

WENDT (INDIA) LTD

24th Annual Report 2005-2006

Wendt India crosses Indian shores



Wendt Grinding Technologies Ltd





New library inaugurated

Launch of
Wendt Intranet

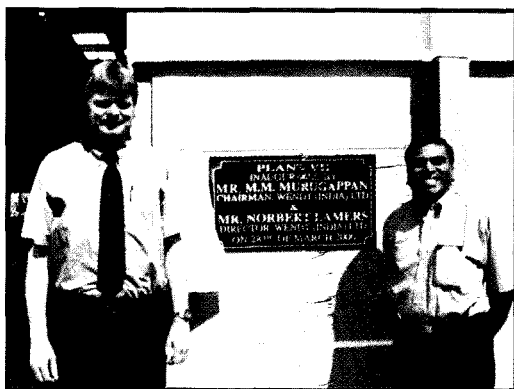


Puja at Thailand plant

Events of the Year



New library building



Inauguration of Plant VII



Puja at new plant



Change is the reflection of dynamic growth. A endless quest for excellence and perfection. It is the quintessence of sustained performance which keeps improving with every goal or landmark reached.

Change triggers the alchemy of restless dynamism which translates into tireless energy driving the people to attain higher goals of achievement. All said and done it is the people who make the organization. This is what made Wendt achieve the tremendous growth year after year.

With growth, comes an ever changing perception of an organization. Reflecting this change in perception is the new logo which we have pride in presenting to you, our partner in progress.

**BOARD OF DIRECTORS**

M M MURUGAPPAN (Chairman)
N LAMERS (Alternate: D Hallen)
M V WAGLE
KIRAN A SHETH
K SRINIVASAN
SRINIVAS G SHIRGURKAR
MAHESH R CHHABRIA

COMPANY SECRETARY

N SRI SAI KUMAR

BANKERS

STATE BANK OF INDIA

AUDITORS

FRASER & ROSS

REGISTERED OFFICE

407, 4th Floor, Devatha Plaza,
Residency Road,
Bangalore 560 025
Ph : 080-22215625, 22240811
Fax : 080-22213020
E mail: SrisaikumarN@wendtindia.com

FACTORY

Plot No: 69/70,
SIPCOT Industrial Estate,
Hosur-635 126
Tamilnadu
Ph : 04344-276851, 52,405500
Fax : 04344-405620, 405619

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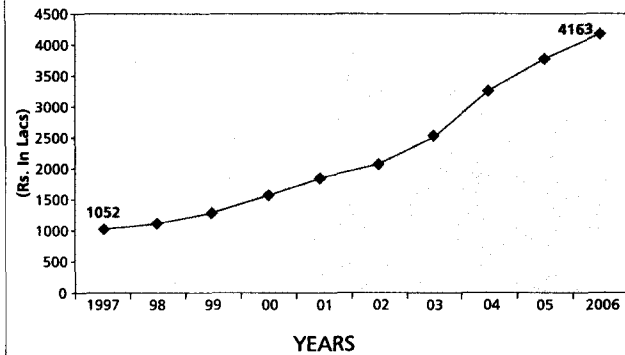
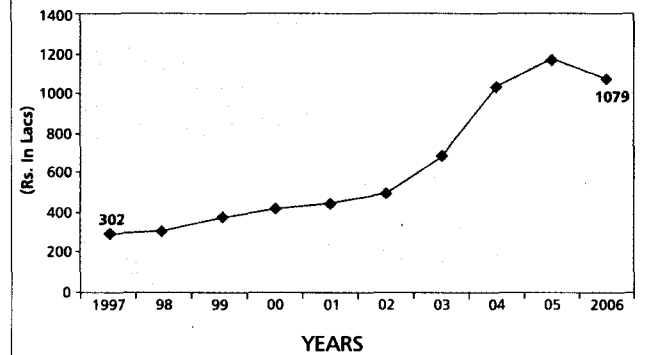
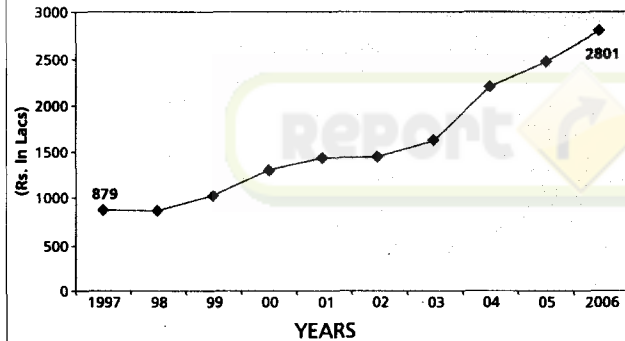
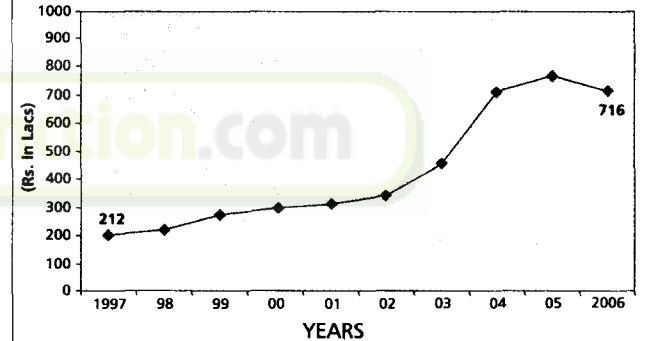
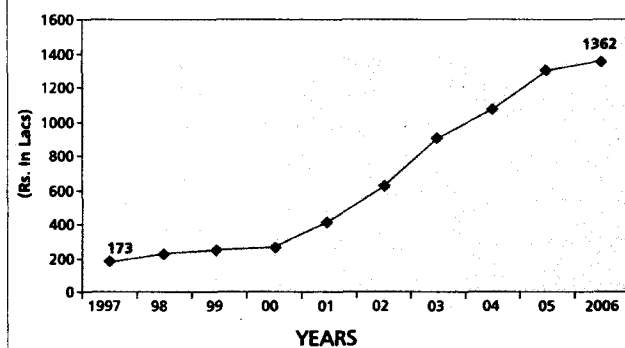
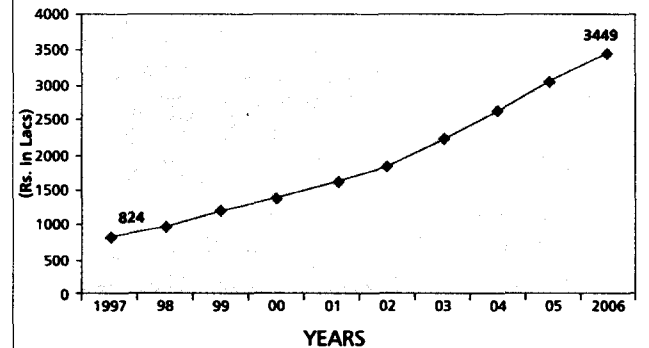
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FINANCIAL TRACK RECORD

Rs.in Lacs

Year ending 31st March	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUE										
NET SALES	1052	1100	1270	1565	1849	2055	2540	3267	3784	4163
DOMESTIC	879	872	1026	1304	1434	1444	1639	2194	2483	2801
EXPORT	173	229	244	261	415	611	901	1073	1301	1362
OTHER INCOME	60	63	65	69	41	55	59	124	128	100
PROFITABILITY										
Profit before depreciation	345	364	441	489	530	587	773	1137	1291	1215
Profit before tax	302	313	383	423	451	498	682	1035	1176	1079
Profit after tax	212	233	283	308	323	356	464	714	773	716
Dividend %	50	60	75	90	100	125	100	150	150	150
EPS (Rs.)	21.25	23.26	28.32	30.83	32.26	35.56	46.42	35.71	38.66	35.78
ASSETS EMPLOYED										
Fixed Assets	492	577	616	749	867	915	1015	1152	1280	1629
Investments	73	63	156	287	218	406	626	1069	1205	1183
Net Current Assets	259	322	429	326	507	494	570	392	576	637
Total Assets	824	962	1201	1362	1592	1815	2211	2613	3061	3449
CAPITAL STRUCTURE										
Paid up share capital	100	100	100	100	100	100	100	200	200	200
Reserves	612	785	985	1192	1404	1503	1896	2172	2603	2977
Loan Funds	112	77	116	70	88	67	49	57	65	66
Deferred Tax Liability	-	-	-	-	-	145	166	184	193	206
Total Funds	824	962	1201	1362	1592	1815	2211	2613	3061	3449

TOTAL SALES**PROFIT BEFORE TAX****DOMESTIC SALES****PROFIT AFTER TAX****EXPORT SALES****CAPITAL EMPLOYED**



Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Wendt (India) Limited, Bangalore will be held on Friday, 21st July 2006 at 4:30 PM 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 Audited Profit and Loss Account for the year ended March 31, 2006 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting. The retiring Auditors M/s Fraser & Ross, Chartered Accountants, Bangalore, have informed the company that they do not wish to be considered for re-appointment. The Company has received a special notice from a member proposing the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

" RESOLVED that M/s Deloitte Haskins & Sells, Chartered Accountants be and is hereby appointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of Rs. 2,00,000 (Rupees Two Lacs only) in addition to reimbursement of actual traveling and out-of-pocket expenses incurred by them".

4. To elect a Director in place of Mr K Srinivasan who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

5. Appointment of Mr. Mahesh Ramchand Chhabria

as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. Mahesh Ramchand Chhabria who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 10,2006 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

6. Appointment of Mr. Shrinivas G Shirgurkar as a Director of the Company.

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED that Mr. Shrinivas G Shirgurkar who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 17,2006 and who holds office upto the date of the forthcoming Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

Notes :

1. The Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item nos. 5 and 6 is annexed.



2. As per clause 49 of the listing agreement with Stock Exchange, the brief resume, functional expertise of the Directors proposed for reappointment / appointment are furnished below along with details of Companies in which they are directors and the Board Committees of which they are members.
3. 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 must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies 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.
4. The Register of Members and Transfer Books of the Company will be closed from July 11, 2006 to July 21, 2006, (both days inclusive). If the final dividend as recommended by the Board of Directors is approved at the meeting, to those members whose names are on the Company's Register of Members on July 21, 2006. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the end of business hours on July 21, 2006 as per details furnished by the Depositories for this purpose.
5. 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.
6. 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 Limited, Karvy House, 46, Avenue 4, Sector 1, Banjara Hills, Hyderabad 500 034
 - 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 shares 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.
7. Members or Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. Share holders desiring any information on the accounts are requested to write to the Company at least one week before the meeting date.
9. Consequent upon amendment to section 205A of the Companies Act, 1956 and introduction of section 205 C 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 1999 and / or any subsequent dividend payments are requested to make their claim to the Company.

By Order of the Board
For Wendt (India) Limited

Chennai
24th April, 2006

M M Murugappan
Chairman

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

As required by Section 173 of the Companies Act, 1956, the following explanatory statements set out all material facts relating to the business mentioned under Item 5 and 6 of the accompanying Notice dated April 24, 2006.

Item Nos. 5 and 6:

Mr. Mahesh Ramchand Chhabria was appointed as



Additional Director of the Company on April 10, 2006. Mr. Shrinivas G Shirgurkar was appointed as Additional Director on April 17, 2006. As per the provisions of Section 260 of the Companies Act, 1956, the above Directors hold office only up to the date of the forthcoming Annual General Meeting of the Company, and are eligible for appointment. The Company has received notices under Section 257 of the Companies Act, 1956, in respect of each of the candidates, proposing their appointment as a Director of the Company, along with the requisite deposit.

Details regarding the persons proposed to be appointed / reappointed as Directors and their brief resume have been given in the Annexure attached to the Notice. Keeping in view the experience and expertise of these persons, their appointment as Directors of the Company is recommended.

Each of the Directors may be deemed to be interested in the resolution relating to his own appointment.

Particulars	K Srinivasan	Mahesh Ramchand Chhabria	Shrinivas G Shirgurkar
Date of Birth	22nd November, 1957	19th April, 1964	8th April, 1948
Date of Appointment	29th January, 2001	10th April, 2006	17th April, 2006
Qualification	B Tech (Mechanical)	Bcom, ACA	BE (Mechanical)
Experience in specific functional areas	He has nearly 25 years of experience in the machine tools and abrasives industries in sales, technical, production and general management. He was a part of the team that turned around the Industrial Ceramic Business of CUMI. Presently he is the Managing Director of CUMI.	18 years of experience in Investment Banking business and headed an Investment Bank ENAM financial Consultants Pvt. Ltd prior to joining 3i India (P) Ltd. Worked 13 years in ENAM, where has a chance to work on various facets of corporate finance, compliance & origination.	35 years of experience in Machine tool Designing. Instrumental in starting the Ace Designers and presently he is the Managing Director of Ace Designers Ltd, one of the largest manufacturers of CNC turning machines in India with a market share of over 40%.
Directorship Held in other Public Companies (Excluding Foreign & private Companies)	-Carborundum Universal Ltd -Southern Energy Dev Corp Ltd -Sterling Abrasives Ltd -Prodorite Anticorrosives Ltd -Net Access(I) P Ltd	Nil	Nil
Memberships / Chairmanships of committees in public Companies	Nil	Nil	Nil

By Order of the Board
For Wendt (India) Limited

Chennai
24th April, 2006

M M Murugappan
Chairman