

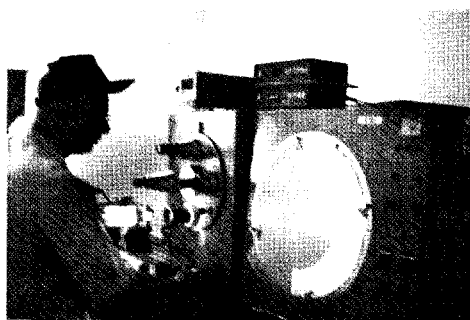
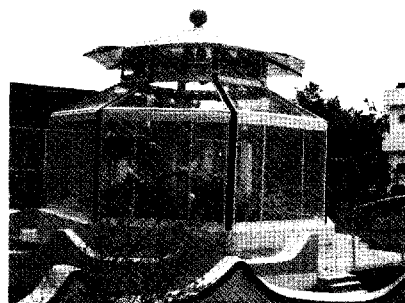


Engineering Flair with Environmental Care

**WENDT (INDIA) LTD.,**  
**23rd Annual Report**  
**2004-2005**



[www.reportjunction.co](http://www.reportjunction.co)





**BOARD OF DIRECTORS**

M. M. MURUGAPPAN (*Chairman*)  
M.V.WAGLE  
N. LAMERS (*Alternate : D. Hallen*)  
RAMESH AGARWAL  
KIRAN A. SHETH  
K. SRINIVASAN

**SECRETARY**

S. VISWANATHAN

**BANKERS**

STATE BANK OF INDIA

**AUDITORS**

FRASER & ROSS

**REGISTERED OFFICE**

4<sup>th</sup> Floor, Devatha Plaza, Residency Road,  
Bangalore – 560 025.  
Ph.: 080-22215625, 22240811  
Fax : 080-22213020  
E-mail : [mn@wendt.co.in](mailto:mn@wendt.co.in)

**FACTORY**

Plot 69/70,  
SIPCOT Industrial Estate,  
Hosur – 635 126.  
Ph. : 04344 –276851, 276852, 276254  
Fax : 04344 – 276853, 276253





## CONTENTS

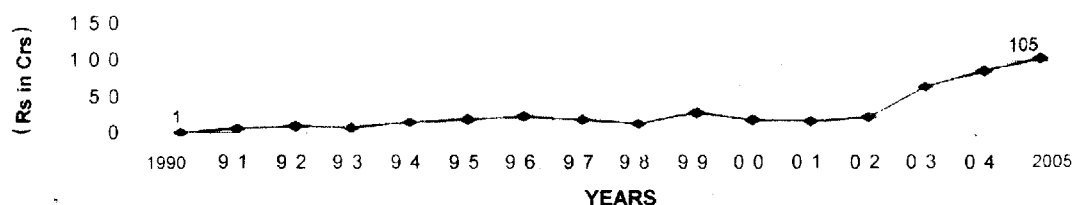
	Page
Notice to Members.....	06
Report of the Directors.....	08
Annexure to Directors' Report.....	11
Report of the Auditors.....	13
Annexure to Auditors' Report.....	14
Balance Sheet.....	16
Profit and Loss Account.....	17
Cash Flow Statement.....	18
Schedules.....	19



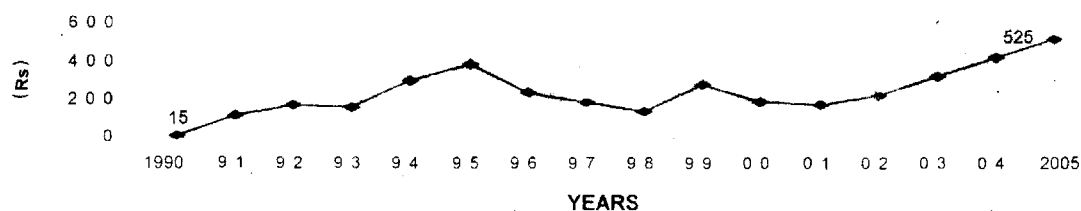
## FINANCIAL TRACK RECORD

Year ending 31st March	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>REVENUE</b>										
NET SALES	942	1052	1100	1270	1565	1849	2055	2540	3267	3784
DOMESTIC	787	879	872	1026	1304	1434	1444	1639	2194	2483
EXPORT	155	173	229	244	261	415	611	901	1073	1301
OTHER INCOME	62	60	63	65	69	41	55	59	124	128
<b>ROFITABILITY</b>										
Profit before depreciation	351	345	364	441	489	530	587	773	1137	1291
Profit before tax	306	302	313	383	423	451	498	682	1035	1176
Profit after tax	206	212	233	283	308	323	356	464	714	773
Dividend %	50	50	60	75	90	100	125	100	150	150
EPS (Rs.)	41.30	21.25	23.26	28.32	30.83	32.26	35.56	46.42	35.71	38.66
<b>ASSETS EMPLOYED</b>										
Fixed Assets	379	492	577	616	749	867	915	1015	1152	1280
Investments	25	73	63	156	287	218	406	626	1069	1205
Net Current Assets	342	259	322	429	326	507	494	570	392	576
Total Assets	746	824	962	1201	1362	1592	1815	2211	2613	3061
<b>CAPITAL STRUCTURE</b>										
Paid up share capital	50	100	100	100	100	100	100	100	200	200
Reserves	505	612	785	985	1192	1404	1503	1896	2172	2603
Loan Funds	191	112	77	116	70	88	67	49	57	65
Deferred Tax Liability							145	166	184	193
Total Funds	746	824	962	1201	1362	1592	1815	2211	2613	3061

## MARKET CAP

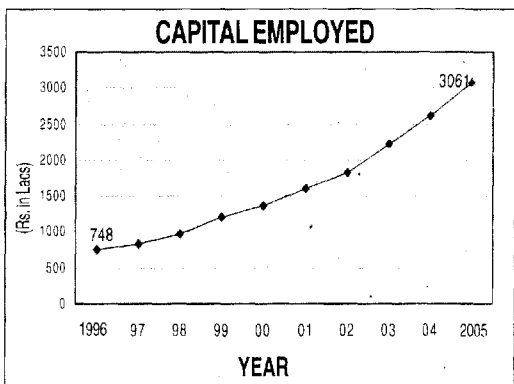
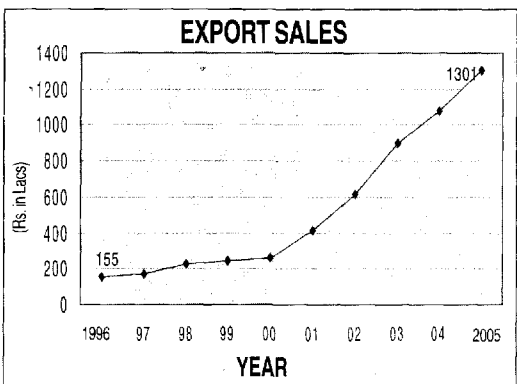
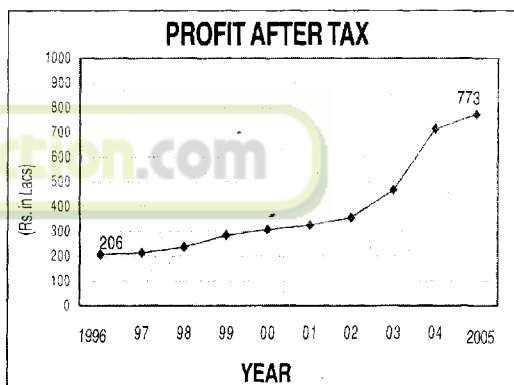
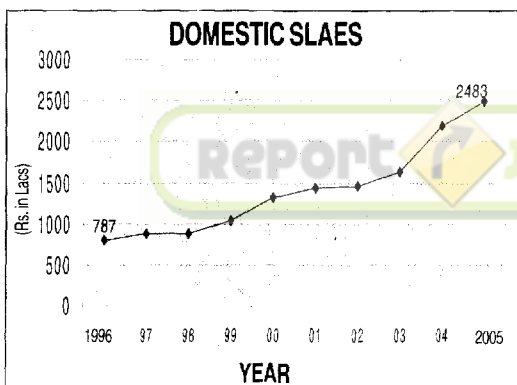
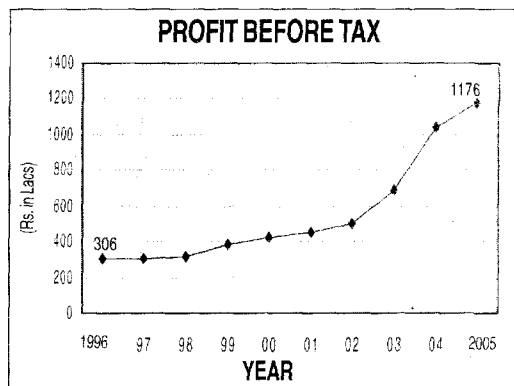
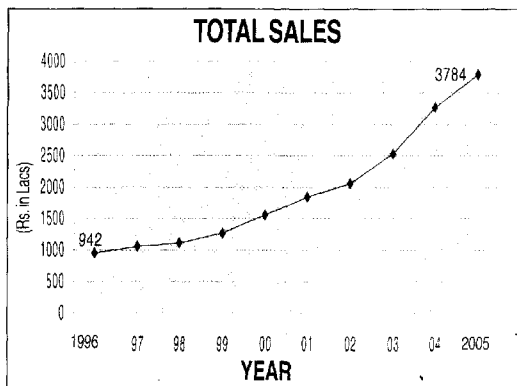


## SHARE PRICE



Note:- 1) 1:1 Bonus Issue in 1996 & 2003 2) Source BSE data 3) Face Value Rs 10 each







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

### **NOTICE TO THE MEMBERS**

Notice is hereby given that the Twenty-third Annual General Meeting of the Members of Wendt (India) Limited, Bangalore, will be held on Monday, 25<sup>th</sup> July 2005 at 4.00 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 31<sup>st</sup> March 2005 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend.
3. To elect a Director in place of Mr. M.V. Wagle who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Kiran A Sheth who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modification the following as a Special Resolution

Resolved that the Equity Shares of the Company be Delisted voluntarily from the Bangalore Stock Exchange subject to the provisions of the Companies Act 1956, the Securities Contract Regulation Act, 1956, the Securities and Exchange Board of India (SEBI) (de-listing of Securities) Guidelines, 2003 and other applicable laws, if any and further subject to such

compliances and clearances as may be necessary under the said SEBI Guidelines.

Resolved further that the Board of Directors of the Company or a Committee thereof be and hereby authorized to seek voluntary de-listing of the Companies Equity Shares from the Bangalore Stock Exchange and to do all such acts, deeds, matters and things as may be deemed necessary and to delegate powers to any Director, General Manager or Company Secretary of the Company to sign and execute such deeds, documents and writings, etc. as may be considered necessary to give effect to the above Resolution.

By Order of the Board  
For Wendt (India) Limited

CHENNAI  
23RD APRIL 2005

M M MURUGAPPAN  
CHAIRMAN

### **NOTES :**

1. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 16<sup>th</sup> July, 2005 to Monday, the 25<sup>th</sup> July, 2005 (both days inclusive).
2. An Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act 1956, in respect of Special Business is annexed hereto.
3. 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.
4. Dividend, when declared, will be paid to those members whose names appear on the Register of Members as on 25<sup>th</sup> July, 2005.





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 at least one week before the meeting date.
8. Members holding shares in physical form are requested to intimate the following to the Registrar & Share Transfer Agents M/s. Karvy Computershare Private Limited, 51/2, TKN Complex, Opp. National College, Vanivilas Road, Basavangudi, Bangalore - 560 004 Phone: 080-26621192/93
  - 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 1998 and / or any subsequent dividend payments are requested to make their claim to the Company.**

### **ANNEXURE TO THE NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### **Item No. 6**

The Equity Shares of the Company are at present listed with The Stock Exchange, Mumbai, (BSE) and The Bangalore Stock Exchange (BgSE). The Equity shares of the company are required to be traded compulsorily in demat mode with effect from 27.11.2000.

The Securities and Exchange Board of India (SEBI) (de-listing of Securities) Guidelines, 2003, provides for voluntary de-listing of any Company Shares, provided if Securities continue to be listed in a Stock Exchange having Nation wide Trading Terminals. Our Company's Equity Shares will continue to be listed with The Stock Exchange, Mumbai which has Nation wide Trading Terminals. In addition, the Company proposes to list its Equity Shares with the National Stock Exchange, Mumbai which has also Nation wide Terminals.

Trading of Companies Equity shares in the Bangalore Stock Exchange in the last few years has been negligible or nil. Your directors are of the view that no particular benefit is available either to the Company or its shareholders / investors by continuing the listing with the Bangalore Stock Exchange. The interest of the Shareholders and the Investors are also not adversely effected, as they can have access to online trading in the Equity Shares of the Company across the Country through The Stock Exchange, Mumbai and The National Stock Exchange (after the proposed listing). It is therefore proposed to get the Equity Shares of the Company delisted voluntarily from the Bangalore Stock Exchange.

Approval of the Shareholders to the proposal is being sought by Special Resolution as required under the Securities and Exchange Board of India (SEBI) (de-listing of Securities) Guidelines, 2003.



## **REPORT OF THE DIRECTORS**

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2005.

## **FINANCIAL RESULTS**

**Rs. in lacs**

	31.03.2005	31.03.2004
Sales*	3784	3267
Other Income	128	124
Profit before tax	1176	1035
Provision for current tax	394	303
Provision for deferred tax	9	18
Profit after tax	773	714
Earning per share (Rs.)	38.66	35.71

\* including machining charges /job works

## **OPERATIONS**

Your Directors are glad to report that the year under review marks yet another year of Successful Performance and Growth. Sales recorded a growth of 16 % with export sales surging to 21 % and domestic sales achieving a growth of 13 % as compared to the previous year. Profit before tax and Profit after tax increased by 14% and 8% respectively.

While the up-trend in the Indian Economy and users Industries like Automobile, Engineering and Steel, Cutting Tool, Glass, Ceramics continued during the year, the demands for the Company's products and revenue from Vitrified Tile Industries was severely effected due to cheaper imports. Further the

Company has exited from the package Software Business with a view to concentrate on core activities. The various proactive steps and initiatives taken by the Company to meet the challenges of global competition and changing customer needs have resulted in a satisfactory performance.

Export earnings constitute a substantial portion of Company's revenues. You will be glad to know that your Company was awarded the "Certificate of Export Excellence for Outstanding Export Performance" for two successive years 2001-02 and 2002-03 by the Engineering Export Council of India, Chennai. By leveraging its international connections and with the close co-operation of its Foreign Collaborators, M/s. Wendt GmbH, Germany, the Company has been constantly striving to expand its export, both in terms of earnings and geographical spread.

The project for Manufacture of WRS 30 Rotary Surface Grinding Machine for Export in Technical Collaboration with M/s. GU Stankowendt GmbH, Moscow, Russia is nearing completion and the first batch of machines is expected during the year 2005-06.

An Agreement has been entered with M/s. Wendt Boart S.A, Brussels, for meeting their price sensitive product requirements. Your Company is also exploring potential Business Opportunities in China, Korea, Srilanka & Bangladesh.

In the Domestic Sector, as your are aware, your Company is in the field of manufacturing Super Abrasive products, engineered to provide Technological Solutions to user industries as diversified as Automobile, Ceramics, Cutting Tools, Engineering, Steel, Glass, Refractories and Vitrified Tiles. It has been your Company's constant endeavor to adapt to the market dynamic and the changing