

Industries we cater to.....



WENDT (INDIA) LTD

69/70, SIPCOT INDUSTRIAL COMPLEX, HOSUR-635 126, TAMIL NADU.

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**W
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T**



International Business

Non - Super Abrasives

Super Abrasives

WENDT (INDIA) LTD

28th Annual Report

2009-2010

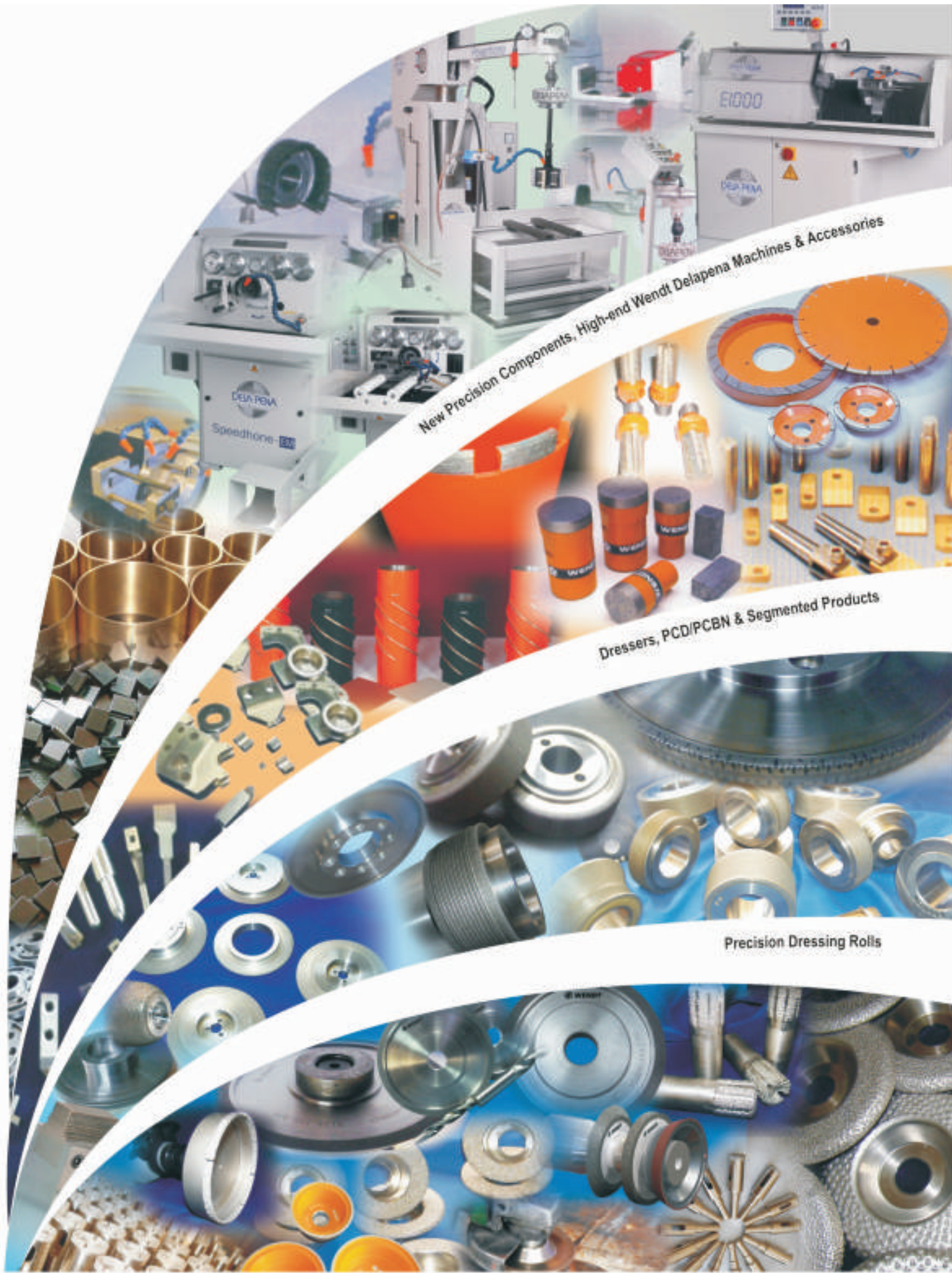


New Generation Machines, Accessories & Precision Components

Vitrified CBN & Honing Sticks

Precision Electroplated Profile Products

Resin & Metal Bonded Products



New Precision Components, High-end Wendt Delapena Machines & Accessories

Dressers, PCD/PCBN & Segmented Products

Precision Dressing Rolls

Product Innovation, Brazed Products

BOARD OF DIRECTORS

M M MURUGAPPAN (Chairman)
 N LAMERS (Alternate D Hallen)
 KIRAN A SHETH
 SHRINIVAS G SHIRGURKAR
 K SRINIVASAN
 K S SHETTY

COMPANY SECRETARY

SANTOSH KUMAR BARIK

BANKERS

STATE BANK OF INDIA

AUDITORS

DELOITTE HASKINS & SELLS

REGISTERED OFFICE

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 National Games Housing Complex,
 Koramangala
 Bangalore –560 047
 Ph: 080-25701423
 Fax: 080-25701425
 E mail: santoshbarik@wendtindia.com
 investorservices@wendtindia.com

FACTORY

Plot No: 69/70,
 SIPCOT Industrial Estate,
 Hosur-635 126
 Tamilnadu
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 Fax: 04344-405620, 405619

Engineering flair with Environmental Care...



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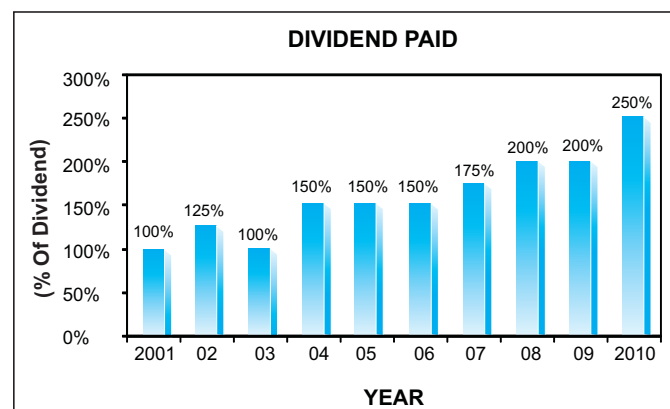
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...with a bouquet of flowers from Wendt Garden...

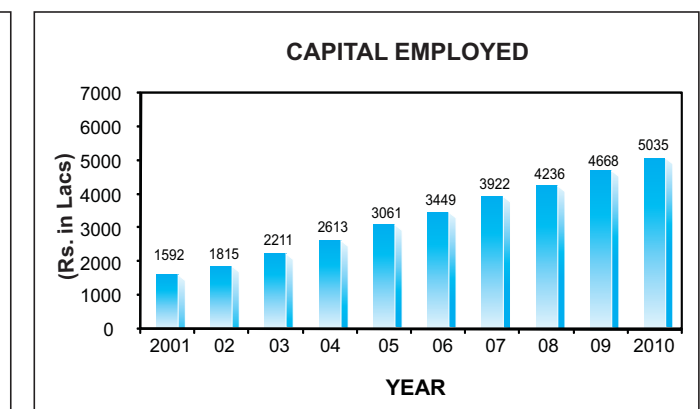
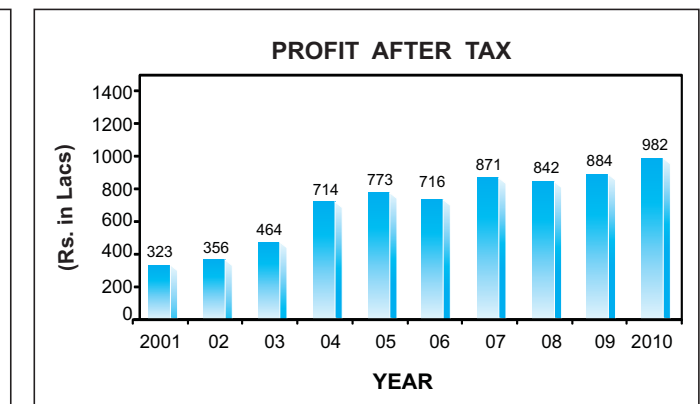
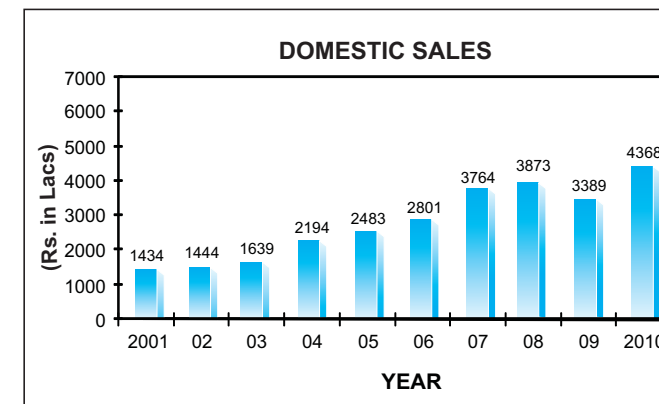
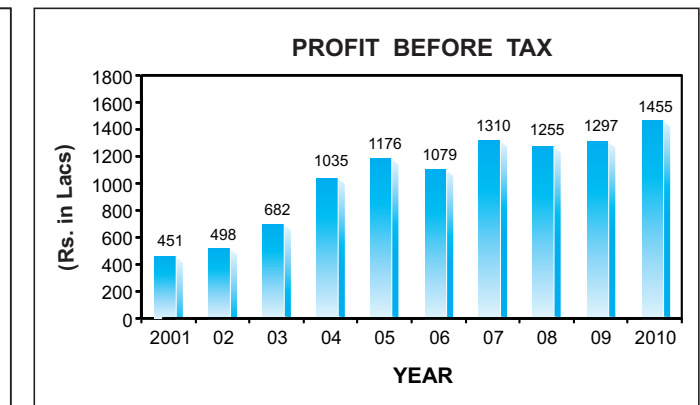
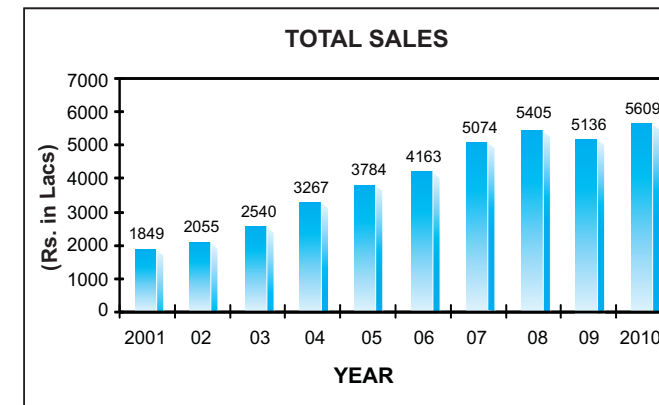


FINANCIAL TRACK RECORD

Year ending 31st March	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Rs.in Lacs										
REVENUE										
NET SALES	1849	2055	2540	3267	3784	4163	5074	5405	5136	5609
DOMESTIC	1434	1444	1639	2194	2483	2801	3764	3873	3389	4368
EXPORT	415	611	901	1073	1301	1362	1310	1532	1747	1241
OTHER INCOME	41	55	59	124	128	100	155	185	309	222
PROFITABILITY										
Profit before depreciation	530	587	773	1137	1291	1215	1495	1459	1517	1714
Profit before tax	451	498	682	1035	1176	1079	1310	1255	1297	1455
Profit after tax	323	356	464	714	773	716	871	842	884	982
Dividend %	100	125	100	150	150	150	175	200	200	250
EPS (Rs.)	32.26	35.56	46.42	35.71	38.66	35.78	43.56	42.08	44.21	49.12
ASSETS EMPLOYED										
Fixed Assets	867	915	1015	1152	1280	1629	1911	2085	2610	2950
Investments	218	406	626	1069	1205	1183	1204	1454	1200	1672
Net Current Assets	507	494	570	392	576	637	807	697	858	413
Total Assets	1592	1815	2211	2613	3061	3449	3922	4236	4668	5035
CAPITAL STRUCTURE										
Paid up share capital	100	100	100	200	200	200	200	200	200	200
Reserves	1404	1503	1896	2172	2603	2977	3438	3787	4203	4602
Loan Funds	88	67	49	57	65	66	49	28	36	-
Deferred Tax Liability	-	145	166	184	193	206	235	221	229	233
Total Funds	1592	1815	2211	2613	3061	3449	3922	4236	4668	5035



2010 250% Final Dividend proposed



Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Wendt (India) Limited, Bangalore will be held on Tuesday 27th July 2010 at 04:00 PM at Bharathiya Vidya Bhavan, Race course Road, Bangalore – 560001, Karnataka to transact the following business

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date together with the report of Directors and Auditors thereon.
- To declare Dividend.
- To elect a Director in place of Kiran A Sheth who retires by rotation and has expressed his unwillingness to be reappointed.
- To appoint M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to fix their remuneration.

2010 to 27th July 2010 (both days inclusive). The dividend on the Equity shares, as recommended by the Board of Directors, subject to the approval of the Members in the Annual General Meeting, will be paid to all the members whose names appear in the Register of Members on 27th July 2010, in respect of Physical Shares. In respect of the dematerialized shares, the dividend will be paid to the beneficial owner of the shares whose names appear in the statement of the beneficial ownership, furnished by the NSDL & CDSL.

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

NOTES

- Mr. Kiran A Sheth who retires by rotation has expressed his unwillingness to be reappointed and a new director will be appointed.
- A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and **the proxy need not be a member of the Company. Proxies, in order to be effective, the form must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxy form submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.**
- The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July

- Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
- Members are requested to note that dividend not encashed or claimed within seven years from the Company's Unpaid Dividend account, will be transferred, as per Section 205A of the Companies Act, 1956, to the Investor Education & Protection Fund (IEPF). The detail of Unpaid / Unclaimed dividend which shall be transferred to IEPF during the year 2010-11 is as follows:

Financial Year	Date of declaration of Dividend	Last date of Claiming Dividend	Proposed Unpaid date for transfer to IEPF
2002-2003	24th July 2003	23rd July 2010	22nd September 2010

REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

Your Directors have pleasure in presenting the 28th Annual report together with the Audited Financial Statements for the year ended 31st March 2010. The Management Discussion & Analysis Report, which is required to be furnished as per the requirement of Stock Exchanges, has been included in the Directors Report so as to avoid duplication and repetition.

ECONOMIC OVERVIEW

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. A number of leading indicators, such as increase in hiring, freight movement at major ports and encouraging data from a number of key manufacturing segments, such as steel and cement, indicate that the downturn has bottomed out and highlight the Indian economy's resilience. The real turnaround came in the second quarter of 2009-10 when the economy grew by 7.9 per cent. It was also a year of reckoning for the policymakers, who had taken a calculated risk in providing substantial fiscal expansion to counter the negative fallout of the global slowdown.

The continued recession in the developed world, for the better part of 2009-10, meant a sluggish export recovery and a slowdown in financial flows into the economy. Yet, over the span of the year, the Indian economy posted a remarkable recovery, not only in terms of overall growth figures but, more importantly, in terms of certain fundamentals, which justify optimism for the Indian economy in the medium to long term.

At global level, following one of the deepest downturns in recent times, economic growth took root and extended to advanced economies in the second half of 2009. The pace and shape of recovery, however, remains uncertain.

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

- Shareholders holding shares in physical form are requested to intimate the following to the Company's Registrar and Share Transfer Agents, M/s Karvy Computershare Private Ltd, Plot Nos. 17-24, Vitalrao Nagar, Madhapur, Hyderabad 500 081.
 - Full bank particulars to enable the same to be incorporated in the dividend warrant.
 - Change if any, in their address immediately.
 - Apply for consolidation of folios, if shares are under multiple folios.
 - Quote ledger folio numbers, in all their correspondence.
 - Request for nomination forms for making nomination as per amended provisions of the Companies Act, 1956.
- Members or Proxies should bring the Attendance slip duly filled in for attending the meeting.
- Members are requested to quote their registered folio no. or demat account no. and Depository Participant (DP) ID number on all correspondence with the Company.
- Shareholders desiring any information on the accounts are requested to write to the Company at least one week before the meeting date.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2010

M M Murugappan
Chairman

COMPANY PERFORMANCE OVERVIEW

(Rs in Lacs)

	31/03/2010	31/03/2009
Sales	5609	5136
Other Income	221	309
Profit before tax	1455	1297
Provision for current & Fringe Benefit tax	468	405
Provision for deferred tax	4	8
Profit after tax	982	884
Earnings per share	49.12	44.21

RESULTS OF OPERATIONS

The Company achieved a top line of Rs 5609 lacs during the year which is 9% higher than the previous year. The domestic turnover recorded an appreciable growth of 29% over the previous year. During the first half, the Indian economy limped back to normalcy and reversed the trend reflecting buoyancy in second half in many of the industrial segments the Company operate. Your Company having major exposures to the Automotive and the connected Engineering and Cutting tool sector, had its positive impact on the Company's Domestic Business. The Export sales recorded 29 % negative growth during the year. Exports to many countries continues to be lower than last year as these countries are still to come out of recession. Severe cash crunch situation in UAE has led to impose embargo on supplies to control exposure.

Various initiatives taken by the Company in the previous years to grow the precision Component business started showing results. The Company is also in the process of growing this business segment further in the coming years and would continue to make necessary investment in Plant and Machinery, infrastructure and human resource, accordingly.

The Company continues to focus on new products development in line with its strategy of providing technically superior products to its customers. During the year, the Company has successfully introduced and tested several new products including Segmented wheels for refractory grinding, plated diamond wheels, PCD Notch milling tools, Steel bodies for glass

grinding wheels and Brazed Diamond multi purpose Grinding wheel. The Company also successfully launched the following machines, CNC Surface Rotary Grinding WRS 600H Machine, CNC Guide Roll Grinder WGM20, CNC Notch Milling Machine.

FUTURE PROSPECTS

The three Broad Strategies of the Company continue to be:

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

In order to focus and channelize its resources more effectively, the Company segmented its business into three verticals namely Super Abrasives, Machines & Precision components and International Business. Further, in order to strengthen the customer engagement, your Company would bank on its knowledge base in grinding to achieve its objectives. Series of Seminars and Exhibitions planned would help in supporting the customer engagement.

The Company has recently signed the technical collaboration agreement with M/S Delapena, UK for manufacturing of Honing machines. This would enable the company to further strengthen its competitive edge by offering "Complete Honing Solutions" also along with grinding solutions. The Company will continue to focus on opportunities for its products and services in other growing industries such as Auto Component, Infrastructure & Construction, Steel, Defense & Aerospace.

SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

Despite turbulent economic situation, the Company's wholly owned subsidiary in Thailand continues to

perform well. During the year the Company's top line was Thai Bhat 45 miln (Rs 637 lacs) which was 4% higher than last year. The Profit before tax was Thai Bhat 12 miln (Rs 153 lacs) and Profit after tax was Thai Bhat 8 miln (Rs 103 lacs) both recorded an appreciable growth of 27% over the previous year. The higher profit has resulted on account of various cost reduction measures and operational efficiency measures put in place by the subsidiary Company. During the year the Subsidiary Company declared the first dividend of 20% amounting to Rs 71 lacs.

The Subsidiary Company, in order to build brand image and product awareness, participated in industrial exhibitions, developed local advertising materials, conducted technical seminars and sales meet. It has also, appointed new industry specific distributor as partners in progress. The Company is working with a clear focus to build business in following industries, Glass, Automobile, Steel, Auto parts, Wood, Furniture and Construction industry. Further the company is also exploring opportunities to extend re-profiling business to Malaysia, China & Vietnam. During the year, the company has upgraded "ISO9001-2008" certification with strong recommendation from "TUV NORD".

Wendt Middle East FZE

The Company started its billing in August 2009 and during the year the sales was AED 179(000's) (Rs 23 lacs). The loss before tax for the year was AED 642 (000's) (Rs 88 lacs). The total accumulated loss is Rs 96 lacs. The Global meltdown severely affected the sale. The Middle East in General and UAE in particular are reported to have been going through the most severe economic crisis in their history. The Middle East being a Trading Economy is primarily driven by oil and construction.

While oil prices have stabilized at a low of 65 USD per barrel the construction has seen a massive decline with over 60% projects either shelved or stopped half-way. The slowdown compounded with a steep increase in operation costs has resulted in many businesses closing down and many migrants forced to return back to their countries.

Even though your subsidiary started the business midway during the year, the crisis has impacted on the

company's sale and profitability. Accordingly the market development and the revenue generation from servicing activity for glass grinding and Tile Plant wheels did not happen as expected.

However the company has quickly adopted new strategies to counter the slowdown by focusing more on Trading. The focus on un-explored opportunities in Glass Re-enforced Plastic Industry and oil Industry is expected to help the company to counter the recession and recover from the present crisis.

APPROPRIATIONS

Available for appropriation	(Rs in Lacs)
Profit after tax	982.33
Add: Balance brought forward from previous year	675.06
Total	1657.39
Recommended appropriations	
Transfer to general reserve	350.00
Proposed dividend Rs 25/- per share of face value of Rs 10/- each (250 %)	500.00
Dividend tax	83.04
Balance carried forward	724.35
Total	1657.39

DIVIDEND

The Board of Directors have recommended a dividend of Rs.25 /- per equity share of face value of Rs.10/- each (250%) and the same will be paid after the approval at the forthcoming Annual General Meeting. The dividend warrants will be posted on or after 5th August 2010.

CONSOLIDATED FINANCIAL RESULTS

The Ministry of Corporate Affairs vide its letter dated 15/03/2010 has exempted the company in complying with the provisions of section 212(1) of the Companies Act, 1956 and has directed to present in the annual report the consolidated financial statements of its subsidiaries duly audited by its statutory auditors.

A consolidated financial statement (incorporating the operations of the Company and its Subsidiaries) has been provided in the Annual Report. The Key financial

data for the consolidated operations are given below:-

KEY CONSOLIDATED FINANCIAL SUMMARY

(Rs in Lacs)

	31/03/2010	31/03/2009
Sales	6269	5600
Other Income	193	277
Profit before tax	1520	1381
Profit after tax	998	931
Earnings per share-Rs	49.91	46.54

QUALITY

The Company's products are high precision grinding wheels, tools, machines and precision components. These are manufactured with close tolerance under tighter process controls. Quality at each level of operation is essential to achieve the final quality to meet the customer need. The Company constantly updates its quality programs to supply the right product at the right time. Quality is embedded in the DNA of the Organization through continued training of manpower and bench marking with the global best practices with Best in class.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

The SHE management system of the Company is top driven, efficient, effective and vibrant management system. Top management of company is committed for maintaining highest standard of Safety, Health and Environment protection and is also committed to meet all applicable statutory requirement and prevention of pollution.

During the year again the Company recorded zero accident and has not lost any man days of production on account of disability. The Company pays much attention and ensure safe working atmosphere and safe equipment, process and practices in the factory. Regular training on Safety, mock drills are conducted to ensure safety all round the year. Specialized Personnel Protection Equipments have been standardized and provided to operating personnel for use in their respective work areas.

Employee health is a paramount consideration for Company. Employees are required to undergo annual

medical check-ups for the timely diagnosis of health problems if any. The Company has a visiting doctor at the factory to help the employees and their family to maintain good health and keep fit. The company also offers a mediclaim policy that provides for healthcare expenses and other benefits to employees and their family members.

The Company has developed Environmental Management System based on ISO 14001 at each operating facility which is further integrated with Quality, Occupational Health and Safety management System for having holistic approach towards (SHE) issues of the company. The Company believes in the principles of good corporate citizenship that mandate the active contribution of companies towards preserving the environment. Accordingly, the Company has incorporated in its operations systems to ensure zero environmental impact.

RECOGNITIONS AND AWARDS

Recognition and awards motivates the Company and its employees to achieve better results. During the year the Company has got the following awards Engineering Export Promotion Council (EEPC) AWARD

Engineering Export Promotion Council (EEPC) conferred on us "**Silver Shield for Star Performer**" under Large Enterprise category for Miscellaneous Engineering Goods for the year 2007-2008. This has been yet another year of your Company getting recognized by EEPC.

Quality Circle Awards

Two Small Group Activities (SGA) teams of the Company participated in CCQC 2009 [Quality Circle Competitions] organized by QCFI, Bangalore Chapter and have bagged awards in "Excellence" and "Distinguished" categories.

Cufest 2009

Participated in Group level Quality competitions Cufest 2009 [Quality Festival of CUMI], won following awards: 5S, Quality Slogan & Cartoon.

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

GENERAL PERFORMANCE REVIEW

During the year 2009-10, the Indian economy bounced back to the growth trajectory particularly after the first quarter, maintaining a healthy pace by recording an impressive growth in excess of 8%. This impressive growth was fuelled by improved productivity from a buoyant industrial sector with IIP of 10%, reflecting India's strong internal growth dynamics in most noticeable segments like Automobile, Auto Component, Infrastructure & Construction, Steel and General Engineering. On the other hand, India's export continued to be sluggish due to prolonged economic slow down in developed nations.

The growth in Indian economy has augured well for domestic business of Wendt India Limited. While the Super abrasive products sale for the company grew by 6%, the Non Super abrasive business comprising of precision components and machine tools together recorded a growth of 15% over the last year. This has been possible due to the continued thrust on application development, widening the product basket, new product development, superior products performance and being closer to customers through continued direct marketing efforts. This has helped your company to maintain its leadership position in the Super abrasive arena in the competitive domestic market. Wendt's strong presence has been with all major industries where it operates namely Automotive, Cutting Tool, Engineering, Steel, Ferrite, Glass, Ceramics, Paper and Textile. Your company's competitive edge is derived from the most comprehensive product range in Resin, Metal, Electroplated and Vitrified bonding systems along with Diamond Dressing rolls and Honing sticks. Your Company philosophy of addressing the customer's needs and expectations have been key to its success.

In line with the company's Strategic Intent "**To become a Significant Global Player in offering Customized, Functionally Superior Products / Services for Grinding and Machining Hard-to-Process Material**", Wendt India is continuously searching for new business opportunities to enlarge its product canvas in the promising industry segments.

In order to take advantage of the growing economy and achieve aggressive growth in the chosen industries, your company has classified its business into two major segments - **Super Abrasives** comprising of all Diamond / CBN Products and **Non**

Super Abrasives comprising of Machine Tools and Precision Components.

During the fiscal, your company has signed technical collaboration with **M/S Delapena Honing Machines**, a well known company in UK, for manufacturing of Honing machines in India. This collaboration, apart from being the Segmental strengthening of the Non Super abrasive business, enables your company to become a "Total Honing Solution Provider". To sum up, despite the high inflationary market movements, input cost pressures, a yet- to-be stabilized domestic market and continued economic slow down in overseas markets, your company has had a decent year, fuelled by a buoyant domestic market.

ECONOMIC OUTLOOK

The gloom prevailing last year has given way to optimism and confidence during the year 2010-2011. The growth optimism is resonated by around 8.3% growth expected in the coming year. There is a growing consensus world over that worst of the financial crisis is over. After having contracted in 2009, the global economy is expected to expand during 10-11. The Indian economy has displayed remarkable resilience by engineering a substantial increase in demand through fiscal measures to compensate for the decline in export. The focus has now turned towards domestic consumption and investments - the key drivers of growth in the coming year.

Demand in Domestic economy has already picked up and is expected to gather momentum in coming months. The capital goods market has shown impressive growth during the year aided by substantial growth in production in metal and metal parts and machinery & equipment.

The Industrial sector is expected to play a crucial role in driving the growth in GDP during FY11. Focus on infrastructure spending by the government and an increase in investment demand by the corporate would provide impetus to the industrial production.

The auto component industry is expected to have a healthy growth in on the back of revival in demand from domestic OEMs. However, the export sales volume is expected to remain flat during 10-11. Nevertheless, the export market could gain faster momentum due to expected marginal revival of global

market and cost competitive prices of Indian manufacturers.

The Indian automobile market which grew by 22% during 09-10 with strong recovery across all segments, the exports growth was 10% aided by buoyancy in passenger car segment which constitutes almost 25% of total exports. Recovery in Commercial vehicles could be attributed to improved freight movements. Similarly, fuelled by rural demand and favorable financing environment led higher volumes in cars and two wheelers. Overall lower input costs, reduced fixed costs and improved operating profits led to sharp improvement for automobile players.

The Indian steel industry is witnessing a faster-than-expected recovery from the global financial and economic slowdown. The steel industry is expected to continue its recovery with projected growth of 6.7% during 10-11 driven by strong demand from infrastructure, railways, urban development and automotive sector despite rise in excise duty and cess on coal.

INDUSTRY STRUCTURE & DEVELOPMENTS

Being an indirect supplier, the Super abrasive tooling industry's growth is greatly dependent on the performance of sectors like automobile, auto components, engineering and their related industries in both domestic and export market. With the reversal of domestic economy from 2009-2010 second half in many segments and limping back of export from the unprecedented global economic crisis, your company has had a rather satisfying year 2009-10.

The global economic downturn and volatility has impacted the Super abrasive industry resulting in market shrinkage by over 20 % in the preceding year which is expected to return to positive in later part of the year. Taking cognizance of this, proactively, your company continued to focus on long term plans and has been working on various strategies to widen the portfolio to reduce dependency and de-risking the business on Auto industry. As a result, several newer application areas in various emerging industries and markets have been identified with industries like Aeronautical, Construction, Petroleum and Chemical, Power and Glass.

PERFORMANCE OVERVIEW

Key Financial Summary

(Rs in lacs)

Particulars	2008-09	2009-10	% change
Domestic Sales	3389	4368	29
Export Sales	1747	1241	(29)
Total Sales	5136	5609	9
Operating Profit	1035	1289	25
Capital Employed	4668	5035	8
Return on net worth %	21	21	-

OPPORTUNITIES & THREATS

Opportunities

While India's growth prospects in the long term remain promising, presently the economy is still to go through full consolidation to ensure robust growth. During the last year, the overall sentiment post Sept '09 has been extremely positive. Your company would take advantage of this rebound and the underlying opportunities by continued focus on leveraging on the wide product range, superior technology and resultant competitive advantage. With improved focus on service levels, your company expects to broaden the customer base and achieve the planned growth.

The Product Management approach adopted by your company in 08-09 has started yielding better results with more emphasis on end-to-end product management and new product development. With the addition of Delapena Honing machines to the existing machine tool umbrella is expected to provide more impetus to the Machine Tools business while taking the company to the next league of providing "Total Honing Solution Provider".

On the precision component front, the experience has been more than satisfying ever since its entry two years back with manufacture of vane components for fuel injection Industry. More thrust would be given by your company to further expand this business for manufacturing of precision components for non automotive segment.

Threats

With the Super abrasive tooling market in India being fragmented and crowded by many small unorganized players, the company faces competition from both organized as well as unorganized players. The competition especially from the unorganized players has been more towards specific products at lower price levels. The global suppliers from the developed countries primarily concentrate on high end precision applications and OEM supplier by their tooling up with machines which are imported. This in fact is an opportunity for your Company for indigenization.

The key success factors for your company continue to be quality, cost effectiveness of its products, service and its vast experience and knowledge pool. It is now augmented by your company offering training programs on grinding to its customers on chargeable basis. The response has been very promising. More of such training programs have been planned during the year 2010-11. Combination of all this in offering technology solutions to customers helps your company to maintain its leadership position and profitability.

BUSINESS OUTLOOK

The domestic market is expected to maintain uptrend with few exceptions in some industry segments. Your company is fully geared to meet the demand and delivery pressures resulting out of the buoyancy and also taking advantage of the emerging opportunities.

Continued focus on expansion of customer base and developing new application areas / industries, offering import substitution, thrust on improving operational efficiency is expected to yield positive results. This will help your company to churn out respectable profitable growth in the coming year.

The introduction of Wheel profiling machines with Video Vision system, Delapena Honing Machines, Guide Roll grinding machine for Steel Industry and several other machine accessories as well as for precision component to non automotive sector re-establishes the Company's confidence to look at Non Super abrasive Business more aggressively.

The newly set up 100% subsidiary at Sharjah, Wendt Middle East (WME) which became operational only during mid of last financial year now focuses on trading and services in the UAE and neighboring market. This would strengthen its foothold on overseas markets.

Wendt Grinding Technologies Ltd in Thailand continues to show exemplary performance despite adverse market situations due to the economic slowdown. Your company expects to spread its wings, improve the market reach in the neighbouring countries.

RISK & CONCERN

The company seeks to enhance its value through adequately mapping the risk profiles and by incorporating a robust risk mitigation mechanism for its business.

Risk management refers to the formal processes whereby risks associated with the "enterprise", as a whole are managed.

Risk management encompasses the following sequence:

- Identification of risks and risk owners
- Evaluation of the risks as to likelihood and consequences
- Assessment of options for mitigating the risks
- Prioritizing the risk management efforts
- Development of risk management plans
- Authorization for the implementation of the risk management plans
- Implementation and review of the risk management efforts

Risk management strengthens the robustness of the business. The Company has an established risk assessment and minimization procedure. There are normal constraints of time, efficiency and cost. Some of the risks associated with the business and the related mitigation plans are discussed hereunder. The risks given below are not exhaustive and the evaluation of risk is based on management's perception.

User Industry Concentration Risk

Why considered as Risk

- Significant exposure to auto sector
- Lag in pass through of input cost changes
- Demand declining in global markets

Mitigation Plan / Counter Measure

- Widen customer base spanning non-auto industry & recession free industries like Power, Aerospace, Defense, Infrastructure etc.
- New products / applications to existing / new customers / New markets
- Leverage relationship and Engagement with customers
- Drive operational efficiencies

Competition Risk

Why considered as Risk

- Imports – Since India is the most happening place
- Unorganized players

Mitigation Plan / Counter Measure

- Focus on QCD – Consistent quality, Cost & timely delivery
- Innovate on products, process and applications
- Offer wide product range
- Value added services

INFORMATION TECHNOLOGY:

The Company runs on SAP ERP and all its core functional operations are well integrated to achieve operational efficiency. During the year, up-gradation to higher version has been completed successfully to take advantage of the new features. During the year, the Company has also implemented SAP HCM module to effectively link the Human Resource Management system with other system. The SAP HCM also enables employee to interact with HR Department on-line, thereby avoiding time delay and paper movements.

In order to mitigate the risk of Hardware failure, the Company has put in place first stage data backup and

recovery systems and planning to go for a higher level / robust data back up and recovery system in the coming year.

INTERNAL CONTROL SYSTEM & ADEQUACY

The Company is having a strong internal control system to achieve highest operational control. The Internal Audit covers all the operational areas and ensure that there is no revenue leakage or resource wastage. It also ensures that the Company's policies are implemented consistently and regularly. At regular intervals all observations and potential areas for improvements are reviewed with the concerned operating personnel to address the gaps if any.

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

FINANCIAL REVIEW

EARNINGS

Revenues

The revenue, during the year, recorded 9% growth from Rs 5136 lacs to Rs 5609 lacs. The domestic sales achieved an appreciable growth of 29% while exports sales recorded a negative growth of 29% compared to the previous year.

Profit Before Tax

The profit before tax is higher by 12% from Rs 1297 lacs to Rs 1455 lacs

Profit After Tax

The profit after tax is higher by 11% from Rs 884 lacs to Rs 982 lacs

Investments

The Companies investment as on 31-3-10 was Rs 1672 lacs compared to Rs 1200 lacs previous year. Out of this amount Rs 394 lacs (Previous year Rs 297 lacs)

Inventories and Sundry Debtors

The overall inventory has gone up by Rs 182 lacs compared to previous year, mainly on account of increase in Work-in-Progress machine inventory by Rs 126 lacs. This was due to delay in clearance by customers as tests / trials could not be completed in March 2010 and also for supporting the on call supplies to the customers.

Despite 9% increase in Sales, the Receivables has come down by Rs 83 lacs compared to last year due to dynamic and more aggressive receivable management drive aided by SAP ERP system.

Foreign Exchange Hedging

As the Company follows the policy of natural hedging of foreign exchange earnings and outflow it does not take forward covers. The net forex gain during the year was Rs 10 lacs.

Ratio

The return on the capital employed was 30% compared to 29% in previous year as a result of 12% increase in profit.

Financial Performance with respect to Operational Performance

The operating profit and Contribution of the Company has recorded growth during the year due to improved operational efficiency. Thanks to the availability of reliable information and effective customer data such as drawings, specification, data sheet through the SAP ERP System, the Company improved its response time and was able to supply the right product at the right time with right specifications there by enhancing the value addition to customer.

HUMAN RESOURCE

The Company maintains a congenial working atmosphere, which has been nurtured over the years though trust and transparency in all its dealing with its employees though vibrant Human Resource

is invested in two wholly owned subsidiary companies and the balance is in Mutual funds (debt schemes). During the year the Thailand Subsidiary Company has paid 20% dividend amounting to Rs 71 lacs. In the case of Wendt Middle East FZE, the accumulated loss was Rs 96 lacs as at 31-3-2010 and the paid up capital was Rs 116 lacs.

Costs

The Fixed costs have grown 11% compared to last year. The main component of fixed cost depreciation has grown 18 % due to additional machines, sales expenses has grown by 19% on account of more sales promotion activities such as exhibitions, seminar and provision for doubtful debts etc. The salaries and wages have grown 16% due to additional manpower and provisioning done as per the revised accounting standard AS 15.

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

FINANCIAL POSITION

Shareholder Funds

The shareholders fund as on 31.03.2010 was Rs 4803 lacs against Rs 4403 lacs of previous year. The book value of the share accordingly stands at Rs 240/- as compared to Rs 220/- during the previous year.

Loan Funds

The Company utilizes the Cash Credit limit only for meeting the temporary mismatch in the cash flow. It does not have any term loan.

Assets

Fixed Assets

The capital expenditure during the year was Rs 658 lacs against Rs 752 Lacs spent in the previous year. The net fixed asset was Rs 2950 lacs compared to Rs 2611 lacs previous year.

policies, procedures and practices. The healthy relationship with employees enables your Company to follow flexible working systems / shop floor management, in its more than 13 production cells, to meet the varying customer needs.

The Company gives very high importance for enhancing the employees competency and skill through on the job training and external training programs. Through constant interaction with its foreign collaborators by means of visits etc, Your Company's employees have been trained on latest technology. The Marketing and Sales Field Personnel have been trained and updated with the intricacies of modern day marketing and sales, tools and techniques, while honing their Commercial aspects through specialized training programs.

Employees are encouraged to participate in external competition to enhance their skills and bench mark with the global best practices.

DIRECTORS

Mr. Kiran A Sheth, Director retires by rotation at the forthcoming Annual General Meeting has expressed his unwillingness to be re-appointed and a new director will be appointed.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, who are the statutory auditors of the Company hold office, in accordance with the provisions of the Companies Act, 1956, up to the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment, subject to the approval of the shareholders at the Annual General Meeting.

FIXED DEPOSITS

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

CORPORATE GOVERNANCE

The Report on Corporate Governance along with a

Certificate from the Auditors is annexed as required by the listing agreement with Stock Exchanges. The Chief Executive and the Chief Financial Officer of the Company have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49 V of the listing agreement.

DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the Profit & Loss Account for the financial year ended 31st March 2010 and the Balance sheet as at that date ("financial statements") applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently and such judgments and estimates that are reasonable and prudent have been made 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 profit of the company for that period.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities. To ensure this, the company has established internal control systems, consistent with its size and nature of operations. In weighing the assurance provided by any such system of internal controls its inherent limitations should be recognized. These systems are reviewed and updated on an ongoing basis. Periodic internal audits are conducted to provide reasonable assurance of compliance with these systems.
- The financial statements have been prepared on a going concern basis.

DISCLOSURE OF STATUTORY PARTICULARS

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

APPRECIATION

The Board places on record its appreciation for the continued co-operation and support received from its esteemed customers and from M/s Wendt GmbH Germany, the Company's foreign Collaborators and its Associates and Subsidiaries. The Board also places on record its appreciation for continued support and co-operation received from Government Departments, Bankers, Shareholders, Suppliers and Employees.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2010

M M Murugappan
Chairman

ANNEXURE TO THE DIRECTORS REPORT

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

a) Conservation of Energy

Not applicable for the Company

b) Technology absorption, adaptation and innovation

The Company has Technical Collaboration with one of its promoters Wendt GmbH Germany, a part of Winterthur Technology Group having plants at various global locations. They have a centralized R&D facility in Germany which conducts research on new generation bonds and related areas in connection with Grinding technologies. In order to have uniform product quality all through its plants, Wendt GmbH

provides necessary latest technology to its group Companies including Wendt India.

Your Company's Engineers visit Wendt GmbH Germany on regular basis to learn and get trained on latest grinding technology and implement the state-of-the-art technology in your Company. Wendt GmbH and Winterthur Technology Group Engineers also visit India and train your Company Employees to adapt the new technology and use it for new product developments and process improvements

RESEARCH & DEVELOPMENT

The Company produces technically superior and high accuracy products. The grinding technology undergoes rapid changes due to change in material science and machining techniques. The Company needs to address these technology change progressively to stay ahead of the Competition. For this purpose, the Company's R&D activities are anchored by a Senior Level Management person designated as "Head of Technology" who leads the Research and Developments activities assisted through external research labs and consultants.

The Efforts in Brief: - As explained above, the Company's Head of Technology spearheads the R&D activities and enables the Company to develop new products and improve the production process. The Company, during the year, introduced several new products such as Segmented wheels for refractory grinding, plated diamond wheels, PCD Notch milling tools, Steel bodies for glass grinding wheels and Brazed Diamond multi purpose Grinding wheel. The Company also successfully launched the following machines, CNC Surface Rotary Grinding WRS 600H Machine, CNC Guide Roll Grinder WGM20, CNC Notch Milling Machine.

Benefits derived: The Company mainly caters to niche market and majority of its customers are OEMs and look for technologically superior product with superior and reliable performance. The Company is able to achieve this expectation of the Customers, due to its R&D strength and commands premium in the market reflecting on its operating profits.

Expenditure on R&D	(Rs. In Lacs)
a) Recurring (revenue expenditure)	Rs 166 lacs
b) Total R&D Expenditure as a percentage of turnover	2.95 %
c) Foreign Exchange Earned and Outgo	(Rs. In Lacs)
Foreign Exchange used	Rs 1657 lacs
Foreign Exchange earned	Rs 1350 lacs

STATEMENT OF EMPLOYEES' REMUNERATION

B) The details of employees drawing remuneration in excess of Rs 2,00,000 per month or Rs 24,00,000 per annum as required under Section 217 (2A) of the Companies Act 1956.

Name and Age	Designation/ Nature of duties	Gross Remuneration paid in 09-10 Rs.	Qualification and Experience (Years)	Date of Commencement of Employment	Previous employment
Rajesh Khanna (50)	Chief Executive Officer	47,69,665/-	B.E (Mech), PGDBA (27 years)	01 -10-1982	-----
M. Nachiappan (53)	Chief Financial Officer	25,78,397/-	BSC, ACA (30 years)	05 -08-1996	Ballarpur Industries Ltd

Note

- Remuneration has been calculated in accordance with clarification given by the Department of Company Affairs in their circular No 23/76(No 8/27) (217A/75-CLV) dated 6th August 1976. Accordingly, perquisite have been valued in terms of actual expenditure incurred by the Company in providing benefits to the employees except in cases where the actual amount of expenditure can not be ascertained with reasonable accuracy, a notional amount as per Income Tax Rules has been added in such cases.
- The above mentioned employees are not a relative (in terms of the Companies Act 1956) of any Director of the Company.
- (i) The persons mentioned above are whole time employee of the Company.
(ii) The nature of employment is contractual and terminable with 3 months notice.

d) No employee of the Company is covered by the provisions of Section 217(2A) (a) (iii) of the Companies Act 1956.

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2010

M M Murugappan
Chairman

REPORT ON CORPORATE GOVERNANCE

Governance Philosophy

Wendt (India) is committed to the adoption of best governance practices and its adherence in the true spirit. Our governance practices are a product of self desire reflecting the culture of trusteeship i.e. deeply

ingrained in our value system and reflected in our strategic thought process.

Wendt India believes that all its operations and actions must serve the underlying goal of enhancing overall enterprise value and retain shareholders trust, over a sustained period of time. Corporate governance at Wendt (India) recognizes all stakeholders and decision making process reflect this concern.

Voluntary guidelines on Corporate Governance

The Company welcomes the move of the Ministry of Corporate Affairs announcing a set of voluntary guidelines on Corporate Governance which is expected to usher in an era of greater transparency in conduct of businesses. The Company in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with most of these guidelines and

proposes to progressively implement rest of the guidelines.

BOARD OF DIRECTORS

a) Composition

The current strength of the Board of Directors of the Company is six. All the Directors, including the Chairman are non-executive directors, out of whom three Directors are independent Directors. None of the Directors on the Board is a member of more than 10 Committee or a Chairman of more than 5 Committee (as specified in Clause 49), across all the Company in which he is a Director. All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance code. The details of the Directors with regards to their outside directorships, committee positions as on 31.03.2010 are as furnished below.

Name	Category	No. of Directorships / (Chairmanships) (excluding Wendt)	No. of Committee (memberships)/ (Chairmanships) (excluding Wendt)
		Public Limited Companies	
M M Murugappan Chairman	Promoter & Non Executive Director	8(Of which 5 as Chairman)	4(Of which 3 as Chairman)
Norbert Lamers (Alternate D Hallen)	Promoter & Non Executive Director	1	-
K Srinivasan	Non Executive Director	5	1
Kiran A Sheth	Non Executive/ Independent Director	-	-
Shrinivas G Shirgurkar	Non Executive/ Independent Director	4	-
K S Shetty	Non Executive/ Independent Director	-	-

NOTE

- Independent Director means a director defined as such under Clause 49 of the Listing Agreement.
- Number of other Directorships indicated above is exclusive of Directorships on the Board of Private Ltd Cos (which are not holding or subsidiaries of public cos) / Foreign Cos / Alternate Directorship / Section 25 Companies.
- The details of Committee membership / Chairmanship are in relation to the specified Committees viz. Audit Committee and shareholders' Grievance Committee of Indian public Limited Companies.
- None of the Directors are related to each other.

b) Board Meetings

The day-to-day business is conducted by the

executives of Wendt (India) under the direction of Chief Executive and the oversight of the Board. The Board holds periodic meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Company has procedure to inform Board members about risk assessment and minimization procedure. The procedure is reviewed by the Board to ensure that the Company manages risks through means of a properly defined framework. The Board also reviews periodically the compliance of all applicable laws.

The Board met five times during the financial year 2009-10 on the following dates: 27.04.2009, 27.07.2009, 26.10.2009, 23.01.2010 and 15.03.2010.

Name	No of Board Meetings		Attended AGM
	Held	Attended	
M.M Murugappan Chairman	5	5	Yes
Norbert Lamers	5	1	No
D.Hallen (Alternate to Norbert Lamers.)	5	2	Yes
K Srinivasan	5	5	Yes
Kiran A Sheth	5	5	Yes
Shrinivas G Shirgurkar	5	5	Yes
K S Shetty	5	5	Yes

NON EXECUTIVE DIRECTOR'S COMPENSATION AND DISCLOSURE

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

CODE OF CONDUCT

The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has a Code of conduct for prevention of insider trading in the Shares of the Company for its Directors and Designated employees. The Board of Directors have

laid down the following Code of Conduct applicable to all the Board members and senior management of the Company. All the Board members and senior management have affirmed compliance of the code of conduct.

WENDT (INDIA) CODE OF CONDUCT

The Board has laid down a code of conduct for all the Board of Directors and senior level management of the Company. It is further confirmed that all the directors and senior management personnel of the company have affirmed compliance with the code of conduct of the company for the financial year 2009-10, as envisaged in the listing agreement with the stock exchanges. The Chief Executive has submitted a declaration relating to compliance of code of conduct by the Board members and senior management.

AUDIT COMMITTEE

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory and Internal Auditors and the Board of Directors and oversees the financial reporting process. The terms of reference of the Committee are in line with the Listing Agreement with the Stock Exchanges. This inter alia includes mainly seeing the effectiveness of operations of the audit function of the Company, review the systems and procedures of internal control, overseeing the Company's financial reporting process, and reviewing with management the periodical and annual financial statements before submission to the Board.

During the year, the Audit Committee met 4 times on 27.04.2009, 27.07.2009, 26.10.2009 and 23.01.2010 to monitor and review on various matters and the details of the attendance by the Committee members are as follows. The CEO and CFO are the permanent invitees to the Committee and the Statutory Auditor and the Internal Auditor and other senior management executives are invited to participate in the meetings of the Audit Committee wherever necessary, as decided by the Committee.

The Company Secretary of your Company Mr. Santosh Kumar Barik acts as the Secretary of the Committee.

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

SUBSIDIARY COMPANIES

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

DISCLOSURES

(A) Related party transaction

The details of all significant transactions with related parties are periodically placed before the Audit Committee.

(B) Compliance of matters relating to Capital Market

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

(C) Disclosure of accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards notified by the Central Government, as prescribed under Companies (Accounting Standard) Rules, 2006 and amended up to date.

(D) Risk Management

The Company has comprehensive risk management policy and the same is periodically reviewed by the Board of Directors. The Risk management issues are discussed in the management Discussion and Analysis.

(E) Remuneration of Directors

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

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

Director	Remuneration	Sitting Fee* Rs.
M M Murugappan Chairman	Nil	55,000
Norbert Lamers	Nil	10,000
D.Hallen (Alternate to Norbert Lamers.)	Nil	20,000
K Srinivasan	Nil	Nil
Kiran A Sheth	Nil	95,000
Shrinivas G Shirgurkar	Nil	90,000
K S Shetty	Nil	90,000

* Sitting Fee includes Board, Audit Committee & Investor grievance and Share transfer Committee fee.

Details of the Share Holding of Directors as on 31st March 2010

Director	No. of Shares (Rs 10 Paid up)
M M Murugappan Chairman	Nil
Norbert Lamers	Nil
D.Hallen (Alternate to Norbert Lamers.)	Nil
K Srinivasan	2650
Kiran A Sheth	2500
Shrinivas G Shirgurkar	Nil
K S Shetty	Nil

F) Management

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

G) Shareholders

Mr. Kiran A Sheth who retires by rotation has expressed his unwillingness to be reappointed and a new director will be appointed.

SHARE TRANSFER & INVESTORS GRIEVANCES COMMITTEE

The Company has "Share Transfer & Investor Grievance Committee" at the Board level to deal with various matters relating to redressal of shareholders and investors grievances, such as transfer and transmission of shares, issue of duplicate shares, non receipt of dividend /notices/Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialization / rematerialisation of shares and procedures followed to track investors complaints and suggest measures for improvement from time to time.

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

During the year, the Share Transfer & Investor Grievance Committee met on 23.01.2010, to review

various matters connected with Investors Grievance and Share Transfer process and the details of the attendance by the Committee members are as follows:

Name	No of Committee Meetings	
	Held	Attended
M M Murugappan Chairman	1	1
K Srinivasan	1	1
Kiran A Sheth	1	1

Details of complaints received, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "General Shareholder Information" section of this Annual Report.

As per SEBI Circular an exclusive mail id: investorservices@wendtindia.com has been created to address the Investors Grievances.

The Board has appointed the Company Secretary of the Company Mr. Santosh Kumar Barik as the Compliance officer for the purpose of compliance with the requirements of the listing agreement.

CEO / CFO CERTIFICATION

The Chief Executive and the Chief Financial Officer of your Company have submitted a certificate to the Board regarding the financial statements and other matters as required under clause 49 V of the listing agreement.

REPORT ON CORPORATE GOVERNANCE

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

GENERAL BODY MEETINGS

Details of Annual General Meetings

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

Year	Date	Time	Venue
2008-09	27.07.2009	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore
2007-08	21.07.2008	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore
2006-07	23.07.2007	04:00 PM	Bharathiya Vidya Bhavan, Race Course Road, Bangalore

SPECIAL RESOLUTIONS PASSED DURING THE LAST THREE YEARS AS FOLLOWS:

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

- i) Special resolution for alteration of Article 170 of Articles of Association of Company for complying with all the provisions of unclaimed or unpaid dividend as defined under Section 205A of the Companies Act, 1956.
- ii) Special resolution for alteration of Article 172 of Articles of Association of Company for complying with the provisions relating to transfer of unpaid / unclaimed dividend to special account in a scheduled bank within 7 days after the expiry of 30 days from the date of declaration of dividend.
- iii) Special resolution for alteration of Article 173 of Articles of Association of Company for complying with the provisions relating to transfer of unclaimed dividend to Investor Education and Protection Fund as per Section 205 C (1) of the Companies Act, 1956.
- MEANS OF COMMUNICATION
- 1) Wendt (India)'s Quarterly / Annual financial results are normally published in Business Standard (all India Editions) & Times of India Kannada / Udayavani, Bangalore edition.

- ii) Besides that, Annual Report, Quarterly results, Shareholding pattern statement etc. are posted on the EDIFAR website i.e. www.sebiedifar.nic.in

NON MANDATORY REQUIREMENTS

- a) The Company has put in place a Whistle Blower policy.
- b) Your Company does not have a remuneration Committee.
- c) During the duration of the Audit and Board Meetings, the management gives extensive briefings to the Board members on the business model of the Company.
- d) The employees are free to communicate their concerns / report, unethical happenings to the Management / Board through officers and even direct communication of the employee to Audit Committee / Board is entertained.
- e) During the period under review there is no audit qualification in the financial statement.

GENERAL SHAREHOLDERS INFORMATION

This is annexed

By order of the Board
For Wendt (India) Limited

Chennai
29th April 2010

M M Murugappan
Chairman

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF WENDT (INDIA) LIMITED

1. We have examined the compliance of conditions of corporate governance by Wendt (India) Limited, for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

- The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- In our opinion and to the best of our information and according to the explanations given to us, and the representations made by Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.
- We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Bangalore
3rd May, 2010

S Sunderesan
Partner
Membership No. 25776

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

Date & time : 27th July, 2010, 04:00 PM

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

2. Financial Calendars

- Unaudited results for the quarter ending June 30, 2010: On or before July 31, 2010
- Unaudited results for the quarter ending September 30, 2010: On or before October 31, 2010
- Unaudited results for the quarter ending December 31, 2010 : On or before January 31, 2011
- Audited results for the year ending March 31, 2011 : On or before May 31, 2011

3. Book Closure Date

22nd July 2010 to 27th July 2010 (both days inclusive)

4. Dividend Payment Date

The dividend will be paid on or after 5th August 2010, after approval at the Annual General Meeting. The warrants will be posted on or after 5th August 2010, in case shareholders opted for ECS, the dividend would in the normal course be credited to their accounts by 7th August 2010.

5. Registered Office

Flat No. 105, 1st Floor, Cauvery Block
National Games Housing Complex,
Koramangala,
Bangalore - 560 047, Karnataka
Tel: +91 80 25701423/1424
Fax: +91 80 25701425

6. Listing Details & Codes

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

7. NSDL & CDSL (ISIN):INE274C01019

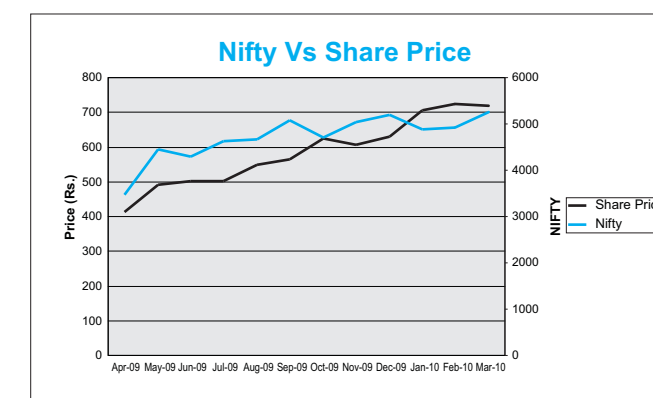
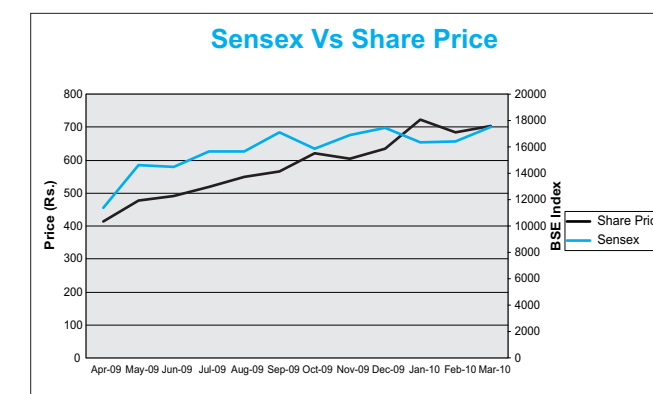
8. Share Price Data

Month	Bombay Stock Exchange		National Stock exchange	
	High	Low	High	Low
April 2009	435.75	389.00	438.00	391.00
May 2009	497.50	401.00	528.40	394.00
June 2009	534.95	479.55	535.00	452.00
July 2009	569.95	458.10	532.00	481.00
August 2009	593.95	457.00	604.90	480.00
September 2009	589.00	520.00	594.95	531.00
October 2009	675.00	550.00	721.00	557.00
November 2009	644.00	586.10	695.00	580.00
December 2009	666.95	604.60	695.00	600.00
January 2010	768.00	541.35	748.40	620.05
February 2010	791.00	602.00	798.90	675.00
March 2010	746.00	680.00	735.00	656.40

10. Distribution of Shareholding as on 31st March 2010

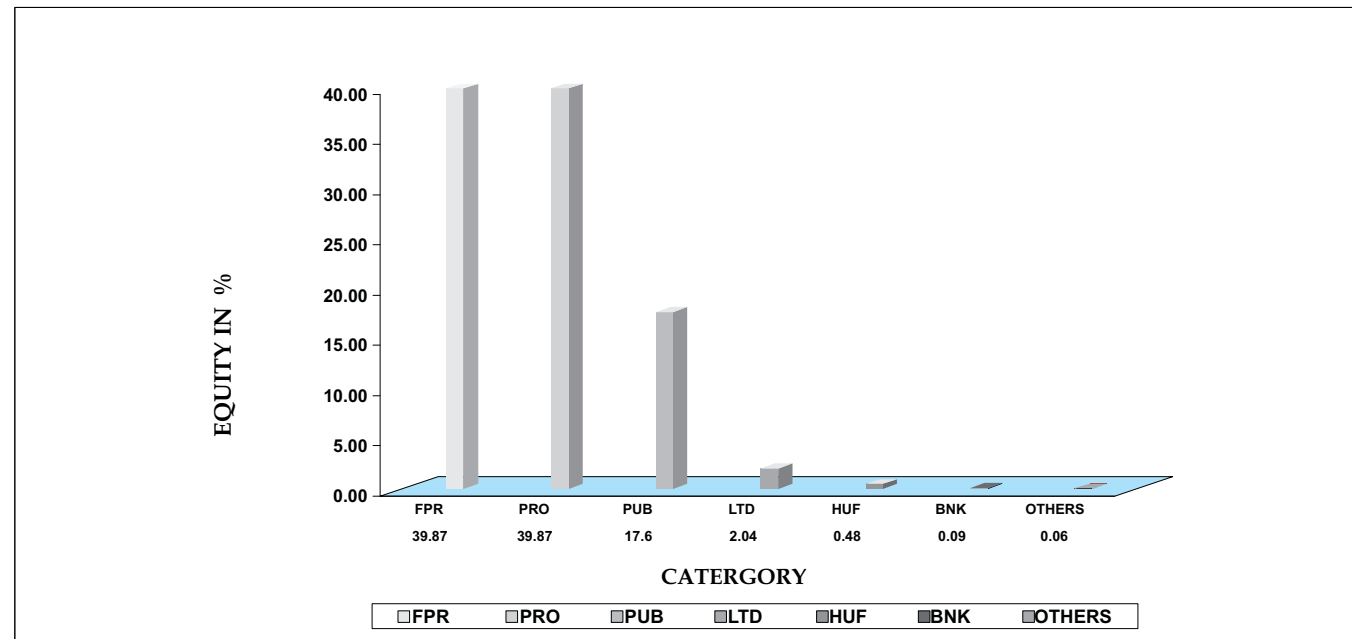
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	3209	97.04	231215	2312150	11.56
5001 - 10000	58	1.75	43817	438170	2.19
10001 - 20000	19	0.58	26984	269840	1.35
20001 - 30000	5	0.15	13054	130540	0.65
30001 - 40000	1	0.03	3472	34720	0.17
40001 - 50000	2	0.06	8516	85160	0.43
50001 - 100000	8	0.24	51414	514140	2.57
100001 & Above	3	0.15	1621528	16215280	81.08
TOTAL	3305	100	2000000	20000000	100

9. Stock Performances



11. Share holding Pattern As on 31.03.2010

Category	Cases	Holding	% of Equity
PROMOTERS (PRO)	1	797352	39.87
FOREIGN PROMOTERS (FPR)	1	797352	39.87
RESIDENT INDIVIDUALS (PUB)	3105	351902	17.56
BODIES CORPORATES (LTD)	89	40784	2.05
HUF	79	9658	0.50
BANKS (BNK)	2	1850	0.09
NON RESIDENT INDIANS	25	1016	0.05
CLEARING MEMBERS	3	86	0.01
TOTAL	3305	2000000	100.00%



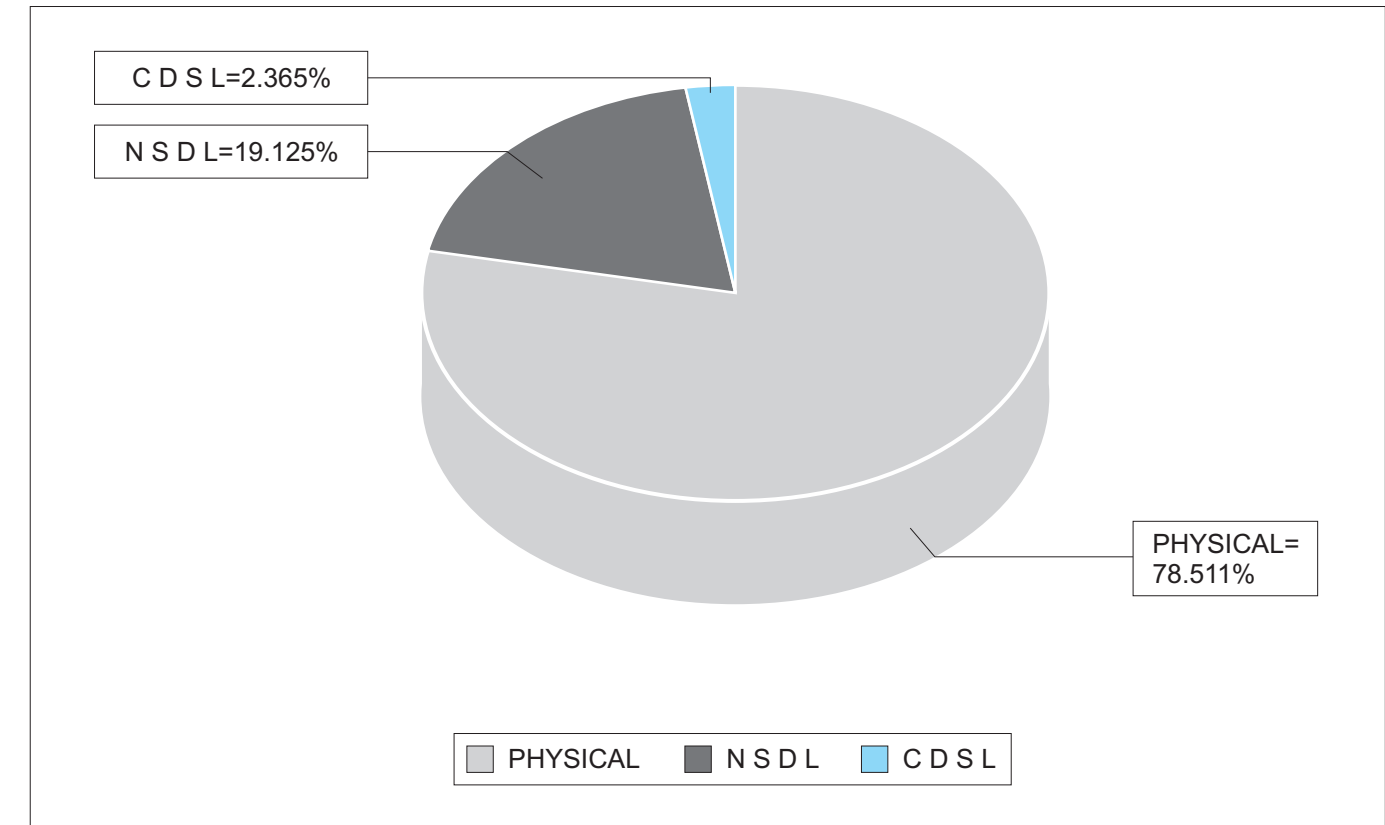
12. Dematerialisation of Shares

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

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

As on 31st March 2010, 4,29,789 equity shares constituting 21.49% of the total paid up capital of the company have been dematerialised.

Shareholding Summary as on 31/03/2010			
Category	No. of Holders	Total Shares	% To Equity
PHYSICAL	593	1570211	78.511
N S D L	2142	382492	19.125
C D S L	572	47297	2.365



13. Share Transfer Process

Physical Share transfers are registered and returned generally within a period of 15 days from the date of receipt, if the documents are correct and valid in all respects. Shareholders / Investors are requested to send share transfer related documents directly to our registrar and transfer Agent whose address is given at the bottom of this section.

14. Investor Services

14.1 During the year 37 Complaints received from investors relating to transfers, transmissions, demat, remat etc and all has been cleared and nothing is pending for the financial year ended 31st March 2010.

14.2 Equity Shares of the Company are under compulsory demat trading by all investors, with effect from 5th April, 1999. Considering the advantages of scriptless trading, shareholders are requested to consider dematerialisation of their shareholding so as to avoid inconvenience in future.

14.3 Shareholders / Beneficial Owners are requested to quote their Folio No./DP & Client ID Nos., as the case may be, in all correspondence with the Company. All correspondences regarding shares of the Company should be addressed to The Company's registrar, Kary ComputerShare Private Limited, Plot No: 17-24, Vitalrao Nagar, Madhapur, Hyderabad 500 081.

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

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

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

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

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

14.9 Shareholders who have not yet encashed their dividend warrants for the years 2002-2003 to 2008-2009 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio numbers / DP & Client ID.

Chennai
29th April 2010

15. Plant Location

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

16. Addresses for Communication

Compliance Officer & Company Secretary

Santosh Kumar Barik
Wendt (India) Limited
Plot No: 69/70, SIPCOT Industrial Estate,
Hosur - 635 126, Tamilnadu
Tel: +91 4344 276851 / 52, 405500
Email: Investorservices@wendtindia.com
Santoshbarik@wendtindia.com

Registrar & Share Transfer Agent

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

By order of the Board
For Wendt (India) Limited

M M Murugappan
Chairman

AUDITORS' REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED

1. We have audited the attached Balance Sheet of WENDT INDIA LIMITED as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, we report that none of the Directors, is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

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

S. SUNDARESAN
Partner
(Membership No. 25776)

Chennai
29th April 2010

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities, clauses (xi) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any weakness in such internal control system.
- (vi) In our opinion and according to the information and explanations given to us there are no contracts or arrangements that needed to be entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (vii) According to the information and explanations given to us, the company has not accepted any deposits within the meaning of Section 58 and Section 58AA or any other relevant provisions of the Companies Act 1956 and rules framed there under.
- (viii) In our opinion, the internal audit functions carried out during the year by a consulting firm appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for the Company as prescribed under Section 209(1) (d) of the Companies Act, 1956, for the products of the company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates (A.Y.)	Forum where dispute is pending
Income Tax	Tax and Interest	2,85,635	2004 - 2005	Commissioner of Income Tax - Appeals
Income Tax	Tax and Interest	35,38,670	2005 - 2006	Commissioner of Income Tax, Appeals
Income Tax	Tax and Interest	21,07,721	2006 - 2007	Commissioner of Income Tax, Appeals

- (xi) In our opinion and according to the information and explanations given to us, there are no dues outstanding to financial institutions and banks in the current year.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions in respect of its dealing in securities, and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information

and explanations given to us, the company does not have any term loan.

(xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

(xvii) According to the information and explanations given to us, the Company has not made any

preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued debentures.

(xix) The Management has not raised any money by public issues in the current year.

(xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

S. SUNDARESAN
Partner
(Membership No. 25776)

Chennai
29th April 2010

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in 000's)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	2,00,00	2,00,00
Reserves & Surplus	2	46,02,18	42,02,89
		<u>48,02,18</u>	<u>44,02,89</u>
LOAN FUNDS			
Secured Loans	3	--	28,77
Unsecured loans	4	--	7,56
DEFERRED TAX LIABILITY			
		2,32,79	2,28,74
		<u>50,34,97</u>	<u>46,67,96</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	44,37,52	35,95,76
Less: Depreciation		16,59,22	14,45,28
Net Block		27,78,30	21,50,48
Capital Work-in-progress		1,71,76	4,60,09
		<u>29,50,06</u>	<u>26,10,57</u>
INVESTMENTS			
	6	16,71,74	11,99,74
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	7,04,33	5,22,22
Sundry Debtors		11,74,37	12,57,79
Cash/Bank Balance		1,30,64	1,51,28
Loans & Advances		3,53,77	31,79,97
		<u>23,63,11</u>	<u>51,11,26</u>
Less: CURRENT LIABILITIES & PROVISIONS			
Liabilities	8	11,72,23	9,48,77
Provisions		7,77,71	33,04,84
		<u>19,49,94</u>	<u>42,53,61</u>
Net Current Assets		<u>4,13,17</u>	<u>8,57,65</u>
		<u>50,34,97</u>	<u>46,67,96</u>
ACCOUNTING POLICIES	14		
NOTES ON ACCOUNTS	15		

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

 M M MURUGAPPAN
Chairman

 SHRINIVAS G SHIRGURKAR
Director

 Chennai
29th April 2010

 K SRINIVASAN
Director

 SANTOSH KUMAR BARIK
Company Secretary

 S SUNDARESAN
Partner

 Per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in 000's)

	Schedule	31.03.2010	31.03.2009
INCOME			
Gross Sales		59,57,79	55,36,54
Less: Excise duty		3,63,82	4,16,31
Net Sales		55,93,97	51,20,23
Machining Charges		15,00	15,87
Other Income	9	2,21,65	3,08,62
		<u>58,30,62</u>	<u>54,44,72</u>
EXPENDITURE			
Raw Materials Consumed		17,57,39	17,00,13
Employees Cost	10	9,78,47	8,46,24
Other Cost	11	15,37,96	14,20,72
Depreciation		2,59,18	2,19,50
Interest & Finance Charges		22	41
(Accretion)/Decretion to Stock	12	(1,57,25)	(39,39)
		<u>43,75,97</u>	<u>41,47,61</u>
PROFIT BEFORE TAX			
Less: Provision for Taxation		14,54,65	12,97,11
Current		4,68,27	3,95,68
Deferred		4,05	7,69
Fringe Benefit Tax		--	9,50
PROFIT AFTER TAX			
		9,82,33	8,84,24
Profit brought forward from previous year		6,75,06	6,08,80
Profit available for appropriation		<u>16,57,39</u>	<u>14,93,04</u>
APPROPRIATIONS			
Transfer to:			
General Reserve		3,50,00	3,50,00
Interim Dividend @ 100%		--	2,00,00
Final Dividend @ 250%		5,00,00	2,00,00
Tax on dividend		83,04	67,98
Balance carried to balance sheet		7,24,35	6,75,06
		<u>16,57,39</u>	<u>14,93,04</u>
Earning per share Rs.(Basic & Diluted) (face value Rs.10/-each)		49.12	44.21
Aggregate no. of shares used for calculation of basic and diluted EPS		2,00,00,00	2,00,00,00
ACCOUNTING POLICIES	14		
NOTES ON ACCOUNTS	15		

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

 M M MURUGAPPAN
Chairman

 SHRINIVAS G SHIRGURKAR
Director

 Chennai
29th April 2010

 K SRINIVASAN
Director

 SANTOSH KUMAR BARIK
Company Secretary

 S SUNDARESAN
Partner

 Per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
OPERATING ACTIVITIES		
PROFIT BEFORE TAX	14,54,65	12,97,11
ADJUSTMENT FOR :		
Depreciation	2,59,18	2,19,50
Provision for doubtful debts	40,33	(36,70)
Interest Paid	22	41
Interest received	(2,12)	(76)
Income from investments	(1,03,80)	(79,34)
Profit on sale or scrap of Fixed assets	(7,29)	5,45
Profit on sale of Long term investments	(2,38)	(1,08,79)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16,38,79	12,96,88
ADJUSTMENTS FOR CHANGES IN :		
Inventories	(1,82,11)	(46,80)
Debtors	43,09	(12,91)
Advances	(11,59)	41,90
Current Liabilities and Provisions	(31,20,99)	1,46,19
CASH FLOW FROM OPERATING ACTIVITIES	(16,32,81)	14,25,26
Income Tax & Fringe benefit tax Paid	28,28,45	(3,87,57)
NET CASH FLOW (A)	11,95,64	10,37,69
INVESTING ACTIVITIES		
Payments for assets Purchased	(6,48,32)	(7,36,95)
Proceeds on Sale of Fixed Assets	66,29	1,08
Purchase of Long Term Investments	(97,16)	(19,15)
Sale/Redemption of Long Term Investments	50	1,09,02
Purchase of Short Term Investments	(26,51,91)	(32,56,10)
Sale/Redemption of Short Term Investments	22,78,94	35,29,32
Interest Received	2,12	76
Income from Investment	1,03,80	79,34
NET CASH FLOW (B)	(9,45,74)	(2,92,68)
FINANCING ACTIVITIES		
Repayment of Borrowing	(36,33)	8,45
Interest paid	(22)	(41)
Dividend Paid	(2,33,99)	(7,01,97)
NET CASH FLOW (C)	(2,70,54)	(6,93,93)
NET CASH INFLOW/(OUTFLOW) (A+B+C)	(20,64)	51,08
OPENING CASH AND CASH EQUIVALENTS D	1,51,28	1,00,20
CLOSING CASH AND CASH EQUIVALENTS E	1,30,64	1,51,28
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (E-D)	(20,64)	51,08

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow. Cash and cash equivalents include balances with scheduled banks on Dividend account Rs. 18,36 (000's) (Previous year Rs. 55,62 (000's)) which are available for restricted use by the Company.

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

Per our report of even date
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2010

K SRINIVASAN
Director

SANTOSH KUMAR BARIK
Company Secretary

S SUNDARESAN
Partner

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE -1		
SHARE CAPITAL		
AUTHORIZED		
30,00,000 Equity Shares of Rs.10/-each	3,00,00	3,00,00
	<u>3,00,00</u>	<u>3,00,00</u>
ISSUED AND SUBSCRIBED		
20,00,000 (Previous year 20,00,000) Equity Shares of Rs 10/- each fully paid.	2,00,00	2,00,00
(Of the above 15,00,000 Equity shares were allotted as Bonus shares by capitalization of General and Capital Redemption Reserve)		
	<u>2,00,00</u>	<u>2,00,00</u>

SCHEDULE - 2
RESERVES AND SURPLUS

(Rs. in 000's)

	As at 31.3.2009	Additions/ (Deletion)	As at 31.3.2010
CAPITAL RESERVE			
Capital Subsidy	20,98	--	20,98
OTHER RESERVES			
General Reserve	35,06,85	3,50,00	38,56,85
	<u>35,27,83</u>	<u>3,50,00</u>	<u>38,77,83</u>
Surplus as shown in Profit & Loss account	6,75,06		7,24,35
	<u>42,02,89</u>		<u>46,02,18</u>

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE -3		
SECURED LOANS		
CASH CREDIT		
From State Bank of India (Secured by hypothecation of stock and book debts and collateral charge on all fixed assets other than land and building.)	--	28,77
	--	28,77
SCHEDULE -4		
UNSECURED LOANS		
Interest-Free Sales -Tax Deferral. (Repayable within one year Rs.Nil) (P.Y. Rs.756 (000's))	--	7,56
	--	7,56

SCHEDULE 5 FIXED ASSETS

(Rs. in 000's)

Description	Gross Block at Cost			Depreciation			Net Block	
	As at 1.4.2009	Additions (Deductions)	As At 31.3.2010	As at 1.4.2009	For the Year	Up to 31.3.2010	As At 31.3.2010	As at 31.3.2009
TANGIBLE ASSETS								
Land	3,66	--	3,66	--	--	--	3,66	3,66
Buildings	4,78,83	1,93,72	6,72,55	1,34,99	16,70	1,51,69	5,20,86	3,43,84
Plant & Machinery	23,98,91	6,30,19 (87,35)	29,41,75	9,91,29	1,76,67 (34,73)	11,33,23	18,08,52	14,07,62
Furniture, Fixture & Equipments	5,33,34	50,61 (9,63)	5,74,32	2,29,22	33,99 (6,36)	2,56,85	3,17,47	3,04,12
Vehicles	74,37	29,47 (7,27)	96,57	21,94	713 (4,15)	24,92	71,65	52,43
INTANGIBLE ASSETS								
Technical Knowhow	38,45	32,63	71,08	26,92	9,86	36,78	34,30	11,53
ERP Software	68,20	9,39	77,59	40,92	14,83	55,75	21,84	27,28
TOTAL	35,95,76	9,46,01 (1,04,25)	44,37,52	14,45,28	2,59,18 (45,24)	16,59,22	27,78,30	21,50,48
Previous year	31,11,13	5,12,29 (27,66)	35,95,76	12,46,92	2,19,50 (21,14)	14,45,28	21,50,48	18,64,21

SCHEDULES

(Rs. in 000's)

	No. of Units/Certificates				Cost		
	Nominal Value Rs.	As At 31.3.2009	Additions / (Sale)	As At 31.3.2010	As At 31.3.2010	As At 31.3.2009	
SCHEDULE 6 INVESTMENTS							
A LONG TERM							
I UNQUOTED - NON TRADE							
National Savings Certificate						50	
II UNQUOTED - TRADE-EQUITY SHARES							
In subsidiary							
i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND (Partly paidup @ 2.5 Baht per share of face value 10 Baht)	10(Baht)	10,29,99,93	--	10,29,99,93	27,739	2,77,39	
ii) WENDT MIDDLE EAST FZE- SHARJAH (Fully paid share face value AED 150,000)	150000(AED)		1	5	6	11,631	19,15
B CURRENT INVESTMENTS - UN QUOTED - NON TRADE							
UNITS IN MUTUAL FUND							
a Birla intervel Income fund-Inst-Qtrly-Sr.2-Divd Plan	10	75,00,00	--	--	--	75,00	
b Birla intervel Income fund-Inst-Qtrly-Sr.3-Div Plan	10	49,00,00	--	--	--	49,00	
c ICICI Pru -Flexible Income Plan Dividend -daily	100	12,18,03	58,82,32 (26,95,14)	44,05,21	4,65,84	1,28,82	
d Chola F.I STP Inst-Weekly dividend Reinvest.	10	3,25,39,40	1,02,01,03 (42,740,43)	--	--	3,40,28	
e Reliance Medium Term Fund-Daily Div Plan	10	60,04,73	2,55,40,70 (1,97,12,73)	1,18,32,70	2,02,29	1,02,65	
f Birla Short Term Fund - Retail - Daily Div -Reinvest	10	1,66,85,41	1,26,21 (1,68,11,62)	--	--	1,66,95	
g Birla Medium Term plan-Retail-Fornightly div.	10	40,00,00	--	--	--	40,00	
h Birla Life Savings fund -Retail-Daily Div-Reinvest plan	10	--	10,01,09,69 (8,74,40,54)	1,26,69,15	1,26,78	--	
i Birla Medium term plan -Qtrly-Retail-Div payout	10	--	48,83,83	48,83,83	49,00	--	
j Birla Intervel income fund-Instl-Qtrly-Sr2-Div payout	10	--	2,00,00,00	2,00,00,00	2,00,00	--	
k Birla Intervel income fund-Instl-Qtrly-Sr1-Div plan	10	--	50,00,00	50,00,00	50,00	--	
l Reliance Qtrly intervel fund Series III Inst-Div plan	10	--	1,84,07,46	1,84,07,46	1,84,13	--	
TOTAL					12,78,04	9,02,70	
TOTAL					16,71,74	11,99,74	

* Aggregate NAV of units Rs.128,052 (000s) (31/03/2009 Rs.90,675 (000s))

** These Investments were classified as long term investments.

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories		
Raw Materials	2,84,80	2,48,07
Work-in-progress	3,15,97	1,90,04
Finished Goods	66,85	35,53
Stores and Spares	36,71	48,58
Sundry Debtors (Unsecured)	7,04,33	5,22,22
Over Six Months		
Considered Good	1,21,76	90,72
Considered Doubtful	50,27	9,94
	1,72,03	1,00,66
Other Debts - Considered Good	10,52,61	11,67,07
	12,24,64	12,67,73
Less: Provision for doubtful debts	50,27	9,94
	11,74,37	12,57,79
Cash and Bank Balances		
Cash and Cheques on hand	21,30	80,36
With Scheduled Banks on:		
Current Account	90,63	14,87
Deposit Account	35	41
Dividend Account	18,36	55,64
	1,30,64	1,51,28
Loans and Advances:		
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for value to be received		
Capital Advance	13,77	23,12
Other Advances	88,50	96,23
Due from Subsidiaries	51,51	25,16
Deposits considered Good	24,60	28,38
Balance with Excise and Customs Authorities	70,37	73,61
Advance payment of Income Tax	1,05,02	29,33,47
	3,53,77	31,79,97
	23,63,11	51,11,26

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Advance from Customers	42,71	35,39
Sundry Creditors:-		
a) Micro and Small Enterprises (Note No.9)	24,05	4,44
b) Other Creditors	10,19,21	8,01,03
Unclaimed Dividend (Note No.10)	18,36	55,62
Other Liabilities	67,90	52,29
	11,72,23	9,48,77
PROVISIONS		
For Taxation	40,69	29,14,24
For Dividend	5,00,00	2,00,00
For Dividend tax	83,04	33,99
For Fringe Benefit Tax	36,30	36,30
For Employee Benefits	1,17,68	1,20,31
	7,77,71	33,04,84
	19,49,94	42,53,61
SCHEDULE - 9		
OTHER INCOME		
Interest (Gross) *	2,12	76
Dividend (Gross) -Investments		
Trade Investments	71,87	8,00
Non Trade Investments	31,93	71,34
Commission	17,33	38,92
Sale of Scrap (net of Excise duty)	13,52	20,89
Service Charges	18,66	9,78
Technical Service Income	5,67	--
Management Fee	18,73	17,64
Profit on sale of Investments(net)	2,38	1,08,79
Profit on sale of Assets (net)	7,31	--
Bad debts recovered	18	76
Surplus provision of previous year		
For doubtful debts	2,25	8,27
For other expenses	11,56	37
Miscellaneous Income	7,97	7,31
Exchange gain (net)	10,17	15,79
	2,21,65	3,08,62
	8	16

* Tax deducted at Source

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 10		
EMPLOYEES COST		
Salaries, Wages and Bonus	7,46,05	6,99,70
Contribution to PF and Other Funds	74,03	44,67
Welfare Expenses	1,58,39	1,01,87
	<u>9,78,47</u>	<u>8,46,24</u>
SCHEDULE - 11		
OTHER COSTS		
Consumption of Stores and Spares	2,66,69	2,44,88
Power and Fuel	1,36,37	1,30,58
Rent	6,68	5,69
Rates and Taxes	29,23	28,40
Insurance	15,45	5,26
Repairs to:		
Building	25,76	22,28
Machinery	64,03	69,38
Other Assets	10,26	15,24
	<u>1,00,05</u>	<u>1,06,90</u>
Royalty	1,09,53	1,00,81
Processing Charges	2,59,71	2,03,63
Directors' Sitting Fees	3,60	2,50
Auditors' Remuneration		
Audit Fees	4,50	3,75
Tax Audit Fees	1,00	75
For Other Services	2,27	80
For Reimbursement of Expenses	92	56
	<u>8,69</u>	<u>5,86</u>
Bank Charges	22,18	20,47
Service Fee	82,15	75,61
Travel and Conveyance	1,32,42	1,33,44
Freight outward and packing Charges(Net)	49,68	53,87
Selling Commission	10,89	13,82
Communication Expenses	20,84	23,67
Bad debts written off	19,40	56,87
Less: Transferred from Provision	7,69	29,55
	<u>11,71</u>	<u>27,32</u>
Provision for doubtful debts	50,27	1,12
Professional charges	13,19	18,17
Publicity	8,27	7,43
Sales expenses	54,09	32,78
Office and General Expenses	7,02	5,39
R & D Expenses	56,66	44,18
Contribution to Research Institution	2,00	1,00
Miscellaneous Expenses	80,59	1,27,94
	<u>15,37,96</u>	<u>14,20,72</u>

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 12		
(ACCRETION)/DECRETION TO STOCK		
Opening Stock:		
Work-in-progress	1,90,04	1,51,82
Finished Goods	35,53	34,36
	<u>2,25,57</u>	<u>1,86,18</u>
Closing Stock:		
Work-in-progress	3,15,97	1,90,04
Finished Goods	66,85	35,53
	<u>3,82,82</u>	<u>2,25,57</u>
(ACCRETION)/DECRETION TO STOCK	<u>(1,57,25)</u>	<u>(39,39)</u>
Includes Excise Duty Differential	(3,54)	1,63

SCHEDULE - 13

QUANTITATIVE PARTICULARS

1. CAPACITIES, PRODUCTION, TURNOVER AND STOCK

Class of Goods	UNIT	Installed Capacity	Actual Production	Opening Stock	Closing Stock	Turnover	
						Quantity	Value (Rs. In 000's)
RESIN, METAL & ELECTROPLATED	NOS.	2,50,000	1,67,188	9,314	12,443	1,64,059	44,63,97
DIAMOND/CBN WHEELS, HONES PELLETS, DRESSING TOOLS ETC.		(2,50,000)	(1,73,411)	(7,192)	(9,314)	(1,71,289)	(40,87,67)
DIAMOND SEGMENTED SAWS, MINING PRODUCTS & TOOLS	NOS.	3,000	2,534	157	656	2,035	52,13
		(3,000)	(819)	(32)	(157)	(694)	(46,87)
MACHINERY & ACCESSORIES	NOS.	25,000	3,085	4	4	3,085	9,21,76
		(25,000)	(8,170)	(48)	(4)	(8,214)	(8,57,21)
OTHERS							1,56,11 (1,28,48)
TOTAL							<u>55,93,97</u> <u>(51,20,23)</u>

Note: 1. Installed capacities are as certified by the management and have not been verified by the auditors, this, being technical matter.

2. Licensed capacity is not applicable.

3. Figures in brackets relate to previous year.

SCHEDULES

(Rs. in 000's)

SCHEDULE -13 (Contd.)

2. RAW MATERIALS CONSUMED	UNIT	QUANTITY	VALUE
Industrial & Synthetic Diamonds and Cubic Boron Nitride	Carat	3,291,238 (3,287,813)	7,77,26 (7,18,26)
Bonding Mixture and Matrix Powder	Kg.	5,949 (7,196)	2,54,57 (2,63,97)
Steel			1,95,80 (2,03,77)
Others			5,29,76 (5,14,13)
Total			17,57,39 (17,00,13)
Of the above		%	
Imported		66 (59)	11,63,24 (9,96,27)
Indigenous		34 (41)	5,94,15 (7,03,86)
Total		100 (100)	17,57,39 (17,00,13)
3. CONSUMPTION OF STORES AND SPARE PARTS		%	
Imported		23 (18)	60,65 (43,81)
Indigenous		77 (82)	2,06,04 (2,01,07)
Total		100 (100)	2,66,69 (2,44,88)

Note: Figures in brackets relate to previous year.

SCHEDULES

(Rs. in 000's)

SCHEDULE 14

ACCOUNTING POLICIES

1 ACCOUNTING CONVENTION:

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

2 FIXED ASSETS:

- Fixed assets are stated at original cost (net of CENVAT / VAT wherever applicable) including expenses related to acquisition and installation. Borrowing costs are capitalized as part of qualifying fixed assets when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.
- Capital Subsidy relating to projects in backward area is credited to capital subsidy reserve on receipt and Government grants relating to specific assets are deducted from the cost of such assets.
- Depreciation has been provided, on all depreciable assets, except intangible assets, on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.
Depreciation on assets added/ disposed during the year is provided on pro-rata basis from the month of addition or up to the month prior to the month of disposal, as applicable.
- Intangible Assets are amortized over a period of 5 years or based on the period of usage/ licence, whichever is less.
- Individual assets costing less than Rs.5000 each are depreciated in full in the year of acquisition.

3 INVESTMENTS:

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

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

4 INVENTORIES:

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

5 REVENUE RECOGNITION:

- Sales are accounted on despatch of products to customers when the risk and reward are deemed to be transferred to the buyer. Sales are accounted net of Sales Tax / VAT, Discounts and Returns as applicable.
- Export Benefits under Advance licence scheme are recognized on accrual basis on completion of export obligation.
- Dividend income on investments is accounted for when the right to receive the payment is established.

6 EMPLOYEE BENEFITS:

Short Term Employee Benefits

Short term employee benefits including accumulated compensated absences determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis. Also accumulated compensated absences which falls due beyond 12 months of period is provided for in the books on actuarial basis at the year end.

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 Profit and Loss Account on an accrual basis.

The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

Defined Benefit Plan

The liability for gratuity to employees as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The Liability there of paid and absorbed in the accounts at the year end. Actuarial Gains and losses arising during the year are recognised in the Profit and Loss Account

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

7 INCOME TAX:

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

8 FOREIGN CURRENCY TRANSACTIONS:

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

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

9 RESEARCH AND DEVELOPMENT:

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on Research and Development is included in fixed assets.

10 PROVISIONS AND CONTINGENT LIABILITIES:

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

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

11 IMPAIRMENT OF ASSETS:

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

SCHEDULES

(Rs. in 000's)

31.03.2010 31.03.2009

SCHEDULE- 15 A

NOTES ON ACCOUNTS

1	Contingent Liability not provided for:		
	a) Disputed income tax demands under appeal	59,32	59,32
	b) Guarantees given by Company's Bankers	63,13	11,75
	c) Bills Discounted LC	19,90	2,08
2	Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances Rs.1377 (000's) -previous year Rs.2312(000's))	2,95,55	97,52
3	Debtors include dues by Subsidiary Companies by:-		
	a) Wendt Grinding Technologies Ltd (Maximum amount outstanding Rs. 4,529 (000's))	20,83	16,37
	b) Wendt Middle East FZE (Maximum amount outstanding Rs.7,502 (000's))	26,29	73,79
4	SEBI Disclosure requirement Additional information to comply with SEBI disclosure requirement as disclosed by the management and not verified by the auditors. Advance to subsidiaries:		
	a) Wendt Grinding Technologies Ltd (Maximum amount outstanding Rs.1,597 (000's))	15,97	15,06
	b) Wendt Middle East FZE (Maximum amount outstanding Rs.3,760 (000's))	35,53	10,10
5	Value of imports on CIF basis:		
	Raw Materials and Components	10,55,80	9,29,00
	Stores and Spare parts	93,49	71,17
	Capital Goods	3,13,39	4,00,50
6	Expenditure in Foreign Currencies on account of other matters		
	Royalty & Technical fee (on payment basis)	90,73	94,68
	Travel	20,04	21,32
	Commission	2,37	4,49
	Others	1,76	1,35
7	Remittances in foreign currencies on account of dividends:		

	Year to which dividend relates	Number of non-resident shareholders	Number of Shares held by them	Amount remitted	
Equity Shares	2008-09	1	797,352	79,73	
	2008-09	1	797,352		79,73
	2007-08	1	797,352		1,59,47

SCHEDULES

(Rs. in 000's)

	31.03.2010	31.03.2009	
8 Earnings in Foreign exchange :			
i) F.O.B.Value of goods exported	12,41,04	17,47,14	
ii) Others	10,914	58,57	
9 Micro and Small Enterprises as per the Micro , Small and Medium Enterprises Development Act 2006 have been identified by the company based on the information available with the company. This has been relied upon by the auditors. Based on such identification there are no dues outstanding to such parties for more than 45 days as at the Balance Sheet date.			
10 The unclaimed dividend of Rs. 18,36 (000's) represents those relating to the years 2003 to 2009 and no part thereof has remained unpaid or unclaimed for a period of seven years from the date they became due for payment requiring a transfer to the Investor Education and Protection Fund.			
11 Earning per share (EPS) is calculated as under			
a) Numerator -			
Net profit for the year	9,82,33	8,84,24	
b) Denominator - weighted average number of equity shares			
Basic and diluted	20,00,000	20,00,000	
c) Nominal value of shares (in rupees)	10	10	
Earning per share (in rupees) Basic and diluted	49.12	44.21	
12 Deferred Tax			
12.1 Notes			
Tax provision has been made in accordance with the requirements under the Accounting Standard 22 "Accounting for Taxes on income " as detailed below.			
12.2 Details			
	Deferred Tax (asset)/Liability as on 1-4-2009	Current year Charge/Credit	Deferred tax (asset)/liability as on 31-3-2010
a Provision and other disallowances	(6,23)	(13,26)	(19,49)
b Leave salary provision	(31,55)	1,13	(30,42)
c Others	(2,31)	62	(1,69)
d Difference between book and tax depreciation	2,68,83	15,56	2,84,39
Net Total	2,28,74	4,05	2,32,79

SCHEDULES

(Rs. in 000's)

- 13 In accordance with Accounting Standard 18 'Related Party Disclosures', the Company has compiled the required information as detailed below.
- 1) List of Related parties
- i) Party with whom control exists -Subsidiaries
- a Wendt Grinding Technologies Ltd
- b Wendt Middle East FZE
- ii) Parties having significant influence with whom transactions have taken place during the year
- a Carborundum Universal Limited (CUMI)
- b Wendt GmbH Germany

Transaction with related parties

Particulars	Subsidiaries		Parties having significant influence		Total	
	09-10	08-09	09-10	08-09	09-10	08-09
Purchase of Capital Goods						
Wendt GmbH	--	--	15,84	3,34,11	15,84	3,34,11
Carborundum Universal Limited	--	--	--	28	--	28
Other Purchases						
Wendt GmbH, Germany	--	--	3,36,33	3,35,81	3,36,33	3,35,81
Carborundum Universal Limited	--	--	42,54	41,34	42,54	41,34
Sale of Goods						
Wendt GmbH	--	--	3,97,53	6,11,82	3,97,53	6,11,82
Carborundum Universal Limited	--	--	1,48,71	1,59,66	1,48,71	1,59,66
Wendt Grinding Technologies Ltd	1,04,59	53,44	--	--	1,04,59	53,44
Wendt Middle East	42,06	72,20	--	--	42,06	72,20
Investment made						
Wendt Middle East	97,16	19,15	--	--	97,16	19,15
Payment of Service Fee & Commission						
Carborundum Universal Limited	--	--	83,18	79,13	83,18	79,13
Payment of Royalty & Technical Fee						
Wendt GmbH	--	--	1,09,53	1,00,81	1,09,53	1,00,81
Service Charges, Commission & Interest receipt						
Wendt GmbH	--	--	17,33	38,92	17,33	38,92
Wendt Grinding Technologies Ltd	18,73	17,64	--	--	18,73	17,64
Wendt Middle East	1,21	--	--	--	1,21	--
Reimbursement of Expenses - Paid						
Wendt GmbH	--	--	71	--	71	--
Carborundum Universal Limited	--	--	6,10	6,70	6,10	6,70
Wendt Grinding Technologies Ltd	--	5	--	--	--	5
Reimbursement of Expenses - Received						
Wendt GmbH	--	--	31	27	31	27
Carborundum Universal Limited	--	--	6,60	8	6,60	8
Wendt Grinding Technologies Ltd	1,20	3,67	--	--	1,20	3,67
Wendt Middle East	11,15	10,10	--	--	11,15	10,10
Amount due From						
Wendt GmbH	--	--	39,17	70,66	39,17	70,66
Carborundum Universal Limited	--	--	29,01	54,60	29,01	54,60
Wendt Grinding Technologies Ltd	36,81	31,43	--	--	36,81	31,43
Wendt Middle East	61,83	83,89	--	--	61,83	83,89
Amount due to						
Wendt GmbH	--	--	1,71,09	1,44,03	1,71,09	1,44,03
Carborundum Universal Limited	--	--	89,58	97,34	89,58	97,34

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

SCHEDULES

14. Employee Benefits

I Defined Contribution Plans

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

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

	Rs
Employers Contribution to Provident Fund *	16,21,439
Employers' Contribution to Superannuation Fund *	21,26,850
Employers' Contribution to Employee's State Insurance	1,92,533
Employers' Contribution to Employee's Pension Scheme 1995 *	11,66,705

* Included in Contribution to provident and other funds (Refer Schedule 10)

II Defined Benefit Plan

A) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2010	31.03.2009
Discount Rate	8.00%	8% p.a.
Salary Escalation Rate	8.00%	6% p.a.

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

a) Change in Present Value of Obligation :-

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Present Value of Obligation as at beginning of the year	9,411,794	8,272,472
Current Service Cost	700,453	597,211
Interest cost	752,944	652,101
Benefits Paid	Nil	(242,427)
Net Actuarial Losses / (Gains) Recognized in the Year	2,077,119	132,437
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Closing Present Value of Obligations	12,942,310	9,411,794

SCHEDULES

b) Change in the Fair Value of Assets

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Opening Fair Value of Plan Assets	10,894,029	7,199,537
Expected Return on Plan Assets	1,042,530	667,594
Actuarial Gains / (Losses)	Nil	73,640
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	2,048,281	3,195,685
Assets Acquired due to Acquisition	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	Nil	(242,427)
Closing Fair Value of Plan Assets	13,984,840	10,894,029

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

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Closing Present Value of Funded Obligations	12,942,310	9,411,794
Closing Fair Value of Plan Assets	13,984,840	10,894,029
Closing Funded Status	1,042,530	1,482,235
Unrecognized Actuarial (gains) / losses	Nil	Nil
Net Asset / (Liability) recognized in Balance Sheet	1,042,530	1,482,235

d) Amount recognized in the Balance Sheet

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Closing Present value of obligations	12,942,310	9,411,794
Closing Fair Value of plan assets	13,984,840	10,894,029
Net Asset / (Liability) recognized in Balance Sheet	1,042,530	1,482,235

e) Expenses recognized in the Profit & Loss Account

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Current Service Cost	700,453	597,211
Past Service Cost	Nil	Nil
Interest Cost	752,944	652,101
Expected Return on Plan Assets	(1,042,530)	(667,594)
Actuarial Losses / (Gain)	2,077,119	58,797
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Total Expenses to be recognized in the Profit & Loss Account	2,487,986	640,515

SCHEDULES

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

Particulars	31.03.2010	31.03.2009
Others (insurer managed funds)*	100%	100%

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

B) Defined Benefit Plan (Leave Encashment)

Assumptions at the Valuation Date:

Particulars	31.03.2010	31.03.2009
Discount Rate	7.75% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.

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

Description	31.03.2010	31.03.2009
	Rs.	Rs.
Charge in the profit and loss account	(124,235)	4,938,488
Liability as at the year end	10,158,277	10,282,512

15 Foreign Currency Exposure as at March 31, 2010, that have not been hedged by a derivative instrument or other wise

(in 000's)

Particulars	09-10		08-09		Currency
	Amount	Amount (Foreign Currency)	Amount	Amount (Foreign Currency)	
Due to					
- Creditors against	2,26,86	4,97	1,60,26	3,11	USD
Import of goods	1,93,05	3,14	1,52,08	2,22	EUR
and Services	--	--	4,49	13	AUD
	--	--	1,35	4	SING. DOLR
	96	1	--	--	GBP
Due from					
- Debtors	1,66	4	--	--	CHF
(includes Loan)	2,35,19	5,27	3,07,60	6,09	USD
	65,51	1,10	98,71	1,48	EUR
	35,53	2,98	--	--	AED
	--	--	9,65	28	AUD
	19,74	29	51,22	71	GBP

SCHEDULES

(Rs. in 000's)

16 Segment Disclosure

A) PRIMARY SEGMENT INFORMATION

Particulars	31.3.2010	31.3.2009
1. Segment Revenue		
a) Super Abrasives	46,56,22	42,78,99
b) Machines, Accessories and Components	9,52,75	8,57,11
Total	56,08,97	51,36,10
Less:- Inter Segment Revenue	--	--
Net sales/Income From Operations	56,08,97	51,36,10
2. Segment Results Profit (+) / Loss (-) before tax and interest.		
a) Super Abrasives	11,99,70	10,16,98
b) Machines, Accessories and Components	3,19,33	2,15,99
Total	15,19,03	12,32,97
Less: (i) Interest	22	41
(ii) Other Un-allocable Expenditure net off Un-allocable income	64,16	(64,55)
Total Profit Before Tax	14,54,65	12,97,11

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical Market

Particulars	31.03.2010	31.03.2009
India	43,67,93	33,88,96
Europe	6,86,39	10,36,48
America	22,61	29,36
Australia, Asia / Pacific	5,32,04	6,81,30
Total Revenues	56,08,97	51,36,10

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

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

Signatures to Schedules 1 to 15

M M MURUGAPPAN
Chairman

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2010

K SRINIVASAN
Director

SANTOSH KUMAR BARIK
Company Secretary

SCHEDULES

SCHEDULE 15 B

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

I Registration Details:

Registration No.	3913
State Code	08
Balance Sheet Date	31st March 2010

II Capital Raised during the Year

Public Issue	NIL
Right Issue	NIL
Private Placement	NIL

III Position & Mobilization and Deployment of Funds

Total Liabilities	(Amount in Rs.in 000's)
Total Assets	50,34,97

Sources of Funds

Paid-up Capital	2,00,00
Reserves & Surplus	46,02,18
Secured Loans	--
Unsecured Loans	--
Deferred tax liability	2,32,79

Application of Funds

Net Fixed Assets	29,50,06
Investments	16,71,74
Net Current Assets	4,13,17

IV Performance of the Company

Total Turnover/Income	58,30,62
Total Expenditure	43,75,97
Profit Before Tax	14,54,65
Profit After Tax	9,82,33
Earning per share in Rs.	49.12
Dividend Rate(%)	250

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

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

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2010

SANTOSH KUMAR BARIK
Company Secretary

SCHEDULES

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

	Wendt Grinding Technologies Ltd		Wendt Middle East FZE	
	Face Value	Paid up value	Face Value	Paid up value
1. Name of the Company				
2. The Financial year of the Subsidiary ended on	31 st March 2010		31 st March 2010	
3. a i) Number of ordinary shares held by Wendt India Ltd in the Subsidiary Company on the above date	1,02,99,993		6	
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 (000's)		Rs in (000's)	
4. The Net aggregate profit/loss of subsidiary Company so far as it concerns the holding Company				
i) Not dealt with in the accounts of Wendt India Ltd				
a) For the Subsidiary 's Financial year ended 31 st March 2010*		1,13,88		(78,75)
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd		1,62,86		(9,12)
ii) Dealt with in the accounts of Wendt India Ltd , by way of Dividends on the shares held in the subsidiary				
a) For the Subsidiary 's Financial year ended 31 st March 2010		71,87		----
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd		----		----

*Computed based on the exchange rates as on 31 st March 2010

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2010

SANTOSH KUMAR BARIK
Company Secretary

Consolidated Financial Statements

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

1. We have audited the attached Consolidated Balance Sheet of **Wendt (India) Limited** ("the Company"), and its subsidiaries (Company and its subsidiaries constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries whose financial statements reflect total assets of Rs.80,373,084 as at 31st March, 2010, total revenues of Rs. 66,604,694 and net cash inflows amounting to Rs. 3,491,000 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010;
 - (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date and
 - (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

Chennai
29th April 2010

S. SUNDARESAN
Partner
(Membership No. 25776)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in 000's)

	Schedule	31.03.2010	31.03.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Capital	1	2,00,00	2,00,00
Reserves & Surplus	2	47,81,06	44,28,10
		<u>49,81,06</u>	<u>46,28,10</u>
LOAN FUNDS			
Secured Loans	3	--	28,77
Unsecured loans	4	--	7,56
Lease Liability			2,19
DEFERRED TAX LIABILITY		2,32,79	2,28,74
		<u>52,13,85</u>	<u>48,95,36</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	49,27,44	40,06,83
Less: Depreciation		17,94,43	15,34,31
Net Block		31,33,01	24,72,52
Capital Work-in-progress		1,71,76	5,16,60
		<u>33,04,77</u>	<u>29,89,12</u>
INVESTMENTS	6	13,63,84	9,90,87
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		8,02,53	5,64,09
Sundry Debtors		12,19,02	12,45,59
Cash/Bank Balance		2,72,64	2,58,37
Loans & Advances		3,33,07	31,87,19
		<u>26,27,26</u>	<u>52,55,24</u>
Less: CURRENT LIABILITIES & PROVISIONS	8		
Liabilities		12,90,45	9,97,66
Provisions		7,91,57	33,42,21
		<u>20,82,02</u>	<u>43,39,87</u>
Net Current Assets		<u>5,45,24</u>	<u>9,15,37</u>
		<u>52,13,85</u>	<u>48,95,36</u>
ACCOUNTING POLICIES	13		
NOTES ON ACCOUNTS	14		

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

 M M MURUGAPPAN
Chairman

 SHRINIVAS G SHIRGURKAR
Director

 Chennai
29th April 2010

 K SRINIVASAN
Director

 SANTOSH KUMAR BARIK
Company Secretary

 S SUNDARESAN
Partner

 Per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in 000's)

	Schedule	31.03.2010	31.03.2009
INCOME			
Gross Sales		63,44,08	57,83,33
Less: Excise duty		3,63,82	4,16,31
Net Sales		59,80,26	53,67,02
Machining Charges		2,88,94	2,33,41
Other Income	9	1,92,66	2,77,22
		<u>64,61,86</u>	<u>58,77,65</u>
EXPENDITURE			
Raw Materials Consumed		20,46,38	18,68,34
Employees Cost	10	10,79,11	9,16,57
Other Cost	11	16,65,80	15,00,51
Depreciation		3,07,65	2,50,08
Interest & Finance Charges		22	42
(Accretion)/Decretion to Stock	12	(1,57,25)	(39,39)
		<u>49,41,91</u>	<u>44,96,53</u>
PROFIT BEFORE TAX		15,19,95	13,81,12
Less: Provision for Taxation			
Current		5,17,79	4,33,04
Deferred		4,05	7,69
Fringe Benefit Tax		--	9,50
		<u>9,98,11</u>	<u>9,30,89</u>
PROFIT AFTER TAX		9,98,11	9,30,89
Profit brought forward from previous year		7,67,82	6,54,91
Profit available for appropriation		<u>17,65,93</u>	<u>15,85,80</u>
APPROPRIATIONS			
Transfer to:			
General Reserve		3,50,00	3,50,00
Interim Dividend @ 100%		--	2,00,00
Final Dividend @ 250%		5,00,00	2,00,00
Tax on dividend		83,04	67,98
Balance carried to balance sheet		8,32,89	7,67,82
		<u>17,65,93</u>	<u>15,85,80</u>
Earning per share Rs.(Basic & Diluted) (face value Rs.10/-each)		49.91	46.54
Aggregate no. of shares used for calculation of basic and diluted EPS		2,00,00,00	2,00,00,00
ACCOUNTING POLICIES	13		
NOTES ON ACCOUNTS	14		

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

 M M MURUGAPPAN
Chairman

 SHRINIVAS G SHIRGURKAR
Director

 Chennai
29th April 2010

 K SRINIVASAN
Director

 SANTOSH KUMAR BARIK
Company Secretary

 S SUNDARESAN
Partner

 Per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in 000's)

	Year ended 31.03.2010	Year ended 31.03.2009
OPERATING ACTIVITIES		
PROFIT BEFORE TAX	15,19,95	13,81,12
ADJUSTMENT FOR :		
Depreciation	3,07,65	2,50,08
Provision for doubtful debts	40,33	(36,70)
Interest Paid	22	42
Interest received	(2,12)	(2,74)
Income from investments	(1,03,80)	(79,34)
Profit/Loss on disposal of Fixed assets/Long term investments	(9,48)	(1,03,34)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	17,52,75	14,09,50
ADJUSTMENTS FOR CHANGES IN :		
Inventories	(2,38,45)	(58,57)
Debtors	(13,76)	28,19
Advances	15,57	40,24
Current Liabilities and Provisions	(30,60,85)	1,72,02
CASH FLOW FROM OPERATING ACTIVITIES	(15,44,74)	15,91,38
Income Tax & Fringe benefit tax Paid	28,29,19	(4,12,20)
NET CASH FLOW (A)	12,84,45	11,79,18
INVESTING ACTIVITIES		
Payments for assets Purchased	(6,80,39)	(8,73,39)
Proceeds on Sale of Fixed Assets	66,29	1,08
Purchase of Long Term Investments.	--	--
Sale/Redemption of Long Term Investments	50	1,09,02
Purchase of Short Term Investments.	(26,51,90)	(33,24,99)
Sale/Redemption of Short Term Investments	22,80,82	35,29,32
Interest Received	2,12	2,74
Income from Investment	1,03,80	79,34
NET CASH FLOW (B)	(8,78,76)	(4,76,88)
FINANCING ACTIVITIES		
Repayment of Borrowings	(38,53)	6,66
Interest paid	(22)	(42)
Dividend Paid	(3,05,86)	(7,01,97)
NET CASH FLOW (C)	(3,44,61)	(6,95,73)
Translation Adjustment	(D) (46,81)	86,69
NET CASH INFLOW/(OUTFLOW) (A+B+C+D)	14,27	93,26
OPENING CASH AND CASH EQUIVALENTS E	2,58,37	1,65,11
CLOSING CASH AND CASH EQUIVALENTS F	2,72,64	2,58,37
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (F-E)	14,27	93,26

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard -3 on Cash Flow. Cash and cash equivalents include balances with scheduled banks on Dividend account Rs. 18,36 (000's) (Previous year Rs. 55,62 (000's)) which are available for restricted use by the Company. Previous year's figures have been reclassified / regrouped wherever necessary to facilitate comparison with those for the current year.

Per our report of even date
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

M M MURUGAPPAN SHRINIVAS G SHIRGURKAR
Chairman Director

Chennai
29th April 2010

K SRINIVASAN
Director

SANTOSH KUMAR BARIK
Company Secretary

S SUNDARESAN
Partner

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE -1		
SHARE CAPITAL		
AUTHORIZED		
30,00,000 Equity Shares of Rs.10/-each	3,00,00	3,00,00
	<u>3,00,00</u>	<u>3,00,00</u>
ISSUED AND SUBSCRIBED		
20,00,000 (Previous year 20,00,000) Equity Shares of Rs 10/- each fully paid.	2,00,00	2,00,00
(Of the above 15,00,000 Equity shares were allotted as Bonus shares by capitalization of General and Capital Redemption Reserve)		
	<u>2,00,00</u>	<u>2,00,00</u>

SCHEDULE - 2
RESERVES AND SURPLUS

(Rs. in 000's)

	As at 31.3.2009	Additions/ (Deletion)	As at 31.3.2010
CAPITAL RESERVE			
Capital Subsidy	20,98	--	20,98
OTHER RESERVES			
General Reserve	35,36,56	3,11,56	38,48,12
Translation Adjustment	1,02,74	(23,67)	79,07
	<u>36,60,28</u>	<u>2,87,89</u>	<u>39,48,17</u>
Surplus as shown in Profit & Loss account	7,67,82		8,32,89
	<u>44,28,10</u>		<u>47,81,06</u>

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE -3		
SECURED LOANS		
CASH CREDIT		
From State Bank of India (Secured by hypothecation of stock, and book debts and collateral charge on all fixed assets other than land and building.)	--	28,77
	<u>--</u>	<u>28,77</u>
SCHEDULE -4		
UNSECURED LOANS		
Interest-Free Sales -Tax Deferral. (Repayable within one year Rs.Nil (P.Y. Rs.756 (000's))	--	7,56
	<u>--</u>	<u>7,56</u>

SCHEDULE 5 FIXED ASSETS

(Rs. in 000's)

Description	Gross Block at Cost				Depreciation				Net Block	
	As at 1.4.2009	Additions (Deductions)	Translation Adjustment	As At 31.3.2010	As at 1.4.2009	For the Year	Translation Adjustment	Up to 31.3.2010	As At 31.3.2010	As at 31.3.2009
TANGIBLE ASSETS										
Land	79,98	--	(2,18)	77,80	--	--	--	--	77,80	79,98
Buildings	6,92,37	1,93,72	(6,12)	8,79,97	1,71,86	27,07	(55)	1,98,38	6,81,59	5,20,51
Plant & Machinery	24,74,00	7,12,24 (87,34)	(1,49)	30,97,41	10,25,06	2,04,89 (34,73)	(83)	11,94,39	19,03,02	14,48,94
Furniture, Fixture & Equipments	5,51,86	56,75 (10,00)	(6)	5,98,55	2,36,83	38,21 (6,36)	(80)	2,67,88	3,30,67	3,15,03
Vehicles	1,01,97	29,47 (7,27)	49	1,24,66	32,72	12,70 (4,16)	(10)	41,16	83,50	69,25
INTANGIBLE ASSETS										
Technical Knowhow	38,45	32,62	--	71,07	26,92	9,87	--	36,79	34,28	11,53
ERP Software	68,20	9,78	--	77,98	40,92	14,91	--	55,83	22,15	27,28
TOTAL	40,06,83	10,34,58 (1,04,61)	(9,36)	49,27,44	15,34,31	3,07,65 (45,25)	(2,28)	17,94,43	31,33,01	24,72,52
Previous year	34,42,27	5,49,14 (27,66)	43,08	40,06,83	12,98,61	2,50,08 (21,14)	6,76	15,34,31	24,72,52	21,43,66

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	Nominal Value Rs.	As At 31.3.2009	No. of Units/Certificates		Cost	
			Additions / (Sale)	As At 31.3.2010	As At 31.3.2010	As At 31.3.2009
SCHEDULE 6 INVESTMENTS						
A LONG TERM						
I UNQUOTED-NON TRADE						
National Savings Certificate					--	50
B CURRENT INVESTMENTS						
i CURRENT INVESTMENTS - UN QUOTED - NON TRADE						
a Birla intervel Income fund-Inst-Qtrly-Sr.2-Divd Plan	10	75,00,00	-- (75,00,00)	--	--	75,00
b Birla intervel Income fund-Inst-Qtrly-Sr.3-Div Plan	10	49,00,00	-- (49,00,00)	--	--	49,00
c ICICI Pru -Flexible Income Plan Dividend -daily	100	12,18,03	58,82,32 (26,95,14)	44,05,21	4,65,84	1,28,82
d Chola F.I STP Inst-Weekly dividend Reinvest.	10	3,25,39,40	1,02,01,03 (4,27,40,43)	--	--	3,40,27
e Reliance Medium Term Fund-Daily Div Plan	10	60,04,73	2,55,40,70 (1,97,12,73)	1,18,32,70	2,02,29	1,02,65
f Birla Short Term Fund - Retail - Daily Div -Reinvest	10	1,66,85,41	1,26,21 (1,68,11,62)	--	--	1,66,95
g Birla Medium Term plan-retail-Fornightly div.	10	40,00,00	-- (40,00,00)	--	--	40,00
h Birla Life Savings fund -Retail-Daily Div-Reinvest plan	10	--	10,01,09,69 (8,74,40,54)	1,26,69,15	1,26,78	--
i Birla Medium term plan -Qtrly-retail-Div payout	10	--	48,83,83	48,83,83	49,00	--
j Birla Intervel income fund-Instl-Qtrly-Sr2-Div payout	10	--	2,00,00,00	2,00,00,00	2,00,00	--
k Birla Intervel income fund-Instl-Qtrly-Sr1-Div plan	10	--	50,00,00	50,00,00	50,00	--
l Reliance Qtrly intervel fund Series III Inst-Div plan	10	--	1,84,07,46	1,84,07,46	1,84,13	--
					12,78,04*	9,02,69**
UOB Asset Management					85,80	87,68
TOTAL					13,63,84	9,90,87

* Aggregate NAV of units Rs.128,052 (000s) (31/03/2009 Rs.90,675 (000s))

** These Investments were classified as long term investments.

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 7		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories		
Raw Materials	3,78,24	2,81,85
Work-in-progress	3,15,97	1,90,04
Finished Goods	66,85	35,53
Stores and Spares	41,47	56,67
	8,02,53	5,64,09
Sundry Debtors (Unsecured)		
Over Six Months		
Considered Good	1,21,76	90,72
Considered Doubtful	50,27	9,94
	1,72,03	1,00,66
Other Debts - Considered Good	10,97,26	11,54,87
	12,69,29	12,55,53
Less: Provision for doubtful debts	50,27	9,94
	12,19,02	12,45,59
Cash and Bank Balances		
Cash and Cheques on hand	24,43	81,37
With Scheduled Banks on:		
Current Account	2,29,55	1,20,94
Deposit Account	30	42
Dividend Account	18,36	55,64
	2,72,64	2,58,37
Loans and Advances:		
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for value to be received		
Capital Advance	13,77	23,12
Other Advances	98,20	1,04,65
Deposits considered Good	25,48	31,37
Balance with Excise and Customs Authorities	70,37	73,61
Advance payment of Income Tax	1,25,25	29,54,44
	3,33,07	31,87,19
	26,27,26	52,55,24

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Advance from Customers	42,71	40,33
Sundry Creditors:-		
a) Micro and Small Enterprises	24,05	8,50
b) Other Creditors	11,01,76	8,38,04
Unclaimed Dividend (Note No.4)	18,36	55,62
Other Liabilities	1,03,57	55,17
	12,90,45	9,97,66
PROVISIONS		
For Taxation	63,74	29,51,60
For Dividend	5,00,00	2,00,00
For Dividend tax	83,04	33,99
For Fringe Benefit Tax	36,30	36,30
For Employee Benefits	1,08,49	1,20,32
	7,91,57	33,42,21
	20,82,02	43,39,87
SCHEDULE - 9		
OTHER INCOME		
Interest (Gross) *	2,12	2,74
Dividend (Gross) -Investments		
Trade Investments	71,87	8,00
Non Trade Investments	31,93	71,34
Commission	17,33	38,92
Sale of Scrap (net of Excise duty)	13,58	20,94
Service Charges	18,66	9,78
Technical Service Income	5,67	--
Profit on sale of Investments(net)	2,38	1,08,79
Profit on sale of Assets (net)	7,10	--
Bad debts recovered	18	76
Surplus provision of previous year		
For doubtful debts	2,25	8,27
For other expenses	11,56	37
Miscellaneous Income	8,03	7,31
	1,92,66	2,77,22
* Tax deducted at Source	8	16

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 10		
EMPLOYEES COST		
Salaries, Wages and Bonus	8,46,69	7,70,03
Contribution to PF and Other Funds	74,03	44,67
Welfare Expenses	1,58,39	1,01,87
	<u>10,79,11</u>	<u>9,16,57</u>
SCHEDULE - 11		
OTHER COSTS		
Consumption of Stores and Spares	2,67,03	2,45,61
Power and Fuel	1,36,37	1,30,58
Rent	17,81	8,67
Rates and Taxes	31,58	30,66
Insurance	16,65	6,43
Repairs to:		
Building	26,09	22,64
Machinery	67,32	72,28
Other Assets	10,26	15,24
	<u>1,03,67</u>	<u>1,10,16</u>
Royalty	1,09,53	1,00,81
Processing Charges	2,95,27	2,34,50
Directors' Sitting Fees	3,60	2,50
Auditors' Remuneration		
Audit Fees	6,34	5,72
Tax Audit Fees	1,00	75
For Other Services	2,27	80
For Reimbursement of Expenses	92	56
	<u>10,53</u>	<u>7,83</u>
Bank Charges	23,99	21,73
Service Fee	82,15	75,61
Travel and Conveyance	1,53,29	1,47,29
Freight outward and packing Charges(Net)	49,68	53,87
Selling Commission	10,89	13,82
Communication Expenses	26,59	27,81
Bad debts written off	19,40	57,24
Less: Transferred from Provision	7,69	29,55
	<u>11,71</u>	<u>27,69</u>
Provision for doubtful debts	50,27	1,12
Professional charges	13,19	20,06
Publicity	18,65	10,96
Sales expenses	54,09	32,78
Office and General Expenses	19,08	8,80
R & D Expenses	56,66	44,18
Contribution to Research Institution	2,00	1,00
Miscellaneous Expenses	1,01,52	1,36,04
	<u>16,65,80</u>	<u>15,00,51</u>

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE - 12		
(ACCRETION)/DECRETION TO STOCK		
Opening Stock:		
Work-in-progress	1,90,04	1,51,82
Finished Goods	35,53	34,36
	<u>2,25,57</u>	<u>1,86,18</u>
Closing Stock:		
Work-in-progress	3,15,97	1,90,04
Finished Goods	66,85	35,53
	<u>3,82,82</u>	<u>2,25,57</u>
(ACCRETION)/DECRETION TO STOCK	<u>(1,57,25)</u>	<u>(39,39)</u>
Includes Excise Duty Differential	(3,54)	1,63

SCHEDULE 13

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

1 BASIS OF CONSOLIDATION:

a Preparation of Accounts

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

b Principles of Consolidation

The Consolidated financial statements comprise the financial statements of Wendt (India) Ltd (the Holding Company) and its Subsidiaries. The financial statements of all the Companies are in accordance with generally accepted accounting principles in India. The effects of inter-Company transactions are eliminated on consolidation.

c Companies included in Consolidation

Sr. No	Name of the Subsidiary	Country of Incorporation	Ownership Proportion	
			31.03.2010	31.03.2009
1	Wendt Grinding Technologies Limited (Incorporated on 19 th July 2005)	Thailand	100%	100%
2	Wendt Middle East FZE (Incorporated on 24 th September 2008)	Sharjah (UAE)	100%	100%

2 ACCOUNTING CONVENTION:

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

SCHEDULES TO CONSOLIDATED ACCOUNTS

3 FIXED ASSETS:

- a Fixed assets are stated at original cost (net of CENVAT/ VAT wherever applicable) including expenses related to acquisition and installation. Borrowing costs are capitalized as part of qualifying fixed assets when it is possible that they will result in future economic benefits. Other borrowing costs are expensed.
- b Capital Subsidy relating to projects in backward area is credited to capital subsidy reserve on receipt and Government grants relating to specific assets are deducted from the cost of such assets.
- c Depreciation has been provided, on all depreciable assets, except intangible assets, on straight line basis at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on assets added/ disposed 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.

- d Individual assets costing less than Rs.5000 each are depreciated in full in the year of acquisition.
- e A) In the case of the Subsidiary Company Wendt Grinding Technologies Ltd, the depreciation provided on Straight line basis on the estimated useful life of the assets as follows.

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

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

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

- f Intangible Assets are amortized over a period of 5 years or based on the period of usage / licence, whichever is less.

4 INVESTMENTS:

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

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

5 INVENTORIES:

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

SCHEDULES TO CONSOLIDATED ACCOUNTS

6 REVENUE RECOGNITION:

- a Sales are accounted on despatch of products to customers when the risk and reward are deemed to be transferred to the buyer. Sales are accounted net of Sales Tax/ VAT, Discounts and Returns as applicable.
- b Export Benefits under Advance licence scheme are recognized on accrual basis on completion of export obligation.
- c Dividend income on investments is accounted for when the right to receive the payment is established.

7 EMPLOYEE BENEFITS:

SHORT TERM EMPLOYEE BENEFITS

Short term employee benefits including accumulated compensated absences determined as per Company's policy and recognized as expense based on expected obligation on undiscounted basis. Also accumulated Compensated absences which falls due beyond 12 months of period is provided for in the books on actuarial basis at the year end.

LONG TERM EMPLOYEE BENEFITS:

Defined Contribution Plans

Super Annuation Fund, Provident Fund and Pension Fund are defined contribution plans towards which the Company makes contribution at predetermined rates to the Super Annuation Trust and Regional Provident Fund Commissioner respectively. The same is debited to the Profit and Loss Account on an accrual basis.

The Company also makes contributions to State plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 and has no further obligation beyond making the payment to them.

Defined Benefit Plan

The liability for gratuity to employees as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India. The Liability there of paid and absorbed in the accounts for the year ended. Actuarial Gains and losses arising during the year are recognised in the Profit and Loss Account

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

8 LEASES:

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

9 INCOME TAX:

Income tax expenses includes Indian and International taxes. Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of the assets and liabilities and their respective tax bases. Deferred tax assets are recognized subject to management's judgement that realization is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities arising from a change in tax rates is recognized in the income statement in the period of enactment of the change.

SCHEDULES TO CONSOLIDATED ACCOUNTS

10 FOREIGN CURRENCY TRANSACTIONS:

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

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

11 RESEARCH AND DEVELOPMENT:

Revenue expenditure on research and development is charged as an expense in the year in which it is incurred. Capital expenditure on Research and Development is included in fixed assets.

12 PROVISIONS AND CONTINGENT LIABILITIES:

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

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

13 IMPAIRMENT OF ASSETS:

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

(Rs. in 000's)

	31.03.2010	31.03.2009
SCHEDULE 14		
SCHEDULES TO CONSOLIDATED ACCOUNTS		
1 Contingent Liability not provided for:		
a) Disputed income tax demands under appeal	59,32	59,32
b) Guarantees given by Company's Bankers	63,13	11,75
c) Bills Discounted LC	19,90	2,08
2 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances Rs.1377 (000's) -previous year Rs.2312(000's))	2,95,55	97,52
3 Notes relating to Lease		
a) Office Equipment & Vehicle Cost of leased assets	8,60	8,60
b) Net carrying amount as on 31-3-10 (written down value)	24	4,29
c) Reconciliation between total minimum lease payments and their present value :		
Total minimum lease payments as on 31-3-2010	42	2,19
Less- Future liability on interest account	6	30
Present value of lease payments as on 31-3-2010	36	1,89

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

d) Year wise future minimum lease rental payments on contracts entered after 1-04-2001

	Total Minimum Lease payments as on 31-3-2010	Present value of Lease payments as on 31-3-2010	Total Minimum Lease payments as on 31-3-2009	Present value of Lease payments as on 31-3-2009
i) Not later than one year	42	36	1,75	1,58
ii) Later than one year and not later than five years	--	--	44	31

4 The unclaimed dividend of Rs. 18,36 (000's) represents those relating to the years 2003 to 2009 and no part thereof has remained unpaid or unclaimed for a period of seven years from the date they became due for payment requiring a transfer to the Investor Education & Protection Fund.

5 Earning per share (EPS) is calculated as under

a) Numerator - Net profit for the year	99,811	93,089
b) Denominator - weighted average number of equity shares Basic and diluted	2,000,000	2,000,000
c) Nominal value of shares (in rupees) Earning per share (in rupees) Basic and diluted	10	10
	49.91	46.54

6 Deferred Tax

6.1 Notes

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

6.2 Details

	Deferred Tax (asset)/Liability as on 1-4-2009	Current year Charge/Credit	Deferred tax (asset)/liability as on 31-3-2010
a Provision and other disallowances	(6,23)	(13,26)	(19,49)
b Leave salary provision	(31,55)	1,13	(30,42)
c Others	(2,31)	62	(1,69)
d Difference between book and tax depreciation	2,68,83	15,56	2,84,39
Net Total	2,28,74	4,05	2,32,79

SCHEDULES TO CONSOLIDATED ACCOUNTS

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

- 1) List of Related parties
 - i) Parties having significant influence with whom transactions have taken place during the year
 - a Carborundum Universal Limited (CUMI)
 - b Wendt GmbH Germany

Transaction with related parties

(Rs. in 000's)

Particulars	Parties having significant influence	
	09-10	08-09
Purchase of Capital Goods		
Wendt GmbH	15,84	3,34,11
Carborundum Universal Limited	--	28
Other Purchases		
Wendt GmbH	3,36,36	3,35,81
Carborundum Universal Limited	2,10,66	65,14
Sale of Goods		
Wendt GmbH	3,97,53	6,11,82
Carborundum Universal Limited	1,48,71	1,59,66
Payment of Service Fee & Commission		
Carborundum Universal Limited	83,18	79,13
Payment of Royalty & Technical Fee		
Wendt GmbH	1,09,53	1,00,81
Service Charges, Commission & Interest receipts		
Wendt GmbH	17,33	38,92
Reimbursement of Expenses Paid		
Wendt GmbH	71	--
Carborundum Universal Limited	6,10	6,70
Reimbursement of Expenses Received		
Wendt GmbH	31	27
Carborundum Universal Limited	6,60	8
Amount due From		
Wendt GmbH	39,17	70,66
Carborundum Universal Limited	29,01	54,60
Amount due to		
Wendt GmbH	1,71,12	1,44,03
Carborundum Universal Limited	1,33,81	1,21,14

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

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

8 Employee Benefits

I Defined Contribution Plans

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

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

	Rs.
Employers Contribution to Provident Fund *	1,621,439
Employers' Contribution to Superannuation Fund *	2,126,850
Employers' Contribution to Employee's State Insurance	192,533
Employers' Contribution to Employee's Pension Scheme 1995 *	1,166,705

* Included in Contribution to provident and other funds (Refer Schedule 10)

II Defined Benefit Plan

A) Contribution to Gratuity Fund :

Assumptions at the valuation date :

Particulars	31.03.2010	31.03.2009
Discount Rate	8% p.a.	8% p.a.
Salary Escalation Rate	8% p.a.	6% p.a.

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

a) Change in Present Value of Obligation :-

Particulars	31.03.2010	31.03.2009
	Rs	Rs
Present Value of Obligation as at beginning of the year	9,411,794	8,272,472
Current Service Cost	700,453	597,211
Interest cost	752,944	652,101
Benefits Paid	Nil	(242,427)
Net Actuarial Losses / (Gains) Recognized in the Year	2,077,119	132,437
Past Service Cost	Nil	Nil
Losses / (Gains) on "Curtailements & Settlements"	Nil	Nil
Closing Present Value of Obligations	12,942,310	9,411,794

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

b) Change in the Fair Value of Assets

Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
Opening Fair Value of Plan Assets	10,894,029	7,199,537
Expected Return on Plan Assets	1,042,530	667,594
Actuarial Gains / (Losses)	Nil	73,640
Assets Distributed on Settlements	Nil	Nil
Contributions by Employer	2,048,281	3,195,685
Assets Acquired due to Acquisition	Nil	Nil
Exchange Difference on Foreign Plans	Nil	Nil
Benefits Paid	Nil	(242,427)
Closing Fair Value of Plan Assets	13,984,840	10,894,029

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

Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
Closing Present Value of Funded Obligations	12,942,310	9,411,794
Closing Fair Value of Plan Assets	13,984,840	10,894,029
Closing Funded Status	1,042,530	1,482,235
Unrecognized Actuarial (gains) / losses	Nil	Nil
Net Asset / (Liability) recognized in Balance Sheet	1,042,530	1,482,235

d) Amount recognized in the Balance Sheet

Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
Closing Present value of obligations	12,942,310	9,411,794
Closing Fair Value of plan assets	13,984,840	10,894,029
Net Asset / (Liability) recognized in Balance Sheet	1,042,530	1,482,235

SCHEDULES TO CONSOLIDATED ACCOUNTS

(Rs. in 000's)

e) Expenses recognized in the Profit & Loss Account

Particulars	31.03.2010	31.03.2009
	Rs.	Rs.
Current Service Cost	700,453	597,211
Past Service Cost	Nil	Nil
Interest Cost	752,944	652,101
Expected Return on Plan Assets	(1,042,530)	(667,594)
Actuarial Losses / (Gain)	2,077,119	58,797
Losses / (Gains) on "Curtailments & Settlements"	Nil	Nil
Total Expenses to be recognized in the Profit & Loss Account	2,487,986	640,515

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

Particulars	31.03.2010	31.03.2009
Others (insurer managed funds)*	100%	100%

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

B) Defined Benefit Plan (Leave Encashment)
Assumptions at the Valuation Date:

Particulars	31.03.2010	31.03.2009
Discount Rate	7.75% p.a.	7.00% p.a.
Salary Escalation Rate	8.00% p.a.	8.00% p.a.

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

Description	31.03.2010	31.03.2009
	Rs.	Rs.
Charge in the profit and loss account	(124,235)	4,938,488
Liability as at the year end	10,158,277	10,282,512

SCHEDULES TO CONSOLIDATED ACCOUNTS

9 Foreign Currency Exposure as at March 31, 2010, that have not been hedged by a derivative instrument or other wise (in 000's)

(Rs. in 000's)

Particulars	09-10				08-09				Currency
	Amount AED	Amount Thai Bhat	Amount	Amount (Foreign Currency)	Amount AED	Amount Thai Bhat	Amount	Amount (Foreign Currency)	
Due to									
- Creditors against Import of goods and Services	--	--	2,26,86	4,97	--	--	1,60,26	3,11	USD
	--	79,73	1,11,68	2,45	--	41,08	59,28	1,15	USD
	5,15	--	63,13	1,40	6,11	--	84,68	1,66	USD
	--	--	1,93,05	3,14	--	--	1,52,08	2,22	EUR
	--	--	--	--	--	2,87	4,13	6	EUR
	--	--	--	--	--	--	4,49	13	AUD
	--	--	--	--	--	--	1,35	4	SING. DOLR
	--	--	96	1	--	--	--	--	GBP
	--	--	1,66	4	--	--	--	--	CHF
Due from									
- Debtors (includes Loan)	--	--	1,72,09	3,85	--	--	1,92,28	3,81	USD
	--	--	65,51	1,10	--	--	98,71	1,48	EUR
	--	--	--	--	--	--	9,65	28	AUD
	--	--	19,74	29	--	--	51,22	71	GBP

10 SEGMENT DISCLOSURE

A) PRIMARY SEGMENT INFORMATION

(Rs. in 000's)

1. Segment Revenue	2009-10	2008-09
a) Super Abrasives	53,16,45	47,43,32
b) Machines , Accessories and Components	9,52,75	8,57,11
Total	62,69,20	56,00,43
Less:- Inter Segment Revenue	--	--
Net sales/Income From Operations	62,69,20	56,00,43
2. Segment Results Profit (+) / Loss (-) before tax and Interest		
a) Super Abrasives	12,65,00	11,00,99
b) Machines , Accessories and Components	3,19,33	2,15,99
Total	15,84,33	13,16,98
Less: (i) Interest	22	41
(ii) Other Un-allocable Expenditure net off Un-allocable income	64,16	(64,55)
Total Profit Before Tax	15,19,95	13,81,12

SCHEDULES TO CONSOLIDATED ACCOUNTS

B) SECONDARY SEGMENT INFORMATION

Revenue by Geographical market

(Rs. in 000's)

Particulars	31.3.2010	31.3.2009
India	43,67,93	33,88,96
Europe	6,86,39	10,36,48
America	22,61	29,36
Australia, Asia / Pacific	11,92,27	11,45,63
Total Revenues	62,69,20	56,00,43

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

11 Disclosure of Information Relating to Subsidiary Companies (Vide letter No47/101/2010-CL-III dt 15-3-10 of Ministry of Corporate Affairs)

(Rs. in 000's)

	Wendt Grinding Technologies Ltd		Wendt Middle East FZE	
	31-3-2010	31-3-2009	31-3-2010	31-3-2009
Capital	3,60,68	3,71,62	1,10,43	20,77
Reserves and Surplus	1,95,32	1,56,27	(96,00)	(9,10)
Total Assets	6,94,59	6,30,30	88,44	96,91
Total Liabilities	6,94,59	6,30,30	88,44	96,91
Details of Investments	85,80	87,68	--	--
Turnover	6,37,13	5,87,94	23,10	--
Profit before Taxation	1,52,72	1,17,82	(87,92)	(9,10)
Provision for Taxation *	49,52	37,36	--	--
Profit After Tax	1,03,20	80,46	(87,92)	(9,10)
Proposed Dividend (Dividend Paid)	71,87	--	--	--

*(provision for Taxation includes Tax paid)

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

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

Signatures to Schedules 1 to 14

M M MURUGAPPAN
Chairman

K SRINIVASAN
Director

SHRINIVAS G SHIRGURKAR
Director

Chennai
29th April 2010

SANTOSH KUMAR BARIK
Company Secretary



WENDT (INDIA) LIMITED

ATTENDANCE SLIP

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

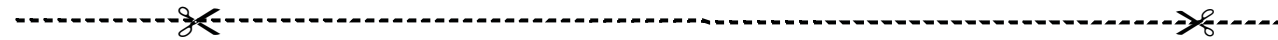
PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBER OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING. PLEASE NOTE THAT CHILDREN WILL NOT BE ALLOWED INSIDE THE MEETING HALL.

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

I hereby record my presence at the Twenty Eighth ANNUAL GENERAL MEETING held at Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001 at 4.00 PM on Tuesday the 27th July 2010.

SIGNATURE OF THE SHARE HOLDER / PROXY *

* **Strike out whichever is not applicable**



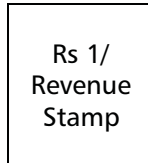
PROXY

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

FOLIO NO / CLIENT ID & DP ID NO:

I / we ofbeing a member / Members of WENDT (INDIA) LIMITED here by appoint of or failing him of as my / our PROXY to attend and vote for me / us and on my / our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the company to be held at 4.00 PM on Tuesday the 27th July 2010 and at any adjournment thereof.

Dated this day of of 2010



Signed by the said

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



ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM

FORMS RECEIVED BY THE REGISTRAR/ DP ON OR BEFORE 22 ND JULY 2010 SHALL BE CONSIDERED FOR ECS CREDIT WHILE EFFECTING DIVIDEND PAYMENT FOR THE YEAR 2009-10. IN CASE OF FORMS RECEIVED AFTER 22 ND JULY 2010 DIVIDEND SHALL BE PAID THROUGH PHYSICAL WARRANTS FOR THE YEAR 2009-10.

(In case of Physical Holding)

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

(In case of Electronic Holding)

To
The Depository Participant Concerned

Dear Sirs,

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

For Shares held in physical Form

Regd. Folio No.

For Shares held in electronic Form

DP ID	
CLIENT ID	

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

Account Type	Savings	Current	Cash Credit
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Ledger No./Ledger Folio No.	
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A/c No. (as appearing in the cheque book)	
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Effective date of this mandate	
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I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I shall not hold Wendt India Limited or Karvy Computershare Private Ltd responsible.

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

Name of First holder: _____

Place: _____

Date: _____

Signature of First holder

