

**WENDT (INDIA) LIMITED
19TH ANNUAL REPORT
2000-2001**

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WENDT





Panoramic view of plant with rose Garden in full bloom.



Directors' Farewell - Mr. M.V. Murugappan and Mr. H. Staender



BOARD OF DIRECTORS

M.M. MURUGAPPAN (*Chairman*)
M.V. WAGLE
N. LAMERS (*Alternate : D. Hallen*)
RAMESH AGARWAL
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 Nineteenth Annual General Meeting of the Members of Wendt (India) Limited, Bangalore will be held on Monday, the 23rd July, 2001 at 4.30 P.M at Hotel Windsor Manor Sheraton & Towers, 25, 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 2001 and the Balance Sheet as at that date and Auditors' Report thereon.
2. To declare dividend.
3. To elect a Director in 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.

SPECIAL BUSINESS

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

A) RESOLVED that pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Memorandum of Association of the Company be and is hereby altered by inserting the under-mentioned sub-clause 13 after sub-clause 12 under Other Objects Clause (C):

13(a) to develop, assist the development of, sell, service and deal in software of various kinds including encrypted software.

13(b) to build or acquire data bases of information and to hire, lease or sell such information and to deliver such

information through data communication or broadcasting channels.

13(c) to provide for its customers, data processing and communication facility in conjunction with or independent of the supply, design or provision of equipment, men and software in its own or in the client's premises.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to agree to such variations or modifications in the aforesaid sub-clause 13 as may be suggested by appropriate Govt. Authorities and which the Board of Directors may think fit to accept in the best interest of the Company.

B) RESOLVED that pursuant to Section 149 (2A) of the Companies Act 1956, approval of the Company be and is hereby given for the commencement and execution of the activities covered by the proposed insertion of sub-clause 13 to the Other Object Clause (C) of Clause III of the Memorandum of Association of the Company.

FURTHER RESOLVED that this resolution shall come into effect upon the registration of the proposed alteration to the Memorandum of Association of the Company by the Registrar of Companies under Section 18 of the Companies Act.

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

RESOLVED that the Articles of Association of the Company be amended in the following manner:

i) The existing definition / interpretation of "Member" under Article 2 be deleted and the following be substituted therefor :-



"Member" means every person whose name is entered in the Register of Members, from time to time, as the holder of the shares of the Company and include the beneficial owner(s) as defined in the Depositories Act, 1996.

- ii) The following clause be inserted as new clause under Article 2 after the definition/ interpretation of "Debenture".

"Depositories Act, 1996" shall include any statutory modifications or re-enactment thereof and shall include all rules and regulations made thereunder.

- iii) The following new Article 20A be inserted after the existing Article 20:

20A Dematerialisation of Securities.

- 1) Notwithstanding anything contained elsewhere in these Articles, the Company shall be entitled to dematerialise its shares/other securities and to offer shares/other securities in dematerialised form in accordance with and pursuant to the provisions of the Depositories Act, 1996 and/or the provisions of any other applicable laws in force from time to time.

- 2) Notwithstanding anything contained elsewhere in these Articles, where any shares/other securities of the Company are either issued or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable laws in force from time to time.

- iv) The existing Article 157 be deleted and the following be substituted therefor:

The Directors shall provide a Common Seal of the Company and they shall have power from time to time to destroy the same and

substitute a new seal in lieu thereof and the Common Seal shall be kept at the Registered Office of the Company and committed to the custody of a Director or Secretary.

- v) The existing Article 158 be deleted and the following be substituted therefor:

Every deed or other instrument to which the Common Seal is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Company, or unless otherwise authorised by the Board, be signed by atleast one Director in whose presence the Common Seal shall have been affixed and counter signed by the Secretary or such other person as may from time to time, be authorised by the Board.

By Order of the Board
for WENDT (INDIA) LIMITED

CHENNAI
1ST JUNE 2001

M M MURUGAPPAN
CHAIRMAN

NOTES :

1. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 16th July, 2001 to Monday, the 23rd July, 2001 (both days inclusive).

2. a) 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.

- b) **In the case of Item No. 5 (Amendment of Object clause) the shareholders are requested to give their assent/dissent through postal ballot as per the newly introduced Section 192A of the Companies Act 1956 and notification issued thereunder.**

To facilitate the exercise of postal ballot by the shareholders, a self addressed and prepaid envelope containing ballot



paper is sent along with the Notice. In order to be valid the postal ballot duly completed and signed should be returned in the enclosed envelope duly sealed so as to reach the addressee on or before 21-07-2001.

3. Explanatory statement under Section 173 of the Companies Act, 1956 is annexed.
4. Dividend, when declared, will be paid to those members whose names appear on the Register of Members as on 23rd July, 2001.
5. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
6. Members / proxies should bring the Attendance Slip duly filled in for attending the meeting.
7. Shareholders desiring any information on the accounts are requested to write to the Company atleast one week before the meeting date.
8. Members holding shares in physical form are requested to intimate the following directly to the Company's Registered Office :

- a) Full bank particulars to enable the same to be incorporated in the dividend warrant.
- b) Change if any, in their address immediately.
- c) apply for consolidation of folios, if shareholdings are under multiple folios.
- d) quote ledger folio numbers, in all their correspondence.
- e) request for nomination forms for making nomination as per amended provisions of the Companies Act, 1956.

Members holding shares in the dematerialised (electronic) form are requested to intimate the aforesaid particulars directly to their Depository Participant(DP).

9. Consequent upon amendment to Section 205 A of the Companies Act 1956 and introduction of Section 205C by the Companies (Amendment) Act 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.

Members who have not encashed the dividend warrants for the year ended 31st March 1996 and/ or any subsequent dividend payments are requested to make their claim to the Company.

ANNEXURE TO THE NOTICE

(Explanatory Statement under Section 173 of the Companies Act 1956.)

ITEM NO. 5.

Your Company foresees opportunities (a) in developing knowledge based software and encrypted software for the Wendt / Boart Longyear group and others (b) to become a development centre for IT related products and services for the Wendt / Boart Longyear group. The Company has requisite technical expertise to undertake these activities, which besides enabling the Company to carry on its business more economically or efficiently, can be conveniently or advantageously combined with the business of the Company. Undertaking this new business needs amendment of the Memorandum of

Association of the Company which in turn requires the approval of the shareholders by Special Resolution under Section 17 of the Companies Act 1956. Commencement and execution of the proposed activities also require the approval of the Shareholders by Special Resolution under Section 149 (2A) of the Companies Act 1956. Accordingly the Special Resolutions as set out under Item No.5 of the Notice is submitted for the approval of the shareholders.

Interest of Directors

None of the Directors is interested or concerned in the resolution.

**ITEM NO. 6.**

With the introduction of the Depositories Act, 1996 and the depository system, some of the provisions of the Companies Act 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository system of holding securities in an electronic form is a safer and more convenient method for holding and trading in the shares of the Company. The Company has already joined the depository system. In order to reflect the provisions introduced by the Depositories Act 1996 and to deal with the rights and obligations of parties in the depository system, it is proposed to amend the Articles of Association in the manner mentioned under Item 6 (i) to (iii) of the Notice.

Taking into account the needs of administrative convenience, it is also proposed to amend Articles 157 and 158 in the manner mentioned in Item No 6 (iv) and (v) of the Notice to provide for the Common Seal to be kept in the custody of a Director or Secretary and to clarify the manner in which the affixation of Common Seal will be done.

Accordingly the Special Resolution as set out under Item No. 6 of the Notice is submitted for the approval of the shareholders.

Interest of Directors

None of the Directors is interested or concerned in the resolution.

A copy of the Memorandum and Articles of Association of the Company is available for inspection by the Members at the Registered Office of the Company between 2.00 PM to 5.00 PM on any working day prior to the date of the meeting.

By order of the Board
for WENDT (INDIA) LIMITED

CHENNAI
1ST JUNE 2001

M M MURUGAPPAN
CHAIRMAN

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REPORT OF THE DIRECTORS.

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2001.

FINANCIAL RESULTS

	Rs. In Lacs
Sales *	2078.18
Other Income	41.07
Profit before tax	450.64
Provision for tax	128.00
Profit after tax	322.64
Earning per share	Rs. 32.26

* Including machining charges

APPROPRIATIONS :

	Rs. In Lacs
Profit after tax	322.64
Add : Balance brought forward from previous year	121.49
Total available for appropriations	444.13

Recommended Appropriations

Transfer to General Reserve	180.00
Transfer to Investment Fluctuation Reserve	20.00
Dividend on Equity Shares	
(i) Dividend @ 100% (Proposed)	100.00
(ii) Dividend tax	10.20
Balance carried forward	133.93
	444.13

The Company's sales for the year increased to Rs.2078.18 lacs from Rs.1770.46 lacs, registering a growth of 17% over the previous year. Exports increased appreciably and recorded a growth of 59% to Rs. 415.31 Lacs from Rs.260.75 Lacs. The profit before tax increased by 6% from Rs. 423.29 Lacs to Rs. 450.64 lacs .

OPERATIONS

The domestic market for Company's products showed signs of slowing down. However opportunities are coming up in areas of import substitution.

Your Company has been focussing on achieving higher exports and towards this end, added new plant and

machinery for improving / upgrading the capability to meet the stringent quality requirements of overseas customers. The export efforts have started yielding results and are reflected in the growth of export turnover by 59% during the year. Your Company is confident that export will grow substantially and compensate for any fluctuation in domestic market.

Since the last 2 years, the Company has been exporting Special Aluminium Alloy Castings to Wendt Group. As there is potential for growth of this business, the Company is putting up its own facility to cater to both export and local market.

During the year, the Company implemented the Project for the manufacture of Reverse plated and Infiltrated rolls. Commercial production has commenced. Your Company is one of the select few companies in the world having this technology.

The response for Cobalt-Free Diamond Scaife launched during the year was not encouraging due to steep price pressure. Your Company is repositioning the product to address EOU units exporting processed diamonds.

The TQM activities are continuing and are focussed on achieving Business Excellence.

DIVIDEND

Your directors are pleased to recommend a Dividend of 100 % (Rs.10/- per Equity share of Rs.10/- each) for the financial year ended 31-03-2001.

DIRECTORS

Mr. Herman Staender who was the Director of the Company since inception, stepped down from the office with effect from 29-01-2001. During his long tenure he played a vital role in improving and expanding the operations of the Company through his keen interest, active participation, and valuable advice.

The Board of Directors wish to place on record their appreciation for the valuable and outstanding contribution of Mr. Herman Staender during his tenure as Director of the Company.

Mr. Norbert Lamers, the present Managing Director of Wendt GmbH, Germany, has been nominated by