

MD	✓			BKC	✓
CS	✓			DPY	MD
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		



Report  junction.com

# WENDT

**WENDT (INDIA) LIMITED**  
**15th ANNUAL REPORT**  
**1996-97**

# TÜV CERT CERTIFICATE

The TÜV-Zertifizierungsgemeinschaft e.V.  
hereby certifies that

**WENDT (INDIA) LIMITED**  
69/70, Sipcot Industrial Complex,  
Hosur - 635 126, Tamil Nadu  
India

has established and applies  
a quality system for

Design, Development and Manufacture of Resin, Metal &  
Electromechanical bonded Diamond / CBN Wheels, Diamond/CBN  
Hoses & Tools, Diamond Dressing Rolls and Accessories

An audit was performed, Report No. 81858  
Proof has been furnished that the requirements according to  
ISO 9001 / EN ISO 9001  
are fulfilled.

The certificate is valid until  
July 1999  
Certificate Registration No.  
041000405

Basel, 26.09.1998

*Ph. Staender*  
TÜV CERT President (Germany)

**RWTÜV**

Basel, 26.09.1998

*K. Staender*  
TÜV CERT Certification Body  
of Germany, Switzerland, Austria



Mr. Hermann Staender  
receiving the certificate  
on behalf of  
Wendt (India) Ltd.



**WENDT (INDIA) LIMITED**

**BOARD OF DIRECTORS**

M.V. MURUGAPPAN (*Chairman*)  
M.V. WAGLE  
H. STAENDER (*Alternate: D. Hallen*)  
M.M. MURUGAPPAN  
KIRAN A. SHETH

**SECRETARY**

S. VISWANATHAN

**BANKERS**

STATE BANK OF INDIA

**AUDITORS**

FRASER & ROSS

**REGISTERED OFFICE**

4th Floor, Devatha Plaza, Residency Road,  
Bangalore-560 025.

**FACTORY**

Plot 69/70,  
SIPCOT Industrial Estate,  
Hosur-635 126.



## CONTENTS

	Page
Notice to Members .....	3
Report of the Directors .....	4
Annexure to Directors' Report .....	5
Report of the Auditors .....	6
Annexure to Auditors' Report .....	6
Balance Sheet .....	8
Profit and Loss Account .....	9
Schedules .....	10
Cash Flow Statement .....	22



Regd. Office: 4th Floor, Devatha Plaza, Residency Road, Bangalore 560 025.

## NOTICE TO THE MEMBERS

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **Wendt (India) Limited**, Bangalore, will be held on Monday, the **18th August 1997 at 4.00 P.M. at Hotel Holiday Inn, 28, Sankey Road, Bangalore 560 052** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Audited Profit and Loss Account for the financial year ended 31st March 1997 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend.
3. To elect a Director in the place of Mr M V Wagle who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and fix their remuneration.
3. Dividend, when declared, will be paid to those members whose names appear on the Register of Members as on 18th August 1997.
4. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
5. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. Shareholders desiring any information on the accounts are requested to write to the Company atleast one week before the meeting date.
7. Members are requested to notify any change of address, quoting folio numbers, to the Registered Office of the Company on or before 5th August 1997.
8. Members holding shares, either singly or jointly in identical order in more than one folio, are requested to write to the Company enclosing the Share Certificates to enable consolidation of their holdings in one folio.

By Order of the Board  
for WENDT (INDIA) LIMITED

Chennai  
12th June 1997

M V MURUGAPPAN  
Chairman

### NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 5th August, 1997 to Monday, the 18th August, 1997 (both days inclusive).
2. **A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the company.** Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.
10. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March 1993 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

Members who have not encashed their dividend warrants in respect of dividend declared for the financial years ended 31st March, 1994, 31st March, 1995, and 31st March, 1996, may approach the Company's Registered Office for revalidating the warrants or for obtaining duplicate warrants.



## REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 1997.

### FINANCIAL RESULTS

	Rs. in lacs
Profit after tax	212.49
Add: Balance brought forward from previous year	55.74
	<u>268.23</u>
<b>Appropriations:</b>	
Transfer to:	
General Reserve	125.00
Dividend on:	
Equity Shares	
-@50% (Proposed)	50.00
Dividend Tax	5.00
Balance carried forward	88.23
	<u>268.23</u>

Sales and Other Income for the year under review increased by 11% to Rs. 1283.81 lacs from Rs. 1157.82 lacs in the previous year. Exports grew by over 11%. Profit after tax increased to Rs.212.49 as against Rs. 206.49 lacs in the previous year.

### OPERATIONS

Your Company is the First Diamond Tool Industry in India to be awarded the ISO 9001 Certificate by RWTUV of Germany during the year. This would facilitate your Company's continuing efforts to build up exports. Your Company commenced delivery of Vitrified CBN Wheels and Glass Grinding Wheels during the year. The new Electroplating Plant based on Diawal Technology was commissioned. The feed back on product performance has been encouraging. These products are expected to contribute to the growth of your Company in the coming years.

### SHARE CAPITAL

Pursuant to the approval by the members at the previous Annual General Meeting, 5,00,000 Equity Shares of Rs.10/- each were issued and allotted as fully paid up Bonus Shares during the year. Consequently, paid up Equity Share Capital increased from Rs.50 lacs to Rs.100 lacs during the year.

### DIVIDEND

Your Directors are pleased to recommend a dividend of 50 % on the expanded Equity Share Capital for the financial year ended 31st March 1997.

### DIRECTORS

Mr M V Wagle, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Mr H Hansen and Mr G A Advani, Directors, tendered their resignation during the year. Your Directors place on record their appreciation of the valuable services rendered by Mr H Hansen and Mr G A Advani during their tenure as Directors on the Board.

### DISCLOSURE OF STATUTORY PARTICULARS

Information pursuant to:

- Section 217(1)(e) of the Companies Act 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and
- Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

are given in the Annexures 'A' and 'B' respectively and form part of this Report.

### AUDITORS REPORT

The clarification given in Note No. A, 1 of Notes on Accounts and referred to in para 2 (d) of Auditors' Report is self-explanatory.

### AUDITORS

M/s. Fraser & Ross, Auditors of the Company hold office until the conclusion of the 15th Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. It is proposed to reappoint them as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting.

### INDUSTRIAL RELATIONS

Your Company's Management recognise the importance of human resource development in improving the Company's productivity, efficiency and growth. The Company has strived to maintain cordial relations with its employees and has initiated several welfare measures for the employees apart from training programs.

Your Directors appreciate the dedicated efforts of the Employees at all levels which contributed to the satisfactory performance during the year.

### ACKNOWLEDGEMENTS

Your Directors thankfully acknowledge the cooperation and guidance extended by M/s. Wendt GmbH, Germany, the Company's Foreign Collaborators. Your Directors also thank the Government Departments, SIPCOT, Banks, Suppliers, Clients and Customers for their continued support.

On behalf of the Board

Chennai  
12th June 1997

M V MURUGAPPAN  
Chairman



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

### A. CONSERVATION OF ENERGY

The information on Conservation of Energy is not given as the Company does not fall under the Category of Industries listed in the Schedule to the Rules.

### B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The continued interaction with Wendt GmbH & Wendt Diawal Ag and its associate companies helped the Company to obtain the latest technology and processes for its products.

#### RESEARCH AND DEVELOPMENT

Efforts in brief: R & D efforts are directed towards developing Diamond Coatings for form rods. This is a futuristic project.

Expenditure on R & D	(Rs. in lacs)
a) Capital	36.88
b) Recurring	0.89
c) Total	37.77
d) Total R & D Expenditure as a percentage of turn over	3.10%

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	(Rs. in lacs)
Foreign Exchange used	250.63
Foreign Exchange earned	173.29

## ANNEXURE 'B' TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the financial year ended 31st March 1997.

Name	Age	Designation/ Nature of Duties	Remuneration Rs.	Qualifica- tions	Experience in years	Date of Commencement of employment	Particulars of last employment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
R. Agarwal	51 Yrs.	Executive on Deputation	7,83,491/-	B.Sc., (Engg.)	30	01-07-1985	Branch Manager SKF Bearing Co. Ltd.(5 years)
K. Srinivasan	40 Yrs.	General Manager	5,22,395/-	B.Tech., (Mech.)	17	15-07-1983	Widia (India) Ltd. (3 years)

On behalf of the Board

Chennai  
12th June 1997

M V MURUGAPPAN  
Chairman



## REPORT OF THE AUDITORS

To the Members of Wendt (India) Limited

We have audited the attached Balance Sheet of WENDT (INDIA) LIMITED as at March 31, 1997 and the Profit and Loss Account for the year ended on that date annexed thereto and report that:-

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of accounts as required by Law have been kept by the Company, so far as it appears from our

examination of such books.

- c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and subject to the non-consideration in the accounts of possible liability on disposal of the pending law suit filed by a Bank (Note No.1), give a true and fair view:
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1997 and
  - (ii) In the case of the Profit and Loss Account, of Profit of the company for the year ended on that date.

for FRASER & ROSS  
Chartered Accountants

Chennai  
12th June 1997

M. LAKSHMINARAYANAN  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets. The fixed assets have been physically verified by the Management at reasonable intervals and the results of such verification have been properly dealt with in the books. No material discrepancies were noticed on such verification.
2. None of the Fixed Assets have been revalued during the year.
3. The stocks of finished goods, stores, spare parts and raw materials at all locations have been physically verified by the Management at reasonable intervals during the year. Finished goods, raw materials and stores and spare parts in transit or in the custody and possession of third parties have been verified with reference to certificate or with reference to subsequent receipt of goods or with relevant documents.
4. The Company has not taken or granted during the year any loans, secured or unsecured from or to Companies, firms or other parties listed in the register maintained under Section 301 of

The procedures of physical verification of stocks followed by the Management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business. Discrepancies noticed on such verification between the physical stock and book records, which were not material in relation to the operations of the company, have been properly dealt with in the books of account. On the basis of our examination of stock records, we are of the opinion that the valuation of the above stocks is fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in preceding year.