



## WENDT (INDIA) LTD

25th Annual Report

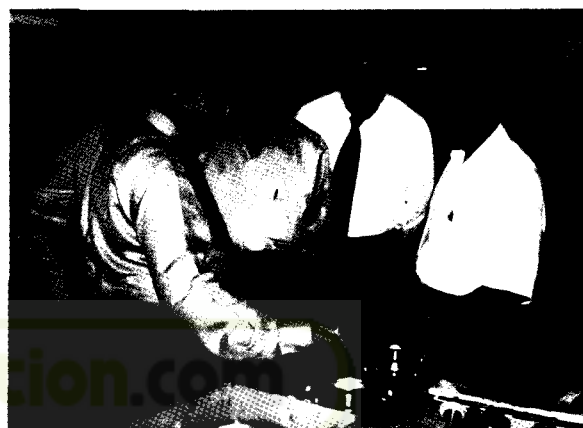
2006-2007

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*Preparing to step into the 25th year  
this August*

## Directors at WENDT



Report



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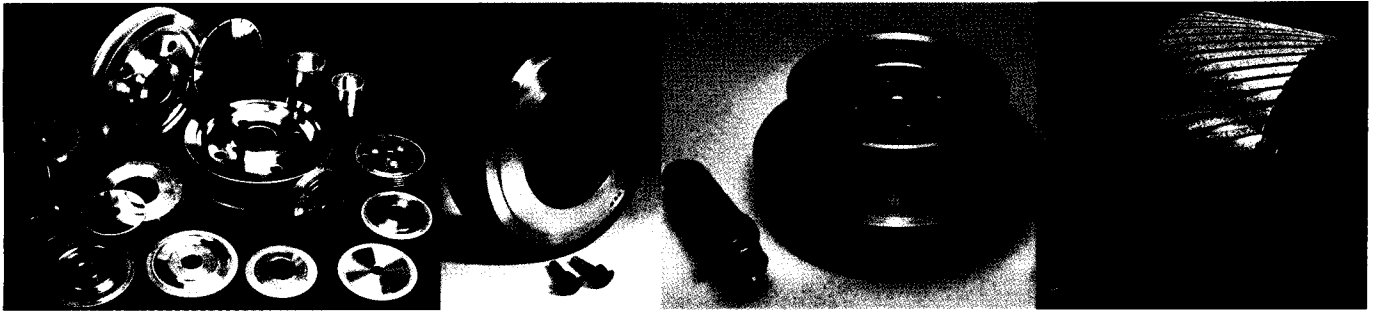


A day with the  
Executive Chairman  
and Vice Charman  
of Murugappa  
Corporate Board



SAP Launched at Wendt





### **Wendt is poised to step into its 25th Year**

Walking down the memory lane, Wendt realizes how eventful its journey has been. Since its inception in August 1983, Wendt has always kept ahead. Its products have maintained the edge of superiority, through innovative planning and passion for quality.

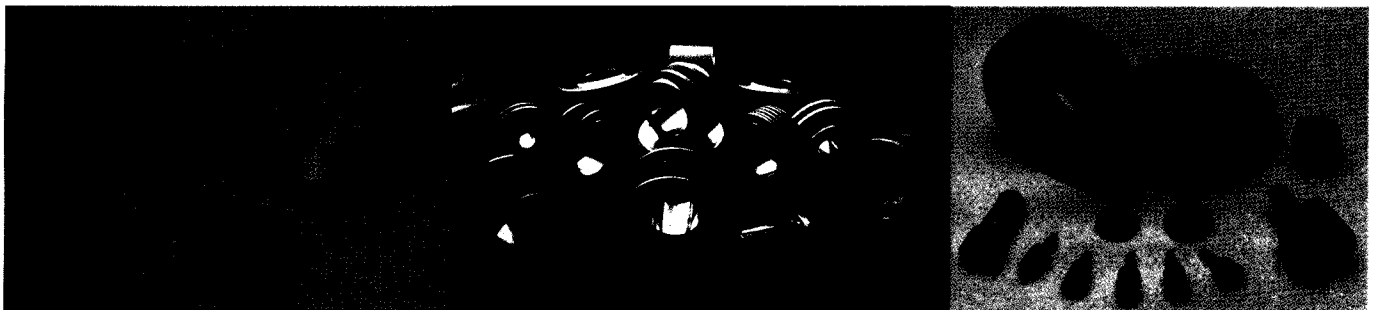
Its instant access to the technological excellence of Wendt GmbH has helped the company retain its leadership in a highly competitive and demanding market. In fact, over the years Wendt products have become generics of excellence.

Wendt made this possible through a sustained and systematic approach towards product planning and by adopting modern management practices like TQM, QMS - ISO:9001, EMS - ISO:14001 standardizations to name a few.

Wendt takes pride in its human resource practices. The team spirit, a feeling of one family and general bonhomie has synergized the strengths of the company.

Now, when Wendt is about to enter epochal 25th year, it rededicates itself to stakeholders and society with the pledge to sustain its spirit of excellence.

After all we are stepping into our Silver Jubilee year and we are proud of it!





## BOARD OF DIRECTORS

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

## COMPANY SECRETARY

N SRI SAI KUMAR

## BANKERS

STATE BANK OF INDIA

## AUDITORS

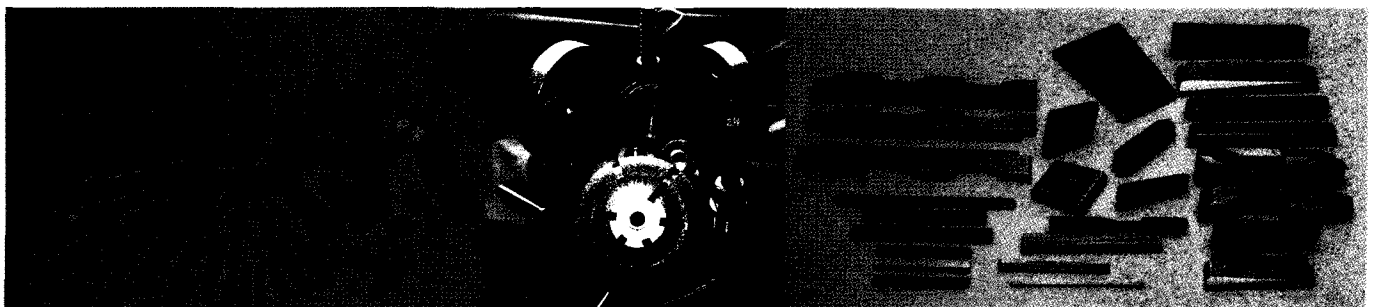
DELOITTE HASKINS & SELLS

## REGISTERED OFFICE

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Residency Road,  
Bangalore 560 025  
Ph : 080-22215625  
Fax : 080-22224968  
E mail: SrisaikumarN@wendtindia.com  
invsetorservices@wendtindia.com

## FACTORY

Plot No: 69/70,  
SIPCOT Industrial Estate,  
Hosur-635 126  
Tamilnadu  
Ph : 04344-276851,52,405500  
Fax : 04344-405620, 405630



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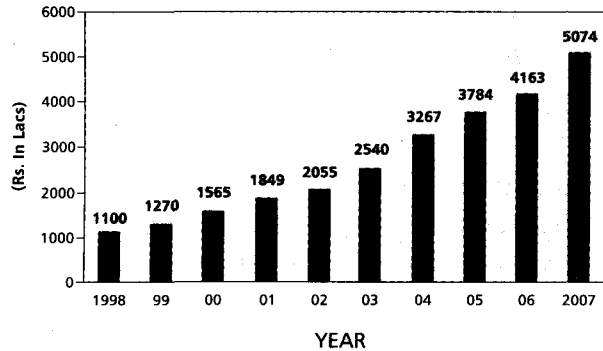
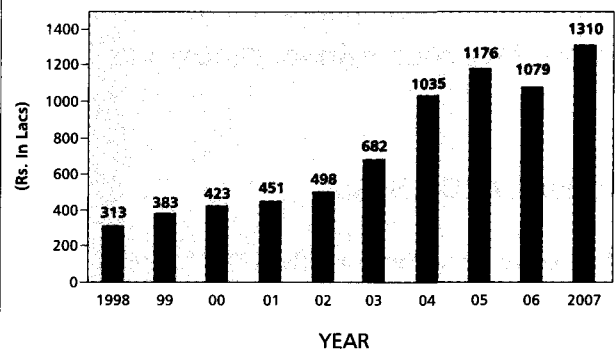
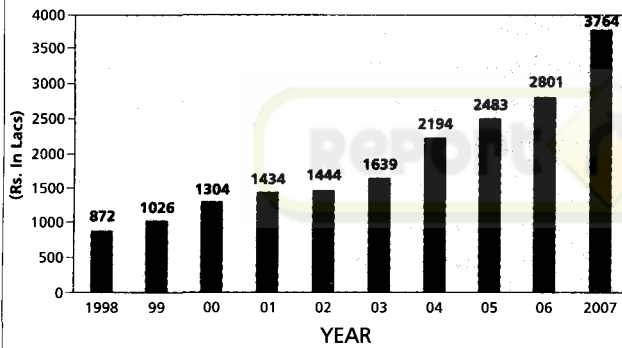
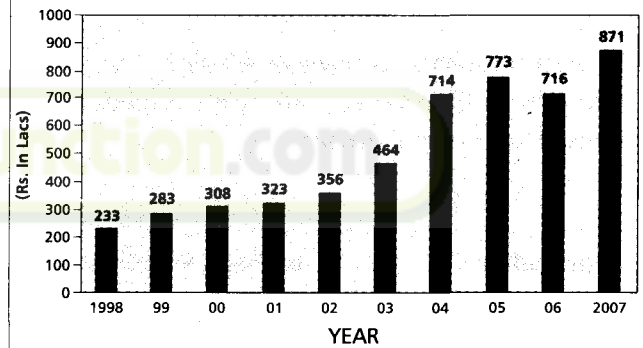
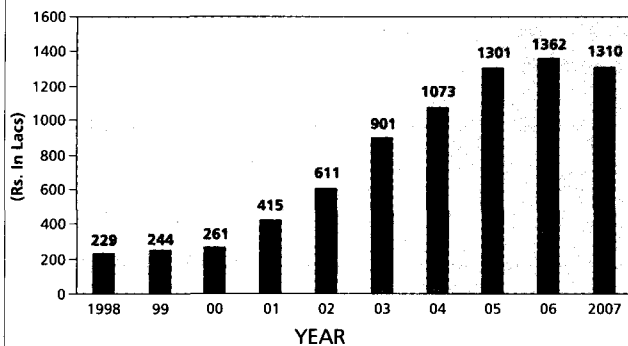
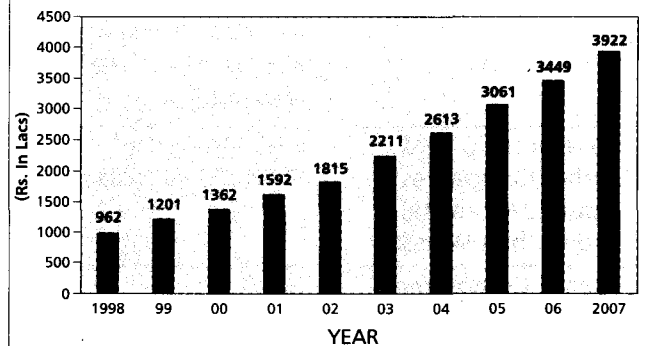
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## FINANCIAL TRACK RECORD

Rs.in Lacs

Year ending 31st March	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>REVENUE</b>										
Net Sales	1100	1270	1565	1849	2055	2540	3267	3784	4163	5074
Domestic	872	1026	1304	1434	1444	1639	2194	2483	2801	3764
Export	229	244	261	415	611	901	1073	1301	1362	1310
Other Income	63	65	69	41	55	59	124	128	100	155
<b>PROFITABILITY</b>										
Profit before depreciation	364	441	489	530	587	773	1137	1291	1215	1495
Profit before tax	313	383	423	451	498	682	1035	1176	1079	1310
Profit after tax	233	283	308	323	356	464	714	773	716	871
Dividend %	60	75	90	100	125	100	150	150	150	175
EPS (Rs.)	23.26	28.32	30.83	32.26	35.56	46.42	35.71	38.66	35.78	43.56
<b>ASSETS EMPLOYED</b>										
Fixed Assets	577	616	749	867	915	1015	1152	1280	1629	1911
Investments	63	156	287	218	406	626	1069	1205	1183	1204
Net Current Assets	322	429	326	507	494	570	392	576	637	807
Total Assets	962	1201	1362	1592	1815	2211	2613	3061	3449	3922
<b>CAPITAL STRUCTURE</b>										
Paid up share capital	100	100	100	100	100	100	200	200	200	200
Reserves	785	985	1192	1404	1503	1896	2172	2603	2977	3438
Loan Funds	77	116	70	88	67	49	57	65	66	49
Deferred Tax Liability	-	-	-	-	145	166	184	193	206	235
Total Funds	962	1201	1362	1592	1815	2211	2613	3061	3449	3922

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



Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Wendt (India) Limited, Bangalore will be held on Monday 23rd July 2007 at 4:00 PM at Bharathiya Vidya Bhavan, Race course Road, Bangalore 560001 Karnataka to transact the following business

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ending 31st March 2007 and the Balance Sheet as at that date together with the report of Directors and Auditors 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 reappointment.

4. To elect a Director in place of Mahesh R Chhabria who retires by rotation and being eligible offers himself for reappointment.

5. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors of the Company for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to fix their remuneration.

## Notes :

1. 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.

Particulars	Mahesh R Chhabria	Kiran A Sheth
Date of Birth	19th April, 1964	4th Sept 1939
Date of Appointment	10th April, 2006	25th Feb 1991
Qualification	Bcom, ACA	BSC
Experience in specific functional areas	19 years of experience in Investment Banking business and headed an Investment Bank ENAM financial Consultants P. Ltd prior to joining 3i India (P) Ltd. Worked 13 years in ENAM, where he had worked on various facets of corporate finance, compliance & origination.	30 years as a partner in premier textile processors, 26 years as partner in A Sheth & Company which is a finance & investment company.
Directorship held in other Companies (public & private) other than Wendt	UFO Moviez Ltd OOH Media India (p) Ltd	Nil
Board Committee (Member/Chairman) other than Wendt	Nil	Nil



2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 10th July 2007 to 23rd July 2007 (both days inclusive). The dividend on the Equity shares, as recommended by the Board of Directors, subject to the approval of the Members in the Annual General Meeting, will be paid on or after 27th July 2007 to all the members whose names appear in the Register of Members on 23rd July 2007, in respect of Physical Shares. In respect of the dematerialized shares, the dividend will be paid to the beneficial owner of the shares whose names appear in the statement of the beneficial ownership furnished by the NSDL & CDSL.  
  
***The Company is introducing payment of dividend through Electronic Clearing System (ECS) and the Members desiring to avail this facility are requested to fill up the Form ("ELECTRONIC CLEARING SERVICE MANDATE FORM") annexed to this Annual Report and send back as mentioned therein.***
4. 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.
5. 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 Ltd, Plot Nos. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081
  - 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.
6. Members or Proxies should bring the Attendance slip duly filled in for attending the meeting.
7. Share holders desiring any information on the accounts are requested to write to the Company at least one week before the meeting date.
8. 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 2000 and / or any subsequent dividend payments are requested to make their claim to the Company.

By Order of the Board  
For Wendt (India) Limited

Bangalore  
26th April, 2007

M M Murugappan  
Chairman



## DIRECTORS REPORT

Your Directors have pleasure in presenting the 25th Annual report together with the audited financial statements for the year ended 31st March 2007.

### KEY FINANCIAL SUMMARY (Rs in Lacs)

	31/03/2007	31/03/2006
<b>Sales</b>	5074	4163
Other Income	155	100
Profit before tax	1310	1079
Provision for current & Fringe Benefit tax	410	351
Provision for deferred tax	29	12
Profit after tax	871	716
Earnings per share	43.56	35.78

## RESULTS OF OPERATIONS

During the year your Company achieved a turnover of Rs 5074 lacs, registering a growth of 22 % over the previous year. The domestic sales grew by 34% while maintaining the export sales almost at last year's level. The Profit before tax and Profit after tax has grown by 21 % and 22% respectively over the previous year.

Your Company's redefined business objective from being a mere super abrasive product manufacturer to being a **Provider of Products / Services for sizing, forming and surface improvements on materials** has resulted into opening new avenues and widening its customer base in the domestic market in various Industry segments.

The Company's exports constituted 26 % of the total sales, however during the year exports did not grow as per plan. This was due to the shift in manufacturing base which is being noticed globally - most of the international players in Automotive, Tooling and Engineering segment shifting their manufacturing bases to the developing countries like India. This has resulted into lower off-take by some of the major international customers, while giving buoyancy to the Domestic market.

During the year the Company added fixed assets to the

tune of Rs 568 Lacs and also finalized orders for capital expenditures to the tune of Rs 83 lacs. The assets have been added and orders have been placed for various equipments / infrastructure with a clear focus to enhance both Capability and Capacity. These would address and compliment the accelerated growth in both Domestic & Export market in the coming years.

The Company, during the year, in order to improve, integrated its entire business operations and efficiently improve its resource utilization has embarked on implementing effective Enterprise Resource Planning (ERP) Solution. Towards this objective Company has implemented Project WILPOWER - Robust SAP software system, while engaging HCL Technologies as their implementation partners. The WILPOWER project was successfully launched as scheduled, during the year, with a Go Live on 23rd November 2006. Your Company has implemented SAP in all 8 modules, except Human Resources.

## FUTURE PROSPECTS

The continued strong growth of the national economy, the Government's thrust on infrastructure and the housing sectors will have a ripple effect touching almost all industry segments with a positive growth. Riding on this Industrial growth, your Company's overall performance and operating results are expected to improve further.

## SUBSIDIARY COMPANY

**Wendt Grinding Technologies Limited, Thailand**

Wendt Grinding Technologies Limited (WGTL) a 100% wholly owned subsidiary of your Company was incorporated on 19th July 2005 with an investment of Rs. 277 lacs. The major objective during the first phase was to provide service support to the existing customers in ASEAN countries by re-profiling / servicing of super abrasive Grinding Wheels and improving the market reach by stocking, selling and trading on Company's products.

Your Directors are pleased to inform you that your Subsidiary Company has now successfully implemented the phase I and has gone full swing