

Global Aspirations  
Through  
Local Inspirations





# Global Aspirations...

Wendt (India) Limited has ever since its inception been a customer centric Company by choice. It has been maintaining its leadership position in the Domestic market, thanks to its focus on continuous innovation, adapting to changing trends and more importantly fulfilling the customers' requirements.

Over the years, Wendt not only has enhanced its Super Abrasive range, but also added a range of grinding machines and honing machines catering to niche applications in association with global leaders besides offering precision components to global markets.

While necessity is the mother of invention; Wendt believes that diversity and inclusion inspire innovation and creativity.

By harnessing the power of diversity and inclusion, Wendt redefined the way it works and delivered enhanced value to its customers reflecting the changing needs of the industry.

Constantly adjusting and re-adjusting processes, methods and systems across the value chain in shortest possible time, thus catalyzing responses in terms of products, services and behaviors which is vital to achieving manufacturing excellence and global aspiration.

With this dynamic approach, it was a natural step for Wendt to cross the borders of the domestic market and enter the global arena.

Today it has footprints in over 35 countries, delivering quality and performance that easily match global applications

A simple phrase that explains this evolution at Wendt is.... global aspirations through local inspirations.





BOARD OF DIRECTORS

Chairman	M M MURUGAPPAN
Director	EDMAR ALLITSCH
Director	K SRINIVASAN
Independent Director	SHRINIVAS G SHIRGURKAR
Independent Director	K S SHETTY
Alternate Director to (Edmar Allitsch)	PETER VERHOLEN

SENIOR MANAGEMENT

Chief Executive	RAJESH KHANNA
Unit Head	M S VENKATESH
AVP - Lean, HR and Management Systems	J H SASTRY
Business Head - Superabrasives	D K HOTTA
Business Head - Non-Superabrasives	S SUNDARIYA
Chief Financial Officer	MUKESH KUMAR HAMIRWASIA
Head - Technology and R & D	Dr. ANWAY MAITI

COMPANY SECRETARY

AKANKSHA BIJAWAT

BANKERS

STATE BANK OF INDIA

AUDITORS

DELOITTE HASKINS & SELLS  
Bangalore

REGISTERED OFFICE

No.105, 1st Floor, Cauvery Block,  
National Games Housing Complex,  
Koramangala  
Bangalore - 560047  
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Fax: 080 - 25701425  
[akankshab@wendtindia.com](mailto:akankshab@wendtindia.com)  
[investorservices@wendtindia.com](mailto:investorservices@wendtindia.com)

FACTORY

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

REGISTRAR & SHARE TRANSFER AGENTS

Karvy Computershare (P) Ltd.

Engineering Flair with Environmental Care...



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...Total Grinding and Honing Solutions



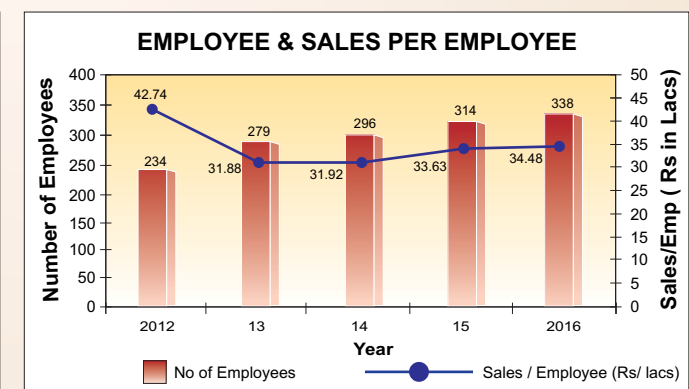
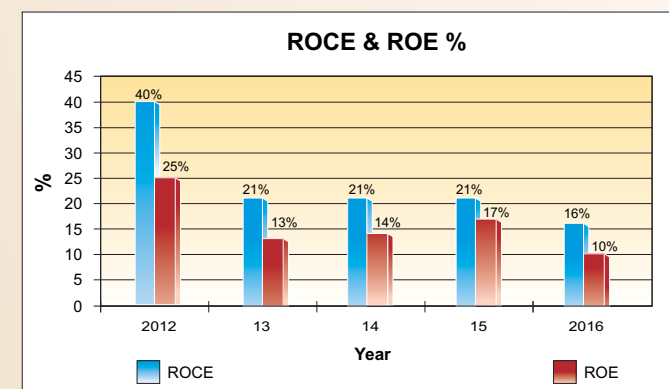
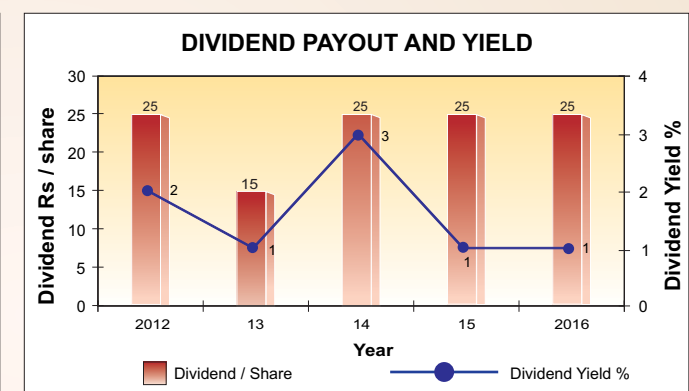
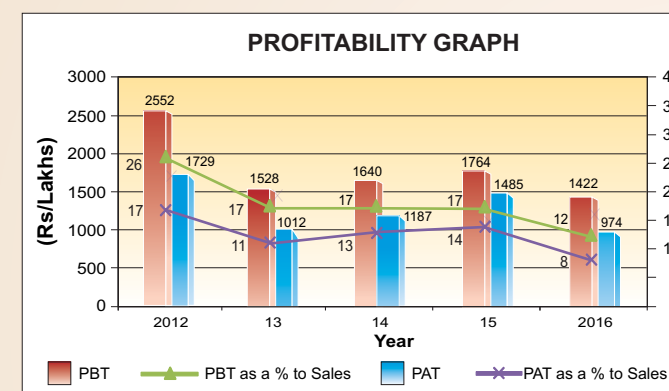
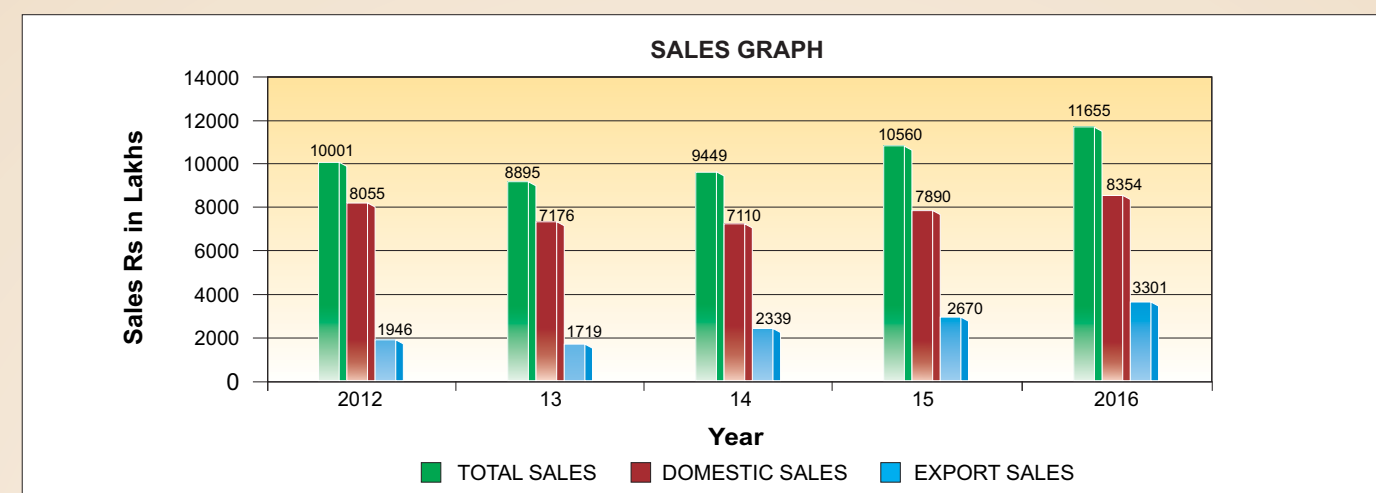
## FINANCIAL TRACK RECORD

Rs.in Lacs

Year ending 31st March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUE</b>										
Total sales	5074	5405	5136	5609	8173	10001	8895	9449	10560	11655
Domestic sales	3764	3873	3389	4368	6727	8055	7176	7110	7890	8354
Export sales	1310	1532	1747	1241	1446	1946	1719	2339	2670	3301
Other Income	155	185	309	222	299	278	225	611	800	619
<b>PROFITABILITY</b>										
Profit before depreciation	1495	1459	1517	1714	2654	2888	1930	2098	2556	2257
Profit before tax	1310	1255	1297	1455	2356	2552	1528	1640	1764	1422
Profit after tax	871	842	884	983	1595	1729	1012	1187	1485	974
Dividend %	175	200	200	250	250	250	150	250	250	250
EPS (Rs.)	43.56	42.08	44.21	49.12	79.76	86.45	50.59	59.34	74.24	48.70
<b>ASSETS EMPLOYED</b>										
Fixed assets	1911	2085	2610	2950	3264	4363	5027	5510	5608	6051
Investments	1204	1454	1200	1672	2257	1370	1496	1703	1866	1327
Net current assets	807	697	858	413	531	1532*	1485*	1505*	2047*	2525*
Total assets	3922	4236	4668	5035	6052	7265	8008	8718	9521	9903
<b>CAPITAL STRUCTURE</b>										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	3438	3787	4203	4602	5614	6762	7425	8031	8790	9162
Loan funds	49	28	36	-	-	-	-	-	-	-
Deferred tax liability	235	221	229	233	238	303	383	487	531	541
Total funds	3922	4236	4668	5035	6052	7265	8008	8718	9521	9903

\* Net current assets is arrived after reducing current liabilities, long term liabilities and provisions from current assets (excluding current investments) and long term loans and advances

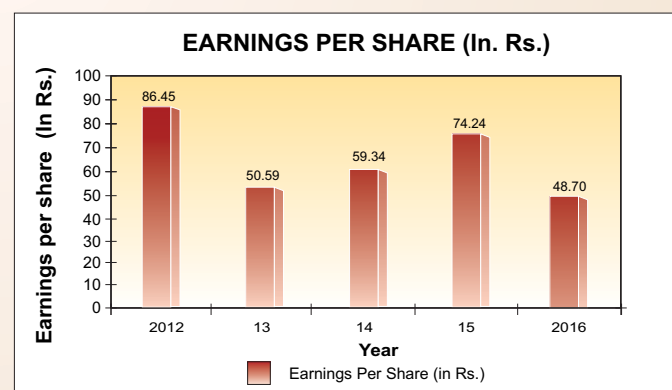
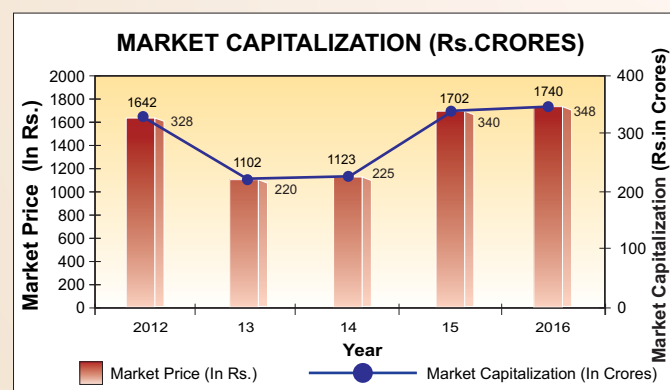
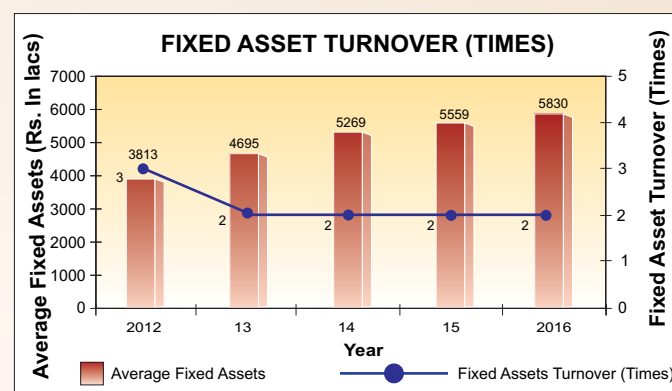
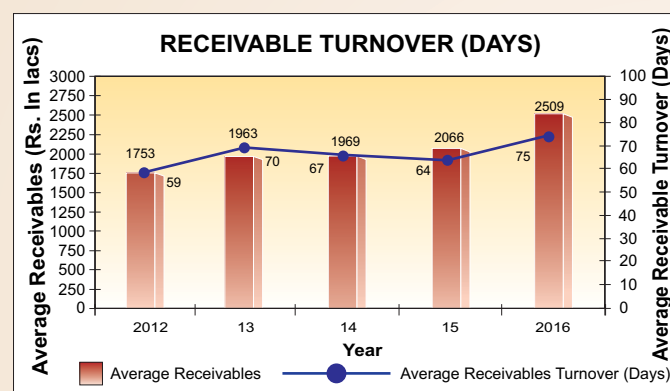
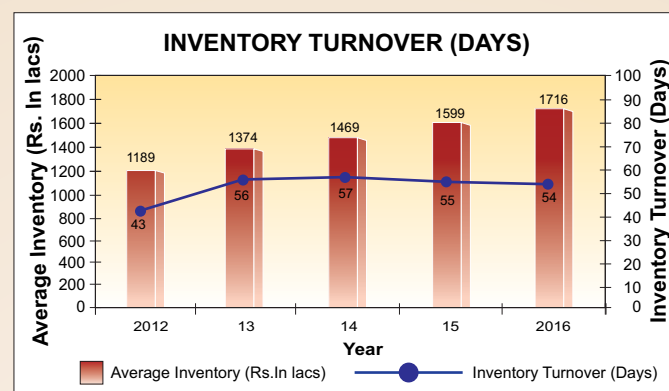
Engineering Flair with Environmental Care...



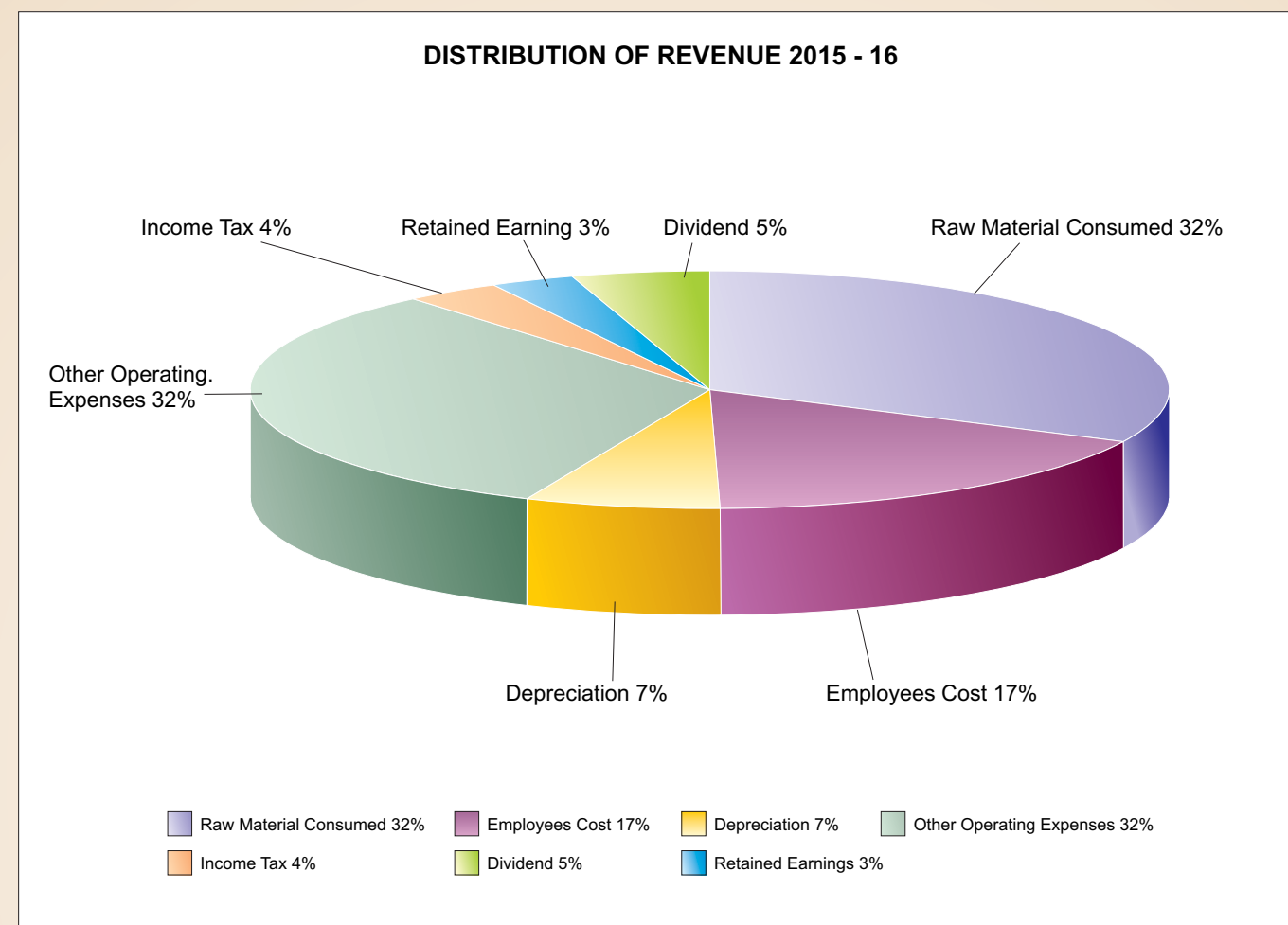
...Total Grinding and Honing Solutions







Engineering Flair with Environmental Care...



...Total Grinding and Honing Solutions





## REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

The Board of Directors has pleasure in presenting the 34th Annual Report along with the Audited Financial Statements for the year ended 31st March 2016. The Management Discussion & Analysis Report forms part the Directors Report so as to avoid duplication and repetition.



## ECONOMIC OVERVIEW

During the year 2015-16, the Indian economy has experienced an improved growth rate with perceptible revival in domestic demand after going through continued slowdown for last three to four years. Certainly, both Global and Indian economy now seem to be in a much better shape than earlier. Backed by the positive revival and industry sentiment, the growth projection for Indian manufacturing remains positive in coming years mainly because of various growth programmes and initiatives planned by the Government, some of them are already embarked and under implementation.

The Indian economy achieved a moderate growth of around 7.5% during the year, facilitated by expansion in manufacturing activities and experiencing similar growth in previous few quarters. Liberalization of foreign investment rules for defence production, and medical devices as also non-manufacturing sectors such as real estate and insurance have contributed to strengthening the investor sentiments. The automobile sector, overall, ended the year on a good note on account of major new launches despite poor rural demand and higher costs with leading manufacturers reporting sales growth during the year. Other industry segments such as Cutting Tools, Steel, Engineering, Ceramics, Glass, Refractories have also achieved moderate growth over the previous year. On the contrary, India's export continued to be lower than expected to the major markets such as US and European Union during the year on account of volatility and oil crisis in the OPEC region which is going on for quite some time.



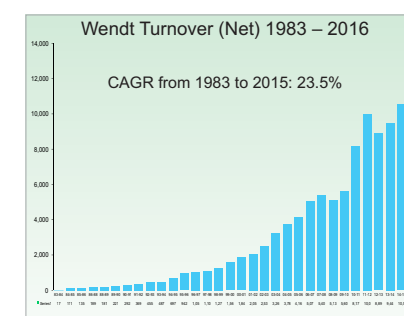
Steel, Engineering, Ceramics, Glass, Refractories have also achieved moderate growth over the previous year. On the contrary, India's export continued to be lower than expected to the major markets such as US and European Union during the year on account of volatility and oil crisis in the OPEC region which is going on for quite some time.

## COMPANY PERFORMANCE OVERVIEW

(Rs in Lacs)

	31st March 2016	31st March 2015
Sales	11,655	10,560
Other Income	619	800
Profit Before Tax	1,422	1,764
Profit After Tax	974	1,485
Earnings per Share - Rs	48.70	74.24

## RESULTS OF OPERATIONS



Your company continued to put its best efforts in both domestic and export market and achieved a Top line of Rs.11655 Lacs during the year under review with a growth of 10% as compared to the previous year. With rather sluggish rise in demand in the domestic market, some of the industry segments such as Engineering, Automobile, Ceramics, Cutting Tools, Steel, Refractory and Glass have positively contributed resulting in a muted growth of 7% over the previous year. On the export front, the overall growth has been 24% over the previous year though some of the advanced countries continued to witness slow growth. Your company's continuing efforts in addressing the challenges in some of the overseas markets such as UAE and South East Asian countries have more than compensated for the uncertainties resulting in the above growth compared to

the previous year.

Your company continues its pursuit to perform its business with a clear focus on **Super abrasives**, **Non-Super abrasives** and **International Business** and achieve growth by taking cognizance of medium and long term perspectives. It also strongly believes that the "Make in India" campaign by the Indian Government, which is designed to facilitate investments, foster innovation, enhance skill development is slowly gaining pace and would provide the much needed impetus for growth. Accordingly, your company continues to make necessary investments in the identified growth areas and resources in order to reach long term business goals. During the year, your company entered into the smart space business – with the shift of Space one business from CUMI to its operations. During the short span of time, the company has started seeing improvements in terms of order inflow, sales and increased market awareness among some of well-known Ecommerce platforms and channel partners. During the year, your company participated in the international exhibition GrindTec 2016 showcasing its products to the international audience in Germany for the first time and has received encouraging responses and enquires.



The **Super abrasive Business** comprising of Diamond/CBN grinding Wheels in various bonding systems, Hones, Dressing Rolls, Segmented products & Stationary Dressers, achieved 8% growth over the previous year against many challenges and stiff competition from both global and domestic fronts. This has been achieved mainly on account of continued efforts and initiatives on product developments & new applications which also includes import substitutions in most cases. During the year under review,

the Company successfully launched some of new products which include Vitrified Products for Auto Component, Dressing Rolls for Bearing and certain other automotive applications, Electroplated products for Engineering and Gear and Brazed Diamond Products for Paint industry. In addition, your company successfully concluded the acquisition of **Star Diamond**, Mumbai towards the end of the year - a well-known and established name in Stationary Diamond Dressers space. This is expected to further strengthen your company's position in Diamond Dressers segment in the market. This will also provide an additional brand to your company.

Your company has been strengthening its Research and Development Centre by way of adding capabilities and augmenting the efforts in Bond / Matrix formulations since its establishment & has been working on developments towards building self-reliance on the technological front.







During the year, your company has added new capabilities and competencies in developing some of the new applications / products for various industries. Added to this, your company has entered into the technology transfer agreement with the prestigious BARC (Bhabha Atomic Research Centre) for CMMRF, (Chemo Mechanical Magneto Rheological Finishing). Going forward, this would open up doors for the company for developing Nano Polishing Machines / Technology for Polishing of components in future.

The **Machine Tools & Precision Components** business achieved a growth of 19% over the previous year with Machine sales clocking an impressive growth of 47% growth on the back of good orders from both domestic and export customers. During the year, your company has continued to develop & launch many new models / variants of machines including CNC Rotary Surface Grinding Machines and Honing Machines. The 7 New Machine Models launched in the beginning of the year by your company, have been received well by the customers. This is explicitly evident from the orders, your company received including those from the overseas customers.

The **Precision Components** business, now contributes to more than 10% of the business of your company. It continued to work on enhancing the product basket while increasing its production volume of two new components that were added last year.



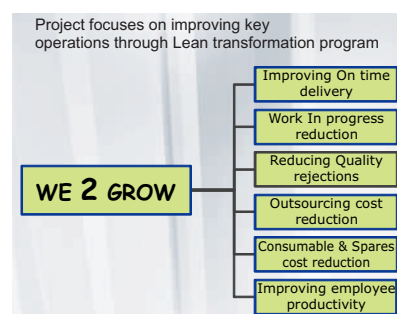
The Precision component sales remained flat reflecting the auto-component market.

During the year, your company has received the prestigious Distance Piece Project contract during the year from Bosch for 3 years which is expected to strengthen the precision component business in the future.

In addition to this, in order that the precision component business is further strengthened, your company is in advanced stage of development and testing of some of the new components with few of potential customers both in India and Overseas.

## FOCUS ON CUSTOMER CENTRICITY

Improved operational efficiency and optimum use of resources in the area of manufacturing continues to be one of the focus areas of your company. Towards this, your company started implementation of **Lean manufacturing** two years back and has found this initiative highly beneficial as this addresses some of the important areas such as process bottlenecks and streamlining encompassing planning, scheduling, production, quality and materials. As a result, your company has started seeing benefits in terms of optimal utilization of resources, machines and equipment through effective planning, besides addressing bottlenecks for driving efficiency, improvement in delivery and waste elimination. As we all know, lean management is a journey which promises to deliver long terms benefits by elimination of non-value added activities, effective utilization of resources and higher level of customer satisfaction. During the year, your company has initiated second phase of implementation by extending it to all the support functions which act as enablers for the final results in the organization.



Some of the major benefits:

- Reduction in lead time for product delivery
- Reduction in rejection levels
- Better Work in Progress
- Effective Raw Material Planning
- Improved employee productivity
- Optimum inventory management

## FUTURE PROSPECTS

In order to achieve improved performance year on year, your company would continue to work on effective alignment of strategies and business objectives based on the market needs and challenges. Your company recognizes that focus on product and process innovation, adoption and



deployment of new technologies and processes are critical in order to achieve its long term objectives. Accordingly, your company works on continually improving product performance by use of technology & superior manufacturing. While the existing products would continue to be offered to the customers, new products, new application developments and Innovation would be the focus for your company. Market penetration to increase the share with existing customers. Developing competitive edge by improving service levels and offering value added services.

Your company continues to accord high level of importance to **Innovation** in areas such as Bond development, new product development and automation.

Special efforts would be given to turn the new opportunities into business through new products and applications.

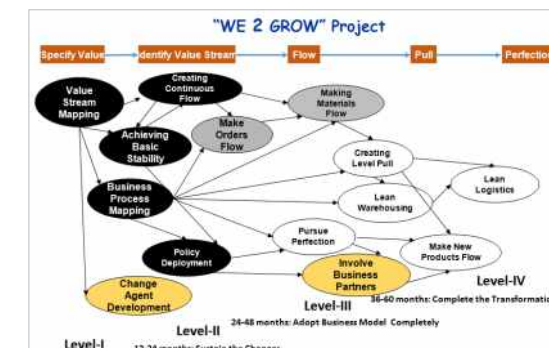
Towards future growth, your company continues to track the **megatrends** and accordingly your company has been working on the emerging opportunities by developing new products for industry segments such as Infrastructure, Construction, Aerospace, Defense and Health care. Your company continues its efforts in this direction of exploring the opportunities that unfolds going forward.

All these efforts by your company in this direction would be supplemented by participation in major national and international exhibitions, trade shows, and presence in leading industry forums, e-commerce initiatives. Your Company harnessing requisite technology on **CRM and knowledge management** and other value added services would enable to address the surfacing Mega trends. Export business has been one of the main focus areas for your company. Towards this, your company will continue to strengthen its global presence in identified countries through strategic alliances and joint



co-operations, management representatives in addition to taking advantage of the CUMI network through joint efforts in the identified countries.

The acquisition of Winterthur Technology Group (WTG) by the US multinational 3M Corporation and resultant indirect acquisition of 40% equity shareholding in your Company continues to be a matter of contention while not being an issue. The matter continues to be under the purview of The Honorable Company Law Board (CLB), Chennai and your company expects the ownership matter to be resolved soon.





## SUBSIDIARY COMPANIES

### Wendt Grinding Technologies Limited, Thailand

Your company's 100% owned subsidiary Wendt Grinding Technologies Limited, Thailand, has achieved a topline of Thai Baht 864 Lacs (Rs.1620 Lacs) which is in line with the plan and at the same level of previous year despite continued slowdown, political issues and upheaval in the region. The Profit Before Tax was Thai Baht 117 Lacs (Rs.230 Lacs) during the year and the Profit After Tax has been Thai Baht 93 Lacs (Rs. 186 Lacs) marginally lower than previous year.

Business sustainability and consistent performance has been the key for success of your subsidiary company. While continuously looking for new opportunities apart from increasing the product basket would help the subsidiary to churn out better performance in the coming year as well. New customer additions and enhanced product basket have compensated for the sharp decline arising out of lower automobile production & corresponding related industries.

Your subsidiary company continues to take part in some of the important Industrial and Trade Exhibitions for exploring new businesses, strengthening networking with industry leaders for promotions and plant visits for customers.



### Wendt Middle East FZE, Sharjah

Wendt Middle East FZE, Sharjah, the second wholly owned subsidiary of your company has achieved a reasonable performance for the year under review by taking into account the on going oil crisis, stalling of new projects and political uncertainty in the region. During the year, your subsidiary has achieved an annual sale of AED 32 Lacs (Rs.561 Lacs) which is marginally lower than the previous year. However, the Profits have been AED 7 Lacs (Rs.132 Lacs) which is similar to last year level on account of judicious control on costs and balanced product mix.

Needless to say that the whole manufacturing scenario in the region including the neighbouring countries has been under increasing pressure due to on-going socio-economic instability, rising inflation and political disturbances resulting in sharp reduction in capacity utilization to around 50% level with only few new investments by the Government and Foreign inflows.

Your subsidiary has put its best efforts to address these challenges and adversaries, by way of new initiatives and addition of new customers and industries to its fold, increased service levels besides expansion of product basket to achieve the above results during the year.

## APPROPRIATIONS

Available for appropriation	(Rs in Lacs)
Profit After Tax	974
Add: Balance brought forward from previous year	3592
Total	4566
<b>Recommended appropriations</b>	
Transfer to General Reserve	400
Dividend	
-Interim Rs 10/-per share	200
-Final (Proposed dividend Rs 15/- per share of face value of Rs 10/- each)	300
Dividend Tax	
-Interim	41
-Final (Proposed)	61
Balance carried forward	3564
Total	4566



## CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility for your company has been in the core of the business along with transparency in all dealings. The contributions made by your company extends outside and beyond the company, to the communities in the vicinity, local schools and the society. This is based on your company's firm belief that an organization's true value lies beyond its business and is reflected by the services it extends to the society as a whole.

Befitting its size, your company continues to make contributions



to various social causes such as education for underprivileged school children, old age homes, orphanages including providing sanitation facility. Your company also gives importance to green environment and tree plantation in the nearby communities by distributing free saplings every year.

Your company's initiative on running the Skill Development Centre over last four years has been beneficial to the purpose of providing vocational and technical training in five trades for uplifting the lives of young children drawn from poor and deprived background. Not only does this initiative help continuance of formal educations for these children, will also help them with gainful employment upon successful completion of the courses.



With the enactment of the CSR provisions in the Companies Act 2013, the Company has put in place a CSR policy incorporating the requirements therein which is also available on the Company's website at the following link.

<http://www.wendtindia.com/pdf/csrfpolicy.pdf>

As per the provisions of the Companies Act, 2013, the Company is required to make a spend of Rs 35.27 Lacs and the Company has spent Rs 38.45 Lacs towards CSR activities during the year 2015-16.

The Annual Report on CSR activities in the prescribed format is annexed herewith as ANNEXURE II.

## DIVIDEND

Your Directors are pleased to recommend a Final Dividend of Rs 15/- per equity share of face value Rs 10/- each (150%) for the year ended 31st March 2016. This is in addition to the Interim Dividend of Rs 10/- per equity share of face value of Rs 10/- each paid on 22nd February 2016.

The Final Dividend, subject to approval of members at the 34th Annual General Meeting will be paid to those shareholders whose names appear on the register of members of the company as on 3rd August 2016. If approved, the total Dividend for the financial year, including the interim dividend, amounts to Rs 25/- per equity share and will absorb Rs 602 lacs including dividend distribution tax of Rs 102 Lacs.





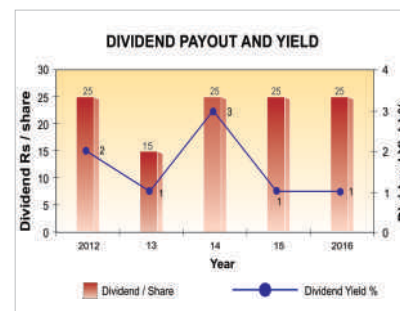


## TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 400 lacs to the General Reserve. An amount of Rs. 3564 Lacs is proposed to be retained in the Statement of Profit & Loss.

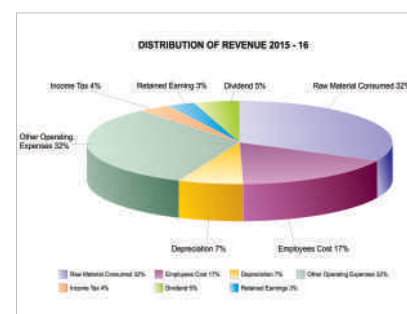
## FIXED DEPOSITS

Your Company has not accepted any fixed deposits during the year 2015-16 and as such, there are no outstanding



fixed deposits from the public as on 31st March 2016.

## INVESTMENTS



Details of investments covered under section 186 of the Companies Act 2013 are given in the notes no 13 to the financial statements.

## TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provision of Section 124 of the Companies Act, 2013, your Company has transferred an amount of Rs. 2.57 lacs being unclaimed dividend during the year to the Investor Education and Protection Fund (IEPF) established by the Central Government after sending due reminders to the shareholders.

## CONSOLIDATED FINANCIAL RESULTS

The Consolidated Financial Statements of the company (incorporating the operations of the Company and its two wholly owned overseas subsidiaries), for the financial year 2015-16 are prepared in compliance with the applicable provisions of the Act, Accounting Standards as prescribed by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements have been prepared on the basis of the audited financial statements of the company, its subsidiaries, as approved by their respective Board of Directors.

Pursuant to provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements, along with the relevant documents and the Auditors' Report thereon form part of this Annual Report. A statement of summarized financials of all subsidiaries of your company including capital, reserves, total assets, total liabilities, details of investment, turnover etc pursuant to General Circular issued by MCA forms part of this report. The audited annual accounts and related information of the subsidiaries is available in our website- [www.wendtindia.com](http://www.wendtindia.com).

The key financial data for the consolidated operations are as given below:-

olidated operations are as given below:-

## KEY CONSOLIDATED FINANCIAL SUMMARY

	(Rs in Lacs)	
	31st March 2016	31st March 2015
Sales	13,335	12,274
Other Income	352	324
Profit Before Tax	1,503	1,686
Profit After Tax	1,011	1,354
Earnings per share-Rs.	50.53	67.70

## QUALITY

As regards quality, the most critical aspects for your company's products are high level of precision, accuracy and assurance in terms of meeting the exacting standards of the products as per customers' requirements and application specifications. Your company's Super abrasives product range comprises of Diamond & CBN grinding wheels and Tools in various bonding systems. The Machine Tools & Precision Components business include a range of machines, often customized, such as Rotary Surface Grinding, Notch Milling, TC Ring Grinding, Honing Machines, Cylindrical grinding machine and Tool and Cutter grinding machines as also accessories which are fully



compliant with the International standards and CE certification norms. Precision Components which is part of Non Super abrasives business, requires very high level of precision as well as tolerance limits necessitating utmost care and high level of adherence to quality standards and process controls. In order to ensure that your company's products meet these requirements, your company has put in place the necessary Management standards such as ISO 9001, ISO 14001, TS 16949, OHSAS and SA8000. Apart from this, in order to comply with the safety norms and requirements of overseas customers, your company has also successfully implemented EN 13236 Standards during the year.

Superior quality and consistent product performance are the main differentiators for your company's product and services. And effective deployment of quality management standards and practice & process robustness is ensured at each stage of flow by your company. As you may be aware, your company endeavors to build quality and consistency in every aspect of its business on a continuous basis. As such, it continues to place high importance on training on newer technologies to its employees in the respective areas besides making investments on machines, equipment as well as application software solutions.

## SAFETY, HEALTH AND ENVIRONMENT (SHE)

The company continues its commitment towards good health and workplace safety for its employees. Towards this, the company makes sure that the workforce adheres to safety standards and practices so that the work place is free of accidents, injuries, incidents and occupational related hazards.

Environment Management is another area which your company is committed to and gives equal importance, not just within the company but its neighborhood as well. The senior management makes all effort to keep a close watch on maintaining high safety standards and protection of environment through deployment of relevant processes and guidelines in line with ISO 14001 and OHSAS 18001 standards.



Needless to say that the employees are the most valuable assets for your company and that good health and safety of each one of them is very important. On a regular basis, your company continues to take various initiatives and programs such as annual health check-up, eye camp, cardio test, fitness and physiotherapy etc including awareness training so as to ensure good health and wellness of the employees and their families.





You will be pleased to know that your company has again recorded Zero accident with no loss of man days in its operations during the year.

## RECOGNITIONS AND AWARDS

During the year under review, Your Company received many awards and recognitions from many organizations and apex bodies for superior achievements in different areas. These recognitions and accolades enhance the enthusiasm and optimism of the employees and is a morale booster for the Company as a whole. Your company has received the following



major awards during the year.

- **Quality Circle Awards**  
Your Company's employees continued to exhibit their skills in various Quality Circle competitions as below
- **International Level** organized by ICQC, Korea
  - "Silver Star Illumination" Award for Kaizen- 2 teams
  - "Silver Star Illumination" Award for SGA- 1 team
- **Regional Level** organized by CCQC - "Golden Award" – SGA & Kaizen: 4 teams - "Silver Award" - Kaizen: 2 teams
- **CII Exim Bank Award for Business Excellence**



Your company has received the Commendation Certificate for **Strong Commitment to Excel** on the journey towards Business Excellence: CII-EXIM Bank Award for Business Excellence 2015 under large category.

- **"ICAI SMEs Excellence Award 2015- ASSOCHAM**

Your company received the ICAI Excellence Award from ASSOCHAM under SME category for CSR Activities for 2015.

- **Pride of Murugappa Group-Best Practice**

Your company's employees have won the **2nd Runner Up Award** on Cost Reduction Category in the Pride of Murugappa Group – Best Practice. The annual best practice competition at the group level involving a large number of initiatives and best practices among all group companies.

- **MGTC Cricket Tournament**

Your company's employees participated in the Group Level Cricket tournament and won the **"Runners Up"** Trophy during the year.

- **Cufest 2015 Awards**

Your Company's employees participated in Group-level Quality competitions **"Cufest 2015"** (Quality Festival of CUMI), and won awards for 5S, Poster, Idea King and Slogan.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In the sections that follow, the information required to be given in the **Management Discussion and Analysis Report** have been provided



## GENERAL PERFORMANCE REVIEW

The Indian economy has started to see gradual uptick resulting in moderate growth in some industry

segments although manufacturing activities are yet to experience any appreciable development. As we all see the pace of recovery has been slower than expected, but certainly there seems to be lot of optimism and positive sentiment across segments. Consequently, the Indian economy has achieved a modest growth of around 7.6%, highest growth in the last few years. Assisted by revival in the economy in some of the developed countries such as US and gradual rise in domestic demand as well as inflation being well under control in addition to increased manufacturing activities, have complemented well in rise in demand for products and services. All this has resulted in



better performance of industry segments like Engineering, Refractory, Cutting Tools, Ceramics, Automotive and Steel compared to previous year although some sectors Construction, and Infrastructure etc are yet to see any rise in demand and hence growth.

During the year, while your company's domestic business has achieved a growth of 7% the export business has achieved a growth of 24% compared to the previous year with an overall 11% growth for the year. The Super abrasives products sales in the domestic market to industry segments like Automotive, Cutting Tools, Engineering, Ceramics, Refractories and Glass has achieved better performance over the previous year

reflecting the industry trend. In order to maintain its leadership position, your company continued to put its best efforts and new initiatives for new product developments and applications in addition to working as closely as possible with customers for new opportunities including import substitutions and technology solutions.

As mentioned above, for the Machine Tools & Precision Components business, the performance level has been 19% higher than last year mainly on account increased machine orders and projects resulting in a growth of 48%. This year also saw some good machine orders from overseas customers which is a testimony to the quality and global standards of your company's machines. The precision component sales remained flat on account of lower offtake which has resonated with the auto component performance. Sales of newly developed components has seen higher volume offtake compared to previous year both in domestic and export front.

