exceptional Items

Exceptional items are material items of income or expenses that are disclosed separately due to the significance of their nature or amount, to provide further understanding of the financial performance of the Company.

2.24 Rounding Off

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

2.25 New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the new mandatory treatment.

Note 3 - Property, plant and equipment

(Rs. in Lakhs)

Description of assets	Land - Freehold	Buildings - Freehold	Plant and Machinery	Office Equipment	Furniture and Fittings	Motor Vehicles	Total
I. Gross Block							
Balance as at April 1, 2021	**3.66**	**2,248.33**	**9,896.00**	**943.44**	**310.96**	**93.91**	**13,496.30**
Additions	-	5.56	634.13	2.31	3.41	17.71	**663.12**
Disposals	-	-	(50.61)	(1.20)	(14.14)	-	**(65.95)**
Balance as at March 31, 2022	**3.66**	**2,253.89**	**10,479.52**	**944.55**	**300.23**	**111.62**	**14,093.47**
Balance as at April 1, 2022	**3.66**	**2,253.89**	**10,479.52**	**944.55**	**300.23**	**111.62**	**14,093.47**
Additions	-	36.53	919.22	28.82	3.60	36.09	**1,024.26**
Disposals	-	-	(55.56)	(0.95)	-	(21.78)	**(78.29)**
Balance as at March 31, 2023	**3.66**	**2,290.42**	**11,343.18**	**972.42**	**303.83**	**125.93**	**15,039.44**
II. Accumulated depreciation							
Balance as at April 1, 2021	-	**634.35**	**6,383.31**	**872.51**	**229.64**	**57.14**	**8,176.95**
Depreciation expense for the year (refer note 27)	-	71.78	636.49	42.70	21.35	9.99	**782.31**
Eliminated on disposal of assets	-	-	(34.67)	(1.20)	(14.14)	-	**(50.01)**
Balance as at March 31, 2022	-	**706.13**	**6,985.13**	**914.01**	**236.85**	**67.13**	**8,909.25**
Balance as at April 1, 2022	-	**706.13**	**6,985.13**	**914.01**	**236.85**	**67.13**	**8,909.25**
Depreciation expense for the year (refer note 27)	-	73.72	639.88	23.65	19.29	10.91	**767.45**
Eliminated on disposal of assets	-	-	(48.42)	(0.92)	-	(20.30)	**(69.64)**
Balance as at March 31, 2023	-	**779.85**	**7,576.59**	**936.74**	**256.14**	**57.74**	**9,607.06**
Net carrying value as at March 31, 2022	**3.66**	**1,547.76**	**3,494.39**	**30.54**	**63.38**	**44.49**	**5,184.22**
Net carrying value as at March 31, 2023	**3.66**	**1,510.57**	**3,766.59**	**35.68**	**47.69**	**68.19**	**5,432.38**

Notes:

a) Refer to Note 37.1 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) Refer to Note 17 for information on property, plant and equipment pledged as security by the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Note 4: Capital work in progress (CWIP)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	**53.50**	108.92
Addition during the year	1,146.45	607.70
Capitalised during the year	(1,024.26)	(663.12)
Balance at end of the year	**175.69**	**53.50**

Note: Capital work in progress represents expenditure incurred towards Property, plant and equipment.

As at March 31, 2023

CWIP	Amount in CWIP for the period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	175.13	-	-	0.56	175.69
Projects temporarily Suspended	-	-	-	-	-

As at March 31, 2022

CWIP	Amount in CWIP for the period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	49.70	3.24	-	0.56	53.50
Projects temporarily Suspended	-	-	-	-	-

There are no significant projects whose completion is over due or has exceeded its cost compared to its original plan as at end of the year or previous year.

Note 5 - Goodwill

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

Description of Assets	As at March 31, 2023	As at March 31, 2022
Cost		
Balance at beginning of year	**10.27**	10.27
Additions	-	-
Disposals	-	-
Balance at end of year	**10.27**	**10.27**
Accumulated impairment		
Balance at beginning of year	-	-
Impairment losses recognised during the year	-	-
Balance at end of year	-	-
Net carrying value	**10.27**	**10.27**

Note 6 - Other intangible assets

(Rs. in Lakhs)

Description of Assets	Technical Knowhow	Computer Software	Brands and Trademarks	Patents	Total
I. Gross Block					
Balance as at April 1, 2021	**202.27**	**365.73**	**81.00**	**50.00**	**699.00**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at March 31, 2022	**202.27**	**365.73**	**81.00**	**50.00**	**699.00**
Balance as at April 1, 2022	**202.27**	**365.73**	**81.00**	**50.00**	**699.00**
Additions	-	5.57	-	-	**5.57**
Disposals	-	-	-	-	-
Balance as at March 31, 2023	**202.27**	**371.30**	**81.00**	**50.00**	**704.57**
II. Accumulated amortisation					
Balance as at April 1, 2021	**202.25**	**313.50**	**76.95**	**47.50**	**640.20**
Amortisation expense for the year (refer note 27)	-	25.23	4.05	2.50	**31.78**
Eliminated on disposal of assets	-	-	-	-	-
Balance as at March 31, 2022	**202.25**	**338.73**	**81.00**	**50.00**	**671.98**
Balance as at April 1, 2022	**202.25**	**338.73**	**81.00**	**50.00**	**671.98**
Amortisation expense for the year (refer note 27)	-	13.31	-	-	**13.31**
Eliminated on disposal of assets	-	-	-	-	-
Balance as at March 31, 2023	**202.25**	**352.04**	**81.00**	**50.00**	**685.29**
Net Carrying Value as on March 31, 2022	**0.02**	**27.00**	-	-	**27.02**
Net Carrying Value as on March 31, 2023	**0.02**	**19.26**	-	-	**19.28**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Note 7 - Investments

(Rs. in Lakhs)

Sl No.	Particulars	As at March 31, 2023				As at March 31, 2022			
		Current		Non-current		Current		Non-current	
		Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount
A	**Measured at cost**								
	I. Unquoted Investments								
	Investments in Equity Instruments of Subsidiary								
	i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND	-	-	10,299,993	277.39	-	-	10,299,993	277.39
	(10,299,993 (March 31, 2022:10,299,993) equity shares of face value Baht 10/- each, partly paid up @ 2.5 Baht per share (Refer Note 37.1(b))								
	Unquoted Investments in equity instruments of Subsidiary		-		**277.39**		-		**277.39**
B	**Designated as Fair Value Through Profit and Loss**								
	Investments in Mutual Funds								
	I. Quoted Investments								
1	Nippon India Quarterly interval Fund-Growth Plan	-	-	-	-	169,206	49.28	-	-
2	DSP FMP - Series 269 - 160 Days Growth Regular Plan	2,138,438	218.15	-	-	-	-	-	-
	Quoted Investments in Mutual Funds (i)		**218.15**	-	-		**49.28**	-	-
	II. Unquoted Investments								
1	ICICI Prudential Corporate Bond Fund- Growth	1,893,954	472.96	-	-	1,893,954	448.03		
2	Aditya Birla Sun Life Short Term Fund - Growth -Regular Plan	870,071	348.92	-	-	870,071	333.11	-	-
3	Aditya Birla Sun Life Banking & PSU Debt Fund - Growth Regular Plan	-	-	-	-	35,079	104.01	-	-
4	Aditya Birla Sun Life Low Duration Fund -Growth Regular Plan	67,209	377.68	-	-	67,209	360.20	-	-
5	Aditya Birla Sun Life Savings Fund - Growth -Regular Plan	-	-	-	-	61,500	270.80	-	-
6	Aditya Birla Sun Life Floating Rate Fund - Growth Regular Plan	99,117	290.36	-	-	99,117	275.46	-	-
7	Nippon India Banking & PSU Debt Fund - Growth Plan	-	-	-	-	1,442,437	243.12	-	-
8	Nippon India Floating Rate Fund - Growth Plan - Growth Option	1,537,180	581.13	-	-	2,286,258	828.31	-	-
9	TATA Short Term Bond Fund Regular Plan A - Growth	295,555	120.62	-	-	295,555	116.05	-	-
10	TATA Short Term Bond Fund Direct Plan - Growth	186,618	82.73	-	-	186,618	78.93	-	-
11	Baroda Short Term Bond Fund - Plan A Growth	3,869,107	954.93	-	-	2,627,074	625.14	-	-
12	Baroda Banking and PSU Bond Fund - Regular Plan - Growth	-	-	-	-	971,568	101.57	-	-
13	SBI Magnum Low Duration Fund-Regular Growth	6,109	182.23	-	-	6,109	173.94	-	-
14	Inveso India Treasury Advantage Fund -Growth	8,114	261.02	-	-	8,114	249.31	-	-
15	HDFC Ultra Short Term Fund - Regular Growth	2,103,110	271.76	-	-	2,103,110	258.21	-	-
16	HDFC Low Duration Fund -Regular Plan Growth	492,881	241.91	-	-	492,881	230.74	-	-
17	IDFC Banking & PSU Debt Fund -Regular Plan - Growth	678,602	141.76	-	-	678,602	135.83	-	-
18	IDFC Corporate Bond Fund -Regular Plan - Growth	-	-	-	-	967,782	152.28	-	-
19	Tata Money Market Fund Regular Plan-Growth	1,872	74.82	-	-	4,485	169.79	-	-
20	TMONG Tata Liquid Fund Regular Plan-Growth	-	-	-	-	2,251	75.01	-	-
21	Aditya Birla Sun Life Liquid Fund-Regular Plan-Growth	-	-	-	-	22,035	75.01	-	-
22	Baroda BNP Paribas MoneyMrk Fund-Regular Plan-Growth	-	-	-	-	11,612	130.06	-	-
23	DSP Savings Fund-Regular Plan - Regular Plan-Growth	523,731	234.96	-	-	351,427	150.41	-	-
24	Aditya Birla SunLife Corp Bond Fund-Regular Plan-Growth	-	-	-	-	347,135	313.08	-	-
25	Nippon India Corporate Bond Fund-Regular Plan-Growth	421,652	211.08	-	-	-	-	-	-
26	ABSL CRISIL IBX AAA-June 2023 Index Fund Regular Plan-Growth	3,117,809	327.61	-	-	-	-	-	-
27	DSP Liquidity Fund-Regular Plan - Growth	1,255	40.02	-	-	-	-	-	-
28	HSBC Overnight Fund - Regular Growth	30,340	353.87	-	-	-	-	-	-
29	ABSL CRISIL IBX AAA-Mar 2024 Index Fund Regular Plan-Growth	7,657,284	774.14	-	-	-	-	-	-
	UNQUOTED INVESTMENTS IN MUTUAL FUND [ii]		**6,344.51**				**5,898.40**		
	TOTAL INVESTMENTS CARRIED AT FVTPL [B] (i+ii)		**6,562.66**				**5,947.68**		
	TOTAL INVESTMENTS CARRYING VALUE (A) + (B)		**6,562.66**		**277.39**		**5,947.68**		**277.39**
	Other disclosures								
	Aggregate cost of quoted investments		213.85		-		49.00		-
	Aggregate market value of quoted investments		218.15		-		49.28		-
	Aggregate Cost of unquoted investments		5,797.26		277.39		5,536.23		277.39
	Aggregate amount of impairment in value of investments		-		-		-		-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 8 - Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
(a) Security deposits	1.00	50.22	1.93	44.22
(b) Employee advances (refer note below)	27.12	-	20.15	-
(c) Non- trade receivables from		-	-	-
- Related Party (refer note 35)	41.58	-	47.63	-
- Others	3.23	-	-	-
(d) Inter-corporate deposit (HDFC Ltd)	500.00	-	-	-
(e) Interest receivable	8.60	-	-	-
TOTAL	**581.53**	**50.22**	**69.71**	**44.22**
Notes:- Employee advances include advances in the nature of loans to employees amounting to:	21.64	-	15.08	-

With respect to the above advances:

(i) The Company has granted advances in the nature of loans to 233 employees aggregating to Rs. 27.91 lakh during the year.

(ii) The terms and conditions under which such advances in the nature of loans were granted are not prejudicial to the Company's interest.

(iii) The schedule of repayment of principal has been stipulated and the parties are repaying the principal amounts, as stipulated. These advances in the nature of loans to employees are interest free and hence, payment of interest is not applicable.

(iv) There is no amount which is overdue for more than ninety days.

(v) There were no advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue advances in nature of loan.

There were no loans/advances in nature of loans which were granted during the year to promoters/related parties.

Note 9 - Other non-current and current assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good				
(a) Advances to suppliers	114.79	-	59.49	-
(b) Balances with government authorities (other than income taxes)				
(i) Duties refundable	0.25	-	0.25	-
(ii) GST credit receivable	35.00	-	22.45	-
(c) Prepayments	185.13	-	144.87	-
(d) Capital advances	-	20.43	-	201.84
(e) Export incentive receivable	27.50	-	12.63	-
(f) Other loans and advances	3.59	-	3.67	-
Unsecured, considered doubtful				
(a) Receivable from Sales Tax authorities	47.25	-	47.25	-
Less: Provisions for doubtful loans and advances	(47.25)	-	(47.25)	-
TOTAL	**366.26**	**20.43**	**243.36**	**201.84**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 10 - Income tax assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
A. Income tax assets - non current		
Advance Income tax paid (net)	157.45	258.43
TOTAL	**157.45**	**258.43**
B. Income tax liabilities - current		
Provision for income tax (net)	143.17	53.86
TOTAL	**143.17**	**53.86**

Note 11 - Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	1,802.27	1,245.91
(b) Work-in-progress	621.28	522.51
(c) Finished goods	287.80	461.25
(d) Stock-in-trade	161.87	143.27
(e) Stores and spares	281.87	195.00
TOTAL	**3,155.09**	**2,567.94**
Included above, goods-in-transit:		
(i) Raw materials	29.11	61.02
Total goods-in-transit	**29.11**	**61.02**

Notes:

The method of valuation of inventories are stated in Note: 2.16.

Note 12 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from		
(a) Related parties (refer note No 35)	251.63	204.16
(b) Others	3,596.92	3,108.22
	3,848.55	3,312.38
Less: Expected credit loss allowance	65.19	34.48
TOTAL	**3,783.36**	**3,277.90**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Trade receivables - continued

As at March 31, 2023

Unsecured receivables	Outstanding for the following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	2,589.89	1,088.86	101.51	62.34	5.95	-	3,848.55
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	2,589.89	1,088.86	101.51	62.34	5.95	-	**3,848.55**

As at March 31, 2022

Unsecured receivables	Outstanding for the following periods from due date of payment					Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	2,216.33	1,027.77	26.38	21.25	20.65	-	3,312.38
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	2,216.33	1,027.77	26.38	21.25	20.65	-	**3,312.38**

Refer Note 31.3.2 for disclosure relating to credit risk.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 13A - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks in current accounts	129.62	217.27
(b) Cheques on hand	1.58	-
(c) Cash in hand	0.65	0.47
Total	**131.85**	**217.74**

Note 13B - Bank balances other than above

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Earmarked balances in dividend accounts	26.39	24.89
Total	**26.39**	**24.89**

Note 14 - Equity Share Capital

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

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
3,000,000 (March 31, 2022: 3,000,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, subscribed and fully paid:		
2,000,000 (March 31, 2022: 2,000,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	**200.00**	**200.00**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the period	2,000,000	200	2,000,000	200
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200**	**2,000,000**	**200**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Equity Shares :				
Wendt GmbH, Germany	750,000	37.50	750,000	37.50
Carborundum Universal Limited, India	750,000	37.50	750,000	37.50
SBI Mutual Fund	130,095	6.50	131,721	6.59

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(c) Details of shares held by Promoters at the end of the year:

Particulars	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	%	% Change during the year	No. of Shares	%	% Change during the year
Equity Shares :						
Wendt GmbH, Germany	750,000	37.50	NIL	750,000	37.50	NIL
Carborundum Universal Limited, India	750,000	37.50	NIL	750,000	37.50	NIL

(d) Rights, preferences and restrictions attached to shares

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

(e) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date. Further, there are no contracts or commitments for the sale of shares or disinvestment.

Note 15 - Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
General reserve	6,877.13	6,476.13
Retained earnings	9,855.60	7,738.23
Total	**16,732.73**	**14,214.36**

15.1 General Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	6,476.13	6,205.13
Transfer from retained earnings	401.00	271.00
Balance as at the year end	**6,877.13**	**6,476.13**

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

15.2 Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	7,738.23	6,153.27
Profit for the year	4,011.59	2,709.81
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	6.78	(53.85)
Payment of final dividend for the preceding financial year	(900.00)	(400.00)
Payment of interim dividend for the current year	(600.00)	(400.00)
Transfer to general reserve	(401.00)	(271.00)
Balance as at the year end	**9,855.60**	**7,738.23**

Retained earnings comprise of the company's undistributed earnings after taxes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

15.3 Distributions made and proposed

The amount of per share dividend distributed to equity shareholders during the year ended March 31, 2023 and March 31, 2022 was Rs. 75 and Rs. 40 respectively.

The Board of Directors at its meeting held on April 23, 2022 had recommended a final dividend of 450% (Rs. 45/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 22, 2022, this has resulted in a cash outflow of Rs. 900 lakhs. Also, the Board of Directors at its meeting held on January 18, 2023 had declared an interim dividend of 300% (Rs. 30/- per equity share of face value of Rs. 10/- each).

Further, the Board of Directors at its meeting held on April 21, 2023 have recommended a final dividend of 500% (Rs.50/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders.

Note 16 - Deferred tax liabilities

Particulars	March 31, 2023			
	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	210.34	(22.63)	-	187.71
Net gain on fair valuation of mutual funds	91.22	47.59	-	138.81
	301.56	24.96	-	326.52
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	(128.18)	0.05	2.28	(125.85)
Loss allowance on trade receivables	(8.68)	(7.73)	-	(16.41)
Others	(19.23)	7.34	-	(11.89)
	(156.09)	(0.34)	2.28	(154.15)
Deferred tax liabilities (net)	**145.47**	**24.62**	**2.28**	**172.37**

Particulars	March 31, 2022			
	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	240.88	(30.54)	-	210.34
Net gain on fair valuation of mutual funds	55.74	35.48	-	91.22
	296.62	4.94	-	301.56
Tax effect of items constituting deferred tax assets				
Provision for Employee benefits	(115.83)	(13.00)	0.65	(128.18)
Loss allowance on trade receivables	(8.33)	(0.35)	-	(8.68)
Others	(11.89)	(7.34)	-	(19.23)
	(136.05)	(20.69)	0.65	(156.09)
Deferred tax liabilities (net)	**160.57**	**(15.75)**	**0.65**	**145.47**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 17 - Short term Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
from bank (refer note below)	-	99.92
Total	-	**99.92**

Note:

(i) Secured Short term loan from bank represents Export packing credit availed against export orders by hypothecation of finished goods and trade receivables. This credit carries an interest rate of 2.20% per annum and is repayable against receipt of related trade receivable.

(ii) First charge on all Property, plant and equipment of the Company except land and building.

(iii) Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2023:

a. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	State Bank of India and ICICI Bank Limited	Inventories	2,528.71	2,528.71	-
Sep-22	State Bank of India and ICICI Bank Limited	Inventories	2,856.89	2,856.89	-
Dec-22	State Bank of India and ICICI Bank Limited	Inventories	3,344.33	3,344.33	-
Mar-23	State Bank of India and ICICI Bank Limited	Inventories	3,155.09	3,155.09	-

b. Trade receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (gross)	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	State Bank of India and ICICI Bank Limited	Receivables	3,399.54	3,399.54	-
Sep-22	State Bank of India and ICICI Bank Limited	Receivables	3,352.79	3,352.79	-
Dec-22	State Bank of India and ICICI Bank Limited	Receivables	3,847.26	3,847.26	-
Mar-23	State Bank of India and ICICI Bank Limited	Receivables	3,848.55	3,848.55	-

(iv) Net Cash and Cash equivalents / (debt) reconciliation:

Particulars	March 31, 2023	March 31, 2022
Cash and cash equivalents	131.85	217.74
Short-term borrowings	-	(99.92)
Net Cash and Cash equivalents / (debt)	**131.85**	**117.82**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Cash and cash equivalents	Short-term borrowings	Cash and cash equivalents/ Net (debt)
Net Cash and cash equivalents as at April 1, 2021	180.01	99.74	80.27
Cash flows	37.73		37.73
New borrowings availed	-	99.92	(99.92)
Repayments	-	(99.74)	99.74
Interest expense	-	1.60	(1.60)
Interest paid	-	(1.60)	1.60
Net Cash and cash equivalents as at March 31, 2022	**217.74**	**99.92**	**117.82**
Cash flows	(85.89)	-	(85.89)
New borrowings availed	-	-	-
Repayments	-	(99.92)	99.92
Interest expense	-	1.93	(1.93)
Interest paid	-	(1.93)	1.93
Net Cash and cash equivalents as at March 31, 2023	**131.85**	**-**	**131.85**

Note 18 - Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Trade payables to		
- Micro and small enterprises (refer note 38)	137.66	138.29
- Others		
Related parties (refer note 35)	271.12	190.18
Other than related parties	1,817.68	1,823.63
	2,088.80	**2,013.81**
Total	**2,226.46**	**2,152.10**

As at March 31, 2023

Particulars	Unbilled trade payables	Not due	Outstanding for the following period from the due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	137.66	-	-	-	-	137.66
(ii) Undisputed Dues - Others	415.17	1132.08	486.40	16.32	21.17	17.66	2088.80
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**415.17**	**1269.74**	**486.40**	**16.32**	**21.17**	**17.66**	**2226.46**

As at March 31, 2022

Particulars	Unbilled trade payables	Not due	Outstanding for the following period from the due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	138.29	-	-	-	-	138.29
(ii) Undisputed Dues - Others	230.39	1,022.68	715.29	21.01	6.55	17.89	2,013.81
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**230.39**	**1,160.97**	**715.29**	**21.01**	**6.55**	**17.89**	**2,152.10**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 19 - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Unclaimed and Unpaid dividends [refer note below]	26.39	24.89
(b) Deposit from related party (refer note 35)	10.00	10.00
(c) Creditors for capital supplies and services	35.39	47.62
(d) Due to employees	326.51	320.50
(e) Others	8.35	9.04
Total	**406.64**	**412.05**

Note: There are no amounts which has remained unpaid or unclaimed as at Balance sheet date requiring transfer to Investor Education and Protection Fund.

Note 20 - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
- Compensated absences (refer note 34)	453.91	386.71
- Gratuity (refer note 34)	46.13	122.57
(b) Provision for Warranty (refer notes below)	16.00	12.50
Total	**516.04**	**521.78**

Notes:

(i) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 24 months.

(ii) Movement in provision for warranty:

Particulars	As at March 31, 2023	As at March 31, 2022
As at beginning of the year	12.50	-
Provision recognised during the year	6.63	12.50
Amounts used during the year	(3.13)	-
As at end of the year	**16.00**	**12.50**

Note 21 - Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers (refer notes below)	143.87	357.77
(b) Statutory dues payable (other than income taxes)	193.08	232.63
(c) Others	15.89	16.17
Total	**352.84**	**606.57**

Notes:

(i) : Advances received from customers includes Rs. 34.10 lakhs (March 31, 2022 : Rs. 126.21 lakhs) received from related parties. (refer note 35)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(ii) : Movement of Advances received from customers:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	357.77	346.17
Amounts received during the year	453.51	307.22
Amounts recognized as revenue during the year	(667.41)	(295.62)
Balance at end of the year	**143.87**	**357.77**

Note 22 - Revenue from operations

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(i) Revenue from contract with customers		
(a) Sale of products [refer note (i) and (iii) below]	17,334.57	14,343.90
(b) Sale of services [refer note (ii) and (iii) below]	1,759.94	1,468.30
	19,094.51	15,812.20
(ii) Other operating revenue [refer note (iv) below]	295.00	190.31
Total	**19,389.51**	**16,002.51**

Notes:

(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Manufactured products	16,596.93	13,687.59
Traded products	737.64	656.31
Total - Sale of products	**17,334.57**	**14,343.90**

(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Machining charges	1,564.04	1,293.04
Others	195.90	175.26
Total - sale of services	**1,759.94**	**1,468.30**

(iii) - Other disclosures required under Ind AS 115

(a) All the revenue contracts are for periods of one year or less. Hence as permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Refer note 32 for disclosure of disaggregated revenue.

(c) Reconciliation of revenue recognised with contract price

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Contract price	19,094.51	15,812.20
Adjustment towards variable consideration	-	-
Revenue from sale of products and services	19,094.51	15,812.20

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(iv) - Details of other operating revenue

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Sale of scrap	100.16	75.26
Commission	30.57	33.71
Management fee	32.62	33.64
Export incentives	37.97	47.70
Export freight outward recovery - net	93.68	-
Total - other operating revenue	**295.00**	**190.31**

Note 23 - Other Income

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Interest income		
- On income tax refund	15.05	35.97
- Others	11.36	0.04
(b) Dividend income		
- Dividend income on long-term investments (from subsidiaries)	181.66	171.05
(c) Rental income (refer note 33)	44.77	55.20
(d) Net gain on sale of current investments	93.06	32.51
(e) Net gain arising on financial assets designated as at fair value through profit or loss	189.10	140.97
(f) Net foreign exchange differences	107.15	82.27
(g) Loss allowance for trade receivables no longer required, written back	-	16.31
(h) Liabilities, no longer required, written back	-	8.29
(i) Miscellaneous income	19.17	11.47
Total	**661.32**	**554.08**

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

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Opening stock		
Work-in-progress	522.51	637.59
Finished goods	461.25	215.40
Stock-in-trade	143.27	78.49
	1,127.03	931.48
Closing stock		
Work-in-progress	621.28	522.51
Finished goods	287.80	461.25
Stock-in-trade	161.87	143.27
	1,070.95	1,127.03
Net (increase) / decrease	**56.08**	**(195.55)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 25 - Employee benefits expense

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Salaries, wages and bonus	2,795.43	2,591.85
(b) Contribution to provident and other funds (refer note 34C)	236.32	208.66
(c) Staff welfare expenses	330.69	309.61
Total	**3,362.44**	**3,110.12**

Note 26 - Finance cost

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Interest expense on current borrowings	1.93	1.60
(b) Interest - others	-	0.49
Total	**1.93**	**2.09**

Note 27 - Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Depreciation of property, plant and equipment (refer note 3)	767.45	782.31
(b) Amortisation of intangible assets (refer note 6)	13.31	31.78
Total	**780.76**	**814.09**

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NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 28 - Other Expenses

Particulars	Year ended			
	March 31, 2023		March 31, 2022	
Stores and spares consumed		1,002.02		838.24
Contract labour		112.77		100.63
Repairs and maintenance				
- Buildings		91.84		82.13
- Machinery		120.46		142.81
- Others		44.39		19.81
Power and fuel charges		380.53		313.11
Freight outward and packing charges (net)		292.68		267.79
Rental charges		1.38		0.40
Job work Processing charges		1,003.42		854.22
Sitting fees paid to non-executive directors		12.00		11.80
Commission to non-executive directors		26.86		17.00
Rates and taxes		49.07		66.04
Expenditure on Corporate Social Responsibility (refer note 44)		43.72		32.13
Insurance		33.27		38.15
Selling commission		273.45		134.29
Bad trade receivables written off	38.19		14.34	
Less: Transferred from provision (refer note 31.3.2)	13.20	24.99	14.10	0.24
Loss allowance for trade receivables (refer note 31.3.2)		43.92		31.80
Auditors remuneration				
As auditors				
Statutory Audit and limited review		11.50		9.50
Tax audit and certificates		1.00		1.00
Reimbursement of expenses		2.63		2.04
Bank charges		41.35		53.71
Management fee (refer note 35)		252.30		207.90
Professional expenses		206.04		204.76
Electronic Data Processing (EDP) Charges		97.03		97.48
Advertisement and sales promotion expenses		43.60		167.48
Warranty expenses		6.63		12.50
Travelling and conveyance expenses		198.51		138.78
Communication expenses		15.07		17.43
Loss on sale / discarding of property, plant and equipment (net)		3.32		15.94
Miscellaneous expenses		200.65		177.24
Total		**4,636.40**		**4,056.35**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 29 - Exceptional item

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gain on repayment of share capital from a subsidiary (refer note below)	-	74.22
Total	**-**	**74.22**

Note: The Board of Directors of the Company had approved a proposal for voluntary de-registration of M/s. Wendt Middle East FZE ("WME"), a wholly owned subsidiary of the company located at Hamriyah Free Zone, Sharjah, UAE during January 2021 and the de-registration process was initiated thereafter. During the year ended March 31, 2022, WME had substantially completed liquidation related procedures and also repaid back the share capital to the Company. The gain amounting to Rs. 74.22 lakhs on repayment of share capital by WME to the company had been recognised as an exceptional item during the year ended March 31, 2022. Further, the clearance certificate for de-registration from the Hamriyah Free Zone Authority (HFZA) has been received on May 10, 2022 and accordingly, the subsidiary ceased to be in existence from the above date.

Note 30 - Income tax recognised in profit or loss

(a) Income Tax Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	1,269.00	892.47
In respect of the Prior years	(55.77)	28.94
	1,213.23	921.41
Deferred tax		
In respect of the current year	24.62	(15.75)
	24.62	(15.75)
Total	**1,237.85**	**905.66**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before tax	**5,249.44**	**3,615.47**
Income Tax using the Company's domestic Tax rate of 25.17% (March 31, 2022 - 25.17%)	1,321.18	909.94
Effect of expenses that are not deductible in determining taxable profit	11.03	8.09
Effect of dividend income from foreign subsidiary	(45.72)	(43.05)
Others	7.13	1.74
	1,293.62	876.72
Adjustment recognised in the current year in relation to current tax of previous years	(55.77)	28.94
Income Tax recognised in statement of profit and loss	**1,237.85**	**905.66**

Notes:

1) The tax impact for deferred tax purposes has been arrived by applying a tax rate of 25.17% (March 31, 2022 : 25.17%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2023 under the Income tax Act , 1961.

(c) Unused tax losses for which no deferred tax asset has been recognised	10.87	10.87

Unused tax losses relate to long term capital losses on which no deferred tax asset has been recognised due to uncertainty. These losses can be carried forward for a period of 8 assessment years from the year in which the loss was incurred.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 31 - Financial Instruments

31.1 Capital Management

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

31.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2023 and March 31, 2022 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	6,562.66	5,947.68	6,562.66	5,947.68
Measured at amortized cost				
- Trade receivables	3,783.36	3,277.90	3,783.36	3,277.90
- Cash and cash equivalents	131.85	217.74	131.85	217.74
- Other bank balances	26.39	24.89	26.39	24.89
- Other financial assets	631.75	113.93	631.75	113.93
Total financial assets	11,136.01	9,582.14	11,136.01	9,582.14
Financial Liabilities				
Measured at amortized cost				
- Trade payables	2,226.46	2,152.10	2,226.46	2,152.10
- Other financial liabilities	406.64	412.05	406.64	412.05
- Borrowings	-	99.92	-	99.92
Total financial liabilities	2,633.10	2,664.07	2,633.10	2,664.07

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

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

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

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

Fair value hierarchy

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

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

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

Investment in Subsidiaries is measured at cost and hence not considered for categorisation.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2023					
- Investment in mutual funds	7B	6,562.66	6,562.66	-	-
As at March 31, 2022					
- Investment in mutual funds	7B	5,947.68	5,947.68	-	-

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2023 and March 31, 2022.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2023					
Financial assets measured at amortized cost:					
- Trade receivables	12	3,783.36	-	-	3,783.36
- Cash and cash equivalents	13A	131.85	-	-	131.85
- Other bank balances	13B	26.39	-	-	26.39
- Other financial assets	8	631.75	-	-	631.75
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,226.46	-	-	2,226.46
- Other financial liabilities	19	406.64	-	-	406.64
As at March 31, 2022					
Financial assets measured at amortized cost:					
- Trade receivables	12	3,277.90	-	-	3,277.90
- Cash and cash equivalents	13A	217.74	-	-	217.74
- Other bank balances	13B	24.89	-	-	24.89
- Other financial assets	8	113.93	-	-	113.93
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,152.10	-	-	2,152.10
- Other financial liabilities	19	412.05	-	-	412.05
- Borrowings	17	99.92	-	-	99.92

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

Note 31.3 Financial Risk management objectives and polices

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

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

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

31.3.1 Market risk

The company is exposed primarily to the financial risk of change in foreign currency exchange rate. The Company transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. Company being a net exporter, follows the policy of natural hedging of foreign exchange transactions. There is net foreign exchange gain in the current and previous year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

31.3.1 (a) Foreign currency risk management

The company undertakes transactions denominated in foreign currencies, consequently, the company is exposed to exchange rate fluctuations. To mitigate this, during the year company started operating US Dollar denominated Exchange Earners' foreign currency (EEFC) account. The export proceeds are getting credited in this account and these amounts in foreign currency are utilized to make import payments. Further, the company, being a net exporter, follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

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

Particulars	March 31, 2023		March 31, 2022	
	Foreign Currency (in lakhs)	INR (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Trade Payable against Import of goods, capital items and services				
- USD	5.43	450.87	5.03	385.35
- EUR	1.21	110.19	1.42	122.66
- GBP	0.13	13.87	0.12	12.40
- CHF	0.03	2.75	0.04	3.13
		577.68		523.54
Trade and other receivables				
- USD	7.59	617.07	5.57	416.92
- EUR	3.56	313.50	3.67	304.64
- AED	-	-	0.29	5.85
- GBP	0.67	67.25	0.36	35.61
		997.82		763.02

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

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 1%	0.03%	0.01%
INR/USD - Decrease by 1%	(0.03%)	(0.01%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.04%	0.05%
INR/EUR - Decrease by 1%	(0.04%)	(0.05%)

31.3.2 Credit Risk

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Details of loss allowance

Particulars	As at March 31, 2023			As at March 31, 2022		
	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Expected Credit Loss (%) (amount)	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Expected Credit Loss (%) (amount)
Within the credit period	2,589.89	0.3	7.77	2,216.33	0.1	1.21
Less than 6 months past due	1,088.86	1	13.07	1,027.77	1	5.39
6 months - 1 year past due	101.51	11	11.20	26.38	5	1.57
1 - 2 years days past due	62.34	43	27.20	21.25	25	5.66
> 2 years past due	5.95	100	5.95	20.65	100	20.65

Reconciliation of loss allowance

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	34.48	33.09
Amounts recognised in the year (Refer note 28)	43.92	31.80
Amounts written off during the year (Refer note 28)	(13.20)	(14.10)
Amounts recovered during the year (Refer note 23)	-	(16.31)
Balance at end of the year	**65.19**	**34.48**

31.3.3 Liquidity Risk

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

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

(i) Financial arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	March 31, 2023	March 31, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	400	400
- Expiring beyond one year (bank loan)	-	-

The following table presents the maturity period of all financial liabilities as at March 31, 2023 and March 31, 2022.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2023					
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,226.46	2,226.46	-	-
- Other financial liabilities	19	406.64	406.64	-	-
As at March 31, 2022					
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,152.10	2,152.10	-	-
- Other financial liabilities	19	412.05	412.05	-	-
- Borrowings	17	99.92	99.92	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 32 - Segment Disclosure

32.1 Products and services from which reportable segments derive their revenue

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

The Company has changed its reportable segments during the current year, accordingly the company has restated the corresponding items of segment information for earlier year.

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

   a) Super Abrasives, b) Machines and accessories and c) Precision Products.

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

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

32.2 Segment Revenues and Results

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Segment Revenue		
a) Super Abrasives	13,455.32	11,051.09
b) Machines and Accessories	2,776.23	2,453.92
c) Precision Products	2,862.96	2,307.19
Total	19,094.51	15,812.20
Less:- Inter Segment Revenue	-	-
Revenues from contract with customers	**19,094.51**	**15,812.20**
2. Segment Results		
a) Super Abrasives	3,529.81	2,039.87
b) Machines and Accessories	430.53	442.70
c) Precision Products	688.79	550.40
Total	4,649.13	3,032.97
Less: (i) Finance costs	1.93	2.09
(ii) Other un-allocable Income net of un-allocable Expenditure of Rs.59.08 lakhs (March 31, 2022 : Rs.43.71 lakhs)	(602.24)	(510.37)
(iii) Exceptional item	-	74.22
Profit before tax	**5,249.44**	**3,615.47**

32.3 Revenue by geographical market

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	13,782.79	11,858.18
Outside India	5,311.72	3,954.02
Total	**19,094.51**	**15,812.20**

32.4 Segment assets and Liabilities

Assets other than property, Plant and Equipment, Inventory and Trade receivables, and liabilities are not identifiable to any reportable segment, as these are used interchangable between segments.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
a) Super Abrasives	8,875.10	7,893.11
b) Machines and Accessories	1,439.61	1,728.10
c) Precision Products	2,281.77	1,701.22
Total segment assets	**12,596.48**	**11,322.43**
Unallocable assets	8,153.77	7,083.68
Total assets as per Balance sheet	**20,750.25**	**18,406.11**
Segment Liabilities-Unallocable	**3,817.52**	**3,991.75**

32.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2023	March 31, 2022
India	5,708.27	5,521.07
Outside India	-	-
Total	**5,708.27**	**5,521.07**

32.6 Information about major customers

No single customer represents 10% or more of the company's total revenue for the year ended March 31,2023 (March 31, 2022: One customer in superabrasives and precision products segments represents 10.12% of the company's total revenue).

Note 33 - Leases

As a Lessee

The Company has entered into operating lease arrangements for leased accommodation which is for a period of 12 months. The lease is cancellable at the option of the lessee.

This lease is a short term lease and does not include any variable payment terms.

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2023	March 31, 2022
Lease rentals recognised in the Statement of Profit and Loss (Refer Note 28)	1.38	0.40

As a Lessor

The Company has entered into operating lease arrangements and leased out a portion of its factory building to a related party, which is for a period of less than 12 months.

This lease is a short term lease and does not include any variable payment terms.

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2023	March 31, 2022
Lease rental income recognised in the Statement of Profit and Loss (Refer Note 23)	44.77	55.20

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Details of the Factory Building (leased out portion) are as given below:

Particulars	March 31, 2023	March 31, 2022
Gross carrying amount	238.62	294.22
Less: Accumulated depreciation	9.28	6.54
Net carrying amount	**229.34**	**287.68**

The depreciation recognized in respect of the leased out portion of the factory building for the year is Rs. 3.97 lakhs (March 31, 2022 : Rs. 4.91 lakhs).

There are no contingent rents receivable and there are no direct operating expenses related to the above building.

Note 34 - Employee Benefits

Defined Contribution Plans

The Company operates defined contribution benefit plans for all qualifying employees.

Superannuation fund, Providend fund and pension fund are defined contribution plans towards which the Company makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss account based on the amount of contribution required to be made as and when services are rendered by the employees. The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees.

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

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2023 and March 31, 2022:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at beginning of period	786.86	665.60
Service cost		
a) Current service cost	60.83	48.81
b) Past service cost	-	-
Interest expenses	53.14	39.79
Benefits Paid	(46.71)	(73.80)
Remeasurements:		
a) Effect of changes in demographic assumptions	-	-
b) Effect of change in financial assumptions	64.61	43.15
c) Effect of experience adjustments	(91.35)	38.31
Transfer in	-	25.00
Defined benefit obligation at end of period	**827.38**	**786.86**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of period	664.29	540.46
Interest Income	49.21	38.13
Contributions	132.14	125.00
Benefits Paid	(46.71)	(73.80)
Remeasurements:		
a) Return on plan assets (excluding interest income)	(17.68)	9.50
Transfer in		25.00
Fair value of plan assets at end of period	**781.25**	**664.29**

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	827.38	786.86
Fair value of plan assets	(781.25)	(664.29)
Effect of asset ceiling	-	-
Net defined benefit liability* / (asset)	**46.13**	**122.57**

**Included under provision for employee benefits in Note 20 - "Provisions"*

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost	60.83	48.81
Net interest cost	3.93	1.66
Net Gratuity Cost in the Statement of Profit and Loss*	**64.76**	**50.47**

** Included under contribution to provident and other funds in Note 25 - "Employee benefits expense"*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	(26.74)	81.46
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	17.68	(9.50)
Net Cost/(Credit) in Other Comprehensive Income	**(9.06)**	**71.96**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fund with an Insurance Company	781.25	664.29

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.17%	6.96%
Salary escalation rate	12.00%	11.50%
Attrition Rate	7.00%	7.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate +100 basis points	767.37	726.99
Discount rate -100 basis points	896.14	855.68
Salary Increase Rate +1%	890.50	847.64
Salary Increase Rate -1%	770.96	732.49
Attrition Rate +1%	808.89	769.72
Attrition Rate -1%	848.22	806.42

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(i) Expected cash flows for following year

Particulars	As at March 31, 2023	As at March 31, 2022
Expected employer contributions /Addl. Provision next year	54.03	76.23
Expected total benefit payments		
Year 1	53.83	52.71
Year 2	88.33	76.12
Year 3	73.70	43.78
Year 4	60.08	50.63
Year 5	76.92	51.05
Next 5 years	401.37	287.95

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2022: 9 years)

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Charge / (credit) in the Statement of Profit and Loss	83.88	82.03
Liability as at the year end	453.91	386.71

The entire amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The leave obligation not expected to be settled within the next 12 months amounts to Rs. 301.11 lakhs (March 31, 2022 : Rs. 241.13 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.17% p.a.	6.96% p.a.
Salary Escalation Rate	12.00% p.a.	11.50% p.a.

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' Contribution to Provident Fund *	82.78	72.38
Employers' Contribution to Superannuation Fund *	25.53	25.22
Employers' Contribution to Employee's Pension Scheme 1995 *	63.25	60.59
Employers' Contribution to Employee's State Insurance #	7.60	8.55

* Included in Contribution to provident and other funds
\# Included in staff welfare expenses

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 35 - Related Party Transactions

1) List of Related parties:

i) Party where control exists -Subsidiaries

(a) Wendt Grinding Technologies Ltd, Thailand
(b) Wendt Middle East FZE , United Arab Emirates (Upto May 22, 2022)

ii) Investors with significant influence (SI) on the Company and their subsidiaries or fellow subsidiaries, with whom transactions have taken place during the year

(a) Carborundum Universal Limited (CUMI), India
  (1) Cumi America Inc, USA
  (2) Cumi (Australia) Pty Limited, Australia
  (3) Cumi Abrasives & Ceramics Company Limited, China
  (4) Net Access India Limited, India
  (5) Sterling Abrasives Limited, India
  (6) Cumi Middle East FZE, UAE

(b) Wendt GmbH, Germany
  (1) Winterthur Technologie France
  (2) Winterthur Technology Iberica SL, Spain
  (3) 3M UK -Winterthur Technology, UK
  (4) 3M Montrose-3MUS-CO, USA
  (5) 3M Australia Pty Limited, Australia
  (6) 3M Svenska AB, Sweden
  (7) 3M Royersford - 3MUS-PA, USA

iii) KMP with whom transactions have taken place during the year

Mr.Srikanth C, CEO
Mr. Shrinivas G Shirgurkar, Non-Executive Director
Mr. M Lakshminarayan, Non-Executive Director
Ms. Hima Srinivas, Non-Executive Director
Mr. Bhagya Chandra Rao, Non-Executive Director
Mr. Rajesh Khanna, Non-Executive Director (till July 22, 2022)
Mr. Muthiah Venkatachalam, Non-Executive Director (from Aug 02, 2022)

iv) Other Related party

Wendt (India) Limited Employee Group Gratuity Trust

2) Transaction with related parties during the year ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Purchase of Capital Goods			
Carborundum Universal Limited (CUMI), India	Investor with SI	0.31	0.17
		0.31	**0.17**
Purchase of Goods			
Wendt GmbH, Germany	Investor with SI	269.42	200.94
Carborundum Universal Limited (CUMI), India	Investor with SI	198.38	98.04
Wendt Grinding Technologies Ltd Thailand	Subsidiary	39.91	35.45
Wendt Middle East FZE , UAE	Subsidiary	-	4.45
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	40.34	-
Cumi America Inc, USA	Subsidiary of Investor with SI	5.14	-
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	57.14	26.92
		610.33	**365.80**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Commission Expense			
Cumi America Inc, USA	Subsidiary of Investor with SI	60.40	-
Other expenses			
Net Access India Limited, India	Subsidiary of Investor with SI	30.65	17.31
Reimbursement of other Expenses to related parties			
Carborundum Universal Limited (CUMI), India	Investor with SI	40.50	43.32
Management Fee Expense			
Carborundum Universal Limited (CUMI), India	Investor with SI	252.30	207.90
Managerial Remuneration			
Mr. Srikanth C	KMP	113.24	77.45
Sitting fees paid			
Mr. Shrinivas G Shirgurkar	KMP	2.70	2.70
Mr. M Lakshminarayan	KMP	2.30	2.30
Ms. Hima Srinivas	KMP	2.40	2.30
Mr. Bhagya Chandra Rao	KMP	3.20	3.10
Mr. Rajesh Khanna	KMP	0.60	1.40
Mr Muthiah Venkatachalam	KMP	0.80	-
		12.00	**11.80**
Commission paid			
Mr. Shrinivas G Shirgurkar	KMP	5.00	3.00
Mr. M Lakshminarayan	KMP	5.00	3.00
Ms. Hima Srinivas	KMP	7.00	5.00
Mr. Bhagya Chandra Rao	KMP	5.00	3.00
Mr. Rajesh Khanna	KMP	1.55	3.00
Mr Muthiah Venkatachalam	KMP	3.31	-
		26.86	**17.00**
Payment of Dividend			
Carborundum Universal Limited (CUMI), India	Investor with SI	562.50	300.00
Wendt GmbH, Germany	Investor with SI	562.50	300.00
		1,125.00	**600.00**
Contribution to post employment Benefit Plan			
Wendt (India) Limited Employee Group Gratuity Trust	Other related party	132.14	125.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Sale of Goods and Services			
Wendt GmbH, Germany	Investor with SI	311.51	336.49
Carborundum Universal Limited (CUMI), India	Investor with SI	469.09	248.57
Wendt Grinding Technologies Ltd Thailand	Subsidiary	265.01	351.70
Cumi America Inc, USA	Subsidiary of Investor with SI	673.37	283.77
CUMI (Australia) Pty Ltd, Australia	Subsidiary of Investor with SI	1.56	2.87
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	10.44	60.05
Cumi Middle East FZE, UAE	Subsidiary of Investor with SI	0.15	5.61
Winterthur Technologie France	Subsidiary of Investor with SI	-	13.14
Winterthur Technology Iberica SL, Spain	Subsidiary of Investor with SI	57.24	70.71
3M UK Winterthur Technology, UK	Subsidiary of Investor with SI	-	61.07
3M Svenska AB, Sweden	Subsidiary of Investor with SI	0.56	1.72
3M Australia Pty Limited, Australia	Subsidiary of Investor with SI	-	0.11
3M Montrose-3MUS-CO, USA	Subsidiary of Investor with SI	20.44	29.76
3M Royersford - 3MUS-PA, USA	Subsidiary of Investor with SI	0.90	0.28
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	22.31	8.09
		1,832.58	**1,473.94**
Receipt of Dividend			
Wendt Grinding Technologies Ltd Thailand	Subsidiary	181.66	171.05
Repatriation of Share Capital			
Wendt Middle East FZE , UAE	Subsidiary	-	227.38
Receipt of Management fee, Service charges, Commission, Rent and Accounting charges			
Wendt GmbH, Germany	Investor with SI	30.56	33.71
Carborundum Universal Limited (CUMI), India	Investor with SI	44.77	55.20
Wendt Grinding Technologies Ltd Thailand	Subsidiary	32.62	32.34
Wendt Middle East FZE , UAE	Subsidiary	-	1.30
		107.95	**122.55**
Reimbursement of Expenses - Received			
Carborundum Universal Limited (CUMI), India	Investor with SI	25.66	36.64
Wendt Grinding Technologies Ltd Thailand	Subsidiary	0.23	0.21
Wendt Middle East FZE, UAE	Subsidiary	-	22.56
		25.89	**59.41**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

3) The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Trade receivables			
Wendt GmbH Germany	Investor with SI	53.46	39.56
Carborundum Universal Limited (CUMI), India	Investor with SI	96.33	27.94
Wendt Grinding Technologies Ltd Thailand	Subsidiary	26.86	29.36
Cumi America Inc, USA	Subsidiary of Investor with SI	47.83	73.83
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	-	15.20
Cumi Middle East FZE, UAE	Subsidiary of Investor with SI	-	0.45
Cumi (Australia) Pty Ltd, Australia	Subsidiary of Investor with SI	0.19	0.06
Winterthur Technology Iberica SL, Spain	Subsidiary of Investor with SI	15.87	14.66
3M Montrose-3MUS-CO, USA	Subsidiary of Investor with SI	9.46	2.08
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	1.63	1.02
		251.63	**204.16**
Other financials assets			
Wendt Grinding Technologies Ltd Thailand	Subsidiary	27.72	27.49
Carborundum Universal Limited (CUMI), India	Investor with SI	13.86	14.29
Wendt Middle East FZE , UAE	Subsidiary	-	5.85
		41.58	**47.63**
Trade payables			
Wendt GmbH Germany	Investor with SI	60.11	29.25
Carborundum Universal Limited (CUMI), India	Investor with SI	82.55	64.71
Wendt Grinding Technologies Ltd Thailand	Subsidiary	-	5.55
Cumi America Inc, USA	Subsidiary of Investor with SI	101.26	81.91
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	11.33	2.00
Net Access India Limited, India	Subsidiary of Investor with SI	15.87	6.76
		271.12	**190.18**
Other financial liabilities			
Carborundum Universal Limited (CUMI), India	Investor with SI	10.00	10.00
Other current liabilities			
Carborundum Universal Limited (CUMI), India	Investor with SI	34.10	126.21
Commission payable			
Mr. Shrinivas G Shirgurkar	KMP	5.00	3.00
Mr. M Lakshminarayan	KMP	5.00	3.00
Ms. Hima Srinivas	KMP	7.00	5.00
Mr. Bhagya Chandra Rao	KMP	5.00	3.00
Mr. Rajesh Khanna	KMP	1.55	3.00
Mr. Muthiah Venkatachalam	KMP	3.31	-
		26.86	**17.00**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

4) The details of compensation to KMP are as follows:

Particulars	March 31, 2023	March 31, 2022
Short term benefits	97.88	64.59
Post-Employment Benefits	14.87	12.57
Other benefits	0.49	0.29
Sitting fees and commission	38.86	28.80

The related party relationships are as identified by the Company, on the basis of information available with the Company. Transactions with related parties, including in the nature of sale of goods, rendering of services, purchase of goods, procurement of services and others are at arm's length price.

Note 36 - Earning per share (EPS)

(Rs. in lakhs, except number of shares)

Particulars	March 31, 2023	March 31, 2022
(a) Profit for the year	4,011.59	2,709.81
(b) Weighted average number of equity shares	2,000,000	2,000,000
(c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) -		
Basic and diluted	200.58	135.49

Note : There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

Note 37 - Contingent Liability and commitments to the extent not provided for:

37.1 Commitments

Particulars	March 31, 2023	March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. 20.43 lakhs, March 31, 2022: Rs. 201.84 lakhs)	865.43	555.94
(b) Commitment towards partly paid-up share for 100% Wholly Owned Subsidiary - 10,299,993 shares @ THB 7.50 (1 THB = INR 2.52)	1,946.70	-
(c) Other Commitments		
-Fulfilment of Export obligation (refer Note below)	209.00	54.52

Note: Relates to incremental export obligation to be fulfiled by the Company as a condition towards duty saved on Property, plant and Equipment imported under the Export Promotion Captial Goods Scheme. As per managment's estimate, the Company will be able to fulfill the balance obligation over the prescribed period of time i.e. upto March 31, 2026.

37.2 The Company does not have any pending litigations that would impact its financial position as at March 31, 2023.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 38 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2023	March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year	137.66	138.29
(ii) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of diasllowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 39 - Value of imports on CIF basis:

Particulars	March 31, 2023	March 31, 2022
Raw Materials	2,799.79	1,984.50
Traded goods	459.83	450.42
Stores and spare parts	226.27	180.25
Capital goods	732.64	621.45
Total	**4,218.53**	**3,236.62**

Note 40 - Expenditure in Foreign Currency

Particulars	March 31, 2023	March 31, 2022
Technical consultancy fee	-	22.06
Travel	9.40	10.65
Selling commission	123.82	10.27
Others	5.55	7.02
Total	**138.77**	**50.00**

Note 41 - Details of consumption of imported and indigenous items

Particulars	March 31, 2023	March 31, 2022
Imported		
Raw Material	2,526.80	2,120.47
Stores and spare parts	112.35	125.40
	2,639.15	2,245.87
Indigenous		
Raw Material	2,884.22	2,556.69
Stores and spare parts	889.67	712.84
	3,773.89	3,269.53
Total	**6,413.04**	**5,515.40**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 42 - Earnings in Foreign exchange :

Particulars	March 31, 2023	March 31, 2022
FOB value of goods exported	5301.14	3906.22
Others	248.56	264.23
Total	**5,549.70**	**4,170.45**

Note 43 - Research and Development Expenditure

Research and Development expenditure incurred during the year aggregates to Rs. 421.15 lakhs (March 31, 2022: Rs. 144.51 lakhs) as detailed below:

Particulars	March 31, 2023	March 31, 2022
Revenue expenditure (refer note below)	172.18	142.38
Capital expenditure (including capital work in progress)	248.97	2.13
Total	**421.15**	**144.51**

Note: Revenue expenditure shown above, inter alia, includes depreciation of Rs. 50.96 lakhs (March 31, 2022 : Rs.51.25 lakhs), consultancy services of Rs. 0.44 lakhs (March 31, 2022 : Rs. 0.38 lakhs) and travel expenditure of Rs. 0.83 lakhs (March 31, 2022 : Rs. 0.80 lakhs).

Note 44 - Corporate Social Responsibility (CSR)

(a) Details of CSR expenditure incurred during the year

Particulars	2022-2023	2021-2022
CUMI Centre for Skills Development - Skill Development Centre	27.63	24.63
Hosur Industrial Association - Skill Development Centre	-	7.50
Construction of School Building Zuzuwadi	16.09	-
Total	**43.72**	**32.13**

(b) Gross amount required to be spent by the company during the year: Rs. 43.72 lakhs (March 31, 2022 : Rs. 32.13 lakhs)

(c) Amount spent by the company during the year:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2022-23	31.72	12.00	43.72
- in 2021-22	32.13	-	32.13

(d) Details of ongoing CSR Projects under Section 135(6) of the Act

Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company (*)	In Separate CSR Unspent account
-	-	16.09	4.09	-	12.00	-

(*) The Company plans to transfer the unspent amount to a separate bank account as required by the Act, on or before April 30, 2023.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(e) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	27.63	27.63	-

Note 45 - Interest in Subsidiaries

Name of the Company	Place of business	% of holding and voting power	
		2023	2022
Wendt Grinding Technologies Ltd	Thailand	99.99%	99.99%
Wendt Middle East FZE (refer note 29)	Sharjah, UAE	Not applicable	100%

Note 46 - Additional regulatory information required by Schedule III

(i) Details of benami property held: No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies: The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) (a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
   b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vi) (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
   a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
   b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) The Company has not revalued its Property, plant and equipment or intangible assets during the current or previous year.

(x) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3A to the financial statements, are held in the name of the Company.

(xi) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were taken.

(xiii) The Company was not required to recognise any provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2023.

(xiv) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Note 47 - Financial Ratios

(Rs. in Lakhs)

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for Variance
Current Ratio (times)	Current Assets	Current Liabilities	2.07	1.66	24%	Note 1
Debt-Equity Ratio (times)	Debt - Long term	Equity	NIL	NIL	NIL	Note 2
Debt Service Coverage Ratio (times)	Net Operating income	Debt Service	NIL	NIL	NIL	Note 2
Return on Equity Ratio (%)	Profit After tax	Average Equity	26%	20%	27%	Note 3
Inventory Turnover Ratio (times)	Sales	Average Inventory	6.67	6.57	2%	Note 1
Trade Receivables Turnover Ratio (times)	Sales	Average receivables	5.41	4.82	12%	Note 1
Trade Payable Turnover Ratio (times)	Purchase of Goods & Other expenses	Average Trade payables	5.10	4.34	17%	Note 1
Net Capital Turnover Ratio (Times)	Sales	Working Capital	4.90	6.19	-21%	Note 1
Net Profit Ratio (%)	Profit after tax	Sales	21%	17%	23%	Note 1
Return on Capital Employed (%)	Profit before interest and tax (Excluding exceptional item)	Tangible net worth + Deferred tax liabilities-intangible assets	31%	24%	26%	Note 3
Return on Investment (%)						
- Subsidiaries	Income Generated from investments	Time weighted average investments	65%	62%	6%	Note 1
- Mutual funds	Income Generated from investments	Time weighted average investments	5%	5%	9%	Note 1

Notes:
1. Not given as the variance is less than 25%
2. Short term borrowings is included under current liabilities.
3. Increase in revenue/volume of operations during the year ended March 31, 2023 and better absorption of fixed costs.
4. Current assets shown above excludes investments and inter-corporate deposit.

Note 48 - Approval of Standalone financial statements

The Standalone financial statements were approved for issue by the Board of Directors on April 21, 2023.

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

Date: April 21, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Statement of Holding Company's Interest in Subsidiary Company

1 Name of the Company	Wendt Grinding Technologies Ltd	Wendt Middle East FZE (refer note below)
2 The Financial year of the Subsidiary ended on	31st March 2023	31st March 2023
3		
a i) Number of ordinary shares held by Wendt (India) Ltd in the Subsidiary Company on the above date	1,02,99,993	8
	Face Value Paid up value	Face Value Paid up value
ii) Face value and paid up value per share	Thai Baht 10 - Thai Baht 2.50	AED 150,000 AED 150,000
iii) Interest of Wendt (India) Ltd	100%	100%
b i) Number of Preference shares held by Wendt (India) Ltd in the Subsidiary Company on the above date	---	---
ii) Face value and paid up value per share	----	----
iii) Interest of Wendt (India) Ltd	----	----
	Rs in lakhs	**Rs in lakhs**
4 The Net aggregate profit/(loss) of subsidiary Company so far as it concerns the holding Company		
i) Not dealt with in the accounts of Wendt (India) Ltd		
a) For the Subsidiary 's Financial year ended 31st March 2023*	222.57	-
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt (India) Ltd	3665.23	236.02
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, 2023	181.66	-
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt (India) Ltd	2423.31	202.71

* Computed based on the exchange rates as on 31st March 2023 (Thai Baht Rs. 2.4228)
Note: De-registration process completed during the year 2022-23.

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

Date: April 21, 2023

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

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Financial

Statements

Independent Auditor's Report

To the Members of Wendt (India) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Wendt (India) Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer Note 1 to the consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 14 of the Other Matters section below, other than the unaudited financial information as furnished by the management and referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of revenue recognition on sale of goods Refer Note 2.5 (Revenue recognition) and Note 22(i) (Revenue from contract with customers) of the consolidated financial statements. The Holding Company's revenue principally comprises sale of goods. Revenue from the sale of goods is recognised at a point in time when the control of the goods is transferred to the customers, which is on dispatch or delivery in accordance with the terms of sales contracts, and there are no unfulfilled obligations that could affect the customer's acceptance of the products. We have identified the recognition of revenue as a key audit matter as the Holding Company has various customers with different terms of sales contracts which increase the risk of error in the timing of revenue recognition. Revenue recognition is determined to be an area involving significant risk and hence requiring significant auditor attention. The Holding Company and its external stakeholders focus on revenue as a key performance indicator and therefore there could be a risk of material misstatement in so far as revenue recognition is concerned.	Our audit procedures relating to revenue recognition included the following: a. Understood and performed procedures to assess the design and test the operating effectiveness of management's key internal financial controls in relation to revenue recognition; b. Assessed the appropriateness of the revenue recognition accounting policies of the Holding Company, by evaluating compliance with the Ind AS 115 'Revenue from Contracts with Customers'; c. Tested the reconciliation of the amounts as per the sales register to the general ledger; and the reconciliation items on a sample basis; d. Selected samples of revenue transactions during the year and inspected underlying documents which inter-alia included invoices, customer contracts/ orders and shipping documents/ customers' acceptance, as applicable, to determine the revenue recognised in accordance with the terms of sales contracts; e. Tested selected samples of revenue transactions recorded before and after the financial year end date to determine whether the revenue has been recognised in accordance with the terms of the sales contracts, in the appropriate financial period; f. Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements in respect of revenue recognition. Based on the above procedures performed, we did not identify any material exceptions in revenue recognition of sale of goods.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion and Analysis Report, Report on Corporate Governance and Business Responsibility and Sustainability Report, but does not include the consolidated financial statements and our auditor's report thereon.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer sub-paragraph 14 of the Other Matters section below), we conclude that there is a material misstatement of this Other Information, we are required to report that fact .We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The financial statements of a subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs.2479.01 lakhs and net assets of Rs.2245.94 lakhs as at March 31, 2023, total revenue of Rs.1973.93 lakhs, profit of Rs.208.54 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs.208.54 lakhs and net cash flows amounting to Rs.62.65 lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in its country of incorporation and has been audited by other auditor under generally accepted auditing standards applicable in its country of incorporation. The Holding Company's management has converted the financial statements of such subsidiary, from the accounting principles generally accepted in its country of incorporation to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

15. We did not audit the financial information of a subsidiary whose financial information reflect total revenue of Nil, total comprehensive income (comprising of loss and other comprehensive income) of Nil and net cash outflows amounting to Rs.3.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms Section 143(3) of the Act including report on Other

Information insofar as it relates to this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

16. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

17. As required by the Companies (Auditor's Report) Order, 2020 ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure B, a statement on the matter specified in paragraph 3(xxi) of the order.

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2023.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year.

iv. (a) The Managements of the Holding Company which is incorporated in India whose financial statements have been audited under the Act to the best of their knowledge and belief, as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 39(vi)(a) to the consolidated financial statements)

(b) The Management of the Holding Company which is incorporated in India whose financial statements have been audited under the Act, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer note 39(vi)(b) to the consolidated financial statements)

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us on the Holding Company whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Holding Company, is applicable only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLH4946

Place: Bengaluru
Date: April 21, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the consolidated financial statements as at and for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Section 143(3)(i) of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Wendt (India) Limited (hereinafter referred to as "the Holding Company")as of that date. Reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to the Company's subsidiary incorporated outside India namely Wendt Grinding Technologies Limited, pursuant to Ministry of Corporate Affairs notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, to whom reporting under Section 143(3)(i) of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLH4946

Place: Bengaluru
Date: April 21, 2023

Annexure B to Independent Auditor's Report

Referred to in paragraph 17 of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2023

As required by paragraph 3(xxi) of the order, we report that we have given remarks in our CARO report on the standalone financial statements of the Holding Company. The order is not applicable to the Subsidiaries that are also included in these Consolidated Financial Statements.

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Paragraph number in the respective CARO reports	Date of the respective auditors' report
1.	Wendt (India) Limited	L85110KA1980 PLC003913	Holding Company	(vii)(a)	April 21, 2023

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

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 23064311BGYDLH4946

Place: Bengaluru
Date: April 21, 2023

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	5,597.72	5,376.18
	(b) Capital work-in-progress	4	175.69	53.50
	(c) Goodwill	5	10.27	10.27
	(d) Other intangible assets	6	20.57	28.78
	(e) Financial Assets			
	(i) Other financial assets	13	53.70	49.68
	(f) Other non-current assets	7	20.43	201.84
	(g) Income tax assets (net)	8A	157.45	258.43
	Total non - current assets (1)		6,035.83	5,978.68
2	**Current assets**			
	(a) Inventories	9	3,415.29	2,818.75
	(b) Financial assets			
	(i) Investments	10	7,095.71	6,448.32
	(ii) Trade receivables	11	4,030.44	3,437.16
	(iii) Cash and cash equivalents	12A	1,314.89	1,341.70
	(iv) Bank balances other than (iii) above	12B	26.39	24.89
	(v) Other financial assets	13	555.26	38.43
	(c) Other current assets	7	386.14	298.41
	Total current assets (2)		16,824.12	14,407.66
	Total assets (1+2)		**22,859.95**	**20,386.34**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	14	200.00	200.00
	(b) Other equity - reserves and surplus	15	18,670.84	15,995.71
	Total equity (1)		18,870.84	16,195.71
	Liabilities			
2	**Non-current liabilities**			
	(a) Deferred tax liabilities (net)	16	167.25	138.49
	Total non - current liabilities (2)		167.25	138.49
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	17	-	99.92
	(ii) Trade payables			
	- total outstanding dues of micro and small enterprises	18	137.66	138.29
	- total outstanding dues of creditors other than micro and small enterprises	18	2,215.36	2,176.90
	(iii) Other financial liabilities	19	406.64	412.05
	(b) Provisions	20	516.04	521.78
	(c) Income tax liabilities (net)	8B	163.55	85.08
	(d) Other current liabilities	21	382.61	618.12
	Total current liabilities (3)		3,821.86	4,052.14
	Total liabilities (2+3)		3,989.11	4,190.63
	Total equity and liabilities (1+2+3)		**22,859.95**	**20,386.34**

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	INCOME			
1	Revenue from operations	22	21,023.59	17,881.15
2	Other income	23	499.48	386.73
3	**Total income (1 + 2)**		**21,523.07**	**18,267.88**
4	**EXPENSES**			
	(a) Cost of materials consumed		5,411.02	4,677.16
	(b) Purchases of stock-in-trade		1,671.98	1,770.22
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	44.18	(195.43)
	(d) Employee benefits expense	25	3,578.21	3,324.48
	(e) Finance costs	26	1.93	2.09
	(f) Depreciation and amortisation expense	27	811.17	860.89
	(g) Other expenses	28	4,702.85	4,137.73
	Total Expenses		**16,221.34**	**14,577.14**
5	**Profit before tax (3 - 4)**		**5,301.73**	**3,690.74**
6	**Tax Expense**			
	(a) Current tax	29	1,266.48	1,001.37
	(b) Deferred tax charge / (credit)	29	26.48	(17.31)
	Total tax expense		**1,292.96**	**984.06**
7	**Profit for the period (5 - 6)**		**4,008.77**	**2,706.68**
8	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit obligation		9.06	(71.96)
	(ii) Income tax relating to the above		(2.28)	18.11
	B Items that may be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		159.58	4.64
	Total other comprehensive income		**166.36**	**(49.21)**
9	**Total comprehensive income for the period (7 + 8)**		**4,175.13**	**2,657.47**
10	**Earnings per equity share (Rs.) (Face value of Rs 10 each):**	35		
	(1) Basic		200.45	135.34
	(2) Diluted		200.45	135.34

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(A) Equity Share Capital

Balance as at April 1, 2021 Add: Changes in equity share capital during the current year	200.00 -
Balance as at March 31, 2022	**200.00**
Add: Changes in equity share capital during the current year	-
Balance as at March 31, 2023	**200.00**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

(B) Other Equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	General Reserve	Statutory Reserve	Retained	Foreign Currency Translation Reserve	
Balance as at April 1, 2021	**6,613.06**	**46.78**	**7,071.07**	**407.33**	**14,138.24**
Profit for the year	-	-	2,706.68	-	2,706.68
Other comprehensive income for the year, net of income tax	-	-	(53.85)	4.64	(49.21)
Total comprehensive income for the year	-	-	2,652.83	4.64	2,657.47
Payment of final dividend for the preceding financial year	-	-	(400.00)	-	(400.00)
Payment of interim dividend for the current year	-	-	(400.00)	-	(400.00)
Transfer to General Reserve	271.00	-	(271.00)	-	-
Transfer from Foreign Currency Translation Reserve to Retained earnings	-	-	47.33	(47.33)	-
Balance as at March 31, 2022	**6,884.06**	**46.78**	**8,700.23**	**364.64**	**15,995.71**
Profit for the year	-	-	4,008.77	-	4,008.77
Other comprehensive income for the year, net of income tax	-	-	6.78	159.58	166.36
Total comprehensive income for the year	-	-	4,015.55	159.58	4,175.13
Payment of final dividend for the preceding financial year	-	-	(900.00)	-	(900.00)
Payment of interim dividend for the current year	-	-	(600.00)	-	(600.00)
Transfer to General Reserve	401.00	-	(401.00)	-	-
Transfer from Statutory Reserve	46.78	(46.78)	-	-	-
Balance as at March 31, 2023	**7,331.84**	**-**	**10,814.78**	**524.22**	**18,670.84**

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

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru
Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

Date: April 21, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Profit before tax		**5,301.73**	**3,690.74**
Adjustments for :			
Depreciation and amortisation expense		811.17	860.89
Loss allowance for trade receivables (net of reversal)		43.92	6.47
Bad Debts written off		25.10	1.36
Finance costs		1.93	2.09
Interest income		(30.63)	(39.99)
Loss / (Profit) on sale / discarding of property, plant and equipment (net)		3.32	15.37
Liabilities, no longer required, written back		-	(8.29)
Net Gain on sale / fair valuation of current investments (net)		(284.92)	(174.78)
Unrealised exchange loss / (gain)		23.50	4.61
Operating profit before working capital changes		**5,895.12**	**4,358.47**
Changes in working capital :			
(Increase)/Decrease in inventories		(580.58)	(324.73)
(Increase)/Decrease in trade receivables		(635.54)	196.27
(Increase)/Decrease in other financial assets		(8.23)	72.06
(Increase)/Decrease in other non-current financial assets		(4.02)	11.43
(Increase)/Decrease in other current assets		(87.73)	271.36
(Increase)/Decrease in other bank balances		(1.50)	2.15
Increase/(Decrease) in trade payables		35.34	(176.73)
Increase/(Decrease) in other current financial liabilities		6.82	56.17
Increase/(Decrease) in current provisions		3.32	(13.44)
Increase/(Decrease) in other current liabilities		(235.51)	75.27
Cash flow generated from operating activities		**4,387.49**	**4,528.28**
Income Taxes Paid (net of refunds)		(1,087.03)	(840.52)
Net Cash generated from operating activities	**(A)**	**3,300.46**	**3,687.76**
Cash flow from investing activities			
Capital expenditure on property, plant and equipment		(980.48)	(490.28)
Capital expenditure on intangible assets		(5.67)	(0.10)
Proceeds from sale of property, plant and equipment		5.33	0.57
Purchase of current investments		(2,922.95)	(3,513.22)
Sale of current investments		2,590.25	986.54
Interest income received		22.03	39.99
Inter-corporate deposit made		(500.00)	-
Net Cash flows from / (used in) investing activities	**(B)**	**(1,791.49)**	**(2,976.50)**
Cash flow from financing activities			
Proceeds from Short term borrowing		-	99.92
Repayment of Short term borrowing		(99.92)	(99.74)
Finance costs paid		(1.93)	(2.09)
Dividend paid		(1,500.00)	(800.00)
Net Cash flows (used in) financing activities	**(C)**	**(1,601.85)**	**(801.91)**
Translation adjustment	**(D)**	66.07	4.64
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C+D)**	**(26.81)**	**(86.01)**
Cash and cash equivalents at the beginning of the year	**(E)**	**1,341.70**	**1,427.71**
Cash and cash equivalents at the end of the year (refer Note 12A)	**(A+B+C+D+E)**	**1,314.89**	**1,341.70**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

Reconciliation of Cash and cash equivalents as per Statement of cash flows

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

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (Note 12A)	1,314.89	1,341.70
Balance as per statement of cash flows	**1,314.89**	**1,341.70**

The above consolidated Statement of cash flows should be read in conjunction with the accompanying notes.

This is the consolidated Statement of cash flows referred to in our report of even date.

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
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Chief Financial Officer
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P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

Date: April 21, 2023

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31, 2023

Statement showing the applicable Key Accounting Standards (Ind AS) with related Policy and Notes references as per Consolidated financial statements

Ind AS No.	Description	Accounting policy	Note Reference
2	Inventories	2.17	9
7	Statement of Cash flows	2.19	12A & 12B
8	Accounting Policies, Changes in Accounting Estimates and Errors	2.1 & 2.2	
12	Income taxes	2.11.1 & 2.11.2	8A, 8B & 29
16	Property, plant and equipment	2.14	3,4 & 27
19	Employee benefits	2.10	25 & 33
24	Related party disclosures		34
33	Earnings per share	2.12	35
36	Impairment of assets	2.16	3, 4 & 6
37	Provisions, Contingent liabilities and Contingent assets	2.20	20 & 36
38	Intangible assets	2.15	6 & 27
107	Financial instruments - Disclosures	2.21 & 2.22	11, 13, 17, 18, 23 & 30
108	Operating segments	2.23	31
110	Consolidated Financial Statements	2.3	
113	Fair value measurement		30
115	Revenue from contracts with Customers	2.5	21, 22 & 31
116	Leases	2.6	32

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

NOTE NO.

1 GROUP OVERVIEW

Wendt (India) Limited (hereinafter referred to as "the Company") was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH Germany and Carborundum Universal Limited, India. The Company is into manufacturing, selling and servicing of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and Precision products. The Company's registered office is in Bangalore and factory is situated in Hosur, Tamilnadu. The Company has 2 subsidiaries viz. Wendt Grinding Technologies Limited, Thailand and Wendt Middle East FZE, UAE. The Company, together with subsidiaries are hereinafter referred to as "the Group". The CIN of the Company is L85110KA1980PLC003913.

The Board of Directors of the Company had approved a proposal for voluntary de-registration of M/s. Wendt Middle East FZE ("WME"), a wholly owned subsidiary of the Company located at Hamriyah Free Zone, Sharjah, UAE during January 2021 and the de-registration process was initiated thereafter. During the year ended March 31, 2022, WME had substantially completed liquidation related procedures and also repaid back the share capital to the Company. Further, the clearance certificate for de-registration from the Hamriyah Free Zone Authority (HFZA) has been received on May 10, 2022 and accordingly, the subsidiary ceased to be in existence from the above date.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

(iii) Operating Cycle

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

(iv) New and amended standards adopted by the Group

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and were effective April 1, 2022. These amendments did not have any impact on the amounts recognised in prior and current periods and are not expected to significantly affect the future periods.

2.2 Critical estimates and judgements

The preparation of these Consolidated financial statements requires the use of accounting estimates which, by definition, seldom equals the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

included in the relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(i) Estimation of defined benefit obligation - refer note 33

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

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Following subsidiary companies have been included in Consolidation:-

(i) Wendt Grinding Technologies Limited, Thailand-99.99% Ownership Proportion (as on March (incorporated on 19th July 2005) 31, 2023 & as on March 31, 2022)

(ii) Wendt Middle East FZE, Sharjah (UAE) - Liquidated on May 10, 2022 and 100% (incorporated on 24th September 2008) Ownership Proportion (as on March 31, 2022)

2.3.1. Changes in the Group's ownership interest in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary (i.e.., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or , when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Goodwill

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

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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

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

2.5 Revenue recognition

The Group earns revenue from sale of goods and services of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and Precision products.

2.5.1 Sale of goods

Revenue from sale of goods is recognised when control of products has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. Control of products is considered to be transferred at a point-in-time when goods have been despatched or delivered, as per the terms agreed with the customer.

Revenue is recognised at the transaction price which the Group expects to be entitled. The Group does not adjust any of the transaction prices for the time value of money as the contract with customers does not contain a significant financing component, since the sales are generally made with a credit term of 30 to 60 days, which is consistent with market practice.

When the payment exceeds the value of goods supplied or services rendered, a contract liability (advance from customers) is recognised.

2.5.2 Sale of services

Revenue from rendering of services is recognized as the services are rendered as per the terms of contracts with customers.

2.5.3 Dividend and interest income

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

Interest income from a financial asset is recognised and accrued using effective interest rate method.

2.5.4 Rental income

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

2.6 Leasing - Operating

2.6.1 The Group as lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective lease assets are included in the balance sheet based on their nature.

2.6.2 The group as lessee

The Group has a leasing arrangement which meets the definition of short team lease in accordance with Ind AS 116. The Group has elected to apply the practical expedient to not recognise a lease liability and right-of-use asset for short-term leases with a lease term of 12 months or less. Payments associated with short term leases are recognised on a straight line basis in the Statement of Profit and Loss.

2.7 Government Grants

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

Government grants relating to income are

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

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

Government grants relating to the purchase of property, plant and equipment are netted off with the cost of related asset.

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

2.8 Foreign currency transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The Consolidated financial statements are presented in Indian Rupee (INR), the national currency for India, which is functional and presentation currency of the Group.

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence are joint controlled), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.9 Borrowing costs

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

2.10 Employee benefits

2.10.1 Long Term Employee Benefits

Defined Contribution Plans

Superannuation fund, Provident fund and Pension

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

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

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

Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

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

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

Other long term Employee Benefits - Compensated Absences

The Company also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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

2.10.2 : Short-term employee benefits

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

2.11 Taxation

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

2.11.1 Current tax

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

2.11.2 Deferred tax

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

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

Deferred tax liabilities are recognized for all taxable temporary differences other than investment in subsidiaries, where the Parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

2.11.3 Indirect taxes

Goods and Services Tax (GST) credit on materials purchased / services availed for production / input services are taken into account at the time of purchase and availing services. GST Credit on purchase of capital goods wherever applicable are taken into account as and when the assets are acquired. The GST credits so availed are utilised for payment of GST on outward supply and service. The unutilised GST credit is carried forward in the books.

2.12 Earnings per share

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

2.13 Research and development costs

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

2.14 Property, Plant and equipment

Freehold Land is carried at historical cost.

All other items of Property, Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Machinery spares which can be used exclusively in connection with anitem of Property, Plant and equipment and whose use is expected to be irregular are capitalised an epreciated over the useful life of the principal item of the relevant assets. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Capital work-in progress:

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

Depreciation

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

Estimated useful lives of the tangible assets as specified under Schedule II to the Companies Act, 2013 are as follows:-	
Buildings - Freehold	
(i) Factory Building	30 years
(ii) Building (Other than factory building)	60 years
(iii) Others	20 years
Plant and Machinery	
(i) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office Equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and Fittings	10 years
Vehicles	8 years

Depreciation on property, plant and equipment has been provided on the straight-line method as above based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

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.

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

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

2.15 Intangible assets

2.15.1 Intangible assets acquired separately

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

2.15.2 Intangible assets acquired in a business combination

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

2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets as specified under Schedule II to the Companies Act, 2013 are as follows:-	
Technical Knowhow	5 years
Computer Software	5 years
Brands and Trademarks	5 years
Patents	5 years

2.16 Impairment of tangible and intangible assets other than goodwill

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

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

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

2.17 Inventories

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

average basis.

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

Provisions are made for potential obsolescence based on management assessment of aged inventory items.

2.18 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects the Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with maturity of 3 months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts.

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

2.20 Provisions and Contingencies

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

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

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

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

Contingent assets are not recognized in the consolidated financial statements.

2.21 Financial instruments

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

Financial assets (excluding trade receivables which do not contain a significant financing component) and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.22 Financial assets

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

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

2.22.1. Classification of financial assets

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

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

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

For the impairment policy on financial assets measured at amortised cost, refer Note 2.22.4

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

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

2.22.2 Investment in equity instruments at FVTOCI

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

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

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

FVTPL is a residual category for financial assets. Any financial categorisation which is not at

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

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

2.22.4. Impairment of financial assets

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the group measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the group measures the loss allowance at an amount equal to life time expected credit losses.

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

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Refer Note 31 for segment information presented.

2.24 Rounding Off

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

2.25 New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the new mandatory treatment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

Note 3 - Property, plant and equipment

(Rs. in Lakhs)

Description of assets	Land-Freehold	Buildings-Freehold	Buildings-Leasehold	Plant and Machinery	Office Equipment	Furniture and Fittings	Motor Vehicles	Total
I. Gross Block								
Balance as at April 1, 2021	**128.09**	**2,628.89**	**3.58**	**10,071.88**	**1,012.90**	**314.48**	**194.78**	**14,354.60**
Additions	-	5.56	-	634.32	9.40	3.41	17.71	**670.40**
Disposals	-	-	(3.58)	(51.61)	(6.11)	(17.67)	-	**(78.97)**
Effect of foreign currency translation from functional currency to reporting currency	(2.23)	(6.82)	-	(3.13)	(1.19)	-	(1.81)	**(15.18)**
Balance as at March 31, 2022	**125.86**	**2,627.63**	**-**	**10,651.46**	**1,015.00**	**300.22**	**210.68**	**14,930.85**
Balance as at April 1, 2022	**125.86**	**2,627.63**	**-**	**10,651.46**	**1,015.00**	**300.22**	**210.68**	**14,930.85**
Additions	-	36.53	-	919.22	32.16	3.60	36.09	**1,027.60**
Disposals	-	-	-	(55.56)	(31.44)	-	(21.78)	**(108.78)**
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	-	(0.15)	-	-	**(0.15)**
Balance as at March 31, 2023	**125.86**	**2,664.16**	**-**	**11,515.12**	**1,015.57**	**303.82**	**224.99**	**15,849.52**
II. Accumulated depreciation								
Balance as at April 1, 2021	-	**932.71**	**3.58**	**6,559.17**	**941.77**	**233.16**	**141.97**	**8,812.36**
Depreciation expense for the year (refer note 27)	-	90.47	-	636.97	49.95	21.35	29.80	**828.54**
Eliminated on disposal of assets	-	-	(3.58)	(35.67)	(6.11)	(17.67)	-	**(63.03)**
Effect of foreign currency translation from functional currency to reporting currency	-	(3.73)	-	(3.42)	(5.82)	-	(10.23)	**(23.20)**
Balance as at March 31, 2022	**-**	**1,019.45**	**-**	**7,157.05**	**979.79**	**236.84**	**161.54**	**9,554.67**
Balance as at April 1, 2022	**-**	**1,019.45**	**-**	**7,157.05**	**979.79**	**236.84**	**161.54**	**9,554.67**
Depreciation expense for the year (refer note 27)	-	92.41	-	639.88	30.15	19.29	15.56	**797.29**
Eliminated on disposal of assets	-	-	-	(48.42)	(31.41)	-	(20.30)	**(100.13)**
Effect of foreign currency translation from functional currency to reporting currency	**-**	-	**-**	-	(0.03)	-	-	**(0.03)**
Balance as at March 31, 2023	-	**1,111.86**	**-**	**7,748.51**	**978.50**	**256.13**	**156.80**	**10,251.80**
Net carrying value as at March 31, 2022	**125.86**	**1,608.18**	**-**	**3,494.41**	**35.21**	**63.38**	**49.14**	**5,376.18**
Net carrying value as at March 31, 2023	**125.86**	**1,552.30**	**-**	**3,766.61**	**37.07**	**47.69**	**68.19**	**5,597.72**

Notes :

a) Refer to Note 35.1 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.

Note 4: Capital work in progress (CWIP)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	53.50	108.92
Addition during the year	1,149.79	614.98
Capitalised during the year	(1,027.60)	(670.40)
Balance at end of the year	**175.69**	**53.50**

Note : Capital work in progress represents expenditure incurred towards Property, plant and equipment.

As at March 31, 2023

CWIP	Amount in CWIP for the period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	175.13	-	-	0.56	175.69
Projects temporarily Suspended	-	-	-	-	-

As at March 31, 2022

CWIP	Amount in CWIP for the period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in progress	49.70	3.24	-	0.56	53.50
Projects temporarily Suspended	-	-	-	-	-

There are no significant projects whose completion is overdue or has exceeded its cost compared to its original plan as at end of the year or previous year.

Note 5- Goodwill

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

Description of assets	As at March 31, 2023	As at March 31, 2022
Cost		
Balance at beginning of year	10.27	10.27
Additions	-	-
Disposals	-	-
Balance at end of year	**10.27**	10.27
Accumulated Impairment		
Balance at beginning of year	-	-
Impairment losses recognised during the year	-	-
Balance at end of year	-	-
Net Carrying Value	**10.27**	**10.27**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

Note 6 - Other intangible assets

(Rs. in Lakhs)

Description of assets	Technical Knowhow	Computer Software	Brands and Trademarks	Patents	Total
I. Gross Block					
Balance as at April 1, 2021	**202.26**	**369.48**	**81.00**	**50.00**	**702.74**
Additions	-	0.15	-	-	**0.15**
Disposals	-	(0.63)	-	-	**(0.63)**
Effect of foreign currency translation from functional currency to reporting currency	-	(0.06)	-	-	**(0.06)**
Balance as at March 31, 2022	**202.26**	**368.94**	**81.00**	**50.00**	**702.20**
Balance as at April 1, 2022	**202.26**	**368.94**	**81.00**	**50.00**	**702.20**
Additions	-	5.57	-	-	**5.57**
Disposals	-	(0.37)	-	-	**(0.37)**
Effect of foreign currency translation from functional currency to reporting currency	-	0.15	-	-	**0.15**
Balance as at March 31, 2023	**202.26**	**374.29**	**81.00**	**50.00**	**707.55**
II. Accumulated amortisation					
Balance as at April 1, 2021	**202.24**	**315.02**	**76.95**	**47.50**	**641.71**
Amortisation expense for the year (refer note 27)	-	25.80	4.05	2.50	**32.35**
Eliminated on disposal of assets	-	(0.63)	-	-	**(0.63)**
Effect of foreign currency translation from functional currency to reporting currency	-	(0.01)	-	-	**(0.01)**
Balance as at March 31, 2022	**202.24**	**340.18**	**81.00**	**50.00**	**673.42**
Balance as at April 1, 2022	**202.24**	**340.18**	**81.00**	**50.00**	**673.42**
Amortisation expense for the year (refer note 27)	-	13.88	-	-	**13.88**
Eliminated on disposal of assets	-	(0.37)	-	-	**(0.37)**
Effect of foreign currency translation from functional currency to reporting currency	-	0.05	-	-	**0.05**
Balance as at March 31, 2023	**202.24**	**353.74**	**81.00**	**50.00**	**686.98**
Net carrying value as at March 31, 2022	**0.02**	**28.76**	**-**	**-**	**28.78**
Net carrying value as at March 31, 2023	**0.02**	**20.55**	**-**	**-**	**20.57**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 7 - Other non-current and current assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
(a) Advances to suppliers	128.13	-	105.31	-
(b) Balances with government authorities (other than income taxes)				
(i) Duties refundable	0.25	-	0.25	-
(ii) GST credit receivable	35.00	-	22.45	-
(iii) VAT credit receivable	4.29	-	6.84	-
(c) Prepayments	187.38	-	147.26	-
(d) Capital advances	-	20.43	-	201.84
(e) Export incentive receivable	27.50	-	12.63	-
(f) Other loans and advances	3.59	-	3.67	-
Unsecured, considered doubtful				
(a) Receivable from Sales Tax authorities	47.25	-	47.25	-
Less: Provisions for doubtful loans and advances	(47.25)	-	(47.25)	-
TOTAL	**386.14**	**20.43**	**298.41**	**201.84**

Note 8 - Income tax assets and liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
A. Income tax assets - non current		
Advance income tax paid (net)	157.45	258.43
Total	**157.45**	**258.43**
B. Income tax liabilities - current		
Provision for income tax (net)	163.55	85.08
Total	**163.55**	**85.08**

Note 9 - Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	1,802.27	1,245.91
(b) Work-in-progress	621.28	522.51
(c) Finished goods	287.80	461.25
(d) Stock-in-trade	395.01	364.51
(e) Stores and spares	308.93	224.57
Total	**3,415.29**	**2,818.75**
Included above, goods-in-transit:		
(i) Raw materials	29.11	61.02
(ii) Stock-in-trade	64.63	61.31
Total goods-in-transit	**93.74**	**122.33**

Note: The method of valuation of inventories are stated in Note: 2.17.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 10 - Investments

(Rs. in Lakhs)

Sl No	Particulars	As at March 31, 2023		As at March 31, 2022	
		Units (Nos)	Amount	Units (Nos)	Amount
A	**Designated as Fair Value Through Profit and Loss**				
	Investments in Mutual Funds				
	I. Quoted Investments				
	Nippon India Quarterly interval Fund-Growth Plan	-	-	-	49.28
	DSP FMP - Series 269 - 160 Days Regular Plan - Growth	2,138,438	218.15	169,206	-
	Quoted Investments in Mutual Funds (i)		**218.15**		**49.28**
	II. Unquoted Investments				
	ICICI Prudential Corporate Bond Fund- Growth	1,893,954	472.96	1,893,954	448.03
	Aditya Birla Sun Life Short Term Fund - Growth -Regular Plan	870,071	348.92	870,071	333.11
	Aditya Birla Sun Life Banking & PSU Debt Fund - Growth Regular Plan	-	-	35,079	104.01
	Aditya Birla Sun Life Low Duration Fund -Growth Regular Plan	67,209	377.68	67,209	360.20
	Aditya Birla Sun Life Savings Fund - Growth -Regular Plan	-	-	61,500	270.80
	Aditya Birla Sun Life Floating Rate Fund - Growth Regular Plan	99,117	290.36	99,117	275.46
	Nippon India Banking & PSU Debt Fund - Growth Plan	-	-	1,442,437	243.12
	Nippon India Floating Rate Fund - Growth Plan - Growth Option	1,537,180	581.13	2,286,258	828.31
	TATA Short Term Bond Fund Regular Plan A - Growth	295,555	120.62	295,555	116.05
	TATA Short Term Bond Fund Direct Plan - Growth	186,618	82.73	186,618	78.93
	Baroda Short Term Bond Fund - Plan A Growth	3,869,107	954.93	2,627,074	625.14
	Baroda Banking and PSU Bond Fund - Regular Plan - Growth	-	-	971,568	101.57
	SBI Magnum Low Duration Fund-Regular Growth	6,109	182.23	6,109	173.94
	Inveso India Treasury Advantage Fund -Growth	8,114	261.02	8,114	249.31
	HDFC Ultra Short Term Fund - Regular Growth	2,103,110	271.76	2,103,110	258.21
	HDFC Low Duration Fund -Regular Plan Growth	492,881	241.91	492,881	230.74
	IDFC Banking & PSU Debt Fund -Regular Plan - Growth	678,602	141.76	678,602	135.83
	IDFC Corporate Bond Fund -Regular Plan - Growth	-	-	967,782	152.28
	Tata Money Market Fund Regular Plan-Growth	1,872	74.82	4,485	169.79
	TMONG Tata Liquid Fund Regular Plan-Growth	-	-	2,251	75.01
	Aditya Birla Sun Life Liquid Fund -Regular Plan Growth	-	-	22,035	75.01
	Baroda BNP Paribas MoneyMrk Fund-Regular Plan Growth	-	-	11,612	130.06
	DSP Savings Fund-Regular Plan - Growth	523,731	234.96	351,427	150.41
	Aditya Birla SunLife Corp Bond Fund-Regular Plan Growth	-	-	347,135	313.08
	Nippon India Corporate Bond Fund-Growth Plan	421,652	211.08	-	-
	ABSL CRISIL IBX AAA-June 2023 Index Fund Regular Plan Growth	3,117,809	327.61	-	-
	DSP Liquidity Fund-Regular Plan - Growth	1,255	40.02	-	-
	HSBC Overnight Fund - Regular Growth	30,340	353.87	-	-
	ABSL CRISIL IBX AAA-Mar 2024 Index Fund Regular Plan Growth	7,657,284	774.14	-	-
	UOB Asset Management - Sure Daily	1,690,855	533.05	1,690,855	500.64
	UNQUOTED INVESTMENTS IN MUTUAL FUND [ii]		**6,877.56**		**6,399.04**
	TOTAL INVESTMENTS CARRIED AT FVTPL		**7,095.71**		**6,448.32**
	Other disclosures				
	Aggregate cost of quoted investments	-	213.85	-	49.00
	Aggregate market value of quoted investments	-	218.15	-	49.28
	Aggregate Cost of unquoted investments	-	6,297.90	-	6,044.66
	Aggregate amount of impairment in value of investments	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 11 - Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from		
(a) Related parties (refer Note 34)	251.41	174.80
(b) Others	3,844.22	3,296.84
	4,095.63	3,471.64
Less: Expected credit loss allowance	65.19	34.48
Total	**4,030.44**	**3,437.16**

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Trade receivables - continued

As at March 31, 2023

Unsecured receivables	Outstanding for the following periods from due date of paymemt					Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	2,562.82	1,360.03	104.15	62.34	5.95	0.34	4,095.63
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,562.82**	**1,360.03**	**104.15**	**62.34**	**5.95**	**0.34**	**4,095.63**

As at March 31, 2022

Unsecured receivables	Outstanding for the following periods from due date of paymemt					Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	2,186.26	1,218.06	34.49	11.86	20.65	0.32	3,471.64
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**2,186.26**	**1,218.06**	**34.49**	**11.86**	**20.65**	**0.32**	**3,471.64**

Refer Note 30.3.2 for disclosure relating to credit risk.

Note 12A - Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with banks in current accounts	1,312.45	1,340.47
(b) Cheques on hand	1.58	-
(c) Cash in hand	0.86	1.23
Total	**1,314.89**	**1,341.70**

Note 12B - Bank balances other than above

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Earmarked balances in dividend accounts	26.39	24.89
Total	**26.39**	**24.89**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 13 - Other financial assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
(a) Security deposits	1.00	53.70	1.93	49.68
(b) Employee advances (refer note below)	28.58	-	22.21	-
(c) Non- trade receivables from				
- Related Party (refer note 34)	13.85	-	14.29	-
-Others	3.23	-	-	-
(d) Inter-corporate deposit (HDFC Ltd)	500.00	-	-	-
(e) Interest receivable	8.60	-	-	-
TOTAL	**555.26**	**53.70**	**38.43**	**49.68**
Notes:- Employee advances include advances in the nature of loans to employees amounting to:	21.64	-	15.08	-

With respect to the above advances:

(i) The Company has granted advances in the nature of loans to 233 employees aggregating to Rs. 27.91 lakh during the year.

(ii) The terms and conditions under which such advances in the nature of loans were granted are not prejudicial to the Company's interest.

(iii) The schedule of repayment of principal has been stipulated and the parties are repaying the principal amounts, as stipulated. These advances in the nature of loans to employees are interest free and hence, payment of interest is not applicable.

(iv) There is no amount which is overdue for more than ninety days.

(v) There were no advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue advances in nature of loan.

There were no loans/advances in nature of loans which were granted during the year to promoters/related parties.

Note - 14: Equity share capital

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

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised:		
3,000,000 (March 31, 2022: 3,000,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, subscribed and fully paid:		
2,000,000 (March 31, 2022: 2,000,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	**200.00**	**200.00**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the period	2,000,000	200.00	2,000,000	200.00
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200.00**	**2,000,000**	**200.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Equity shares :				
Wendt GmbH, Germany	750,000	37.50	750,000	37.50
Carborundum Universal Limited, India	750,000	37.50	750,000	37.50
SBI Mutual Fund	130,095	6.50	131,721	6.59

(c) Details of shares held by Promoters at the end of the year:

Particulars	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	%	% Change during the year	No. of Shares	%	% Change during
Equity shares :						
Wendt GmbH, Germany	750,000	37.50	NIL	750,000	37.50	NIL
Carborundum Universal Limited, India	750,000	37.50	NIL	750,000	37.50	NIL

(d) Rights, preferences and restrictions attached to shares

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

(e) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date. Further, there are no contracts or commitments for the sale of shares or disinvestment.

Note 15 - Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
A. Reserves and Surplus		
General reserve	7,331.84	6,884.06
Statutory reserve	-	46.78
Retained earnings	10,814.78	8,700.23
B. Items of Other Comprehensive Income		
Foreign Currency Translation Reserve	524.22	364.64
Total	**18,670.84**	**15,995.71**

15.1 General Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	6,884.06	6,613.06
Transfer from retained earnings	401.00	271.00
Transfer from Statutory Reserve	46.78	-
Balance as at the year end	**7,331.84**	**6,884.06**

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

15.2 Statutory Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	46.78	46.78
Transfer from retained earnings	-	-
Transfer to General Reserve (refer note below)	(46.78)	-
Balance as at the year end	**-**	**46.78**

Note: Transfer from Statutory Reserve to General Reserve relates to Wendt Middle East FZE.

15.3 Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	8,700.23	7,071.07
Profit for the year	4,008.77	2,706.68
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	6.78	(53.85)
Payment of final dividend for the preceding financial year	(900.00)	(400.00)
Payment of interim dividend for the current year	(600.00)	(400.00)
Transfer to general reserve	(401.00)	(271.00)
Transfer to statutory reserve	-	-
Transfer from Foreign Currency Translation Reserve (refer note 1 - Group Overview & below note)	-	47.33
Balance as at the year end	**10,814.78**	**8,700.23**

Retained earnings comprise of the Group's undistributed earnings after taxes.

15.4 Foreign Currency Translation Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	364.64	407.33
Movement during the year	159.58	4.64
Transfer to retained earnings (refer note 1 - Group Overview and below note)	-	(47.33)
Balance as at the year end	**524.22**	**364.64**

Exchange differences relating to the translation of the results and net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the foreign currency translation reserve. Exchange differences accumulated in the foreign currency translation reserve are reclassified to Profit or Loss at the time of disposal of respective foreign operation.

Note: Transfer from Foreign Currency Translation Reserve to Retained earnings relates to Wendt Middle East FZE.

15.5 Distributions made and proposed

The amount of per share dividend distributed to equity shareholders during the year ended March 31, 2023 and March 31, 2022 was Rs. 75 and Rs. 40 respectively.

The Board of Directors at its meeting held on April 23, 2022 had recommended a final dividend of 450% (Rs. 45/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 22, 2022, this has resulted in a cash outflow of Rs. 900 lakhs. Also, the Board of Directors at its meeting held on January 18, 2023 had declared an interim dividend of 300% (Rs. 30/- per equity share of face value of Rs. 10/- each).

Further, the Board of Directors at its meeting held on April 21, 2023 have recommended a final dividend of 500% (Rs.50/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 16 - Deferred tax liabilities

Particulars	March 31, 2023			
	Opening Balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	210.34	(22.63)	-	187.71
Net gain on fair valuation of mutual funds	91.22	47.59	-	138.81
	301.56	24.96	-	326.52
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	(128.18)	0.05	2.28	(125.85)
Loss allowance on trade receivables	(8.68)	(7.73)	-	(16.41)
Tax on unrealised profit on stock	(6.98)	1.86	-	(5.12)
Others	(19.23)	7.34	-	(11.89)
	(163.07)	1.52	2.28	(159.27)
Deferred tax liabilities (net)	**138.49**	**26.48**	**2.28**	**167.25**

Particulars	March 31, 2022			
	Opening Balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment and other intangible assets	240.88	(30.54)	-	210.34
Net gain on fair valuation of mutual funds	55.74	35.48	-	91.22
	296.62	4.94	-	301.56
Tax effect of items constituting deferred tax assets				
Provision for employee benefits	(115.83)	(13.00)	0.65	(128.18)
Loss allowance on trade receivables	(8.33)	(0.35)	-	(8.68)
Tax on unrealised profit on stock	(5.42)	(1.56)	-	(6.98)
Others	(11.89)	(7.34)	-	(19.23)
	(141.47)	(22.25)	0.65	(163.07)
Deferred tax liabilities (net)	**155.15**	**(17.31)**	**0.65**	**138.49**

Note 17 - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
from bank (refer note below)	-	99.92
Total	**-**	**99.92**

Note:

(i) Secured Short term loan from bank represents Export packing credit availed against export orders by hypothecation of finished goods and trade receivables. This credit carries an interest rate of 2.20% per annum and is repayable against receipt of related trade receivable.

(ii) First charge on all Property, plant and equipment of the Company except land and building.

(iii) Details of quarterly statements of current assets filed by the Company with the bank and reconciliation with the books of account for the year ended March 31, 2023:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

a. Inventories

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	State Bank of India and ICICI Bank Limited	Inventories	2,528.71	2,528.71	-
Sep-22	State Bank of India and ICICI Bank Limited	Inventories	2,856.89	2,856.89	-
Dec-22	State Bank of India and ICICI Bank Limited	Inventories	3,344.33	3,344.33	-
Mar-23	State Bank of India and ICICI Bank Limited	Inventories	3,155.09	3,155.09	-

b. Trade receivables

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	State Bank of India and ICICI Bank Limited	Receivables	3,399.54	3,399.54	-
Sep-22	State Bank of India and ICICI Bank Limited	Receivables	3,352.79	3,352.79	-
Dec-22	State Bank of India and ICICI Bank Limited	Receivables	3,847.26	3,847.26	-
Mar-23	State Bank of India and ICICI Bank Limited	Receivables	3,848.55	3,848.55	-

(iv) Net Cash and Cash equivalents / (debt) reconciliation:

Particulars	March 31, 2023	March 31, 2022
Cash and cash equivalents	1,314.89	1,341.70
Short-term borrowings	-	(99.92)
Net Cash and Cash equivalent / (debt)	**1,314.89**	**1,241.78**

Particulars	Cash and cash equivalents	Short-term borrowings	Cash and cash equivalents/ Net (debt)
Net Cash and cash equivalents as at April 1, 2021	1,427.71	99.74	1,327.97
Cash flows	(86.01)	-	(86.01)
New borrowings availed	-	99.92	(99.92)
Repayments	-	(99.74)	99.74
Interest expense	-	1.60	(1.60)
Interest paid	-	(1.60)	1.60
Net Cash and cash equivalents as at March 31, 2022	**1,341.70**	**99.92**	**1,241.78**
Cash flows	(26.81)	-	(26.81)
New borrowings availed	-	-	-
Repayments	-	(99.92)	99.92
Interest expense	-	1.93	(1.93)
Interest paid	-	(1.93)	1.93
Net Cash and cash equivalents as at March 31, 2023	**1,314.89**	**-**	**1,314.89**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 18 - Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Trade payables to		
- Micro and small enterprises (refer note 38)	137.66	138.29
- Others:		
Related parties (refer note 34)	342.64	184.63
Other than related parties	1,872.72	1,992.27
	2,215.36	**2,176.90**
Total	**2,353.02**	**2,315.19**

As at March 31, 2023

Particulars	Unbilled trade payables	Not due	Outstanding for the following period from the due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME		137.66	-	-	-	-	137.66
(ii) Undisputed Dues - Others	457.08	1132.08	567.61	16.32	21.17	21.10	2215.36
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**457.08**	**1269.74**	**567.61**	**16.32**	**21.17**	**21.10**	**2353.02**

As at March 31, 2022

Particulars	Unbilled trade payables	Not due	Outstanding for the following period from the due date of payment				Total
			Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
(i) Undisputed Dues - MSME	-	138.29	-	-	-	-	138.29
(ii) Undisputed Dues - Others	413.17	839.92	870.51	21.01	6.55	25.74	2,176.90
(iii) Disputed Dues - MSME	-	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-	-
Total	**413.17**	**978.21**	**870.51**	**21.01**	**6.55**	**25.74**	**2,315.19**

Note 19 - Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Unclaimed and Unpaid dividends [refer note below]	26.39	24.89
(b) Deposit from related party (refer note 34)	10.00	10.00
(c) Creditors for capital supplies and services	35.39	47.62
(d) Due to employees	326.51	320.50
(e) Others	8.35	9.04
Total	**406.64**	**412.05**

Note: There are no amounts which has remained unpaid or unclaimed as at Balance sheet date requiring transfer to Investor Education and Protection Fund.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 20 - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits		
- Compensated absences (refer note 33)	453.91	386.71
- Gratuity (refer note 33)	46.13	122.57
(b) Provision for Warranty (refer notes below)	16.00	12.50
Total	**516.04**	**521.78**

Notes:

(i) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year. Warranty estimates are established using historical information on the nature, frequency and average cost of warranty claims and also management estimates regarding possible future outflow on servicing the customers for any corrective action in respect of product failure which is generally expected to be settled within a period of 24 months.

(ii) Movement in provision for warranty:

Particulars	As at March 31, 2023	As at March 31, 2022
As at beginning of the year	12.50	-
Provision recognised during the year	6.63	12.50
Amounts used during the year	(3.13)	-
As at end of the year	**16.00**	**12.50**

Note 21 - Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers (refer notes below)	166.71	362.25
(b) Statutory dues payable (other than income taxes)	200.01	239.70
(c) Others	15.89	16.17
Total	**382.61**	**618.12**

Notes:

(i) : Advances received from customers includes Rs. 34.10 lakhs (March 31, 2022 : Rs. 126.21) received from related parties. (refer note 34).

(ii) : Movement of Advances received from customers:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	362.25	351.59
Amounts received during the year	471.87	307.22
Amounts recognized as revenue during the year	(667.41)	(296.56)
Balance at end of the year	**166.71**	**362.25**

Note 22 - Revenue from operations

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(i) Revenue from contract with customers		
(a) Sale of products [refer notes (i) and (iii) below]	18,850.69	16,105.15
(b) Sale of services [refer notes (ii) and (iii) below]	1,910.52	1,619.33
	20,761.21	17,724.48
(ii) Other operating revenue [refer note (iv) below]	262.38	156.67
Total	**21,023.59**	**17,881.15**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Notes:

(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Manufactured products	16,335.20	13,341.16
Traded products	2,515.49	2,763.99
Total - sale of products	**18,850.69**	**16,105.15**

(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Machining charges	1,714.62	1,444.07
Others	195.90	175.26
Total - sale of services	**1,910.52**	**1,619.33**

(iii) - Other disclosures required under Ind AS 115

(a) All the revenue contracts are for periods of one year or less. Hence as permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.

(b) Refer note 31 for disclosure of disaggregated revenue.

(c) Reconciliation of revenue recognised with contract price

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Contract price	20,761.21	17,724.48
Adjustment towards variable consideration	-	-
Revenue from sale of products and services	20,761.21	17,724.48

(iv) - Details of other operating revenue

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Sale of scrap	100.16	75.26
Commission	30.57	33.71
Export incentives	37.97	47.70
Export freight outward Recovery - net	93.68	-
Total - other operating revenue	**262.38**	**156.67**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 23 - Other income

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Interest income		
- On income tax refund	15.05	39.95
- Others	15.58	0.04
(b) Rental income (Refer note 32)	44.77	55.20
(c) Net gain on sale of current investments	93.06	32.51
(d) Net gain arising on financial assets designated as at fair value through profit or loss	191.86	142.27
(e) Net foreign exchange differences	116.09	79.32
(f) Loss allowance for trade receivables no longer required, written back	-	16.31
(g) Liabilities no longer required, written back	-	8.29
(h) Miscellaneous income	23.07	12.84
Total	**499.48**	**386.73**

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

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Opening stock		
Work - in - progress	522.51	637.59
Finished goods	461.25	215.40
Stock-in- trade	364.51	299.85
	1,348.27	1,152.84
Closing stock		
Work - in - progress	621.28	522.51
Finished goods	287.80	461.25
Stock-in- trade	395.01	364.51
	1,304.09	1,348.27
Net (increase) / decrease	**44.18**	**(195.43)**

Note 25 Employee benefits expense

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Salaries,wages and bonus	3,001.96	2,795.60
(b) Contribution to provident and other funds (refer note 33C)	236.32	208.66
(c) Staff welfare expenses	339.93	320.22
Total	**3,578.21**	**3,324.48**

Note 26 Finance costs

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Interest expense on current borrowing	1.93	1.60
(b) Interest - others	-	0.49
Total	**1.93**	**2.09**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 27 Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2023	March 31, 2022
(a) Depreciation of property, plant and equipment (refer note 3)	797.29	828.54
(b) Amortisation of intangible assets (refer note 6)	13.88	32.35
Total	**811.17**	**860.89**

Note 28 - Other Expenses

Particulars	Year ended			
	March 31, 2023		March 31, 2022	
Stores and spares consumed		993.55		827.29
Contract labour		112.77		100.63
Repairs and maintenance				
- Buildings		93.55		84.25
- Machinery		120.65		143.11
- Others		47.48		21.77
Power and fuel charges		383.73		315.62
Freight outward and packing charges (net)		302.97		278.68
Rental charges		1.38		7.51
Job work Processing charges		1,003.42		854.22
Sitting fees paid to non-executive directors		12.00		11.80
Commission to non-executive directors		26.86		17.00
Rates and taxes		52.58		72.01
Expenditure on Corporate Social Responsibility (refer note 37)		43.72		32.13
Insurance		36.10		41.05
Selling commission		273.46		134.77
Bad trade receivables written off	38.30		24.70	
Less:- Transferred from provision (refer note 30.3.2)	13.20	25.10	23.34	1.36
Loss allowance for trade receivables (refer note 30.3.2)		43.92		31.80
Auditors remuneration				
As auditors				
Statutory audit and limited review		15.95		15.58
Tax audit and certificates		1.00		1.00
Reimbursement of expenses		2.63		2.04
Bank charges		45.74		61.14
Management fee (refer note 34)		252.30		207.90
Professional expenses		206.04		206.74
Electronic Data Processing (EDP) Charges		97.03		97.48
Advertisement and sales promotion expenses		44.97		170.54
Warranty expenses		6.63		12.50
Travelling and conveyance expenses		213.71		152.01
Communication expenses		21.50		23.89
Loss on sale / discarding of property, plant and equipment (net)		3.32		15.37
Miscellaneous expenses		218.79		196.54
Total		**4,702.85**		**4,137.73**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 29 - Income tax recognised in profit or loss

(a) Income tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
In respect of the current year	1,322.25	972.43
In respect of the prior years	(55.77)	28.94
	1,266.48	1,001.37
Deferred tax		
In respect of the current year	26.48	(17.31)
	26.48	(17.31)
Total	**1,292.96**	**984.06**

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

Particulars	Year ended March 31, 2023	Year ended March March 31, 2022
Profit before tax	5,301.73	3,690.74
Income Tax using the Company's domestic Tax rate of 25.17% (March 31, 2022 - 25.17%)	1,334.34	928.89
Effect of expenses that are not deductible in determining taxable profit	11.03	8.08
Effect of different overseas tax rates	(13.57)	(8.95)
Others	16.93	27.10
	1,348.73	955.12
Adjustment recognised in the current year in relation to current tax of previous years	(55.77)	28.94
Income tax recognised in statement of profit and Loss	**1,292.96**	**984.06**

Note:

1) The tax impact for deferred tax purposes has been arrived by applying a tax rate of 25.17% (March 31, 2022 : 25.17%) being the prevailing tax rate applicable for the Company for the financial year ending March 31, 2023 under the Income tax Act , 1961.

(c) Unused tax losses for which no deferred tax asset has been recognised	**10.87**	**10.87**

Unused tax losses relate to long term capital losses on which no deferred tax asset has been recognised due to uncertainty. These losses can be carried forward for a period of 8 assessment years from the year in which the loss was incurred.

Note 30 - Financial Instruments

30.1 Capital Management

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

30.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2023 and March 31, 2022 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	7,095.71	6,448.32	7,095.71	6,448.32
Measured at amortised cost				
- Trade receivables	4,030.44	3,437.16	4,030.44	3,437.16
- Cash and cash equivalents	1,314.89	1,341.70	1,314.89	1,341.70
- Other bank balances	26.39	24.89	26.39	24.89
- Other financial assets	608.96	88.11	608.96	88.11
Total financial assets	13,076.39	11,340.18	13,076.39	11,340.18
Financial Liabilities				
Measured at amortised cost				
- Trade payables	2,353.02	2,315.19	2,353.02	2,315.19
- Other financial liabilities	406.64	412.05	406.64	412.05
- Borrowings	-	99.92	-	99.92
Total financial liabilities	2,759.66	2,827.16	2,759.66	2,827.16

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

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

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

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

Fair value hierarchy

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

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

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

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2023 and March 31, 2022.

Particulars	Note	Total	Fair value measurement using		
			Prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2023					
- Investment in mutual funds	10	7,095.71	7,095.71	-	-
As at March 31, 2022					
- Investment in mutual funds	10	6,448.32	6,448.32	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2023 and March 31, 2022.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2023					
Financial assets measured at amortized cost:					
- Trade receivables	11	4,030.44	-	-	4,030.44
- Cash and cash equivalents	12A	1,314.89	-	-	1,314.89
- Other bank balances	12B	26.39	-	-	26.39
- Other financial assets	13	608.96	-	-	608.96
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,353.02	-	-	2,353.02
- Other financial liabilities	19	406.64	-	-	406.64
As at March 31, 2022					
Financial assets measured at amortized cost:					
- Trade receivables	11	3,437.16	-	-	3,437.16
- Cash and cash equivalents	12A	1,341.70	-	-	1,341.70
- Other bank balances	12B	24.89	-	-	24.89
- Other financial assets	13	88.11	-	-	88.11
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,315.19	-	-	2,315.19
- Other financial liabilities	19	412.05	-	-	412.05
- Borrowings	17	99.92	-	-	99.92

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

30.3 Financial Risk management objectives and policies

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

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

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

30.3.1 Market risk

The Group is exposed primarily to the financial risk of change in foreign currency exchange rate. The group transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. The group being a net exporter, follows the policy of natural hedging of foreign exchange transactions. There is a net foreign exchange gain in the current and previous year.

30.3.1 (a) Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies, consequently, the group is exposed to exchange rate fluctuations. To mitigate this, during the year group has started operating US Dollar denominated Exchange Earner's foreign currency (EEFC) account. The export proceeds are getting credited in this account and these amounts in foreign currency are utilized to make import payments. Further, the Group, being a net exporter , follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

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

Particulars	March 31, 2023			March 31, 2022		
	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Creditors against Import of goods, capital items and Services						
USD	-	5.43	450.87	-	4.96	379.80
USD	29.32	-	71.04	36.54	-	83.59
EUR	-	1.21	110.19	-	1.42	122.66
GBP	-	0.13	13.87	-	0.12	12.40
CHF	-	0.03	2.75	-	0.04	3.13
			648.72			**601.58**
Trade and other receivables						
USD	-	6.92	562.49	-	4.81	360.07
EUR	-	3.56	313.50	-	3.67	304.64
GBP	-	0.67	67.25	-	0.36	35.61
			943.24			**700.32**

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

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2023	March 31, 2022
USD Sensitivity		
INR/USD - Increase by 1%	0.03%	0.01%
INR/USD - Decrease by 1%	(0.03%)	(0.01%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.04%	0.05%
INR/EUR - Decrease by 1%	(0.04%)	(0.05%)

30.3.2 Credit Risk

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

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

Details of loss allowance

Particulars	As at March 31, 2023			As at March 31, 2022		
	Gross carrying amount	Expected Credit Loss (%)	Expected Credit Loss (amount)	Gross carrying amount	Expected Credit Loss (%)	Expected Credit Loss (amount)
Within the credit period	2,562.82	0.3	7.68	2,186.26	0.1	1.09
Less than 6 months past due	1,360.03	1	13.60	1,218.06	1	7.41
6 months - 1 year past due	104.15	10	10.42	34.49	5	1.79
1 - 2 years days past due	62.34	43	27.20	11.86	25	3.22
> 2 years past due	6.29	100	6.29	20.97	100	20.97

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Reconciliation of loss allowance

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at beginning of the year	34.48	42.11
Amounts recognised in the year (refer note 28)	43.92	31.80
Amounts written off during the year (refer note 28)	(13.20)	(23.34)
Reversal during the year (refer note 23)	-	(16.31)
Exchange differences	(0.01)	0.22
Balance at end of the year	**65.19**	**34.48**

30.3.3 Liquidity Risk

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

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

(i) Financial arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	March 31, 2023	March 31, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	400	400
- Expiring beyond one year (bank loan)	-	-

The following table presents the maturity period of all financial liabilities as at March 31, 2023 and March 31, 2022.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2023					
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,353.02	2,353.02	-	-
- Other Financial Liabilities	19	406.64	406.64	-	-
As at March 31, 2022					
Financial liabilities measured at amortized cost:					
- Trade payables	18	2,315.19	2,315.19	-	-
- Other Financial Liabilities	19	412.05	412.05	-	-
- Borrowings	17	99.92	99.92	-	-

Note 31 - Segment Disclosures

31.1 Products and services from which reportable segments derive their revenue

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

The Group has changed its reportable segments during the current year, accordingly the group has restated the corresponding items of segment information for earlier year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

1) The Group is now organised into four business segments, namely:

a) Super Abrasives, b) Machines and Accessories, c) Precision Products and d) Others

The "Others" segment includes other trading products.

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

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

31.2 Segment Revenues and Results

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1. Segment Revenue		
a) Super Abrasives	13,598.92	11,254.52
b) Machines and Accessories	2,776.23	2,453.92
c) Precision Products	2,862.96	2,307.19
d) Others	1,568.59	1,708.85
Total	20,806.70	17,724.48
Less:- Inter Segment Revenue	45.49	-
Revenues from contract with customers	**20,761.21**	**17,724.48**
2. Segment Results		
a) Super Abrasives	3,528.17	2,043.51
b) Machines and Accessories	430.53	442.70
c) Precision Products	688.79	550.40
d) Others	218.86	312.24
Total	4,866.35	3,348.85
Less: (i) Finance costs	1.93	2.09
(ii) Other un-allocable Income net of un-allocable Expenditure of Rs.62.17 lakhs (March 31, 2022 : Rs.42.75 lakhs)	(437.31)	(343.98)
Profit before tax	**5,301.73**	**3,690.74**

31.3 Revenue by Geographical market

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	13,782.79	11,858.18
Outside India	6,978.42	5,866.30
Total Revenues	**20,761.21**	**17,724.48**

31.4 Segment assets

Assets other than property, Plant and Equipment, Inventory and Trade receivables, and liabilities are not identifiable to any reportable segment, as these are used interchangable between segments.

Particulars	March 31, 2023	March 31, 2022
a) Super Abrasives	9,004.10	7,995.97
b) Machines and Accessories	1,439.61	1,728.10
c) Precision Products	2,281.77	1,701.22
d) Others	544.94	501.04
Total segment assets	**13,270.42**	**11,926.33**
Unallocable assets	9,589.53	8,460.01
Total assets as per Balance sheet	**22,859.95**	**20,386.34**
Segment Liabilities-Unallocable	**3,989.11**	**4,190.63**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

31.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2023	March 31, 2022
India	5,652.30	5,471.38
Outside India	172.38	199.19
Total non current assets	**5,824.68**	**5,670.57**

31.6 Information about major customers

No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2023 and March 31, 2022.

Note 32 - Leases

As a Lessee

The Group has entered into operating lease arrangements for leased accommodation which is for a period of 12 months. The leases are cancellable at the option of the lessee.

This leases are short term leases and does not include any variable payment terms.

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2023	March 31, 2022
Lease rentals recognised in the Statement of Profit and Loss (refer note 28)	1.38	7.51

As a Lessor

The Company has entered into operating lease arrangements and leased out a portion of its factory building to a related party, which is for a period of less than 12 months.

This lease is a short term lease and does not include any variable payment terms.

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2023	March 31, 2022
Lease rental income recognised in the Statement of Profit and Loss (refer note 23)	44.77	55.20

Details of the Factory Building (leased out portion) are as given below:

Particulars	March 31, 2023	March 31, 2022
Gross carrying amount	238.62	294.22
Less: Accumulated depreciation	9.28	6.54
Net carrying amount	**229.34**	**287.68**

The depreciation recognized in respect of the leased out portion of the factory building for the year is Rs.3.97 lakhs (March 31, 2022: Rs. 4.91 lakhs).

There are no contingent rents receivable and there are no direct operating expenses related to the above building.

Note 33 - Employee Benefits

Defined Contribution Plans

The Company operates defined contribution benefit plans for all qualifying employees.Superannuation fund, Providend fund and pension fund are defined contribution plans towards which the Company makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss account based on the amount of contribution required to be made as and when services are rendered by the employees. The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid. The Company's subidiaries do not have any defined contribution or benefit plans.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees.

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

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2023 and March 31, 2022:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation at beginning of period	786.86	665.60
Service cost		
a) Current service cost	60.83	48.81
b) Past service cost	-	-
c) (Gain) / loss on settlements	-	-
Interest expenses	53.14	39.79
Benefits Paid	(46.71)	(73.80)
Remeasurements		
a) Effect of changes in demographic assumptions	-	-
b) Effect of change in financial assumptions	64.61	43.15
c) Effect of experience adjustments	(91.35)	38.31
Transfer in	-	25.00
Defined benefit obligation at end of period	**827.38**	**786.86**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of period	664.29	540.46
Interest Income	49.21	38.13
Contributions	132.14	125.00
Benefits Paid	(46.71)	(73.80)
Remeasurements		
a) Return on plan assets (excluding interest income)	(17.68)	9.50
Transfer in	-	25.00
Fair value of plan assets at end of period	**781.25**	**664.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2023	As at March 31, 2022
Defined benefit obligation	827.38	786.86
Fair value of plan assets	(781.25)	(664.29)
Effect of asset ceiling	-	-
Net defined benefit liability / (asset)*	**46.13**	**122.57**

* Included under provision for employee benefits in Note 20 - "Provisions"

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost	60.83	48.81
Net interest cost	3.93	1.66
Net Gratuity Cost in the consolidated statement of profit and loss *	**64.76**	**50.47**

* Included under contribution to provident and other funds in Note 25 - "Employee benefits expense"

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) / losses	(26.74)	81.46
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	17.68	(9.50)
Net Cost in Other Comprehensive Income	**(9.06)**	**71.96**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Fund with an Insurance Company	781.25	664.29

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount rate	7.17%	6.96%
Salary escalation rate	12.00%	11.50%
Attrition Rate	7.00%	7.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate +100 basis points	767.37	726.99
Discount rate -100 basis points	896.14	855.68
Salary Increase Rate +1%	890.50	847.64
Salary Increase Rate -1%	770.96	732.49
Attrition Rate +1%	808.89	769.72
Attrition Rate -1%	848.22	806.42

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(i) Expected cash flows for following year

Particulars	As at March 31, 2023	As at March 31, 2022
Expected employer contributions	54.03	76.23
Expected total benefit payments		
Year 1	53.83	52.71
Year 2	88.33	76.12
Year 3	73.70	43.78
Year 4	60.08	50.63
Year 5	76.92	51.05
Next 5 years	401.37	287.95

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2022: 9 years)

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

Particulars	As at March 31, 2023	As at March 31, 2022
Charge / (credit) in the Statement of Profit and Loss	83.88	82.03
Liability as at the year end	453.91	386.71

The entire amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The leave obligation not expected to be settled within the next 12 months amounts to Rs. 301.11 lakhs (March 31, 2022 : Rs. 241.13 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.17% p.a.	6.96% p.a.
Salary Escalation Rate	12.00% p.a.	11.50% p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employers' Contribution to Provident Fund *	82.78	72.38
Employers' Contribution to Superannuation Fund *	25.53	25.22
Employers' Contribution to Employee's Pension Scheme 1995 *	63.25	60.59
Employers' Contribution to Employee's State Insurance #	7.60	8.55
Employers' Contribution to Social security Fund #	1.63	1.83

* Included in contribution to provident and other funds
# Included in staff welfare expenses

Note 34 - Related Party Disclosures

1) List of Related parties

i) Investors with significant influence (SI) on the Company and their subsidiaries or fellow subsidiaries, with whom transactions have taken place during the year

(a) Carborundum Universal Limited (CUMI), India
- (1) Cumi America Inc, USA
- (2) Cumi (Australia) Pty Limited, Australia
- (3) Cumi Abrasives & Ceramics Company Limited, China
- (4) Net Access India Limited, India
- (5) Sterling Abrasives Limited, India
- (6) Cumi Middle East FZE, UAE

(b) Wendt GmbH, Germany
- (1) Winterthur Technologie France
- (2) Winterthur Technology Iberica SL, Spain
- (3) 3M UK -Winterthur Technology, UK
- (4) 3M Montrose-3MUS-CO, USA
- (5) 3M Australia Pty Limited, Australia
- (6) 3M Svenska AB, Sweden
- (7) 3M Royersford - 3MUS-PA, USA

ii) KMP with whom transactions have taken place during the year

Mr.Srikanth C, CEO
Mr. Shrinivas G Shirgurkar, Non-Executive Director
Mr. M Lakshminarayan, Non-Executive Director
Ms. Hima Srinivas, Non-Executive Director
Mr. Bhagya Chandra Rao, Non-Executive Director
Mr. Rajesh Khanna, Non-Executive Director (till July 22, 2022)
Mr.Muthiah Venkatachalam, Non-Executive Director (from Aug 02, 2022)

iii) Other Related party

Wendt (India) Limited Employee Group Gratuity Trust

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

2) Transaction with related parties during the year ended March 31, 2023 and March 31, 2022 are as follows:

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Purchase of Capital Goods			
Carborundum Universal Limited (CUMI), India	Investor with SI	0.31	0.17
Purchase of Goods			
Wendt Gmbh, Germany	Investor with SI	269.42	200.94
Carborundum Universal Limited (CUMI), India	Investor with SI	988.28	735.23
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	63.57	24.48
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	57.14	26.92
Cumi America Inc, USA	Subsidiary of Investor with SI	5.14	-
		1,383.55	**987.57**
Commission Expense			
Cumi America Inc, USA	Subsidiary of Investor with SI	60.40	-
Other expenses			
Net Access India Limited, India	Subsidiary of Investor with SI	30.65	17.31
Reimbursement of other Expenses to related parties			
Carborundum Universal Limited (CUMI), India	Investor with SI	40.50	43.32
Management Fee Expense			
Carborundum Universal Limited (CUMI), India	Investor with SI	252.30	207.90
Managerial Remuneration			
Mr. Srikanth C	KMP	113.24	77.45
Sitting fees paid			
Mr. Shrinivas G Shirgurkar	KMP	2.70	2.70
Mr. M Lakshminarayan	KMP	2.30	2.30
Ms. Hima Srinivas	KMP	2.40	2.30
Mr. Bhagya Chandra Rao	KMP	3.20	3.10
Mr. Rajesh Khanna	KMP	0.60	1.40
Mr Muthiah Venkatachalam	KMP	0.80	-
		12.00	**11.80**
Commission paid			
Mr. Shrinivas G Shirgurkar	KMP	5.00	3.00
Mr. M Lakshminarayan	KMP	5.00	3.00
Ms. Hima Srinivas	KMP	7.00	5.00
Mr. Bhagya Chandra Rao	KMP	5.00	3.00
Mr. Rajesh Khanna	KMP	1.55	3.00
Mr Muthiah Venkatachalam	KMP	3.31	-
		26.86	**17.00**
Payment of Dividend			
Carborundum Universal Limited (CUMI), India	Investor with SI	562.50	300.00
Wendt GmbH, Germany	Investor with SI	562.50	300.00
		1,125.00	**600.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Contribution to post employment Benefit Plan			
Wendt (India) Limited Employee Group Gratuity Trust	Other related party	132.14	125.00
Sale of Goods and Services			
Wendt GmbH, Germany	Investor with SI	311.51	336.49
Carborundum Universal Limited (CUMI), India	Investor with SI	569.28	328.90
Cumi America Inc, USA	Subsidiary of Investor with SI	673.37	283.77
CUMI (Australia) Pty Ltd, Australia	Subsidiary of Investor with SI	1.56	2.87
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	10.44	60.05
Cumi Middle East FZE, UAE	Subsidiary of Investor with SI	0.15	5.61
Winterthur Technologie France	Subsidiary of Investor with SI	-	13.14
Winterthur Technology Iberica SL, Spain	Subsidiary of Investor with SI	57.24	70.71
3M UK Winterthur Technology, UK	Subsidiary of Investor with SI	-	61.07
3M Royersford - 3MUS-PA	Subsidiary of Investor with SI	0.90	0.28
3M Montrose-3MUS-CO, USA	Subsidiary of Investor with SI	20.44	29.76
3M Svenska AB, Sweden	Subsidiary of Investor with SI	0.56	1.72
3M Australia Pty Limited, Australia	Subsidiary of Investor with SI	-	0.11
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	22.31	8.09
		1,667.76	**1,202.57**
Receipt of Management fee, Service charges, Commission, Rent and Accounting charges			
Wendt GmbH, Germany	Investor with SI	30.56	33.71
Carborundum Universal Limited (CUMI), India	Investor with SI	44.77	55.20
		75.33	**88.91**
Reimbursement of Expenses - Received			
Carborundum Universal Limited (CUMI), India	Investor with SI	25.66	36.64
		25.66	**36.64**

3) The details of amounts due to or due from related parties as at March 31, 2023 and March 31, 2022 are as follows:

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Trade receivables			
Wendt GmbH, Germany	Investor with SI	53.46	39.56
Carborundum Universal Limited (CUMI), India	Investor with SI	122.97	27.94
Cumi America Inc, USA	Subsidiary of Investor with SI	47.83	73.83
Cumi Abrasives & Ceramics Company Limited, China	Subsidiary of Investor with SI	-	15.20
Cumi Middle East FZE, UAE	Subsidiary of Investor with SI	-	0.45
Cumi (Australia) Pty Ltd, Australia	Subsidiary of Investor with SI	0.19	0.06
Winterthur Technology Iberica SL, Spain	Subsidiary of Investor with SI	15.87	14.66
3M Montrose-3MUS-CO, USA	Subsidiary of Investor with SI	9.46	2.08
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	1.63	1.02
		251.41	**174.80**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Particulars	Nature of relationship	March 31, 2023	March 31, 2022
Other financials assets			
Carborundum Universal Limited (CUMI), India	Investor with SI	13.85	14.29
		13.85	**14.29**
Trade payables			
Wendt GmbH, Germany	Investor with SI	60.11	29.25
Carborundum Universal Limited (CUMI), India	Investor with SI	154.07	64.71
Cumi America Inc, USA	Subsidiary of Investor with SI	101.26	81.91
Sterling Abrasives Limited, India	Subsidiary of Investor with SI	11.33	2.00
Net Access India Limited, India	Subsidiary of Investor with SI	15.87	6.76
		342.64	**184.63**
Other financial liabilities			
Carborundum Universal Limited (CUMI), India	Investor with SI	10.00	10.00
Other current liabilities			
Carborundum Universal Limited (CUMI), India	Investor with SI	34.10	126.21
Commission payable			
Mr. Shrinivas G Shirgurkar	KMP	5.00	3.00
Mr. M Lakshminarayan	KMP	5.00	3.00
Ms. Hima Srinivas	KMP	7.00	5.00
Mr. Bhagya Chandra Rao	KMP	5.00	3.00
Mr. Rajesh Khanna	KMP	1.55	3.00
Mr Muthiah Venkatachalam	KMP	3.31	-
		26.86	**17.00**

4) The details of compensation to key management personnel are as follows:

Particulars	March 31, 2023	March 31, 2022
Short term benefits	97.88	64.59
Post-Employment Benefits	14.87	12.57
Other benefits	0.49	0.29
Sitting fees and commission	38.86	28.80

The related party relationships are as identified by the Company, on the basis of information available with the Company. Transactions with related parties, including in the nature of sale of goods, rendering of services, purchase of goods, procurement of services and others are at arm's length price.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 35 - Earning per share (EPS)

(Rs. in lakhs except number of shares)

Particulars	March 31, 2023	March 31, 2022
(a) Profit for the year	4,008.77	2,706.68
b) Weighted average number of equity shares	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) -		
Basic and diluted	200.45	135.34

Note : There is no dilution to the Basic Earnings per Share as there are no dilutive potential equity shares.

Note 36 - Contingent liability and Commitments

36.1 Commitments

Particulars	March 31, 2023	March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. 20.43 lakhs, March 31, 2022: Rs. 201.84 lakhs)	865.43	555.94
b) Other Commitments		
-Fulfilment of Export obligation (refer note below)	209.00	54.52

Note: Relates to incremental export obligation to be fulfiled by the Company as a condition towards duty saved on Property, plant and Equipment imported under the Export Promotion Captial Goods Scheme. As per managment's estimate, the Company will be able to fulfill the balance obligation over the prescribed period of time i.e. upto March 31, 2026.

36.2 The Group does not have any pending litigations that would impact its financial position as at March 31, 2023.

Note 37 - Corporate Social Responsibility (CSR)

(a) Details of CSR expenditure incurred during the year

Particulars	2022-2023	2021-2022
CUMI Centre for Skills Development - Skill Development Centre	27.63	24.63
Hosur Industrial Association - Skill Development Centre	-	7.50
Construction of School Building Zuzuwadi	16.09	-
Total	43.72	32.13

(b) Gross amount required to be spent by the company during the year: Rs. 43.72 lakhs (March 31, 2022 : Rs. 32.13 lakhs)

(c) Amount spent by the company during the year:

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2022-23	31.72	12.00	43.72
- in 2021-22	32.13	-	32.13

(d) Details of ongoing CSR Projects under Section 135(6) of the Act

Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company(*)	In Separate CSR Unspent account
-	-	16.09	4.09	-	12.00	-

(*) The Company plans to transfer the unspent amount to a separate bank account as required by the Act, on or before April 30, 2023.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

(e) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 01, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	27.63	27.63	-

Note 38 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2023	March 31, 2022
(I) Principal amount remaining unpaid to any supplier as at the end of each accounting year	137.66	138.29
(ii) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of diasllowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note 39 - Additional regulatory information required by Schedule III

(I) Details of benami property held: No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter: The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies: The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) (a) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(vii) (b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(ix) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(x) The Group has not revalued its Property, plant and equipment or intangible assets during the current or previous year.

(xi) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3A to the financial statements, are held in the name of the Group.

(xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(xiii) The borrowings obtained by the Company from bank have been applied for the purposes for which such loans were taken.

(xiv) The Group was not required to recognise any provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2023.

(xivi) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED MARCH 31,2023

(Rs. in Lakhs)

Note 40

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	March 31, 2023							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)
I. Parent								
Wendt (India) Limited	89.73%	16,932.73	100.07%	4011.59	4.08%	6.78	96.25%	4,018.37
II. Subsidiaries								
a) Foreign								
1. Wendt Grinding Technologies Ltd	11.84%	2,234.42	5.22%	209.31	-	-	5.01%	209.31
2. Wendt Middle East FZE	-	-	-	-	-	-	-	-
Inter-Company Elimination and Consolidation Adjustments	(1.57%)	(296.31)	(5.29%)	(212.13)	95.92%	159.58	(1.26%)	(52.55)
Total	**100.00%**	**18,870.84**	**100.00%**	**4,008.77**	**100.00%**	**166.36**	**100.00%**	**4,175.13**

Name of the entity	March 31, 2022							
	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)
I. Parent								
Wendt (India) Limited	89.00%	14,414.36	100.12%	2709.81	109.43%	(53.85)	99.94%	2,655.96
II. Subsidiaries								
a) Foreign								
1. Wendt Grinding Technologies Ltd	12.87%	2,084.34	11.15%	301.91	-	-	11.36%	301.91
2. Wendt Middle East FZE	0.00%	-	(1.06%)	(28.59)	-	-	(1.08%)	(28.59)
Inter-Company Elimination and Consolidation Adjustments	(1.87%)	(302.99)	(10.21%)	(276.45)	(9.43%)	4.64	(10.22%)	(271.81)
Total	**100.00%**	**16,195.71**	**100.00%**	**2,706.68**	**100.00%**	**(49.21)**	**100.00%**	**2,657.47**

Note 41 - Approval of Consolidated financial statements

The Consolidated financial statements were approved for issue by the Board of Directors on April 21, 2023.

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

AMIT KUMAR AGRAWAL
Partner
Membership Number : 064311
Place: Bengaluru

Date: April 21, 2023

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

Date: April 21, 2023

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

(Rs. in Lakhs)

FORM AOC-I

Statement containing salient features of the financial statement of subsidiaries
Pursuant to first proviso to sub-section (3) of section 129 read with Companies (Accounts) Rules, 2014

	Wendt Grinding Technologies Ltd (WGTL)		Wendt Middle East FZE (WME)	
	Incorporated on July 19, 2005		Incorporated on September 24, 2008	
	31-3-2023	31-3-2022	31-3-2023 (refer Note c)	31-3-2022
Share capital	623.87	589.04	-	22.05
Reserves and surplus	1,610.55	1,495.30	-	(22.05)
Total liabilities *	2,479.00	2,354.75	-	6.03
Total assets**	1,945.95	1,854.11	-	6.03
Details of current and non-current investments (except investment in subsidiary)	533.05	500.64	-	-
Turnover	1,973.93	2,298.19	-	4.38
Profit before taxation	262.55	381.87	-	(28.59)
Provision for taxation	53.24	79.96	-	-
Profit after taxation	209.31	301.91	-	(28.59)
Proposed dividend	-	-	-	-
% of Shareholding	100	100	100	100

* Total Liabilities include : Share capital of subsidiary + Non current liabilities + current liabilities
** Total Assets include: Non Current Assets and Current Assets. (excluding current and non-current investments)

The exchange rates used are as below:

Currency	Balance Sheet (Closing Rate)		Statement of Profit and Loss (Average Rate)	
	31-3-2023	31-3-2022	31-3-2023	31-3-2022
THB (WGTL)	2.423	2.288	2.270	2.275
AED (WME)	-	20.611	21.83	20.218

Notes:

a) The Consolidated Ind AS financial statements has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013.

b) The above information has been furnished in accordance with Section 129(3) of the Companies Act, 2013. The above statement is based on the financial statements of the respective subsidiary company which have been prepared in accordance with regulatory requirements as applicable in the country of incorporation.

c) The Board of Directors of the Company had approved a proposal for voluntary de-registration of M/s. Wendt Middle East FZE ("WME"), a wholly owned subsidiary of the Company located at Hamriyah Free Zone, Sharjah, UAE during January 2021 and the de-registration process was initiated thereafter. During the year ended March 31, 2022, WME had substantially completed liquidation related procedures and also repaid back the share capital to the Company. Further, the clearance certificate for de-registration from the Hamriyah Free Zone Authority (HFZA) has been received on May 10, 2022 and accordingly, the subsidiary ceased to be in existence from the above date.

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman, DIN:00173944
Place: Bengaluru

N ANANTHASESHAN
Director, DIN:02402921
Place: Hyderabad

C SRIKANTH
Chief Executive Officer
Place: Hosur

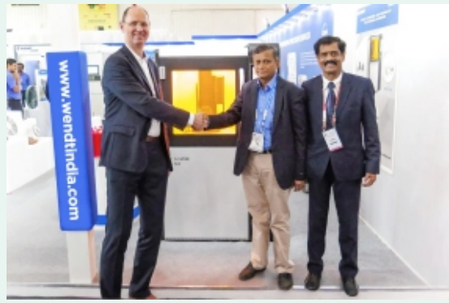
Date: April 21, 2023

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer
Place: Hosur

P ARJUN RAJ
Company Secretary
Membership Number: A30324
Place: Chennai

Ceramic Additive Manufacturing

lithoz



3D Printing for High Performance Ceramics

Research and Development

Pencil Edging Wheels for Solar Glass

Awards & Accolades

Cufest 2022 Awards

Shine Awards

Brand Ambassador Awards

Excellence Awards

Long Service Awards

Team Award

Exhibitions

IMTEX-2023, Bangalore

Macine Tool Indonesia

India Steel 2023, Mumbai

A Fond Welcome

Executives of VAW

Vendor Meet

Shri M M Murugappan Visit - Application Lab Inauguration

Visit of Customer

Events

Strategy Meeting

Quarterly Communication Meeting

Business Partners Meet

Quarterly Communication Meeting

Manufacturing Meet

Events

Sales Meet

A Fond Welcome - Mr. Muthiah Venkatachalam, Director

Corporate Social Responsibility

QuantaPol Hybrid wheel launch

Fond Farewell to Superannuated Employees

Social Events

International Yoga Day Celebration

World Environment Day Celebration

Safety Day Celebration

Republic Day Celebration

Social Events

Ayudha Pooja Celebration

Annual Pooja Celebration

Engineers Day Celebration

Independence Day Celebration