

WENDT (INDIA) LIMITED
17TH ANNUAL REPORT
1998 - 99

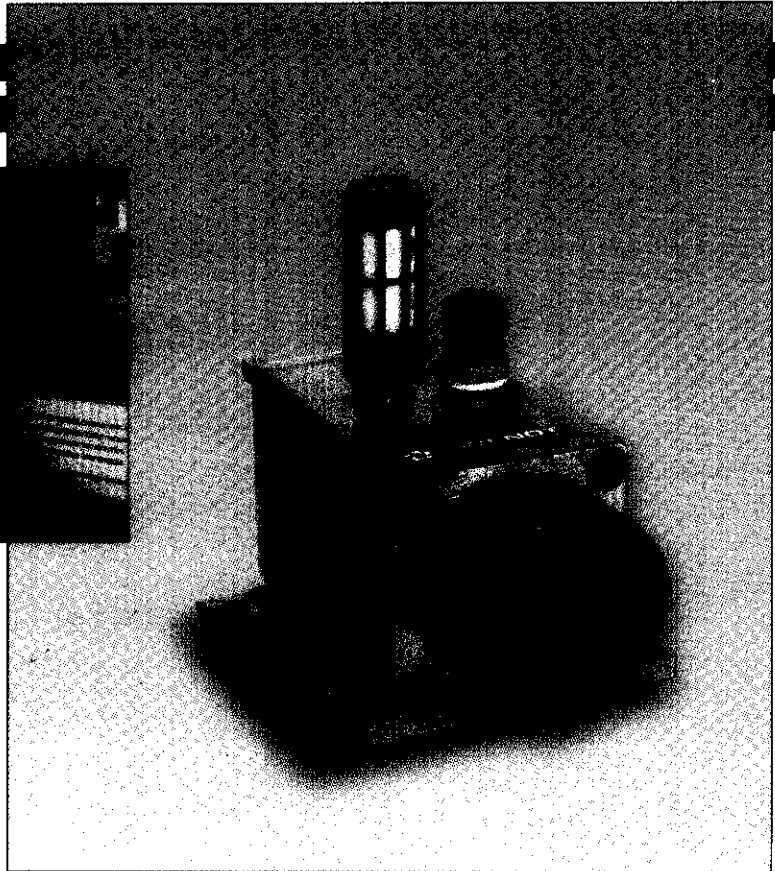
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WENDT



Pneumatic dressing
attachment



Electroplated diamond
beads for marble
processing



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.

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

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of **Wendt (India) Limited**, Bangalore, will be held on Friday, the **23rd July, 1999 at 4.00 P.M. at Hotel Windsor Manor Sheraton & Towers, 25, Sankey Road, Bangalore 560 052** to transact the following business:

"Article 59 (2) Notwithstanding anything contained hereinabove, in the event of any holder(s) of shares of the Company making any nomination as per Section 109A and other applicable provisions of the Companies Act, 1956 such nominee shall, subject to and in accordance with the provisions of the Act, be recognised by the Company as having title to those shares."

By Order of the Board
for **WENDT (INDIA) LIMITED**

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Audited Profit and Loss Account for the financial year ended 31st March 1999 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. Kiran A Sheth who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

Chennai
24th May 1999

M V MURUGAPPAN
Chairman

NOTES:

1. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 12th July, 1999 to Friday, the 23rd July, 1999 (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 valid, must be received by the Company not less than 48 hours before the Meeting.
3. Dividend, when declared, will be paid to those members whose names appear on the Register of Members as on 23rd July, 1999.
4. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

SPECIAL BUSINESS

5. To consider and if deemed fit, to pass with or without modifications, the following as a Special Resolution :

RESOLVED THAT the existing Article 59 of the Articles of Association of the Company be renumbered as Article 59(1) and the following Article be added as Article 59(2) :



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 at least one week before the meeting date.
7. Members are requested to notify immediately any change of address, quoting folio numbers, to the Registered Office of the Company.
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.
9. The Company has already transferred unclaimed dividend declared upto the financial year ended 31st March 1995 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.
10. Members who have not encashed their dividend warrants in respect of dividend declared for the financial years ended

31st March, 1996, 31st March, 1997, and 31st March, 1998, may approach the Company's Registered Office for revalidating the warrants or for obtaining duplicate warrants.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 of the Companies Act, 1956.

ITEM NO. 5 - Nomination facility for shareholders.

The Companies Amendment Ordinance, 1998 introduced, inter-alia, two new sections 109A and 109B to the Companies Act, 1956, with effect from 31.10.1998. These two new sections provide for nomination facility for the shareholders and transmission of shares.

Consequently, Article 59 of the Articles of Association of the Company is being amended to provide for nomination facility to the Shareholders.

On behalf of the Board
for WENDT (INDIA) LIMITED

Chennai
24th May 1999

M V MURUGAPPAN
Chairman



REPORT OF THE DIRECTORS

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 1999.

FINANCIAL RESULTS AND OPERATIONAL HIGHLIGHTS

	Rs. in lacs
Sales*	1447.08
Other Income	65.43
Profit before tax	383.16
Provision for tax	100.00
Profit after tax	283.16
Earning per share	Rs. 28.32

* Including machining charges

Appropriations:

The amount available for appropriation and the recommended appropriations are given below :

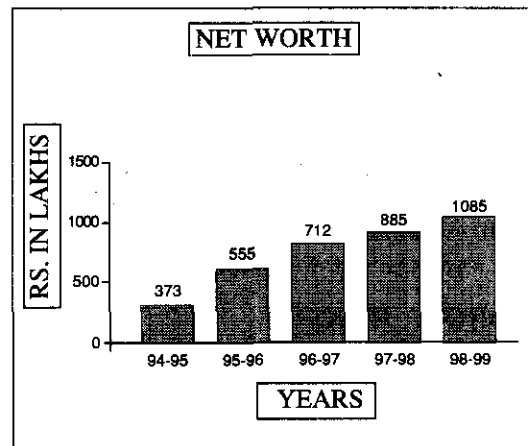
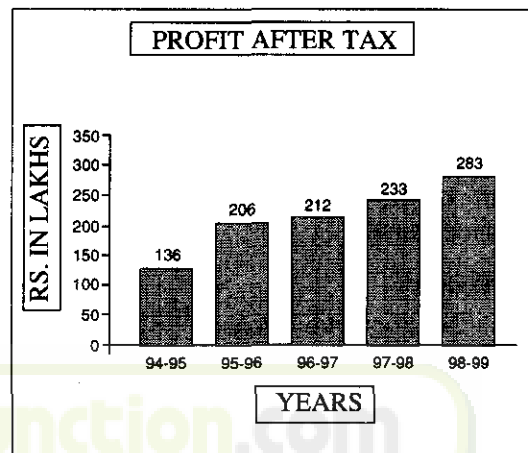
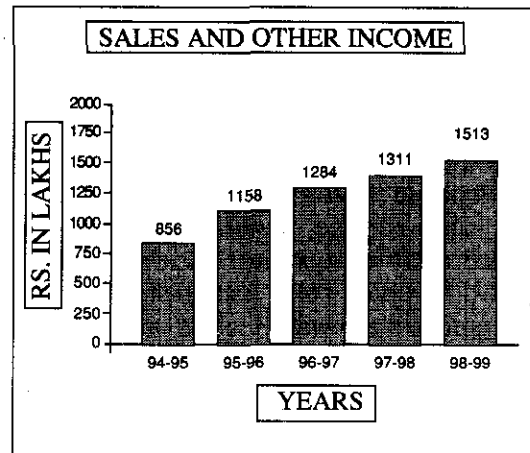
Available for appropriation

Profit after Tax	283.16
Add : Balance brought forward from previous year	94.84
Total	378.00

Recommended Appropriations

Transfer to General Reserve	180.00
Dividend on:	
Equity Shares	
-@75% (Proposed)	75.00
Dividend Tax	8.25
Balance carried forward	114.75
Total	378.00

Sales and Other Income for the year increased to Rs. 1512.51 lacs from Rs 1311.39 lacs registering a growth of 15% over the previous year. Even though the continuing industrial slow down has affected many of the user industries, the Company achieved this growth by introducing new products. Exports increased by 7% to Rs. 244.54 lacs from Rs. 228.50 lacs. The profit after tax rose by 22% to Rs. 283.16 lacs from Rs. 232.61 lacs on account of overall cost reduction and improvement in operating efficiency.





OPERATIONS

Your Company has expanded the capacity for electroplating and introduced new products like reverse plated diamond dressing rolls for piston manufacturing, electroplated beads for marble wire saws, side and surface calibrating wheels for vitrified ceramic tile industry and electroplated wheels for piston notch and chamfer grinding. The products are well received in the market. The Company completed the customer satisfaction survey to improve customer satisfaction and has taken steps to provide cost effective solutions to the customers. The Company has taken up TQM drive to achieve continuous improvement in product, process and people and achieve business excellence. In view of the economic situation in South East Asian Countries, your Company has deferred the proposal to set up a Joint Venture with Wendt Germany in South Korea for manufacture of diamond grinding wheels.

DIVIDEND

Your Directors are pleased to recommend a dividend of 75% on the Equity Capital for the financial year ended 31st March 1999.

DIRECTORS

Mr Kiran A Sheth, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-election.

DISCLOSURE OF STATUTORY PARTICULARS

Information required under Section 217(1)(e) of the Companies Act 1956, and Section 217(2A) of the Companies Act 1956 are given in 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(e) of Auditors' Report is self-explanatory.

AUDITORS

M/s. Fraser & Ross, Statutory Auditors of the Company, retire at the conclusion of the Seventeenth Annual General Meeting and are eligible for re-appointment.

HUMAN RESOURCE MANAGEMENT

Industrial relations were harmonious during the year. As a part of cordial industrial relations, an Employee Satisfaction Survey was conducted and important issues were addressed during the year. As a business strategy your Company continued the training of all employees.

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

Y2K PREPAREDNESS : The Company has taken effective steps to be Y2K compliant by June 1999 and the estimated cost is Rs. 2.50 lacs.

ACKNOWLEDGEMENTS

Your Directors record their appreciation for the support, co-operation and guidance extended by M/s. Wendt GmbH, Germany, the Company's Foreign Collaborators and its associates and subsidiaries. The Board also thank the Government Departments, SIPCOT, Banks, Shareholders, Customers and Suppliers for their continued support and co-operation.

On behalf of the Board

Chennai
24th May 1999

M V MURUGAPPAN
Chairman