WENDT (INDIA) LIMITED
No. 69/70, Sipcot, Hosur 635 126, Tamilnadu. INDIA
CIN : L85110KA1980PLC003913
Telephone : + 91 4344 405500
Telefax : + 91 4344 405620 / 405630
E-mail : wil@wendtindia.com
Web : www.wendtindia.com

WENDT

27th July 2019

BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Stock Code: 505412

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Stock Code : WENDT-EQ

Dear Sirs,

Sub: Annual Report for the financial year ended 31st March 2019

We enclose a copy of the Annual Report of our Company comprising the financial statements, Director's report and Auditor's report thereon for the financial year ended 31st March 2019 and the Notice convening the 37th Annual General Meeting of the Company, copies of which is being despatched to the shareholders of the Company.

Thanking you,

Yours faithfully
For Wendt (India) Limited

Janani T A
Company Secretary

Encl: a.a.

NOTICE is hereby given that the Thirty Seventh Annual General Meeting (AGM) of the Members of Wendt (India) Limited will be held at 3.00 p.m. IST on Monday, 22nd July 2019 at Khincha Hall, Bharatiya Vidya Bhavan, Race Course road, Bangalore - 560001 to transact the following business:

ORDINARY BUSINESS

Item No.1 - Adoption of Standalone Financial Statements

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT the Audited Standalone Financial Statements for the year ended 31st March 2019 and the Reports of the Board and Independent Auditors' thereon be and are hereby considered, approved and adopted.

Item No.2 - Adoption of Consolidated Financial Statements

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT the Audited Consolidated Financial Statements for the year ended 31st March 2019 and the Independent Auditors' Report thereon be and are hereby considered, approved and adopted.

Item No.3 - Declaration of Dividend

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT a final dividend of Rs. 15/- per equity share of Rs. 10/- each be declared for the financial year ended 31st March 2019 and that the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as on 22nd July 2019 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 22nd July 2019 as per the details provided by National Securities Depository Limited and Central Depository Services (India) Limited in case the shares are held in electronic form.

RESOLVED FURTHER THAT the interim dividend of Rs.15/- per equity share of Rs. 10/- each declared by the Board of Directors and paid for the financial year ended 31st March 2019 be and is hereby confirmed.

Item No.4 - Re-appointment of Mr. K Srinivasan, Director

To consider and if deemed fit, to pass the following as an Ordinary Resolution:

RESOLVED THAT Mr. K Srinivasan holding DIN 00088424, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation.

SPECIAL BUSINESS

Item No.5 - Re-appointment of Mr. Shrinivas G Shirgurkar as an Independent Director

To consider and if deemed fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Shrinivas G Shirgurkar (DIN: 00173944), who was appointed as an Independent Director of the Company at the 32nd Annual General Meeting of the Company and who holds office till the close of business hours of 23rd July 2019 and who being eligible for being re-appointed as an Independent Director has offered himself for re-appointment and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 24th July 2019 and to continue his office as an Independent Director even after attainment of an age of 75 years during his term of re-appointment.

Item No.6 - Re-appointment of Mr. K S Shetty as an Independent Director

To consider and if deemed fit, to pass the following as a Special Resolution:

RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. K S Shetty (DIN: 01759936), who was appointed as an Independent Director of the Company at the 32nd Annual General Meeting of the Company and who holds office up to close of business hours on

23rd July 2019 and who being eligible for being re-appointed as an Independent Director has offered himself for re-appointment and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from 24th July 2019 and to continue his office as an Independent Director even after attainment of an age of 75 years during his term of re-appointment.

Item No. 7 - Appointment of Mr. Rajesh Khanna as an Executive Director

To consider and if deemed fit, to pass the following as an Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Khanna (DIN: 06923493) who was appointed as an Additional Director on 24th July 2018 by the Board pursuant to Section 161(1) of the Act and holds office upto the date of this AGM and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for office of Director, be and is hereby appointed as Director of the Company.

RESOLVED THAT pursuant to the provisions of Sections 152, 160, 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rajesh Khanna be and is hereby appointed as an Executive Director of the Company for a term commencing from 24th July 2018 till 31st October 2020 on the following terms:

(i) Salary

Rs. 3,76,350/- per month. The Nomination and Remuneration Committee, may decide the increments in salary, from time to time, subject to a maximum of Rs. 5,00,000 per month.

(ii) Allowances/Perquisites/Commission/Incentive

In addition to salary, Mr. Rajesh Khanna will be entitled to;

- allowances like leave travel allowance, personal allowance, special allowance, grade allowance and/or any other allowance;
- perquisites such as furnished / unfurnished accommodation to be provided by the Company or house rent allowance in lieu thereof, reimbursement of medical expenses incurred for self and family, club fees, provision of car(s) and any other perquisites, benefits, amenities;
- commission / incentive as may be approved by the Nomination & Remuneration Committee from time to time.

(iii) Retirement benefits

- Contribution to Provident Fund, Superannuation Fund, National Pension Scheme, Gratuity as per rules of the Fund / Scheme in force from time to time.
- Encashment of leave as per rules of the Company in force from time to time.

(iv) General

- In the event of absence or inadequacy of profits in any financial year, Mr. Rajesh Khanna, shall be entitled to such remuneration as may be determined by the Board, which shall not, except with the approval of the shareholders exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.
- Perquisites shall be valued in terms of Income Tax rules or actual expenditure incurred by the Company in providing the benefit or generally accepted practice as is relevant. Provision of telephone (including at residence) shall not be reckoned as a perquisite.
- The aggregate remuneration (including salary, allowances, perquisites, incentive/ commission and retirement benefits) for any financial year shall be subject to limits prescribed under Schedule V of the Companies Act, 2013.
- Mr. Rajesh Khanna will not be entitled to any sitting fees for attending meetings of the Board or of any Committee thereof.
- Mr. Rajesh Khanna will be subject to all other service conditions as applicable to any other employee of the Company.

By order of the Board
For Wendt (India) Limited

Hosur
April 25th, 2019

Janani T A
Company Secretary

Notes:

1. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and the proxy need not be a Member. The proxy form in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate Resolutions/Authorisation, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member. The proxy form for the AGM is enclosed.

   During the period beginning twenty four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member is entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three (3) days advance notice in writing is given to the Company. Members/Proxies are requested to bring their duly filled in attendance slips enclosed herewith to attend the Meeting mentioning therein the details of their DP and Client ID/Folio number. The route map showing directions to the venue of the AGM is annexed.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under item nos. 5 to 7 of the Notice to be transacted at the AGM is annexed hereto.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 15th July 2019 to Monday, 22nd July 2019 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March 2019. Subject to the provisions of the Act, the final dividend as recommended by the Board, if declared will be paid by 30th July 2019.

5. As per the provisions of the Companies Act, 2013, facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Registrar and Share Transfer Agent(RTA)/Depository Participant (DP).

6. Dividends remaining unclaimed/unpaid for a period of seven(7) years shall be transferred to the Investor Education Protection Fund. The Company has transferred unclaimed/unencashed dividends up to the Final Dividend for FY 2010-11 to the Investor Education Protection Fund during the year ended 31st March 2019.

   The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 24th July 2018 (date of last AGM) on the website of the Company www.wendtindia.com as also on the website of the Ministry of Corporate Affairs. Members can ascertain the status of their unclaimed dividend amounts from these websites.

   Members who have not encashed their warrants in respect of the final dividend declared for financial year 2011-12 and subsequent dividends thereon may write to the Company Secretary or RTA immediately for claiming their dividends.

   Pursuant to the notification of Section 124(6) of the Companies Act, 2013 and Investor Education and Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is also required to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more. During the year, the Company transferred equity shares to the Investor Education and Protection Fund Authority. The Company had issued the requisite notice to the shareholders concerned intimating them of the impending transfer of shares and had simultaneously published a notice in leading dailies. Further, the Company has uploaded the details of the same on its website for the information of its shareholders.

   Shareholders are entitled to claim the shares from the Investor Education and Protection Fund Authority by making an application online in Form IEPF-5 available on the website http://www.iepf.gov.in/IEPFA/refund.html along with the requisite documents. Shareholders are requested to contact the Company's RTA - M/s. Karvy Fintech Private Limited or the Company in this regard.

   By virtue of an Order passed by the Hyderabad Bench of the National Company Law Tribunal (NCLT Order) approving the composite scheme of arrangement and amalgamation between M/s. Karvy Consultants Limited

   (demerged company), M/s. Karvy Computer share Private Limited (Transferor Company) and M/s. Karvy Fintech Private Limited (resulting company), the operations of Karvy Computer share Private Limited have been transferred to Karvy Fintech Private Limited with effect from 17th November 2018. Karvy Fintech Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent (RTA). The contact details are available in the General Shareholder Information section of the Annual Report.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every Participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they maintain their demat accounts. Members holding shares in physical form are requested to submit a copy of their PAN card and original cancelled cheque leaf/attested bank passbook showing name of the account holder and bank account details to the RTA/ Company to ensure timely credit of dividends.

   Members are requested to note that in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), with effect from 1st April 2019, shares of the Company can be transferred only in dematerialised form. In view of the above, members are advised to dematerialise shares held by them in physical form.

8. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment and re-appointment at the AGM is furnished and forms part of the Notice. The directors have furnished the requisite consents/declarations for their appointment/re-appointment.

9. Electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialised mode and whose e-mail IDs are available with the Depository Participant(s) and to all the Members holding shares in physical mode whose e-mail IDs are registered with the Company/RTA for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copies of the Annual Report for FY 2018-19 is being sent through the permitted mode.

10. The business set out in the Notice will be transacted through electronic voting system. Pursuant to Section108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and amendments thereof, the Company is pleased to offer e-voting facility to the Members to cast their votes electronically on all resolutions set forth in the notice convening the 37th AGM. The Company has engaged the services of M/s. Karvy Fintech Private Limited to provide remote e-voting facility to enable Members to exercise their votes in a secured manner. The instructions for remote e-voting is provided at the end of this section.

    The Board of Directors have appointed Mr. S Viswanathan, Practicing Company Secretary as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

    The Notice and the instructions for e-voting along with Attendance Slip and Proxy Form is being sent in electronic form to all the Members whose e-mail IDs are registered with the Company/their DPs for communication purposes unless any Member has requested for a hard copy of the same.

    For Members who have not registered their e-mail address, physical copies of the aforesaid documents is being sent in the permitted mode. Members may also note that the Notice of the 37th AGM and the Annual report 2018-19 will also be available on the Company's website www.wendtindia.com. Physical copies of the aforesaid documents will also be available at the registered office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive the communication in physical form, upon making a request for the same. Members may please send in their requests to the Company's investor e-mail ID: investorservices@wendtindia.com.

11. Members are requested to send their queries, if any, on the accounts or operations of the Company in advance to the Registered Office of the Company addressed to the Company Secretary or by e-mail to investorservices@wendtindia.com to enable us to keep the information ready.

12. Members holding shares in physical form are requested to avail dematerialisation facility to eliminate all risks associated with holding in physical form and for ease in portfolio management. For further information, please contact us at investorservices@wendtindia.com. or contact the RTA.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send their share certificates to the RTA for consolidation into a single folio.

14. All documents referred to in the accompanying Notice and the statement under Section 102 of the Act, shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days up to the date of the AGM.
15. Members holding shares in physical form are requested to address all correspondence relating to their shareholding in the Company to M/s. Karvy Fintech Private Limited, RTA. Members holding shares in dematerialised form may send such correspondence to their respective DPs.
16. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including Annual reports from time to time in electronic form to the e-mail address provided by you. Members holding shares in dematerialised form, may send such communication to their respective DPs and those holding shares in physical form, may send such communication to the RTA. Even after registering for e-communication, Members are entitled to receive communication in physical form upon making a request for the same.
17. Instructions for remote e-voting:

    Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and the provisions of Regulation 44 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, Members are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. Karvy Fintech Private Limited (Karvy) on all Resolutions set forth in this Notice.

    Members may please follow the below instructions for e-voting:

    A. In case a Member receives an e-mail from Karvy [for Members whose e-mail IDs are registered with the Company/Depository Participants(s)]:

       i. Launch internet browser by typing the URL: https://www.evoting.karvy.com

       ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be Event number 4595 (refer the Event number in the Attendance Slip) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

       iii. After entering these details appropriately, click on"LOGIN".

       iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case(a-z), one numeric value (0-9) and a special character(@,#,$ etc.,). The system will prompt you to change your password and update your contact details like mobile number, e-mail ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

       v. You need to login again with the new credentials.

       vi. On successful login, the system will prompt you to select e-voting event i.e., Wendt (India) Limited. Now you are ready for e-voting as "cast vote" page opens.

       vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

       viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

       ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

       x. You may cast your vote by selecting an appropriate option and click on "Submit".

       xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

       xii. Corporate/Institutional Members (i.e. other than individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF) of the Board Resolution/Authorisation Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniseratcs_viswanathan@yahoo.com with a copy marked to evoting@karvy.com. The scanned image of the abovementioned documents should be in the naming format"Wendt (India) Limited- 37th Annual General Meeting".

    B. Members holding shares in dematerialised form who see-mail IDs are not registered with the Company/DPs and Members holding shares in physical form:

       (i) E-Voting Event Number 4595 (EVEN), User ID and password is provided in the Attendance Slip.

       (ii) Please follow all steps from sl. no. (i) to sl. no. (xii) above to cast your vote by electronic means.

    C. Voting at AGM: Members who have not cast their vote electronically through remote e-voting, can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the Venue.

    D. Other Instructions:

       (i) Any person who becomes a Member of the Company after despatch of Notice of the Meeting and holding shares as on the cut-off date i.e., 15th July 2019 may obtain the user ID and password by calling Toll Free No.1800 3454 001 or by sending an e-mail request to evoting@karvy.com.

       (ii) In case of any queries, you may refer Help & FAQ section in https://evoting.karvy.com (Karvy website) or call Karvy on 040-6716222; Toll Free No.1800 3454 001.

       (iii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

       (iv) The voting rights of Members shall be in proportion to their shareholding as on the cut-off date 15thJuly 2019.

       (v) The e-voting period commences on Thursday,18th July 2019 (9.00 a.m. IST) and ends on Sunday, 21st July 2019 (5.00 p.m. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., 15th July 2019, may cast their vote electronically in the manner and process set out herein above. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member will not be allowed to change it subsequently.

    The Scrutiniser shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, there after unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a consolidated Scrutiniser's Report of the votes cast to the Chairman of the Company. For the purpose of ensuring that Members who have cast their votes through remote e-votingdo not vote again at the Meeting, the Scrutiniser will have access, after closure of the period for remote e-votingfor details relating to Members as the Scrutiniser may require except the manner in which the Members have cast their votes.

    The results shall be declared on the date of the Meeting or not later than three days from the conclusion of the meeting. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.wendtindia.com, as well as the website of Karvy i.e. https://evoting.karvy.com immediately after declaration of results by the Chairman/Authorised person and the Company shall simultaneously forward the results to NSE/BSE for placing it on their respective websites.

    Voting facility will be provided to the Members who are not able to cast their vote electronically at the AGM venue. A Member can opt for only one mode of voting i.e. either through remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and the voting at AGM shall be treated as invalid. However, Members who have cast their vote by remote e-voting prior to the meeting can attend the meeting though they will not be entitled to cast their vote again.

    Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM i.e., 22nd July 2019.

ANNEXURE TO THE NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013

As required under Section 102 of the Companies Act, 2013(Act), the following statement sets out all material facts relating to the businesses mentioned under item nos. 5 to 7 of the accompanying Notice:

Item No.5

Mr. Shrinivas G Shirgurkar was appointed as an Independent Director at the 32nd Annual General Meeting (AGM) held on 24th July 2014 for a period of 5 years from the AGM date. His term of office as an Independent Director will expire at the close of business hours on 23rd July 2019. Pursuant to Section 149(10 & 11) of the Companies Act, 2013, an Independent Director can hold office for two consecutive terms of upto five years each on the Board. However, the approval for the second term of the Independent Director from the shareholders is required to be obtained vide a special resolution and by providing requisite disclosures of such appointment in the Board's report.

Mr. Shrinivas G Shirgurkar, aged 71 years holds a bachelor's degree in mechanical engineering. He began his career as a Machine Tool Designer and set up Ace Designers in 1979 offering Machine Tool Design Consultancy. Mr. Shirgurkar was the President of Indian Machine Tool Manufacturers Association during the period 1999-2001. He is a Director on the Board of Ace Designers Limited. The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure. Mr. Shirgurkar was paid a sitting fee of Rs. 0.19 million for attending the meetings of the Board and Committees thereof. A commission of Rs. 0.30 million is payable for the FY 2018-19 to Mr. Shirgurkar.

The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing Mr. Shrinivas G Shirgurkar's candidature for the office of Director. In the opinion of the Board, Mr. Shrinivas G Shirgurkar satisfies the criteria prescribed in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for re-appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board of Directors have recommended his re-appointment as an Independent Director for a term of five (5) consecutive years from 24th July 2019 in terms of Section 149(10) of the Act.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, a company can appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years only with the approval of the shareholders through a special resolution. Mr. Shrinivas Shirgurkar would attain the age of 75 years during his term of re-appointment. Hence, the approval of the shareholders is sought for re-appointment of Mr. Shrinivas Shirgurkar as an Independent Director for the second term of five years and for continuation of office of a Director after the attainment of 75 years as well.

The Nomination and Remuneration Committee at its meeting held on 25th April 2019 on the basis of the performance evaluation of Independent Directors and considering his technical and management expertise, business knowledge and the significant contribution has recommended to the Board his re-appointment as an Independent Director. The performance evaluation of Independent Directors was based on various factors including attendance at Board and Committee Meetings, familiarity with the Company's policies and values, ability to objectively communicate views/concerns on matters discussed at the meetings, exercise own judgement and voice out opinion besides having an understanding of the industry trends.

In furtherance to the Committee's recommendation and Mr. Shirgurkar's performance evaluation undertaken in the past, the Board believes that his continued association would be beneficial to the Company and hence recommends his re-appointment as an Independent Director of the Company for a term of five (5) consecutive years commencing from 24th July 2019.

Mr. Shrinivas G Shirgurkar would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, he would be entitled to commission on profits as determined each year by the Board within the limits prescribed under Companies Act, 2013.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day upto the date of the AGM.

Memorandum of Interest

Except Mr. Shrinivas G Shirgurkar, being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid Special Resolution.

Item No. 6

Mr. K S Shetty was appointed as an Independent Director at the 32nd Annual General Meeting (AGM) held on 24th July 2014 for a period of 5 years from the AGM date. His term of office as an Independent Director will expire at the closing hours of 23rd July 2019. Pursuant to Section 149(10 & 11) of the Companies Act, 2013, an Independent Director can hold office for a term up to two consecutive terms of upto five years each on the Board. However, the approval for the second term of the Independent Director from the shareholders is required to be obtained vide a special resolution and by providing requisite disclosures of such appointment in the Board's report.

Mr. K S Shetty, aged 71 years has over 30 years of experience in the manufacturing industry of auto components, aerospace. Mr. K S Shetty serves as a Director on the Board of Tespa Tools Private Limited, Tespa India Private Limited, Tespa Infotech Private Limited and Tespa Metrology Private Limited. The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is provided in the annexure. Mr. Shetty was paid a sitting fee of Rs. 0.20 million for attending the meetings of the Board and Committees thereof. A commission of Rs. 0.30 million is payable for the FY 2018-19 to Mr. K S Shetty.

The Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing Mr. K S Shetty's candidature for the office of Director. In the opinion of the Board, Mr. K S Shetty satisfies the criteria prescribed in the Act and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for re-appointment as an Independent Director of the Company and that he is independent of the Management. Accordingly, the Board of Directors have recommended his re-appointment as an Independent Director for a term of five (5) consecutive years from 24th July 2019 in terms of Section 149(10) of the Act.

Pursuant to Regulation 17(1A) of SEBI Listing Regulations, a company can appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of 75 years only with the approval of the shareholders through a special resolution. Mr. K S Shetty would attain the age of 75 years during his term of re-appointment as an Independent Director. Hence, the approval of the shareholders is sought for re-appointment of Mr. K S Shetty as an Independent Director for the second term of five years and for continuation of office of a Director after the attainment of 75 years as well.

The Nomination and Remuneration Committee at its meeting held on 25th April 2019 on the basis of the performance evaluation of Independent Directors and considering his management expertise, business knowledge and the significant contribution, has recommended to the Board his re-appointment as an Independent Director. The performance evaluation of Independent Directors was based on various factors including attendance at Board and Committee Meetings, familiarity with the Company's policies and values, ability to objectively communicate views/concerns on matters discussed at the meetings, exercise own judgement and voice out opinion besides having an understanding of the industry trends.

In furtherance to the Committee's recommendation and Mr. K S Shetty performance evaluation undertaken in the past, the Board believes that his continued association would be beneficial to the Company and hence recommends his re-appointment as an Independent Director of the Company for a term of five (5) consecutive years commencing from 24th July 2019.

Mr. K S Shetty would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. Further, he would be entitled to commission on profits as determined each year by the Board within the limits prescribed under Companies Act, 2013.

The draft letter of appointment setting out the terms and conditions of his appointment is available on the website of the Company and would also be available for inspection without any fee by the Members at the Company's Registered Office during normal business hours on any working day upto the date of the AGM.

Memorandum of Interest

Except Mr. K S Shetty being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise in the aforesaid Special Resolution.

Item No.7:

Pursuant to the provisions of Sections 152, 161(1) and other applicable provisions of the Act read with applicable Rules framed thereunder and the Articles of Association of the Company, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Rajesh Khanna as an Additional Director of the Company with effect from 24th July 2018. The Company has received the requisite consent and disclosure forms from him. The Company has also received a notice in writing from a Member under Section 160 of the Companies Act, 2013 in respect of the appointment of Mr. Rajesh Khanna.

Mr. Rajesh Khanna had been serving as the Chief Executive of the Company since 2007 and in recognition of his contribution to the Company as well as his long association during which the Company's turnover grew from Rs. 5074 lakhs to over 12500 lakhs, the Board has also appointed him as an Executive Director effective 24th July 2018 subject to the shareholder's approval. Mr. Rajesh Khanna's leadership and effective contribution is required for growth and expansion of the Company and hence in order to pay him the same remuneration which he was paid as the Chief Executive of the Company, approval of the shareholders is being sought.

Mr. Rajesh Khanna is aged 57 years is associated with the Company since the year 1982. He is a Mechanical Engineer from (NIT Raipur) erstwhile Government College of Engineering and Technology, Raipur (Chhattisgarh) and PGDBA from Annamalai University and has vast industry experience in machine tooling business. The information under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards is provided in the annexure.

The Nomination and Remuneration Committee at its meeting held on 24th July 2018 considered the appointment of Mr. Rajesh Khanna as an Executive Director and recommended his appointment to the Board. Considering Mr. Rajesh's vast experience and strong technical and management expertise, the Board recommends his appointment as the Executive Director for a term commencing from 24th July 2019 to 31st October 2020 to the shareholders. Mr. Rajesh Khanna holds 240 equity shares in the Company.

The remuneration paid/payable to Mr. Rajesh Khanna, who is now a managerial personnel under Section 197 of the Companies Act, 2013 is in excess of the 5% limit prescribed under the Companies Act, 2013. Hence, the approval of the shareholders is sought for his remuneration in the manner stipulated in Section II of Part II of the Schedule V of the Act. Schedule V of the Companies Act, 2013 permits companies to pay managerial remuneration in excess of the limits stipulated in Section 197 of the Act subject to the satisfaction of certain conditions prescribed therein. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 7 is given below:

1. Where in any financial year, during the tenure of a managerial personnel, a company has no profits or where the profits are inadequate, it may without the central government's approval pay remuneration to the managerial personnel exceeding the limits prescribed as per Section II of the Schedule V of the Companies Act 2013, if approval of the shareholders is sought vide a special resolution.

   Hence, as permitted in Schedule V, approval through special resolution is sought for appointment of Mr. Rajesh Khanna as an Executive Director for a period from 24th July 2018 to 31st October 2020 and payment of remuneration as detailed in the resolution.
2. The Managerial personnel is functioning in a professional capacity and does not have any interest in the capital of the Company or its holding company or any of its subsidiaries and is/was not related to the other Directors or promoters of the Company/its holding company/its subsidiaries at any time during the last two years.
3. Mr. Rajesh Khanna possesses graduate level qualification and the details of his experience and expertise is provided below.
4. The period of appointment and the terms of remuneration placed is for less than 3 years.
5. The Nomination and Remuneration Committee and the Board has approved the payment of remuneration to Mr. Rajesh Khanna.
6. The Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

The Board recommends the appointment of Mr. Rajesh Khanna for approval by the Members of the Company.

I. General information:

Sl. No.	Particulars	
1.	Nature of industry	Manufacturing of Grinding Wheels, Machines and Precision Components
2.	Date of commencement of commercial production	December 1983
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.
4.	Financial performance based on given indicators	For the financial Year 2018-19: Turnover: 13986 lakhs Profit before Tax: 1904 lakhs Profit after Tax: 1345 lakhs
5.	Foreign investments or collaborations, if any.	Wendt Gmbh, promoter holds 39.87% of the equity shares in the Company.

II. Information about the appointee:

Sl. No.	Particulars	
1.	Background details	Mr. Rajesh Khanna holds a Bachelor's degree in Mechanical Engineering from NIT, Raipur and PGDBA from Annamalai University. He has a long association with Wendt (India) from the year 1982 with vast industry experience in machine tooling business.
2.	Past remuneration	Rs. 125.61 lakhs for the FY 2017-18
3.	Recognition or awards	Member of CII, BCIC, FICCI, IMTMA, Indo German Chamber of Commerce.
4.	Job profile and his suitability	Having experience in Super Abrasive and Machine Tooling business. Mr. Rajesh Khanna has vast industry experience in machine tooling business. He joined Wendt (India) in the year 1982 and was part of the initial core team that was responsible for turning around Wendt from a small unknown entity to admired profitable organization. His leadership and effective contribution is required for growth and expansion of the Company in the coming years.

Sl. No.	Particulars	
5.	Remuneration proposed	Salary proposed to Mr. Rajesh Khanna in the basic scale of Rs.376,350/- per month subject to a maximum of Rs.500,000 per month and other perquisites, allowances, incentive, other benefits etc. as fully set out in the resolution seeking approval of the shareholders. Approval of the shareholders is being sought to enable payment of a total remuneration upto Rs.175 lakhs during his tenure as per the terms contained in Schedule V of the Companies Act, 2013 as amended from time to time.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities of Mr. Rajesh Khanna, the remuneration is comparable to a similar size company pertaining to this industry.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Rajesh Khanna was the Chief Executive Officer of the Company prior to his appointment as an Executive Director. Apart from this association with the Company and the remuneration paid to him in such capacity, he neither has any pecuniary relationship directly or indirectly with the Company nor with any other managerial personnel.

III. Other information:

Sl. No.	Particulars	
1.	Reasons for inadequate profits	The Company's profits for the financial years 2017-18 and 2018-19 have remained flat owing to stiff market conditions and lesser demand from related sectors.
2.	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.	The Company has taken various initiatives to improve efficiency of operations such as enhanced focus on exports, increasing the product portfolio, prudent working capital management etc. To ensure sustained growth in both domestic and global markets, the Company thrives to seize new business opportunities in upcoming industrial segments. It has been aggressively pursuing and implementing its strategies to improve financial performance.

IV. Disclosures

The remuneration details of Mr. Rajesh Khanna is provided in the resolution seeking the approval of the shareholders.

Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2018-19: The requisite details of remuneration of Directors is included in the Corporate Governance Report, forming part of the Annual Report for the FY 2018-19 of the Company.

Memorandum of Interest

Except Mr. Rajesh Khanna being the appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financial or otherwise in the aforesaid Special Resolution.

By order of the Board
For Wendt (India) Limited

Hosur
April 25th 2019

Janani T A
Company Secretary

Disclosure under Reg. 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings

Name of Director	K Srinivasan	Shrinivas G Shirgurkar
DIN	00088424	00173944
Date of Birth	22.11.1957	08.04.1948
Date of Appointment (Initial)	30.01.2002	17.04.2006
Qualification	B Tech (Mechanical)	B.E. (Mechanical)
Experience in specific functional areas	Has over 35 years of experience in the fields of machine tools and abrasives industries in sales, technical, production and general management.	Has over four decades of experience in the fields of Machine Tools designing.
Directorships in other companies (including foreign companies)	Carborundum Universal Limited Sterling Abrasives Limited Murugappa Morgan Thermal Ceramics Limited CUMI America Inc. Volzhsky Abrasive Works Foskor Zirconia Pty Ltd Thukela Refractories Isithebe Pty Limited CUMI Australia Pty Limited CUMI Abrasives and Ceramics Co. Limited	Auto CNC Machining Limited Ace Designers Limited Indian Machine Tool Manufacturers Association Ace Manufacturing Systems Limited Ace Multi Axes Systems Limited Pragati Transmission Private Limited Ace Micromatic Manufacturing Intelligence Technologies Private Limited Micromatic Machine Tools Private Ltd
Memberships in Board Committees of other companies (includes membership details of all Committees)	Carborundum Universal Limited: Corporate Social Responsibility Committee - Member Stakeholders Relationship Committee - Member Risk Management Committee - Member Murugappa Morgan Thermal Ceramics Limited: Corporate Social Responsibility Committee - Chairman	Ace Designers Limited: Corporate Social Responsibility Committee - Member Ace Manufacturing Systems Limited: Audit Committee - Member Nomination and Remuneration Committee - Member
No. of shares in the Company	2650	Nil
Inter-se relationship with any other Directors or KMP of the Company	Nil	Nil

Note: for further details, please refer the Corporate Governance Report section of the Annual Report

Name of Director	K Shetty	Rajesh Khanna
DIN	01759936	06923493
Date of Birth	18.03.1948	29.10.1960
Date of Appointment (Initial)	16.04.2009	24.07.2018
Qualification	B.E. (Mechanical)	B.E. (Mechanical) PGDBA
Experience in specific functional areas	Has over 3 decades experience in the manufacturing industry for auto components, aerospace, exports design of calibration lab and mobile calibration facilities.	He has over 3 decades of overall experience in the manufacturing industry more specifically in machine tooling business and has been associated with the Company since the year 1982.
Directorships in other companies (including foreign companies)	Tespa Tools Private Limited Tespa India Private Limited Tespa Infotech Private Limited Tespa Metrology Private Limited	Sterling Abrasives Limited CUMI America Inc. CUMI Abrasives and Ceramics Co. Limited CUMI Australia Pty Limited Wendt Middle East FZE Wendt Grinding Technologies Limited
Memberships in Board Committees of other companies (includes membership details of all Committees)	-	-
No. of shares in the Company	Nil	240
Inter-se relationship with any other Directors or KMP of the Company	Nil	Nil

Note: for further details, please refer the Corporate Governance Report section of the Annual Report

WENDT

WENDT (INDIA) LIMITED

ATTENDANCE SLIP

Registered Office: No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore - 560047

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBER OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING. PLEASE NOTE THAT CHILDREN WILL NOT BE ALLOWED INSIDE THE MEETING HALL.

Folio No/ Client ID & DP ID No:
Name & Address

I hereby record my presence at the Thirty Seventh ANNUAL GENERAL MEETING held at Khincha Hall, Bharatiya Vidya Bhavan, Race Course Road, Bangalore – 560 001 at 3.00 PM on Monday, the 22nd July 2019.

SIGNATURE OF THE SHARE HOLDER / PROXY *

*** Strike out whichever is not applicable**

WENDT

WENDT (INDIA) LIMITED

CIN: L85110KA1980PLC003913

Registered Office: No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore-560047

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ..... Registered Address: .....

.....

Email Id: ..... Folio No./ Client ID No. : ..... DP ID No.: .....

I / we, being the member(s) of..... Shares of WENDT (INDIA) LIMITED, here by appoint

1. Name: ..... Email Id: .....
   Address: ..... Signature: .....
   or failing him
2. Name: ..... Email Id: .....
   Address: ..... Signature: .....
   or failing him
3. Name: ..... Email Id: .....
   Address: ..... Signature: .....
   or failing him

as my / our PROXY to attend and vote (on a poll) for me/us and on my/our behalf at the THIRTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held at 3.00 PM on Monday, the 22nd July 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Consider, approve and adopt the Audited Standalone Financial Statements, Reports of the Board of Directors and Independent Auditors thereon for the year ended 31st March 2019.
2. Consider, approve and adopt the Audited Consolidated Financial Statements and the Report of the Independent Auditors thereon for the year ended 31st March 2019.
3. Declaration of dividend on equity shares.
4. Re-appointment of Mr. K Srinivasan, Director who is retiring by rotation.
5. Re-appointment of Mr. Shrinivas G Shirgurkar as an Independent Director.
6. Re-appointment of Mr. K S Shetty as an Independent Director
7. Appointment of Mr. Rajesh Khanna as an Executive Director

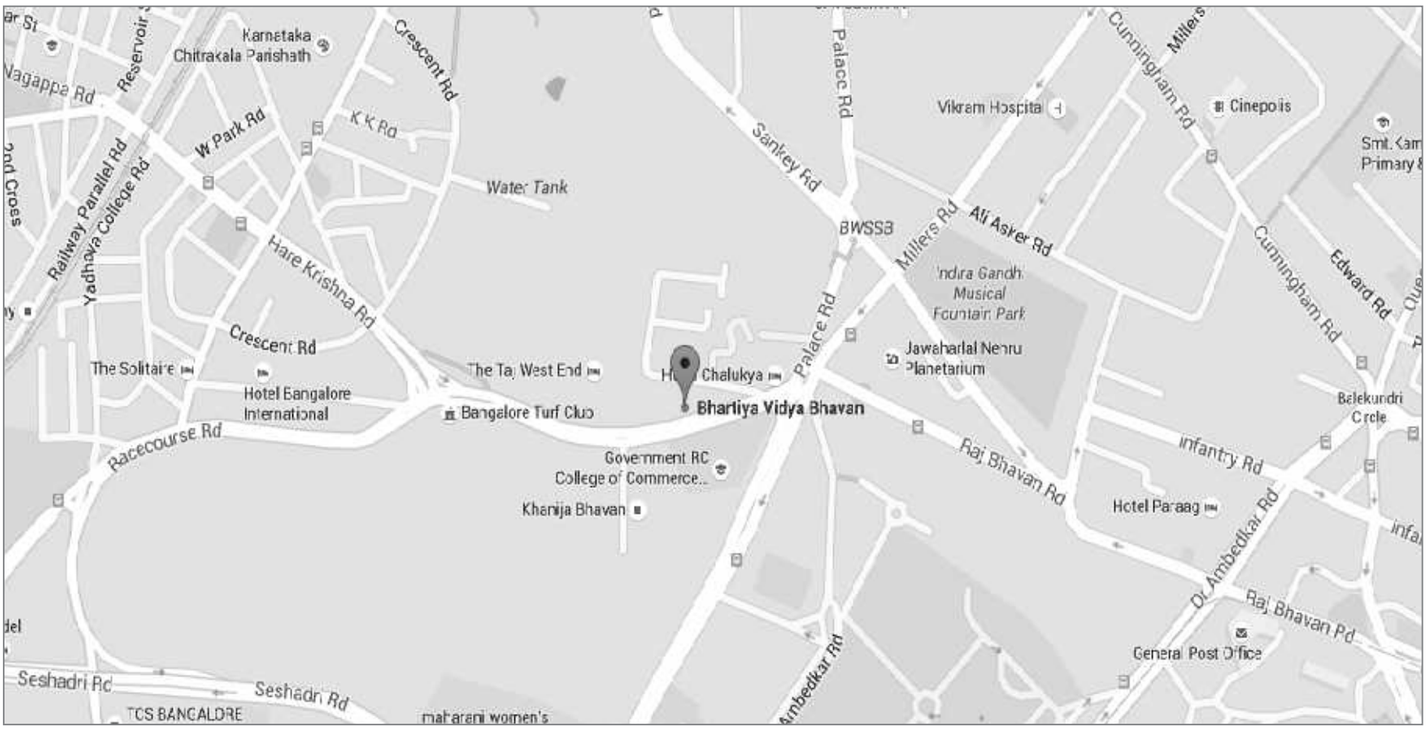
Rs 1/ Revenue Stamp

Signed this ..... day of ..... of 2019

Signature of Shareholder..... Signature of Proxyholder(s).....

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route map to the Venue of the AGM



Energy Hour Celebration

Redefining Wendt Ethos...

Indian industries are on the verge of a dynamic renaissance. Rediscovering their potential, realigning their priorities and refurbishing their manufacturing practices, industries are surging towards a new era of entrepreneurship. India Inc. has sets its sight to become a leading global player.

Keeping pace with this new dynamics, Wendt is redefining its ethos to increase its footprint on the global scene and an even stronger presence in the domestic market, with a product portfolio that is both innovative and empowering. Its manufacturing techniques and management practices are in the process of a seamless graduation to the next level.

In short, Wendt Team is gearing up to conquer the future by challenging its present.

...Challenging the present, Conquering the future

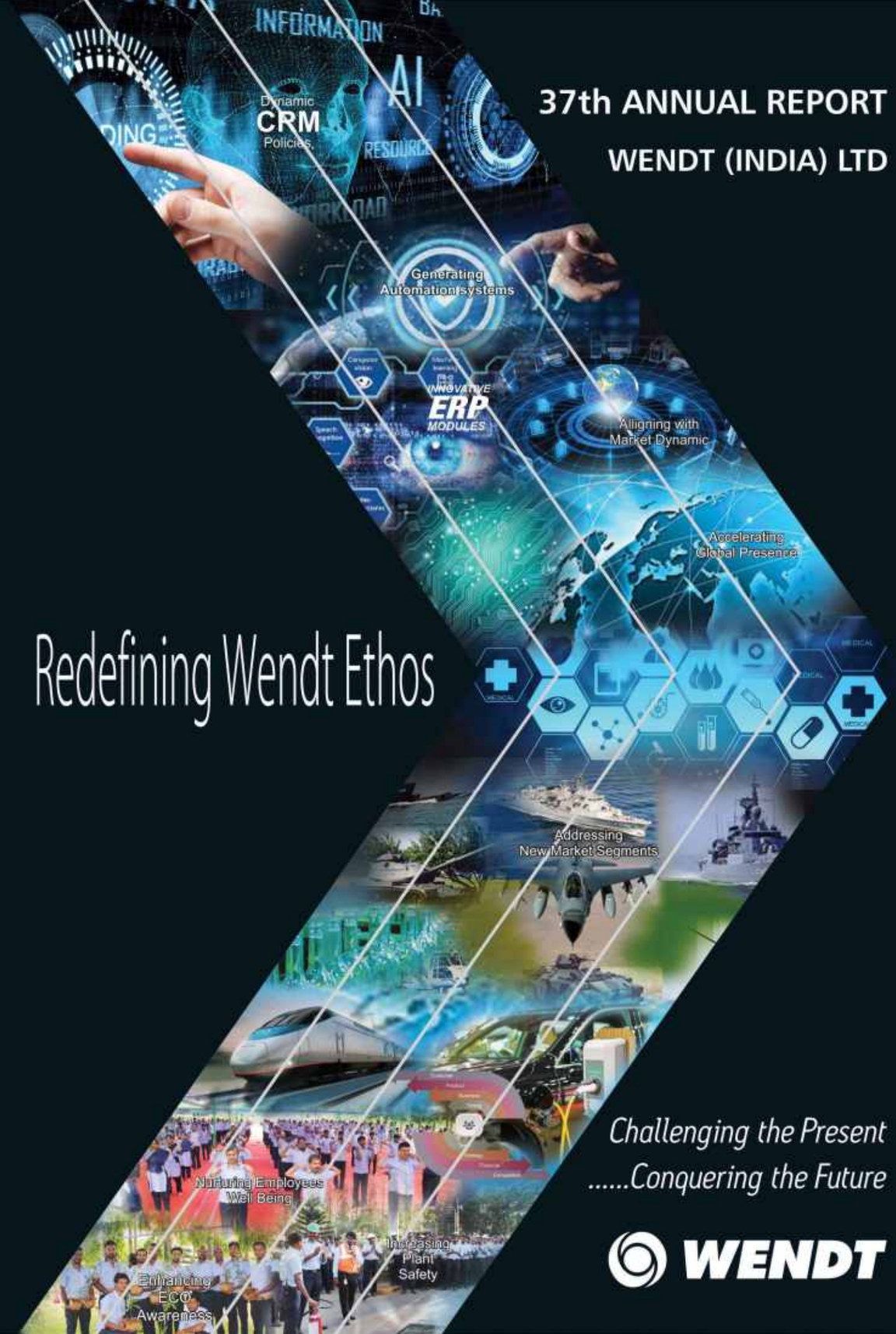
WENDT

WENDT (INDIA) LTD

69/70, Sipcot Industrial Complex, Hosur-635 126, Tamil Nadu.,
Ph: +91-4344-276851, 276852, 276254, 405500, 405501, Fax: +91-4344-405620,
E-mail: wil@wendtindia.com, Visit us: www.wendtindia.com

37th ANNUAL REPORT

WENDT (INDIA) LTD



Redefining Wendt Ethos

Challenging the Present
.....Conquering the Future

WENDT

IMTEX - Indian Metal-Cutting Machine Tool Exhibition 2019
Product Display

Glimpses of
36th Annual General Meeting

WENDT

The Board of Directors and Senior Management team felicitating Shri. M M Murugappan for his significant contribution and guidance as the Chairman of the Board.

BOARD OF DIRECTORS	
Independent Director & Chairman	SHRINIVAS G SHIRGURKAR
Non-Executive Director	K SRINIVASAN
Independent Director	K S SHETTY
Independent Director	HIMA SRINIVAS
Independent Director	M LAKSHMINARAYAN
Executive Director & CEO	RAJESH KHANNA
SENIOR MANAGEMENT	
Unit Head	M S VENKATESH
Business Head - Super Abrasives	D K HOTTA
Business Head - Non-Super Abrasives	S SUNDARIYA
Chief Financial Officer	MUKESH KUMAR HAMIRWASIA
Head - Technology and R & D	PRABHU RAMANUJAM
COMPANY SECRETARY	JANANI T A
BANKERS	STATE BANK OF INDIA
AUDITORS	PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP, Bangalore
INTERNAL AUDITORS	ERNST & YOUNG LLP, Chennai.
REGISTERED OFFICE	No.105, 1st Floor, Cauvery, Block, National Games Housing Complex, Koramangala Bangalore - 560047 Ph: 080 - 25701423 Fax: 080 - 25701425 jananita@wendtindia.com investorservices@wendtindia.com
FACTORY	Plot No: 69/70, SIPCOT Industrial Estate, Hosur - 635 126 Tamil Nadu Ph: 04344-276851/ 52, 405500 Fax: 04344-405620, 405610
REGISTRAR & SHARE TRANSFER AGENTS	Karvy Fintech Private Limited

CONTENTS

	Pages
Financial Track Record including Graphs	6 - 9
Report of the Directors including Management Discussion & Analysis Report	10 - 49
Secretarial Audit Report	50 - 51
Corporate Governance Report	53 - 67
General Shareholder Information	68 - 76
Auditors' Report on Standalone Financial Statements	77 - 84
Standalone Financial Statements	85 - 131
Consolidated Financial Statements Including Auditors' Report	133 - 183

Engineering Flair with Environmental Care...

FINANCIAL TRACK RECORD

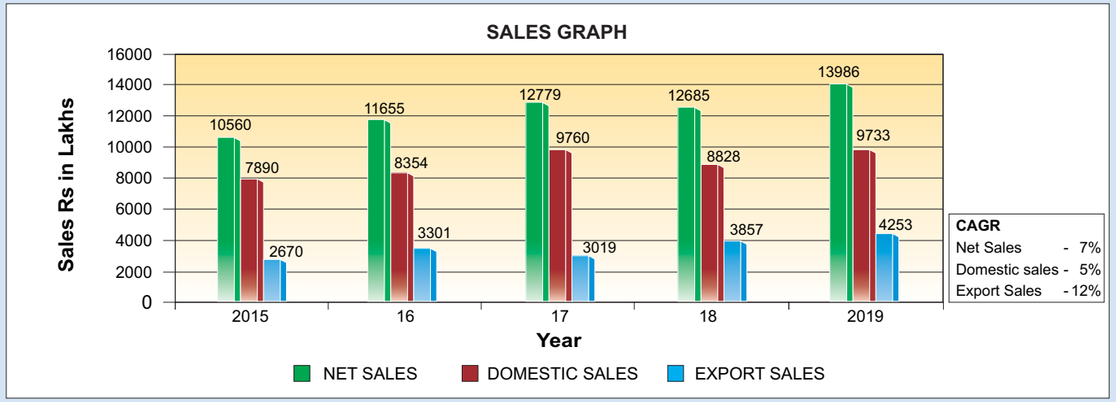
Rs. in Lakhs

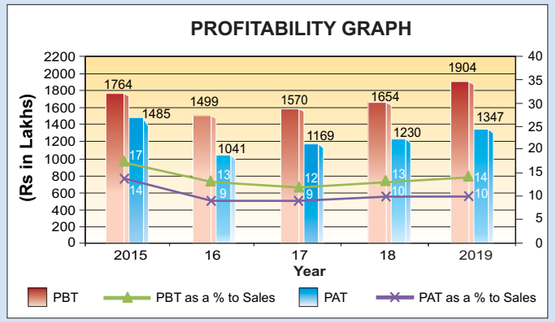
Year ending 31st March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUE										
Net sales	5609	8173	10001	8895	9449	10560	11655	12779	12685	13986
Domestic sales	4368	6727	8055	7176	7110	7890	8354	9760	8828	9733
Export sales	1241	1446	1946	1719	2339	2670	3301	3019	3857	4253
Other Income	222	299	278	225	611	800	648	543	685	709
PROFITABILITY										
Profit before depreciation	1714	2654	2888	1930	2098	2556	2335	2534	2668	2887
Profit before tax	1455	2356	2552	1528	1640	1764	1499	1570	1651	1904
Profit after tax	983	1595	1729	1012	1187	1485	1041	1169	1230	1347
Dividend %	250	250	250	150	250	250	250	250	250	300
EPS (Rs.)	49.12	79.76	86.45	50.59	59.34	74.24	52.06	58.47	61.49	67.33
ASSETS EMPLOYED										
Fixed assets	2950	3264	4363	5027	5510	5608	6060	6078	5595	5689
Investments	1672	2257	1370	1496	1703	1866	1360	1502	2229	3596
Net current assets	413	531	1532	1485	1505*	2047*	2534	3077	3233	2154
Non- current assets	-	-	-	-	-	-	470	339	338	330
Total assets	5035	6052	7265	8008	8718	9521	10424	10996	11395	11769
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	4602	5614	6762	7425	8031	8790	9544	10043	10707	11261
Loan funds	-	-	-	-	-	-	-	-	-	-
Non- current liability	-	-	-	-	-	-	127	187	91	-
Deferred tax liability	233	238	303	383	487	531	553	566	397	308
Total funds	5035	6052	7265	8008	8718	9521	10424	10996	11395	11769

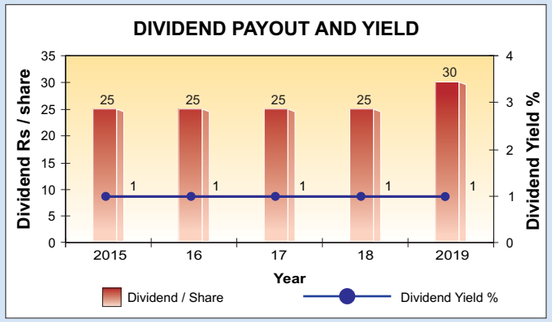
* Net current assets is arrived after reducing current liabilities, long term liabilities and provisions from current assets(excluding current investments) and long term loans and advances for 2013, 2014 and 2015

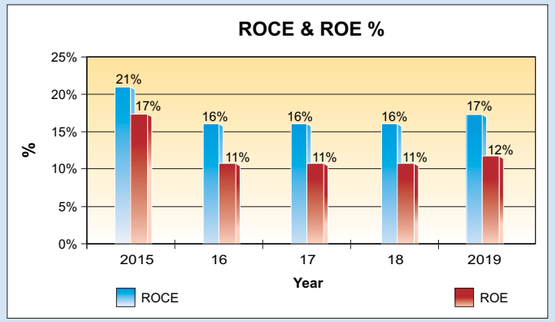
Note : 2016, 2017, 2018 and 2019 figures are as per IND AS

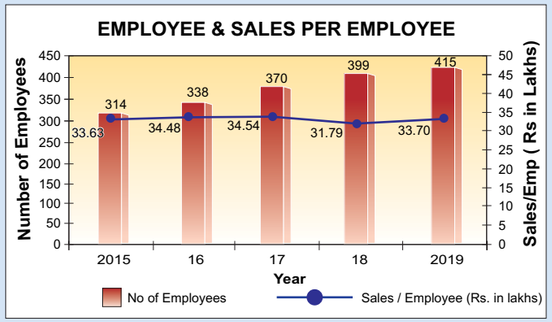
Engineering Flair with Environmental Care...



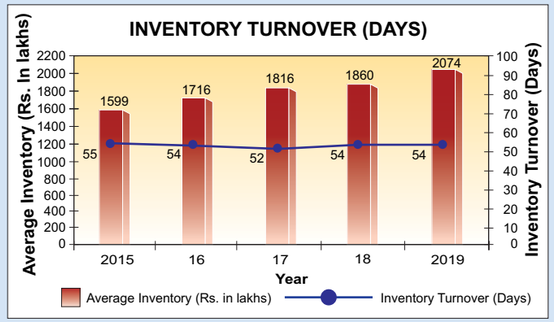


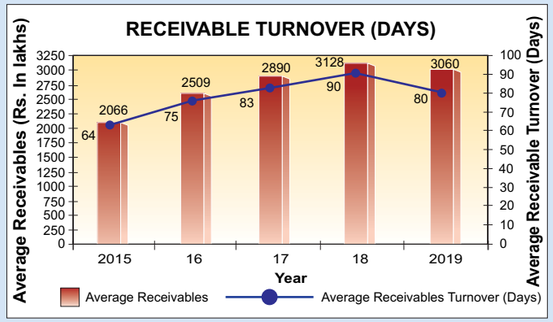


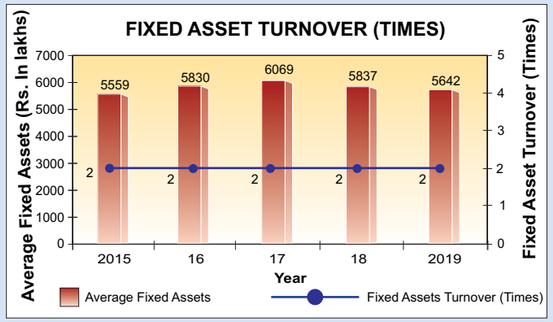


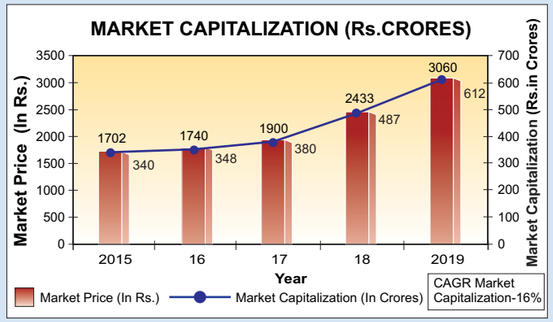


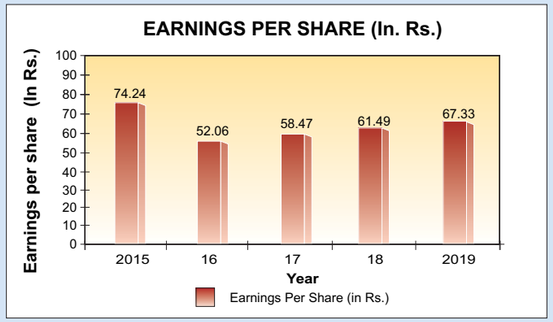
...Total Grinding and Honing Solutions











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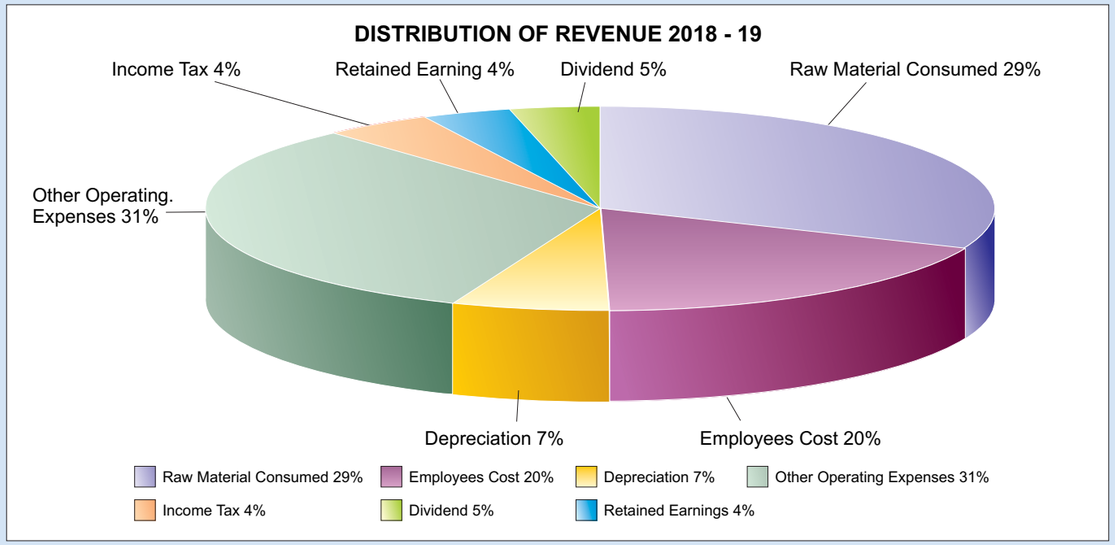
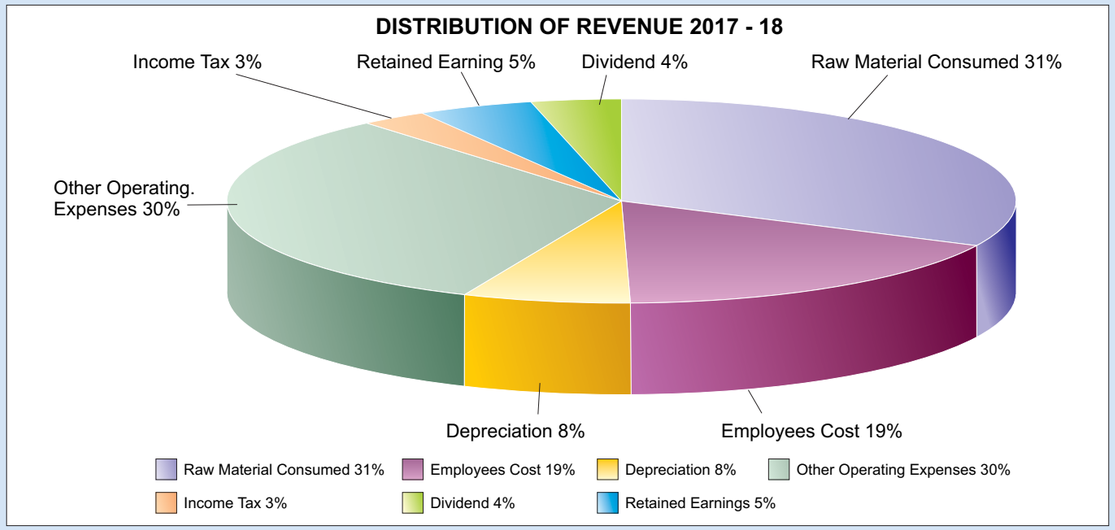
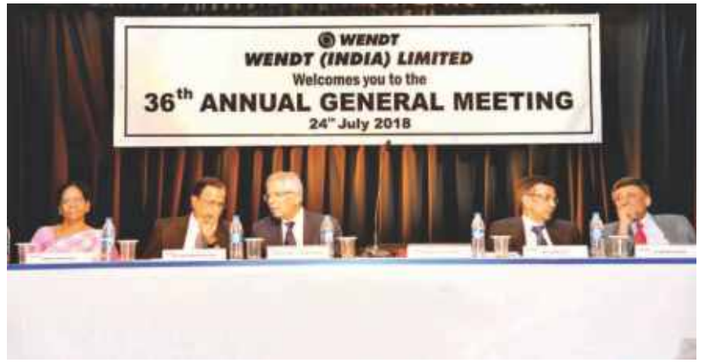




REPORT OF THE DIRECTORS



(Including Management Discussion and Analysis)

TO THE MEMBERS OF WENDT INDIA LTD

The Board of Directors have pleasure in presenting the 37th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2019. The Management Discussion & Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as listing regulations) has been included in the Directors Report to avoid duplication and repetition.

ECONOMIC OVERVIEW

After strong growth in 2017 and early 2018, global economic activity slowed down notably in the second half of the financial year, reflecting a confluence of factors affecting major economies.

The escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions in the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018.

The Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Despite softer growth, the Indian economy remains one of the fastest growing emerging markets and possibly the least affected by global turmoil. The structural and financial sector reforms like the Insolvency and Bankruptcy Code (IBC) which helps resolve non – performing loans and gradually changes debtors' behavior, along with back to back rate cuts announced by the Reserve Bank of India (RBI) is expected to boost the economy in the upcoming financial year.

The Indian economy is likely to sustain the rebound in FY 2018–19 and the growth is projected to be in the range of 7.2 percent to 7.5 percent. Hence, India maintains its status of being the fastest growing economy in the world. Additionally, the upcoming Lok Sabha election and the formation of the new government in the coming financial year is expected to continue the momentum of growth going forward.

Demonetisation, GST and tax amnesties have spurred the formalisation of the economy and resulted in an increase in the number of taxpayers. However, the hike in public wages and

pensions, stress in corporate and bank balance sheets, debt waivers for farmers and cuts in excise taxes did show some pressure on fiscal outcomes.

The ongoing subsidy reform of replacing price subsidies by direct cash transfers to households via their bank account and using a unique identification number makes household support more equitable and efficient. It also improves financial inclusion, reduces market distortions and generates public savings.

Despite the positive outlook, the economy remains vulnerable to domestic and geopolitical risks, especially economic and political changes, global trade wars and the risk of a poor upcoming monsoon that can affect relative prices and hurt current and fiscal account deficit.

COMPANY PERFORMANCE OVERVIEW

(Rs in Lakhs)

	FY 2018 - 2019	FY 2017 - 2018
Sales	13,986	12,685
Other Income	709	685
Profit Before Tax	1,904	1,651
Profit After Tax	1,347	1,230
Earnings per Share - Rs	67.33	61.49

RESULTS OF OPERATIONS

Your Company achieved sales of Rs.13986 Lakhs, 10% higher when compared to Rs. 12685 Lakhs (net) during the previous year by focusing efforts in the domestic and export market. The demand for your company's products and services in the domestic market has seen reasonable traction from industry segments such as Steel, Automobile, Cutting Tool, Bearing Industry, resulting in a growth of 10% over the previous year.

On the export front, while some countries witnessed moderate growth, advanced countries like US & China continued facing weakened demand. However, your Company has been able to achieve modest growth of 10% over the previous year, due to increase in demand from major countries like Germany, Indonesia, Korea, Spain, Thailand, UK, Singapore.

In the pursuit of growth and taking cognizance of medium and long-term perspectives, your Company continues its focus on pursuing business in its three verticals namely Super Abrasives, Machines and Components.

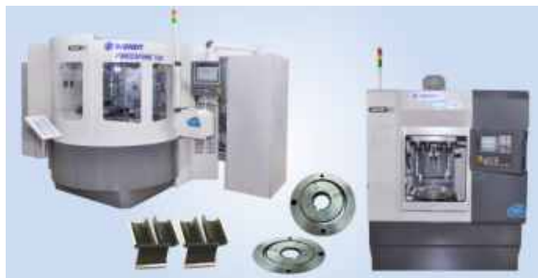
Your Company continued its focus on high growth areas and other resources so as to attain its long-term business objectives. Your Company continues putting efforts in enhancing its presence in 10 identified focus countries for growing the export business, in addition to focusing on the potential customers in the domestic

market which is expected to contribute significantly to your Company's overall business.

During the year, your Company actively participated in the ***IMTEX 2019 exhibition*** where it showcased its products and capabilities to the domestic and international audience and launched new machines during the exhibition under **Total Grinding and Honing Solutions** along - with CUMI.

The **Super Abrasive** Business consisting of Diamond/CBN grinding Wheels in various bonding systems, Rotary Dressers, Stationary Dressers, Hones and Segmented products achieved a growth of 7% over the previous year amidst many challenges and shrinking demand in both domestic and overseas markets. This has been possible because of continued efforts, various initiatives for new application and product developments including development of import substitutions. Your Company successfully introduced some new products such as Spiral CBN Wheel for Razor Blade grinding, Brazed wheels for Textile (Knife) Industry, Double Disc Fine Grinding Wheels for Automotive, Rotary Tool, Ceramic and Engineering Applications.

The **Machines** business vertical witnessed a decent growth of 18% over the previous year, due to good orders from Defense, Steel, Ceramic industries in Domestic market. During the year, your company focused on development & launch of many new models / variants which includes Single Pass Honing Machine (WSP 350), Fine Grinding Machine (Precifine 720) and Tool Regrinding Machine (CTG 25). As mentioned earlier, these machines were launched by the customers during IMTEX 2019. Besides this, your Company has successfully built and added new features to existing machines and introduced machines like Universal Surface Grinding Machine (WXG 300V), CNC TC Ring Grinding machine (WGM 20), CNC Profile Dressing Machine (PDM400) for domestic as well as overseas markets.



On the Precision Components front, your Company, during the year has enhanced the volume of production by adding two new components to its basket of products and demonstrated a growth of 30%. The Precision Components business now contributes to more than 12% of your Company's business. Your Company is constantly exploring opportunities, where it can deploy its core competency - Expertise, Experience and Knowledge on Grinding, Machines & Super Abrasive Tools for producing related precision components. Your Company focuses on providing Sustained competitive advantage to its customers and strongly believes in great potential this segment holds for growth and is pursuing on strengthening the Precision Component business. Your Company also focused on de-risking & enhancing the product basket by adding components for Non-Auto Industry, and Non – Ferrous component.

FOCUS ON PROCESS EFFICIENCY

Your Company continues to focus on LEAN initiatives in order to enhance operational efficiency and optimum use of resource in the area of manufacturing and support functions. During the year, your Company has found this initiative extremely meaningful in strengthening some of the key operational areas like planning and scheduling, production reliability, materials availability and reliable product delivery.

Overall, the implementation of Lean management system in your Company has been very effective. It ensured elimination of non-value added activities, process streamlining, effective utilization of resources and high level of customer satisfaction.

Your Company continues to develop alternative, reliable and competitive sources for few select critical raw materials such as Diamond, CBN, Chemicals, Machine Elements including Spindles, CNC/Electrical Systems, for maintaining minimum inventory levels, while ensuring on-call supplies and on-time delivery to customers.

The key focus continues to be on formulating and developing New Bond, for improving performance of products and reducing cost through process re-engineering. To make our products competitive, we continue to focus on improving efficiency by adopting new technology and associating with external research institutes, consultants and partners.

Your Company has taken initiatives to reduce overall supply chain cost by outsourcing most non critical, non-value-added services, while doing all Precision machining in house. The Company also continues to share common resources, machines and facility across all product cells.

FUTURE PROSPECTS

There has been an increasing technological development in the automotive manufacturing processes, in order to achieve better fuel efficiencies and enhance the life of motor vehicles. The usage of Super Abrasives for manufacturing automotive components has proven to be useful in increasing the life of wheels. Also growing Consumer Electronic Segment, are expected to provide a wide array of opportunities for the consumption of super abrasives in the coming years.

Your Company makes every effort to capture the weak signals of the Mega Trends and accordingly align its strategic moves and actions so as to sieze the opportunities that these Mega Trends offer in terms of new applications and industries including opportunities for innovations.

Your Company continually works on narrowing the gap between its strategies and objectives based on the market dynamics so as to achieve the set goals and improved performance year on year through various initiatives.

While the existing products would continue to be offered to the customers, new products, new application developments including development of import substitutes would be the focus areas for your Company.

Adoption and deployment of appropriate technologies for **indigenous bond development**, streamlining processes and introduction of **automation** in critical areas and working on **industry 4.0** has been the key focus points for your Company.

To ensure future growth in both Domestic and Global scenario, the Company thrives to seize new business opportunities in new upcoming industrial segments. Your

Company continues its efforts on developing high end products and addressing new opportunities. The existing range of products are also in focus, to explore and replicate success unfolding in the New segments and markets like Razor Blade Industry, Defence Sector, Aerospace, Railways and Health Care. Your Company would fully supplement these efforts and maximize the benefits by active participation in major national and international exhibitions, trade shows, including digital initiatives, collaborations and partnerships.

The focus on growing the export business has been one of the key areas for your Company in the last few years. We will continue to put efforts and initiatives towards increasing the global presence in identified countries through strategic alliances and co-operations, partnership and appointment of management representatives, besides taking advantage of the CUMI distribution network CUMI (PAPs) that is readily available to the Company.

SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

Your Company's 100% owned subsidiary, Wendt Grinding Technologies Limited, Thailand, has achieved a top line of Thai Baht 1126 Lakhs (Rs.2423 Lakhs) which is 31% higher than the previous year, despite continued industry slowdown, falling export, political instability, rising cost and all odds. The subsidiary continues to demonstrate its strong resolve and business acumen challenging the unfavorable conditions and churning out good results on a consistent basis.

The Profit Before Tax was Thai Baht 227 Lakhs (Rs 485 lakhs) and the Profit After Tax has been Thai Baht 181 Lakhs (Rs. 385 Lakhs) being at 36% growth over previous year.

Like earlier years, continued initiatives and efforts have been the key to this performance sustainability of the subsidiary. Focus on enhancing the product basket, new customer additions and entering new geographies have yielded desirable results.

The subsidiary company continues to take part in the important Industrial and Trade Exhibitions as part of exploring new businesses and strengthening networking with industry leaders for business promotion and development.

Wendt Middle East FZE, Sharjah

Wendt Middle East FZE, Sharjah, the other wholly owned subsidiary of your Company, has clocked an annual sale of AED 24 Lakhs (Rs. 455 Lakhs), which is 11% higher than the last year. The sluggish topline is attributable to the continuing oil crisis, political disturbance and a slowdown in new projects in the region. Also, due to the worsening credit situation in the Middle East, the subsidiary has been cautious and prudent in growing the topline. Despite the tough market situation, the profits have maintained at last year level of AED 0.2 Lakhs (Rs.3 Lakhs).

APPROPRIATIONS

Available for appropriation	(Rs in Lakhs)
Profit After Tax	1347
Add: Other Comprehensive Income	(87)
Add: Balance brought forward from previous year	4859
Total	**6119**
Recommended appropriations	
Transfer to General Reserve	(135)
Dividend	
-Interim Rs 15/-per share	(300)
-Final (Dividend paid for 2017-18 Rs 15/- per share of face value of Rs 10/- each)	(300)
Dividend Tax	
-Interim	(44)
-Final (for 2017-18)	(62)
Balance carried forward	5278
Total	**6119**

CORPORATE SOCIAL RESPONSIBILITY

As a responsible Corporate, your Company's Corporate Social Responsibility pursuits have always been based on the foundation of ethical behavior in all its business transactions and contributions for economic development of not only the workforce and their families but also extending to the local communities and society at large. Your Company being a part of the Murugappa Group has been upholding this tradition by allocating a part of its income for carrying out its social responsibilities.

Corporate Social Responsibility for your Company has been the core of the business along with transparency in all dealings.

Your Company's initiative of running the **Skill Development Centre** has been yet another social responsibility. The main purpose being providing high quality vocational and technical training for uplifting the lives of young children from under privileged backgrounds. This training program is designed based on the coaching methodology defined by the Government of India, Ministry of Skill Development and Entrepreneurship.

The program includes stipend payment along with free meals and boarding facilities to the enrolled students, ensuring that they earn while they learn. Not only does this initiative help continuance of formal education for these apprentices, but also helps them to seek gainful employment and lead a meaningful life upon successful completion of the course, aiding them to become a valuable citizen.

Befitting its size, your Company continues to make contributions to various social causes such as education for underprivileged school children, old age homes, orphanages, as well as providing sanitation facilities. Your Company also gives importance to green environment and tree plantation in the nearby communities by distributing free saplings every year, during World Environmental day which is widely celebrated.

In accordance with the requirements of the Companies Act 2013, your Company has a CSR policy which is available on the Company's website at the following link http://www.wendtindia.com/pdf/csrpolicy.pdf

Your Company, during the year 2018-19 has spent of Rs 31.70 lakhs towards the CSR activities in line with the provisions of the Companies Act, 2013.

DIVIDEND

The Company has voluntarily adopted the Dividend Distribution Policy as approved by the Board in line with the Listing Regulations and the same is available on the Company's website www.wendtindia.com.

In line with the policy, the Board of Directors have recommended a Final Dividend of Rs 15/- per equity share of face value Rs 10/- each (150%) for the year ended 31st March 2019. This is in addition to the Interim Dividend of Rs 15/- per equity share of face value of Rs 10/- each which was paid on 8th February 2019.

The Final Dividend, is subject to approval of members at the 37th Annual General Meeting & will be paid to those shareholders whose names appear on the register of members of the Company as on 22nd July 2019. If approved, the total Dividend for the financial year, including the interim dividend, would amount to Rs 30/- per equity share.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 135 lakhs to the General Reserve. An amount of Rs. 5278 Lakhs is proposed to be retained in the Statement of Profit & Loss.

FIXED DEPOSITS

During the year, the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the rules framed there under and no amount of principal or interest was outstanding as on the balance sheet date.

LOANS AND INVESTMENTS

Details of investments covered under section 186 of the Companies Act, 2013 are given in the note no. 6 to the financial statements. There were no loans or guarantees covered under section 186 granted during the year.

TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 124 (5) of the Companies Act, 2013, an amount of Rs.4.14 lakhs being unclaimed dividend during the year, pertaining to the financial year 2010-11 was transferred to IEPF 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 2018-19 are prepared in compliance with the applicable provisions of the Companies Act, Accounting Standards and prescribed by Regulation 33 of the Listing Regulations. The Consolidated Financial Statements have been prepared based on 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 thereof form part of this Annual

Report. A statement of summarized financials of all subsidiaries of your Company in form AOC-1 forms part of the Annual Report. The audited annual accounts and related information of the subsidiaries is available in our website- www.wendtindia.com.

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

KEY CONSOLIDATED FINANCIAL SUMMARY

(Rs in Lakhs)

	FY 2018-2019	FY 2017-2018
Sales	16,178	14,432
Other Income	520	492
Profit Before Tax	2,193	1,804
Profit After Tax	1,541	1,312
Earnings per share-Rs.	77.07	65.62

QUALITY

While conducting the business, your Company accords high level of importance to Quality in all spheres. The most critical aspect for your Company's products is high level of precision, accuracy and assurance in terms of meeting the exact standards of the products as per customer 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** business include a range of machines such as Rotary Surface Grinding, Notch Milling, TC Ring Grinding, Vertical & Horizontal Honing, Cylindrical grinding and also a wide range of accessories that are fully compliant. **Precision Components**, requires high level of precision as well as tolerance limits necessitating utmost care and adherence to quality parameters and process controls.

In order to ensure that your Company's products meet these requirements, it has put in place the necessary Management standards such as ISO 9001, ISO 14001, TS 16949, OHSAS and SA 8000.

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 consistency in performance of the products being the main differentiators, your Company has ensured deployment of an effective Quality Control Management and practiced at each stage of material flow in the manufacturing cycle.

The necessary investments on machines, equipment & application software solutions are also being done to update & address Quality Standards.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

Your Company accords high importance towards safety and health of employees and ensures that work environment is conducive for smooth operations. Towards this, the top management stays ever committed for maintaining high standards of safety, health and environment management by

being fully compliant to applicable statutory requirements as per OHSAS 18001:2007 and ISO 14001:2015 EMS standards and guideline.

Your Company has complied with the requirements of Social accountability SA 8000:2014 Standard and on product safety EN-13236:2010+A1:2015 for meeting safety requirements of the European standard of Super Abrasive products. Every year, Wendt observes a **Safety Week** with sprawling events spread over the week to emphasize the importance of safety to the employees. This year it was held on 4th March 2019 which included competitions on slogans, posters, skits, and mock drills.

Recognizing that the employees are the most valuable assets of the Company and that Safety and Health of each employee is of utmost importance, the Company continues to undertake initiatives and pursue programs, including Annual health check-ups, employees and their family, special medical attention for employees working in special process & sensitive areas. During the year, your Company conducted a special awareness program on use of personal protection equipment (PPEs), zero discharge of ETP/STP and hazardous waste handling, so that employees and their family maintain good health and overall wellness.

Your Company continues to periodically conduct safety mock drills and various training programs to educate and prepare employees for chemical, electrical and medical urgencies.

Your Company continues its commitment to employ and empower women through various initiatives including extended maternity leave policies and friendly work place policies. The Company has a policy on prevention of Sexual Harassment at workplace in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to address any complaint regarding sexual harassment and it did not receive any complaint during the year.

RECOGNITIONS AND AWARDS

Your Company employees are encouraged to participate in customer audits, group competitions, various national and international events & competitions. Your Company continues to get accolades and awards from its customers and other prestigious domestic/international forums. Some of the awards and recognitions the Company received during the year are as follows:

- **Economic Times Best Brand**

  Conferred with the "Economic Times Best Brands in Metal Cutting 2018 list in the Grinding Field"

- **EEPC India's Regional Export Award**

  Conferred with **"Star Performer – Large Enterprises"** for outstanding export performance during year 2016-17 by Engineering Export and Promotion Council

- **CII Innovation Award 2018**

  Conferred with "Innovative Company" for Glass Grinding Wheels, Double Disc Fine Grinding Wheels and Razor Blade Grinding Wheels and selected by CII Industrial Innovation Awards 2018.

- **ASSOCHAM SME'S Excellence Award for Green Business**

  Conferred with Award (Runner up) for Green business Category from ASSHOCHAM

- **Lean Management Practices**

  Conferred with **Platinum Award** for Lean Management Practices from ABK AOTS

- **Quality Circle/KAIZEN Awards by QCFI (Quality Circle forum of India):**

  Your Company's employees continued to exhibit their skills in various Quality Circle competitions as below:

  Regional Level

  Gold award for Kaizen (5 teams) and SGA (1 team)

  Silver award for Kaizen (1 team) and SGA (2 teams)

  National Level

  Gold award for Kaizen (5 teams) and SGA (1 team)

- **POKAYOKE conclave by QCFI at Regional Level :**

  Conferred with Gold Award

- **Cufest 2018 Awards**

  Your Company's employees participated in Group-level Quality competitions "Cufest 2018" (Quality Festival of CUMI), and won awards for SGA, 5S, Best Slogan, and Idea King

- **MGTC Shuttle Tournament**

  Your Company's employees participated in the Group level shuttle tournament and won "Winner" title in singles.

MANAGEMENT DISCUSSION AND ANALYSIS

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

GENERAL PERFORMANCE REVIEW

The Indian manufacturing sector has witnessed a steady recovery in the last 2 years, with the growth rate increasing from 2.8% in 2015–16 to 4.4% and 4.6% in 2016–17 and 2017–18 respectively. Needless to say, a number of proactive Government initiatives like Make in India, a forward-looking and simple FDI Policy, and Skill India, along with the country's higher rank on the Ease of Doing Business Index, have been instrumental in reviving growth.

Your Company also strongly believes that the steps taken by the Government to ensure sustainable growth in the sector and a continuous inflow of foreign direct investments through several flagship initiatives and sectoral reforms, would provide the much-needed impetus for growth. Accordingly, your Company continues to make necessary investments in identified growth areas and deploy resources in order to sustain long term business growth.

ECONOMIC OUTLOOK

India has already surpassed many countries to become the sixth-largest economy. By 2019, it is expected to become the fifth-largest economy, and possibly the third-largest in next 25 years.

Tighter financial conditions, higher oil prices, adverse terms of trade, lower growth in partner countries, and rising political uncertainties in India and abroad may tend to reduce growth a bit. Although, economic activity is projected to slow marginally in the first half of fiscal year, recent improvements in the GST administration, enabling exporters to get faster tax refunds, and the depreciation of the rupee will boost exports. Corporate investment will remain vigorous, supported by recent structural reforms, ease of doing business and better infrastructure.

Investment is expected to grow steadily, driven by the gradual increase in capacity utilisation, large infrastructure programmes and recent structural reforms which are supporting investors' confidence, in particular the new Insolvency and Bankruptcy Code and public bank recapitalisation. The rebound in exports is supported by a weaker rupee and an easier-to-comply-with Goods and Services Tax.

INDUSTRY STRUCTURE & DEVELOPMENTS

The purchasing power of people has increased due to the rise in per capita income. This is driving the global demand for vehicles. Vehicle restoration process is also fueling the global Super Abrasives market. Super Abrasives are also used for better finishing of surfaces in the automotive sector, due to the increase in demand for electric and fuel-efficient vehicles. The demand on usage of Light vehicle is also expected to fuel requirement of your company's products.

Further rise in Middle class, Higher disposable income, Health care, Education, Entertainment, Mobility: will create business opportunities for industries like automotive, engineering and FMCG, affordable healthcare and telecom as a result of demographic change, which in turn create opportunity for Super Abrasives and Machine Tool Business

The Indian Super Abrasive tooling market continues to remain fragmented in nature and operates in a highly competitive environment, mostly dominated by the presence of few organized players such as your Company and many owner driven small companies with strong focus on regional presence. With its comprehensive range and being Total Grinding & Honing Solution provider, your Company continues to be a preferred supplier, many a times as a single-source supplier for many major customers for a wide spectrum of industry for Super Abrasive products. As a result of this, your Company's growth mirrors the growth of these industries and customers.

Major contribution to your Company's top line would continue to be coming from sectors such as Automotive, Engineering, Cutting Tools, Refractory, Aerospace, Defense, Steel, Ceramics and Construction, which incidentally are focus areas for the economic growth.

In pursuit of higher growth, the Company constantly puts efforts and focuses on exploring new projects, new opportunities, new customers and new industrial segments. Accordingly, Company has initiated its work on many new projects and continues to add new products every year to the product basket. On the other hand, in order to minimize dependency on few industry segments, your Company is relentlessly working on developing products for other industry segments which have long term growth prospects. As a result of these efforts, your Company has been able to develop and offer many new products for industries like Glass, Blade, Turbine, Textile, Gears, Defense, Construction, Painting and Auto components.

PERFORMANCE OVERVIEW

Key Financial Summary

(Rs. in Lakhs)

Particulars	2018-19	2017-18	% change
Domestic Sales	9,733	8,828	10%
Export Sales	4,253	3,857	10%
Total Sales	13,986	12,685	10%
Operating Profit before Finance cost	1,495	1,243	20%
Capital Employed	11,461	10,908	5%

Key Ratios

Ratios		31.03.2019	31.03.2018
Performance Ratios			
Operating Profit / Net Sales	(%)	11	10
EBIDTA / Net Sales	(%)	21	21
PBIT / Net Sales	(%)	14	13
ROCE	(%)	17	15
ROE	(%)	12	11
Fixed Asset Turnover Ratio	(times)	2.48	2.17
Activity Ratios			
Inventory Turnover Ratio	(days)	54	54
Receivable Turnover Ratio	(days)	80	90
Liquidity Ratio			
Current Ratio	(times)	2.17	2.52

There were no significant changes in the Key ratios mentioned of the Company as compared to previous year

OPPORTUNITIES & THREATS

Opportunities:

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The Engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

Your Company would continue to be on constant search for potential business opportunities in new industries and markets as they unfold resultant to the emerging Mega trends.

Your Company would continue to leverage upon its vast experience, comprehensive product range, superior technology and the resultant competitive advantage emerging out of its three-complementing business vertical - ***the Super Abrasives,*** the ***Precision Grinding*** / ***Honing Machines*** and the ***Precision Component*** manufacturing. Your Company would continue to leverage this unique advantage and derive maximum benefits from its core strength of being the provider of **Total Grinding & Honing Solutions** which only few can aspire to have.

To compete with local player and to address the huge price sensitive market of standard and mass consumed Super Abrasives product, your Company has also started promoting and selling the standard products under **STAR Brand**. This year the Company will strongly focus on **Digital Marketing Initiatives** to complement the marketing effort and extend its marketing reach.

Threats

The Domestic Super Abrasive Tool market is marked by the presence of both organized & unorganized players. At one end we have many unorganized regional proprietary-run entities that are smaller in size and operations. They have their presence in only limited range of Super Abrasive Products. Focusing on specific regions and addressing customer requirements with lower prices has been one of their forte. On the other end, there are a few organized and large players from both domestic and global markets. Almost always, the global players rely on OEM Tie-ups with established Grinding / Honing machine manufacturers, thus making use of their long-established parental backgrounds, offering combination of methods involving performance, cost and technology, service lock-ins and warranty clauses.

In order to counter both the ends arising out of this polarization, your Company continues to evolve a unique approach to improve its market presence and market share and address both segments. To address the low-end competition, the Company offers innovative cost competitive products and enhanced the product range offered in STAR Brand. It would also put the products on digital marketing platform. The high-end segment would continue to be serviced by developing import substitutes based on price-performance measures and value addition backed by its local strong technological service support. For addressing the high performance, quality conscious segment, your company is working with foreign Research Institutes and is on the lookout for product specific, niche manufacturers for acquiring state of the art technology.

BUSINESS OUTLOOK

In terms of revenue, Asia Pacific dominates the Super Abrasives market, owing to the rise in demand for vehicles across the globe. This rise can be attributed to the growth in per capita income and increase in purchasing power of people in emerging economies in countries such as China and India. Additionally, Super Abrasives are extensively employed in finishing applications. Furthermore, rise in activities such as rebuilding, refurbishing, and renovation of old buildings has augmented investments in the building & construction industry, thereby fueling the demand for Super Abrasives.

The Company's efforts will be primarily to retain its leadership position by offering its comprehensive range of products, increased market reach & penetration and adding new products to its basket. In addition to this, your Company would continue to intensify its efforts in improving its market presence not only in domestic but also in the global arena to address competition.

In the ***Super Abrasive*** business, your Company will continue to drive growth through New Product Development, Indigenization Efforts and Focus products. While this would give stability to the business, it will also focus on capitalizing on new opportunities in industry segments with high growth potential to ensure future growth. As mentioned earlier, your company has enhanced the existing product basket by adding all standard products to be offered under STAR Brand through the distribution channel and online marketing, which is expected to make significant contribution to the overall growth of your Company. In addition, building capability / capacity in identified products cells including enhancing self-sufficiency and development of new products. Research and Development will continue to be the focus of your Company.

On ***Machines,*** your Company will continue to work towards strengthening its Machine Tool business by Standardization of machines for Steel Industry and offer both in Domestic & Overseas markets, and by consolidating various machine models / range to increase the customer / industry base and our overall offering.

Precision component business is another growing area and your company will be focusing on enhancing the capacity of existing products and expanding it to the global market. Your Company has planned addition of a few more precision components in line with EURO 6 Norms in the coming year.

Your Company's Thailand subsidiary, ***Wendt Grinding Technologies Ltd,*** would continue to complement the mother business by churning out better results year on year despite being affected by muted global recovery, auto industry downtrend, lower demand, falling exports and political instability. As evident in the past, the subsidiary shows steadfastness and confidence for achieving the results in the coming year. In order to accelerate its growth, your subsidiary company has been strongly looking at new projects and new markets in the coming year for which the finer specifics including the potential benefits are under evaluation.

Your second subsidiary, ***Wendt Middle East FZE,*** Sharjah has been consistent in its performance over the last few years. Due to the on-going slow down and worsening liquidity situation in the Middle East, the subsidiary is showing stagnated performance. Despite these difficulties and hardships, your subsidiary continues to put all its efforts on certain markets and industries that have given good results during these tough times. Your subsidiary will continue to operate as the Product Availability Point (PAP) for the entire GCC region with focus on General Engineering, Aerospace, Steel, Ceramics, Auto component & associated industry segments and holds enough promise for better performance in the coming year.

ENTERPRISE VALUE ADDITION (EVA)

(Rs. in Lakhs)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Generation of Gross Value added	5800	5272	4902	4417	4373
Breakup on Application of Value added					
Payment to Employees	2892	2588	2363	2077	1812
Payment to Shareholders (on payment basis)	600	500	500	500	500
Payment to Government	740	692	490	539	270
Payment to Directors	21	16	5	5	5
Towards replacement and expansion	1547	1476	1544	1296	1787
Total	5800	5272	4902	4417	4373

- Gross Value Added is Revenue less Expenditure (excluding depreciation, expenditure on employee & directors service)
- Payment to Government is Current tax + Dividend distribution tax
- Replacement and expansion is Retained earnings + Depreciation + Deferred tax
- Payment to Employees grew at a CAGR of 12% over the last 5 years.
- Payment to Government grew at 29% CAGR over the similar period.
- The Company had been constantly investing towards replacement and expansion expenditure to ensure fulfilment of market demand.

RISK & CONCERN

The company has a robust Risk management framework to identify, evaluate and mitigate business risks and opportunities. The framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Risk management process for your Company encompasses the following sequence:

- Identification of risks with the associated risk owners
- Evaluation of the risks as to the likelihood of occurrences and related consequences
- Assessment of options for risk mitigation
- Prioritizing the risk management actions
- Development of risk management plans
- Authorization for the execution of the risk management plans

- Implementation and review of the risk management process

Some of the risks associated with the business and the related mitigation plans are given below. However, the risks given below are not exhaustive and assessment of risk is based on management perception

User Industry Concentration Risk

Why is it considered as a Risk?

- Significant exposure to select few sectors like auto and auto ancillaries
- Decline in demand due to global economic slowdown
- Loss of any of our significant customers, changes in their requirements for our products or change in ownership
- Failure to sustain a continuing economic recovery could have an adverse effect on our business
- Adverse impact brought in by new laws, regulations or policies of governmental organizations
- Rebranding of products and the resultant delay in brand establishment

- Disruptive innovation & process changes.

Mitigation Plan / Counter Measure to address

- De-risking the business by widening the customer base / new industry segment & new geographies.
- Exploring growth opportunities in sectors like Aerospace, Bearing, Razor Blade, Glass, etc., based on Mega Trends.
- Continuously pursuing product innovation and new application development in diverse areas.
- Improving the On-Time Delivery levels through operational efficiency measures like LEAN addressing the sustained competitive advantage.
- Aligning strategy towards delighting most significant customers both in domestic and as well as overseas market.
- Leveraging relationship and Engagement with the customer - e.g. WOW initiative / Exhibitions like IMTEX, participation in international exhibitions like GRINDTEC – Germany, MAC – United Kingdom, IMTS – USA, CIMT - China, **CRM & Knowledge Management** application.
- Working with research institutes and product specific consultants
- Working with additive manufacturing like 3 D Printing
- In-house DSIR approved R&D centre. Also, thrust on innovation with focus on New Product Development to yield long term results.
- Branding, promoting and selling Standard range of products under STAR Brand.
- Focus on Make In India.

Competition Risk

Why is it considered as a Risk?

- Cheaper Imports from countries like China and Taiwan.

- Imports directly and through OEM route
- Presence of unorganized regional players often adopting Low pricing strategy, free samples, higher credit days etc.
- Entry of New Organized Players by setting up manufacturing base in India consequent to *Make in India* Drive.

Mitigation Plan / Counter Measure to address

- Focus on Lean & Address QCD – Superior ***Quality, Cost*** competitive products & Reliable, Faster ***Delivery***
- Offering sustainable competitive advantage to customer through operational efficiencies
- Enhancing value added services
- Internal Efficiency Measures/ process automation/ Reduce throughput time
- Creating entry barriers for competition / exit barriers for customers - key account management
- Greater focus on New product development
- Increasing the product basket & offerings
- Building agile Supply chain by capitalizing on CUMI dealer network
- Explore E-Commerce and online sales
- Automation and Robotization to address Lower manufacturing cost and enhance Competitiveness

Technology Risk

Why is it considered as a Risk?

- The rapid changes taking place in the fields of grinding / honing technology and material science.
- Technology gap in certain product ranges as a result of product upgradation by global competitors.
- Access to New Alternate technology following the expiry & Non- renewal of technical collaboration agreement with Wendt GmbH post Sept 2012.
- Adoption of Disruptive technologies like 3D printing.

Mitigation Plan / Counter Measure to address

- Collaboration with external consultants
- Established DSIR approved R&D center and build on self-sufficiency in technology
- Indigenous development of Bonds with external consultant support and working with Research Institutes.
- Association with external Research laboratories / Technical institutes for technology upgradation.
- Working on Product and Process Innovations

HR & Legal Risk

Why is it considered as a Risk?

- Attrition of skilled / trained manpower leading to disruption of operations or knowledge gap
- Contractual liability, e.g. Product liability
- Millennial work force – No Long term interest

Mitigation Plan / Counter Measure to address

- Career Development
- Succession planning
- Performance Management System
- **Knowledge Management Portal** whereby all major established applications are safely documented for reference and trail
- CCSD (CUMI Centre for Skill Development) providing employable technicians
- Market linked revision in Compensation

- Focus on multi skilling & skill upgradation.
- All contracts cleared by the Legal team
- Mentoring and Coaching program for the employees for enhancing engagement level

Online Data & Information Security Risk

Why is it considered as a Risk?

- Data breach leading to loss and critical information infrastructure breakdown

Mitigation Plan / Counter Measure to address

- Disaster Recovery Strategy & Business Continuity Plan in place.
- Policy in place for Technical Controls
- Data center access limited to authorized personnel
- Crisis Management Group in Place.
- Strengthening network security
- Enhancing Information Security policies & procedures

INFORMATION TECHNOLOGY

One of the key success factors for your Company's sustainability and consistent operations has been the use of technology and SAP ERP system. During the year, integration has been made within SAP modules to meet **eWay Bill Compliance**, thus leveraging on the benefits for smooth functioning and steady flow of information across various functions and ensuring government norms.

Your Company has implemented **SIEM (Security Information and Event Management)** for identifying, monitoring, recording and analyzing security events or incidents in a real-time IT environment and **EPDM (Enterprise Product Data Management)** for Machine tools design team for effective utilization of Common drawings / Parts & leverage workflow's within production / electrical teams to speed-up the manufacturing process as per time lines.

INDIAN ACCOUNTING STANDARDS (IND AS)- IFRS CONVERGED STANDARDS

The Company had adopted Ind AS with effect from 1st April,2016 pursuant to the Companies (Indian Accounting Standard) Rules, 2015 notified by the Ministry of Corporate Affairs on 16th February'2015.

INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has an Internal Control system commensurate with the size, scale and complexity of its operations. The controls have been designed and categorized based on the nature, type and the risk rating so as to effectively ensure the reliability of operations with adequate checks and balances.

The Company's internal control system covers the following aspects:

- Safeguarding the assets of the Company.
- Financial proprietary of business transactions.
- Compliance with prevalent statues, regulations, policies and procedures.
- Control over capital and revenue expenditure with reference to approved budgets

The Internal Audit team evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements, if any. The Audit Committee of the Board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the Board of Directors informed of its observations, if any, from time to time.

During the year, there were no changes in internal control over financial reporting that have materially affected or are likely to have any financial reporting lapse.

Internal Financial Controls

As per Section 134 of the Companies Act, 2013, the term 'Internal Financial Control '(IFC) means the policies and the procedures adopted by the Company for ensuring:

a) Orderly and efficient conduct of its business, including adherence to accounting policies,
b) Safeguarding of its assets,
c) Prevention and detection of frauds and errors,
d) Accuracy and completeness of accounting records, and
e) Timely preparation of reliable financial information.

The key components of IFC followed by the Company are:

1. **Entity Level Controls (ELC)** that the management relies on to establish appropriate Code of Conduct, Hiring and Retention practices, Whistle Blower mechanism, Delegation of Authority and other policies and procedures.
2. **Process Level Controls (PLC)** to ensure processes are stable, predictable and consistently operating at targeted level of performance classified into Manual or Automated Controls.
3. **General IT Controls** to ensure appropriate functioning of IT applications and systems built by company to enable accurate and timely processing of financial data are - User Access rights Management and Logical Access, Change Management controls; password policies and practices, Patch management and License management; backup and recovery of data.

The adequacy of IFC is ensured by:

- Documentation of risks and controls associated with major processes.
- Validation classification of existing controls to mitigate risks.
- Identification of improvements and upgradation of the controls
- Improving the effectiveness of controls through data analytics
- Performing testing of controls by Independent Internal Audit firm.
- Implementation of sustainable solutions to Audit observations.

The Audit Committee periodically evaluates Internal Financial Controls to ensure they are adequate and operating effectively.

FINANCIAL REVIEW

Earnings

Revenues

During the year, your Company clocked total sales of Rs.13986 Lakhs, 10% higher than the previous year. Both the domestic and export sales grew by 10% over the previous year at Rs.9733 Lakhs and 4253 lakhs respectively. As briefed earlier, the major industry segments which contributed to the growth of the domestic business are steel, automobile, cutting tools, bearings etc. The higher export was due to higher sales to 10 focus countries like Germany, Indonesia, Korea, Spain, Thailand, UK and Singapore.

Profit before Tax

The Profit before Tax is higher by 15% at Rs.1904 Lakhs compared to Rs.1651 Lakhs in 2017-18. The higher profit is because of the improved product and process efficiency measures taken by the Company and control over the fixed cost.

Profit after Tax

The Profit after Tax is higher by 10%, at Rs.1347 Lakhs, compared to Rs.1230 Lakhs in 2017-18.

Liquidity and Cash Equivalents

Your Company continues to be debt free, maintaining sufficient cash and cash equivalents to meet its futuristic strategic initiatives. This is achieved by being prudent in its investment policy over the years, maintaining a reasonably high level of cash and cash equivalents which enables the Company to completely eliminate short and medium-term liquidity risks.

The Company has a robust Cash Management Policy whereby it:

a. Conserves sufficient cash as reserves that will aid the Company in venturing into meaningful business opportunities that unfold during the year.
b. Use cash to provide sufficient working capital to address business objectives of the Company & to add value to all stakeholders by continued enhancement.
c. Prudently invest surplus funds that the business generates in debt schemes of mutual funds as per Group norms and prior approval from the Board. This ensures availability, safety and liquidity of Company's funds while allowing reasonable yield as per the prevailing market rates. The surplus funds are generated through stringent control on working capital.

During the year, your Company's investment in mutual funds increased from Rs.1799 Lakhs to Rs.3166 Lakhs i.e. a growth of 76%.

As the earnings are ploughed back, the capital expenditure need of your Company for the year was met entirely from the internal accruals.

Costs

Your Company has done judicious cost control where by the fixed cost as percentage of sales has been controlled at last year's level.

The variable costs have been controlled during the year through indigenization of raw material and control on other input costs which has helped in improving the margins of the Company. The Lean Management Initiative undertaken by your Company has also helped in significant savings during the year.

Financial Position

Share Capital

The paid-up equity share capital as on 31st March 2019 was Rs.200 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Share-holders Funds

The shareholders fund as on 31st March 2019 was Rs. 11461 Lakhs against Rs.10908 Lakhs of the previous year, an increase of 5%. Accordingly, the book value of the share stands at Rs. 573/- as compared to Rs.545/- during the previous year.

Loan Funds

Your Company is a debt free company. However, it continues to utilize its cash credit limit with State Bank of India to bridge the short-term fund requirement and for meeting the temporary mismatches in its cash flow. Your Company does not have any interest- bearing term loan.

During the current year also, the working capital limits of your Company continues to be rated by ICRA as AA- (pronounced ICRA double A minus) rating assigned to the Rs.2 crore Long-term Fund facilities of your Company which signifies low credit risk and stability. The short-term Rating assigned to the Rs 6 crore Non-Fund Based working

capital limit also continued to be reaffirmed as A1+ (pronounced ICRA A one plus). Overall your Company's rating continues to be stable and low credit risk.

ASSETS

Fixed Assets

Your Company follows the policy of being prudent in its capex spend. During the current year, the capital expenditure was Rs. 1207 Lakhs. The major capex spent was on addition of new plant & machinery towards capability building in fast growing products and new products capacity enhancements, which are critical for the future growth of the Company. As in the past, the Company follows the policy of funding all the capex through the internal accruals.

Inventories and Sundry Debtors

The Company follows rigorous Working Capital Management, based on a well-organized process of continuous monitoring and control on Receivables, Inventories and other parameters. The overall inventory levels as on 31st March 2019 is Rs. 2272 Lakhs, which is higher than the previous year by Rs.396 Lakhs.

Receivables (Gross) as on 31st March 2019, were at Rs. 2781 Lakhs against last year's figure of Rs.3421 Lakhs. Despite the tough liquidity position, your Company has been able to maintain the receivable average credit days at 76 days, which is lower by 3 days over the previous year. This is possible through aggressive receivable management system including close follow ups and credit lock through the SAP system to ensure that receivables are kept under control and payments received in time.

Foreign Exchange Hedging

Being the net exporter & based on its export & import position, your Company continues to follow the natural hedging of foreign exchange earnings and outflow and does not take forward covers. The net forex gain during the year has been 42 lakhs (Previous Year 115 lakhs).

Financial Performance with respect to Operational Performance

Your Company kept its Operating profit and Contribution better than the industry average by adopting stringent control measures for improved operational efficiency led by the LEAN Initiative. This was aided by accurate information & customer data, centralized drawing management system, better planning & scheduling through SAP ERP System and effective vendor management. Your Company's improved MIS reporting and ability to respond to customer with real time information helped in giving rich experience to the customers there by providing value addition to the customer.

There are no material changes and commitments, affecting the financial position of the Company which have occurred between 31st March 2019 and the date of this report.

HUMAN RESOURCE

Your Company considers employees as its biggest assets. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

Your Company is focused on building a high-performance culture with a growth mindset where employees are engaged and empowered to be the best they can be. Developing and strengthening capabilities of all employees in your Company has remained an ongoing priority. Your Company has taken initiatives - Unnatham (meaning excellence) for Shop Floor supervisor to build a result-oriented shop floor team and sustain it.

For newly joined Graduate Engineer Trainees, your Company conducted YOLO (Your Own Learning Opportunities) program for enhancement of behavioral & technical skills, developing relationships, identifying and upgrading

organizational behavioral needs.

In order to meet the growth plans, set by the Company and to fulfil the ever changing needs and expectations of the customers, your Company continues to focus on competency building, skill enhancement and overall development so that its people are well prepared to take on the challenges.

The Company has a strong and diverse workforce where every employee is involved as "partners" in the progress. The intangible asset comprises all the competencies of the people within the organization in terms of education, experience, potential and capability. For High Potential Individuals, the Company encourages them to undergo mentoring and personality development programs, to prepare them for leadership roles and bigger business challenges in futures.

Employee relations continue to be smooth and cordial and the work atmosphere remained congenial throughout the year. The manpower strength of confirmed employees of your Company as on 31st March 2019 was 415.

RELATED PARTY TRANSACTIONS

The Company as per the requirements of the Companies Act, 2013 and Regulation 23 of the Listing Regulations has a Policy for dealing with Related Parties.

In line with its stated policy, all Related Party transactions are placed before the Audit Committee for review and approval. Prior approval of the Committee is taken on a quarterly basis for the estimated value of transactions which are foreseen and repetitive in nature. Omnibus approval in respect of transactions which are not routine, or which cannot be foreseen or envisaged are also obtained as permitted under the applicable laws. The list of related parties is reviewed and periodically updated as per the prevailing regulatory conditions.

During the year, there were no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives or other designated persons which may have a potential conflict with the interest of the Company at large. There are no contracts or arrangements entered into with Related Parties during the year to be disclosed under Sections 188(1) and 134(h) of the Companies Act, 2013. None of the Directors or KMP had any pecuniary relationships or transactions vis-à-vis the Company other than those in relation to remuneration in their capacity as Directors/Executives and corporate action entitlements in their capacity as shareholders of the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website, www.wendtindia.com.

GOVERNANCE

BOARD OF DIRECTORS

As on 31st March 2019, the Board of Directors comprises of six Directors of which majority (four) are independent. During the year, Mr. Rajesh Khanna who was the Chief Executive Officer of the Company was appointed as an Additional Director on 24th July 2018 and further appointed as a Whole-Time Director (Executive Director) & CEO for a term commencing from 24th July 2018 to 20th October 2020 by the Board with the recommendation of the Nomination and Remuneration Committee. Accordingly, his appointment as a Director under Section 152 of the Companies Act, 2013 and as an Executive Director for the above term is placed before the shareholders for approval and hence forms part of the Notice convening the 37th Annual General Meeting of the Company.

Mr. M M Murugappan ceased to be a Director of the Company consequent to his resignation from the Board with effect from closing hours of 24th July 2018 pursuant to his professional commitments. The Board places on record its appreciation for the services rendered by Mr. M M Murugappan as the Chairman of the Board. Consequent to his resignation, Mr. Shrinivas G Shirgurkar was appointed as the Chairman of the Board.

Pursuant to Section 167 of the Companies Act, 2013 since Mr. Edmar Allitsch and his alternate Mr. Peter Johannes Verholen have not been attending any meetings of the Board/shareholders despite the Company promptly sending them notices convening the meetings, the office of Mr. Edmar Allitsch and Mr. Peter Johannes Verholen stands vacated with effect from 7th March 2019. While Mr. Edmar Allitsch and his alternate Director Mr. Peter Johannes

Verholen have not attended any meetings since January 2011, the Company was restrained to effect the vacation of office since the matter of altering the composition was sub-judice. Consequent to the vacation of the interim stay dated 18th January 2011 by the Hon'ble National Company Law Tribunal vide order dated 7th March 2019, the Board at its meeting held on 25th April 2019 took note of the automatic vacation of office of Mr. Edmar Allitsch and Mr. Peter Johannes Verholen.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. K Srinivasan, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The necessary resolution is being placed before the shareholders for approval. The Board of Directors of your Company believe that his continued association with the Company will be beneficial to the Company and recommends his re-appointment.

Mr. Shrinivas Shirgurkar and Mr. K S Shetty who were appointed as Independent Directors at the Annual General Meeting (AGM) held on 24th July 2014 for a period of five years from the AGM date will hold office till the close of business hours of 23rd July 2019. Considering their technical expertise, business knowledge and their contribution to the Company and that they satisfy the independence criteria laid down under the Act and the Listing Regulations, the Board at its meeting held on 25th April 2019 considered their re-appointment as Independent Directors for a second term of five years commencing from 24th July 2019 and recommended the same to the shareholders. Mr. Shrinivas Shirgurkar and Mr. K S Shetty who are eligible for re-appointment as Independent Directors of the Company have expressed their willingness to seek re-appointment for a second term of five years subject to the approval of the shareholders vide a special resolution at the ensuing AGM. Accordingly, necessary resolutions in this regard is being placed before the shareholders at the 37th AGM.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013. The Company has received declarations from all its Independent Directors confirming that they meet the criteria of Independence prescribed both under the Companies Act, 2013 and Listing Regulations.

KEY MANAGERIAL PERSONNEL

The Board has appointed Ms. Janani T A as the Company Secretary with effect from 16th November 2018 in place of Ms. Akanksha Bijawat who had resigned from the services of the Company with effect from closing hours of 15th November 2018.

Mr. Rajesh Khanna, Executive Director & CEO, Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer and Ms. Janani T A, Company Secretary are the Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

BOARD MEETINGS

A calendar of Board Meetings is prepared and circulated in advance to the Directors.

During the year, five Board Meetings were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the Directors are given in the Corporate Governance Report forming an integral part of this report.

COMMITTEES OF THE BOARD

In compliance with the provisions of Sections 135, 177, 178 of the Companies Act, 2013, the Board has constituted Corporate Social Responsibility Committee, Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. During the year, pursuant to the changes in the composition of the Board, the constitution of various Committees of the Board was also reviewed and revised. The details of composition of the Committees, their meeting and attendance of the members are given in the Corporate Governance Report forming an integral part of this report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations, the Board had carried out an annual evaluation of its own performance, the Directors individually and the Committees of the

Board. Structured assessment forms which were duly reviewed were used in the overall Board evaluation process comprising various aspects.

The manner in which evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Brief particulars of the Remuneration policy forms part of the Corporate Governance Report. During the year, the Board had reviewed the Remuneration Policy of the Company in line with the amendments to the Companies Act, 2013 and Listing Regulations.

PARTICULARS OF REMUNERATION

The information required pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 forming part of Directors report for the year ended 31st March 2019 is annexed in Annexure D.

STATUTORY AUDITORS AND AUDITOR'S REPORT

Pursuant to the provisions of Section 139 of the Companies Act 2013 and the rules framed thereunder M/s Price Waterhouse, Chartered Accountants LLP, were appointed as Statutory Auditors for a term of 5 consecutive years at the 35th Annual General Meeting of the Company held on July 24, 2017, subject to ratification of their appointment at every AGM.

The Report given by M/s Price Waterhouse, Chartered Accountants LLP on the Financial Statements of the Company for the year ended 31st March 2019 is provided in the financial section of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their report. The notes on the accounts referred to in the Auditors' Report are self- explanatory and do not call for any further comments.

The Companies (Amendment) Act, 2017 has dispensed with the requirement of annual ratification of the Statutory Auditors' appointment. Hence, the proposal seeking approval of the shareholders for ratification of the Statutory Auditor's appointment is not placed before the shareholders at the 37th Annual General Meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, the Company has appointed M/s Apeksha Nagori, Practicing Company Secretary to undertake the secretarial audit for the financial year 2018-19. The Report of the Secretarial Auditor confirming compliance with the applicable provisions of the Companies Act, 2013 and other rules and regulations issued by SEBI/other regulatory authorities forms part of the Annual Report. There were no qualifications or adverse remarks in the audit report except an observation in respect of compliance with the minimum public shareholding of 25% of the paid-up capital of the Company.

M/s. Carborundum Universal Limited, promoter had in 2011 filed a petition against the Company and 8 other respondents (Wendt GmBh, 3M and others) for oppression and mismanagement of the affairs under Sections 397/398 of the erstwhile Companies Act, 1956. The Company Law Board had passed an interim order on 18th January 2011 restricting the Respondents 2-8 from altering the composition of the Board and the shareholding pattern of the Company. Pursuant to the interim order, the Company has been unable to maintain minimum public shareholding of 25%.

The Hon'ble National Company Law Tribunal (NCLT) at the hearing held on 7th March 2019 had dismissed the petitions filed by Carborundum Universal Limited against the Company and 8 others and has directed SEBI to take appropriate judicious decision as expeditiously as possible on the issue of the purchase of 20% of the public shareholding" of Wendt (India) Limited in view of the open offer made by M/s. 3M (Schweiz) AG after providing proper opportunity to Carborundum Universal Limited to put forward their views on the issue. The Company awaits

direction from SEBI on the open offer already made by M/s. 3M (Schweiz) AG.

SECRETARIAL STANDARDS

The Company is in compliance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2).

CORPORATE GOVERNANCE

The Governance Philosophy of your Company is firmed up on a bedrock of ethical values and professionalism which in more than 3 decades of the Company's existence has become a part of its culture. Wendt (India) Limited, looks upon good Corporate Governance practices as a key driver of sustainable corporate growth and long-term stakeholder value creation.

The Company's practices and policies reflect true spirit of Corporate Governance initiatives.

In terms of Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on Corporate Governance including the certificate from a Practising Company Secretary confirming compliance is annexed to and forms an integral part of this Report.

CEO/CFO CERTIFICATE

The Chief Executive and the Chief Financial Officer have submitted a certificate to the Board on the integrity of the financial statements and other matters as required under Regulation 17(8) of the Listing Regulations.

VIGIL MECHANISM UNDER WHISTLE BLOWER POLICY

The Company has a well-established whistle blower policy as part of vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy. This mechanism also provides for adequate safeguards against victimization of Director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in form MGT 9 as required under Section 92(3) of the Act and the Rules framed thereafter is annexed to and forms part of this report. The Annual Return in Form MGT 7 is available at www.wendtindia.com.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, the Board, to the best of its knowledge and belief and according to the information and explanations obtained by it confirm that:

- in the preparation of the annual accounts for the year ended 31st March 2019, applicable accounting standards have been followed and there have been no material departures thereof;
- they have selected appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profits of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- proper internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information on energy conservation, technology absorption, expenditure incurred on Research & Development and forex earnings/outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to and forms part of this Report (refer Annexure A).

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

CHANGE IN KEY RATIOS

There were no significant changes in the Key ratios of the Company as compared to previous year. Further the change in Return on Networth are compared to previous year was on account of increased profits.

ACKNOWLEDGEMENTS

The Board would like to record their sincere appreciation for the co-operation received from various stakeholders of the Company viz., customers, suppliers, bankers, investors, channel partners, government and other statutory authorities, auditors, business associates and shareholders. Your Directors extend their gratitude to all the regulatory agencies like SEBI, Registrar of Companies, stock exchanges and other Central and State Government authorities/agencies, vendors and sub-contracting partners for their support. The Board also acknowledges the unstinted co-operation, commitment and dedication made by all the employees of the Company.

The Directors also wish to place on record their gratitude to the members of the Company for their unrelenting support & confidence.

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Shrinivas G Shirgurkar
Chairman

Annexure to the Directors Report

A) Information under section 134(3)(m) of the Companies Act,2013, read with Rules 8(3) of The Companies (Accounts) Rules 2014 and forming part of Director's Report.

a) Conservation of Energy

Your Company does not fall under the category of power intensive industries. However, your Company adopts sustained efforts to reduce energy consumption. The organization is an ISO 14001 certified company which is an International Management System Standard. The environmental policy of your Company focusses on conservation of natural resources and minimization of pollution. The following energy conservation measures were taken by your Company during the year:

- Replacement of all conventional high energy consumption lightening, by installation of LED and Induction Lights in major areas;
- Introduction of LDR- light dependent resistance sensor harnessing natural daylight for all outdoor lighting with automatic controls;
- Introduction of Natural Turbo Ventilation, which is reckoned as a perfect and natural air exhausting option for the industry;
- Installation of Solar Heater in Canteen Area, to wash vessels and utensils;
- Installation of APFC (Automatic Power Factor Controllers) to improve/stabilize Power factor;
- Installation of occupancy sensors in washrooms & lavatories;
- Optimum utilization of energy through process redesigning as well as maximum utilization of equipment that offers improved energy efficiency;
- Time switches installed at various places for automatic control of street lights;
- Your Company has taken measures to save water whereby 100% of the domestic effluent and the trade effluent are treated and used for gardening and electroplating processes (Zero discharge).

b) Technology Absorption, Adaptation and Innovation

Your Company thrives on quick absorption of latest technology and its adaptation in both Super abrasive and Machine Tools business. Your Company develops its own technology & appended process by aggressively pursuing its R&D efforts through the establishment of R&D Centre and also collaborating with renowned institutes & laboratories who have gained sufficient knowledge in your Company's product lines.

As a result, your Company has been able to develop some of the products that are extensively used in wide range of industries like Refractory, Ceramics, Construction, Glass and Composite, Cutting Tools, Steel and Textile & Paper. Your Company has also identified and initiated few more areas for bond development for industries such as Rotary Tools, Ceramics, Bearing, Glass, Automobile etc with the help of a well-qualified and experienced external consultant.

Through its independent endeavours to strengthen the technology base and R&D activities, your Company has had close association with one of the renowned research institutes based in Europe for in house development and manufacture of Brazed products. Your Company also banks on the rich experience, knowledge pool and R&D facility of its Indian Joint venture partner, Carborundum Universal who are leaders in the field on conventional abrasive & material science for some of the application developments for specific areas.

Your Company continuously focuses towards the re-engineering of processes and works on cost economical raw material alternatives for its products in order to improve operational efficiency, thereby reducing costs and waste elimination. No technology was imported by your Company during the last three years.

RESEARCH & DEVELOPMENT

The R&D of Wendt (India) Limited is involved in design and development of super abrasive products through advancement of Material Science & Machining Techniques towards providing the "Complete Grinding Solutions" to its Customers & Market at large accordingly. To maintain rapid changing needs of automobile (such as powertrain,

bearing, gears, tool grinding etc.), aerospace, electronics and oil & gas sectors, the need of precise grinding and finishing solution with modern technologies is critical to sustain in the market. Research & Development at the Company has been playing an important role to lead innovation and developing competitive technology. Your Company's R&D Centre is recognized by DSIR under the Ministry of Department of Science and Technology, Government of India.

Your Company R&D is equipped with state-of-the-art research facilities for the development of Technology/Products/Processes and it is very well supported by a highly qualified, experienced and dedicated team. Having fully equipped, R&D has taken several initiatives to work on most expedient objectives of the Company with a view to add key features to the grinding & finishing applications. It is being done to improve existing products through technology up-gradation as well as launching the new products in the market. Research on customized grits and alternate raw materials with a view to offer a better value proposition to its customers.

One of the key strategies of the Company is to form consortiums with Universities/Institutes in India and abroad to develop next generation smart grinding solutions. It is to be noted that projects have already been initiated to accomplish nano-finishing with CMMRF (Chemical Mechanical Magneto Rheological Finishing) Technology, light weight grinding wheels for high speed grinding applications, self-dressing & self-lubricating grinding wheels to gain insights into and providing effective grinding solutions.

Projects completed in R&D: -

- Development of Metal bonded Wheels for Glass Grinding Application with new process for Solar, Automotive and Structural Application.
- Bond Development and Spiral Wheel design for Razor Blade Grinding application
- Create state-of-the-art testing and R&D infrastructure for internal validation.
- Development of indigenized Polyamide Bonds for grinding WC Rolls.
- Development of Double Disc Fine Grinding wheels for grinding of Ceramics and Sintered metal parts
- Development of Bonding material for Resin bonded wheel.
- Development of WAM wheels for Fuel Pump part's grinding application.

Following projects are under progress in R&D: -

- Development of Vitrified bond for Crankshaft and Camshaft applications.
- Development of glass grinding wheels for Auto, Ophthalmic application.
- Development of CFRP super abrasive wheels for high speed grinding applications.
- Development of Hybrid bonding system for Fluting applications
- Development of Carbide Insert grinding wheels
- Developing nanometric surface finishing of optical lenses, electro ceramics and bio-implants using Chemo-Mechanical Magneto-Rheological Finishing (CMMRF).
- Development of Gruff (Progressive grinding) wheel for blade grinding application
- Development of super abrasive (SA) grits / modified SA grits.
- Vitrified bonded CBN ID grinding wheels for fuel injection nozzle bore and seat face grinding applications

Following are the benefits accruing out of R&D activities:

- Development of bonds for self-sufficiency.
- Indigenization of Bonding raw Materials for super abrasives as import Substitution.
- Grinding Solutions for New applications like glass, razor blade, vanes, ceramics, & carbide grinding – which has contributed in company's Top Line
- Upgrading Manufacturing Technologies to match changing needs of the customer as well as to venture into new markets.
- Your Company's R&D facility has got the recognition and approval from DSIR & earned certain fiscal benefits from the Govt. of India towards carrying out R&D activities.

Your Company's continued investment in research and development has resulted in development of some of the new products with special features for the grinding and finishing applications in the previous year.

Some of the new products and processes developed by your Company last year are –

- Glass grinding wheels for Structural and Solar applications.
- Development of Double Disc Fine Grinding Wheels
- Development of metal bonded wheels using improved system.
- Adopted improved process technology for pressing of vitrified segments
- Development of Diamond Grinding Wheel for Insert Grinding Application

Benefits derived: Your Company mainly caters to niche market where majority of customers are OEMs and look for technologically superior products with consistent performance. With majority of the customers considering your Company as a One-Stop Shop for **Complete Grinding and Honing Solutions offering technologically superior products with reliable performance.** Your Company can address the ever-changing needs & expectations of the customers, by virtue of its strong focus on R&D and focus on customer centricity. This facilitates your Company to retain its dominant position in the market and also enable to justify the due premium for its product reflecting on your Company's profitability.

(i) Expenditure on R&D **(Rs. In Lakhs)**

Sl. No	Particulars	2018-19	2017-18
a)	Capital Expenditure	33	64
b)	Recurring (revenue expenditure)	217	163
c)	Total Expenditure	250	227
d)	Total R&D Expenditure as a percentage of turnover (net of excise duty)	1.79%	1.79%

(ii) Foreign Exchange Earnings and Outgo **(Rs. In Lakhs)**

Sl. No	Particulars	2018-19	2017-18
a)	Foreign Exchange Outgo	3375	2822
b)	Foreign Exchange Earned	4462	4061

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Shrinivas G Shirgurkar
Chairman

Safe Harbor

This communication contains statements relating to future business developments and economic performance that could constitute 'forward looking statements'. While these forward-looking statements represent the Company's judgments and future expectations, several factors could cause actual developments and results to differ materially from expectations. Your Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. Further investors are requested to exercise their own judgment in assessing various risks associated with the Company and the effectiveness of the measures being taken by the Company in tackling them as those enumerated in this report are only as perceived by the management.

ANNEXURE B

EXTRACT OF ANNUAL RETURN
for the financial year ended 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form No. MGT - 9

I. REGISTRATION AND OTHER DETAILS:

CIN	L85110KA1980PLC003913
Registration Date	21/08/1980
Name of the Company	Wendt (India) Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	Flat No.105, 1st Floor, Cauvery Block, National Games Housing Complex, Kormangala, Bangalore - 560047 Telephone No.: 080 25701423
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 40 67162222-1510-1512 Fax:+91 40 23001153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product	% to total turnover of the Company
1	Grinding Wheels and Abrasives	23993	45.25
2	Grinding, Dressing, Lapping, Honing & Polishing	23993	24.46
3	Special Purpose Machine, Components & Accessories	3590	10.09
4	Machine Tools & Accessories	3570	9.58

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Wendt Middle East FZE, UAE Warehouse No. W3 - 8 PO Box No.50732, Hamriyah Free Zone - Sharjah, United Arab Emirates	Foreign Company UIN: BGWAZ20080859	Subsidiary	100%	2 (46)
2	Wendt Grinding Technologies Limited, Thailand 109/21 Moo.4, Tambon Pluakdaeng Aumpur Pluakdaeng Rayong 21140	Foreign Company UIN: BGWAZ20060179	Subsidiary	100%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2018)				No. of Shares held at the end of the year (31st March 2019)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(e) Banks / FI	-	-	-	-	-	-	-	-	-
(f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(2) Foreign									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	7,97,352	-	7,97,352	39.87	7,97,352	-	7,97,352	39.87	-
Total Shareholding of Promoter (A) = (A) (1) + (A) (2)	15,94,704	-	15,94,704	79.74	15,94,704	-	15,94,704	79.74	-
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	2,514	-	2,514	0.13	3,224	-	3,224	0.16	0.03
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**2,514**	**-**	**2,514**	**0.13**	**3,224**	**-**	**3,224**	**0.16**	**0.03**

Category of Shareholders	No. of Shares held at the beginning of the year (1st April 2018)				No. of Shares held at the end of the year (31st March 2019)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp	15,627	200	15,827	0.79	13,522	200	13,722	0.69	(0.10)
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	3,25,398	34,233	3,59,631	17.98	3,31,561	28,810	3,60,371	18.02	0.04
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	14,075	0	14,075	0.70	14,075	0	14,075	0.70	
(C) Others (Specify)									
i) Trust	-	-	-	-	-	-	-	-	-
ii) NBFC Registered with RBI	25	0	25	0.00	10	0	10	0.00	
iii) Clearing Members	427	0	427	0.02	147	0	147	0.01	(0.01)
iv) Non Resident Indians	4,747	0	4,747	0.23	5,497	0	5,497	0.27	0.03
v) IEPF	8,050	0	8,050	0.41	8,250	0	8,250	0.41	0.00
Sub-Total (B)(2)	**3,68,349**	**34,433**	**4,02,782**	**20.13**	**3,73,062**	**29,010**	**4,02,072**	**20.10**	(0.03)
Total Public Shareholding = (B) (1) + (B) (2)	**3,70,863**	**34,433**	**4,05,296**	**20.26**	**3,76,286**	**29,010**	**4,05,296**	**20.26**	**0.00**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**19,65,567**	**34,433**	**20,00,000**	**100.00**	**19,70,990**	**29,010**	**20,00,000**	**100.00**	**-**

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year (1st April 2018)			Shareholding at the end of the year (31st March 2019)			% of Change during the Year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Carborundum Universal Limited	7,97,352	39.87	-	7,97,352	39.87	-	-
2	Wendt Gmbh	7,97,352	39.87	-	7,97,352	39.87	-	-
	Total	**15,94,704**	**79.74**	**-**	**15,94,704**	**79.74**	**-**	**-**

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Particulars	Shareholding at the beginning of the year (1st April 2018)		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	15,94,704	79.74	-	-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	No change during the year			
At the End of the year	-	-	15,94,704	79.74

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ram Krishan Khandelwal jointly with Anita Khandelwal				
	At the beginning of the year	14,075	0.70		
	Transactions during the year ended 31st March 2019				
	At the end of the year			14,075	0.70
2	Tara Chand Jain jointly with Sushma Jain				
	At the beginning of the year	4,811	0.24		
	Transactions during the year ended 31st March 2019				
	Transfer – 14/09/2018 (Purchase)	100	0.00	4,911	0.25
	At the end of the year			4,911	0.25
3	Bhumesh Kumar Gaur				
	At the beginning of the year	4,016	0.20		
	Transactions during the year ended 31st March 2019				
	Transfer – 15/02/2019 (Purchase)	1,750	0.09	5,766	0.29
	At the end of the year			5,766	0.29
4	Ram Krishan Khandelwal				
	At the beginning of the year	3,800	0.20		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			3,800	0.20
5	Payal Prem Raheja				
	At the beginning of the year	3,300	0.17		
	Transactions during the year ended 31st March 2019				

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transfer – 01/06/2018 (Purchase)	40	0.00	3,340	0.17
	Transfer – 13/07/2018 (Sale)	(40)	0.00	3,300	0.17
	Transfer – 15/03/2019 (Purchase)	100	0.00	3,400	0.17
	At the end of the year			3,400	0.17
6	Anita Khandelwal				
	At the beginning ofthe year	3,100	0.16		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			3,100	0.16
7	Om Prakash Rawat				
	At the beginning of the year	3,000	0.15		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			3,000	0.15
8	Kirit Modi				
	At the beginning of the year	2,818	0.14		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			2,818	0.14
9	Hafeez Sorab Contractor				
	At the beginning of the year	2,500	0.13		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			2,500	0.13
10	Irmgard Velagapudi				
	At the beginning of the year	2,000	0.10		
	Transactions during the year ended 31st March 2019	-	-		
	At the end of the year			2,000	0.10

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP	Shareholding at the beginning of the year (1st April 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Directors				
1.	**Mr. K Srinivasan**				
	At the beginning of the year	**2,650**	**0.13**	**2,650**	**0.13**
	Transactions during the year	**-**	**-**	**-**	**-**
	At the End of the year	**2,650**	**0.13**	**2,650**	**0.13**
2.	**Mr. Rajesh Khanna**				
	At the beginning of the year	**240**	**0.01**	**240**	**0.01**
	Transactions during the year	**-**	**-**	**-**	**-**
	At the End of the year	**240**	**0.01**	**240**	**0.01**

None of the other Directors and Key Managerial Personal hold shares in the Company.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/Manager
		Mr. Rajesh Khanna, Executive Director
1	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	114.11
(b)	Value of perquisites u/s 17(2) Income - tax Act, 1961	17.37
(c)	Profits in lieu of salary under section 17(3) Income -tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit -others, specify…	-
5	Others, please specify	-
Total (A)		**131.48***
Ceiling as per the Act		**103.65**

* approval of the shareholders is being sought for the remuneration paid to Mr. Rajesh Khanna.

B. Remuneration to other Directors:

1. Directors

S.No	Particulars of Remuneration	Name of Directors					Total Amount (Rs. In Lakhs)
		Mr. M M Murugappan	Mr. Shrinivas G Shirgurkar	Mr. K S Shetty	Ms. Hima Srinivas	Mr. M Lakshminarayan	
1.	Fee for attending board / committee meetings	0.40	1.90	2.00	2.10	2.10	8.50
2.	Commission*	-	3.00	3.00	3.00	3.00	12.00
3.	Others, please specify	-	-	-	-	-	-
	Total B (1)	**0.40**	**4.90**	**5.00**	**5.10**	**5.10**	**20.50**
	Overall ceiling as per the Act excluding sitting fees						**20.73**

*Commission for the year will be paid after approval of shareholders and adoption of accounts by the shareholders at the 37th Annual General Meeting.

Mr. M M Murugappan ceased to be a Director with effect from 24th July 2018.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD:

S.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mukesh Kumar Hamirwasia, CFO	Ms. Janani TA	Total (Rs. In Lakhs)
(a)	Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	35.12	NA*	35.12
(b)	Value of perquisites u/s 17(2) Income - tax Act, 1961	0.58		0.58
(c)	Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as % of profit Others, specify...	-		-
5	Others, please specify - Retirals benefit	-		-
Total (C)		**35.70**		**35.70**

*Deputed from Carborundum Universal Limited

VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Puni shment					
Compounding					

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Shrinivas G Shirgurkar
Chairman

ANNEXURE C
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects / programs	Refer Section on Corporate Social Responsibility
2.	Website link where the CSR policy is uploaded http://www.wendtindia.com/pdf/csrpolicy.pdf	
3.	The Composition of the CSR Committee Mr. K S Shetty, Chairman (Independent Director) Mr. Shrinivas G Shirgurkar, Member (Independent Director) Mr. K Srinivasan, Member (Non-Executive Non-Independent Director)	
4.	Average net profit of the company for last three financial years	Rs. 1584.50 Lakhs
5.	Prescribed CSR Expenditure (two per cent of the amount as in item 4 above)	Rs. 31.70 Lakhs
6.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year (b) Amount unspent, if any	 Rs. 31.70 Lakhs Nil

(c) Manner in which the amount spent during the financial year is detailed below

(Rs. In Lakhs)

Sl No	CSR project or activity identified.	Sector	Location	Amount outlay (budget) project or wise	Amount spent on the projects / programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Center for Skill Development	Enhancing Employment Skills	Hosur, Tamil Nadu	29.70	29.70	29.70	Direct
2	Research & Development in the areas of food and sustainable agriculture, environment management and renewable energy to create livelihood opportunities in rural India.	Rural Development Projects	Chennai, Tamil Nadu	2.00	2.00	2.00	Agency
	TOTAL			**31.70**	**31.70**	**31.70**	

*Agency: Shri AMM Murugappa Chettiar Research Foundation

7. Reasons for shortfall in spend: NA
8. The implementation and monitoring of CSR policy for the FY 2018-19 is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board

Shrinivas G Shirgurkar
Director

K Srinivasan
Director

Place: Hosur
Date: 25th April 2019

ANNEXURE – D

STATEMENT OF EMPLOYEES' REMUNERATION

A. The details of top ten employees in terms of remuneration drawn during the financial year 2018-19 as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 duly amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 are as follows:

Sl. No.	Name and Age	Designation/ Nature of duties	Gross remuneration paid (Rs in Lakhs)	Qualification & experience (years)	Date of commencement of employment	Previous employment
1.	Rajesh Khanna (58)	Chief Executive Officer	131.48	B.E (Mech), PGDBA (36 years)	01 - 10 - 1982	Nil
2.	M S Venkatesh (53)	Unit Head	48.69	B.E. (29 years)	25 - 03 - 1996	Mysore Kirloskar Ltd.
3.	S Sundariya (55)	Business Head-Machine & Precision Components	36.74	IIIE (36 years)	03 - 08 - 1992	Rane Brake Lining Limited
4.	Mukesh Kumar Hamirwasia (47)	Chief Financial Officer	35.70	B.COM (Hons), ACA, AICWA (21 years)	15 - 04 - 2010	Ecom Gill Coffee Trading Pvt. Ltd.
5.	D K Hotta (55)	Business Head-Super Abrasives	28.26	B.E., PGDBA (28 years)	16 - 09 - 2002	ICFAI Business School
6.	Santosh Kulkarni P (48)	Marketing Head - SA - Domestic & Exports	23.23	B.E. (26 years)	02 - 05 - 1997	Ultra Filter Pvt. Ltd.
7.	Prasanna Kumar H K (58)	General Manager - TQM, Lean & Management Standards	21.97	DME (34 years)	09 - 09 - 1985	WIDIA
8.	Uday R B (50)	Senior General Manager - SA Manufacturing	21.88	M. Tech (26 years)	08 - 01 - 2005	Sundram Fasteners
9.	Ponnuvel C (58)	General Manager - Precision Components	21.65	DME (39 years)	10 - 12 - 1984	Usha Telehoist Ltd.
10.	Rathinam P (48)	DGM - SA Manufacturing	21.57	M. Tech (29 years)	08 - 06 - 1992	Nil

1. Remuneration shown above includes salary, allowances, Company's contribution to provident, superannuation and gratuity funds, medical facilities and perquisites valued as per income tax rules.
2. The employment of the above persons is whole-time in nature and terminable with 3 months' notice on either side.
3. The above mentioned employees are not relatives (in terms of the Companies Act, 2013) of any Director of the Company. Further, no employee of the Company is covered by the Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (employee holding by himself or with his family shares of 2% or more in the Company and drawing remuneration in excess of the Managing Director). Hence, the details required under Rule 5(3) (viii) is not applicable.
4. The remuneration details are for the financial year 2018-19 and all other particulars are as on 31st March 2019.

5. None of the employees of the Company other than Mr. Rajesh Khanna, Executive Directorwere in receipt of remuneration for the FY 2018-19 in excess of Rupees one crore and two lakh Rupees per year or eight lakh and fifty thousand Rupees per month.
6 Mr. Rajesh Khanna who was the Chief Executive Officer was appointed as an Additional Director and an Executive Director with effect from 24th July 2018 subject to the approval of the shareholders of the Company. He is subject to the service conditions of the Company.

B. The details of remuneration during the year 2018-19 as per Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 as are as follows:

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	K Srinivasan - Nil K S Shetty – 0.95 Shrinivas G Shirgurkar – 0.94 Hima Srinivas – 0.97 M Lakshminarayan – 0.97 Rajesh Khanna – NA
(ii) percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	K Srinivasan, Non-Executive Director - Nil K S Shetty, Independent Director – (7.41) Shrinivas G Shirgurkar, Chairman – (7.55) Hima Srinivas, Independent Director – NA M Lakshminarayan, Independent Director – NA Rajesh Khanna, Executive Director & CEO – NA Mr. Mukesh Kumar Hamirwasia, CFO – 8.36 Ms. Janani, Company Secretary – NA* Ms. Hima Srinivas and Mr. M Lakshminarayan joined the Board during FY 2017-18 and hence remuneration is not comparable. Mr. Rajesh Khanna was appointed as an Executive Director on 24th July 2018 and hence his remuneration is not comparable. *deputed from Carborundum Universal Limited The decrease in remuneration of Non-Executive Directors was mainly on account of the number of Board meetings attended by them during the year.
(iii) percentage increase in the median remuneration of employees in the financial year.	11% (employees who were in employment for the whole of FY 2017-18 and whole of FY 2018-19 considered for this purpose in the respective financial years)
(iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year: 9.90%	
(v) Percentile increase in the managerial remuneration: Not applicable as Mr. Rajesh Khanna was appointed as an Executive Director during the year.	
Annual increase in employee's remuneration is based on Company and individual performance. The individual performance parameters varies based on employee cadres. The Managerial remuneration is subject to regulatory ceiling limits. Other than the Executive Director, the remuneration of Directors comprises only sitting fees and commission.	
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The Company is in compliance with its Remuneration Policy.

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules 2014]

To,

The Members

Wendt (India) Limited
Flat No. 105, 1st Floor, Cauvery Block,
National Games Housing Complex, Koramangala,
Bangalore – 560 047

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to the good corporate practices by **WENDT (INDIA) LIMITED**, (Corporate Identity No. L85110KA1980PLC003913 **(herein after called "the Company").** Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinions thereon.

Based on my verification of **WENDT (INDIA) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;

iv) During the year under review the Company has complied with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct investment. There was no External Commercial Borrowings during the year under review ;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, as amended from time to time;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time;

   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, as amended from time to time, regarding the Companies Act and dealing with Client;

   (d) During the year the Company has not issued any new securities mandating compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, as amended from time to time; and

   (e) During the year under review, the Company has not delisted its securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Securities) Regulations, as amended from time to time is not applicable

I have also reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and categorized under the following major heads/groups:

1. Factories Act, 1948;
2. Labour Laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis relating to the wages, gratuity, prevention of sexual harassment, dispute resolution welfare, provident fund, insurance, compensation, etc.;
3. Industries (Development & Regulation) Act, 1991;
4. Acts and Rules prescribed under prevention and control of pollution;
5. Acts relating to the protection of IPR;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

i) As per Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 there should be a minimum public shareholding of 25% of the paid up capital of the Company. As on March 31, 2019 the Promoters' shareholding is 79.74% of the total paid up share capital whereas the Public holds the balance 20.26% of the paid up share capital of the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all the Directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The quorum was maintained at all the meetings.

Based on the verification of records and minutes, the decisions were carried out with the consent of majority of Board of Directors/ Committee Members and there were no dissenting members' views recorded in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Apeksha Nagori
ACS No. A21952
C.P. No. A13639

Place: Bengaluru
Date: 25th April, 2019

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

WENDT (INDIA) LIMITED

I have examined the compliance of conditions of Corporate Governance by **Wendt (India) Limited ("the Company")** for the year ended 31st March 2019, as per Regulations 17-27, clause (b) to (i) of Regulations 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given, I certify that the Company has complied with the Corporate Governance as per Regulations 17-27, clause (b) to (i) of Regulations 46 (2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

I state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Apeksha Nagori
ACS No. A21952
C.P. No. A13639

Place: Bengaluru
Date: 25th April, 2019

CERTIFICATE ON DISQUALIFICATION OF DIRECTORS

This is to certify that as on 31st March 2019 following Directors were on the Board of Wendt (India) Limited:

- Mr Shrinivas G Shirgurkar
- Mr K Srinivasan
- Mr K S Shetty
- Ms Hima Srinivas
- Mr M Lakshminarayan
- Mr Rajesh Khanna

Pursuant to SEBI (LODR) (Amendment) Regulations, 2018, Para 3 (x)(c) (iii), this is to further certify that as on 31st March 2019, none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the Directors of Companies by the Board/ MCA or any such Statutory Authority.

Apeksha Nagori
ACS No. A21952
C.P. No. A13639

Place: Bengaluru
Date: 25th April, 2019

REPORT ON CORPORATE GOVERNANCE

[Pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Corporate Governance is a process that aims to allocate corporate resources in a manner that maximizes value for all stakeholders – shareholders, employees, customers, suppliers, environment and the community at large. Good Corporate Governance is characterized by a firm commitment and adoption of ethical practices by an organization across its entire value chain and in all of its dealings.

Company's Philosophy on Corporate Governance

Wendt (India) Limited ("the Company") is committed to the adoption of best governance practices, develop sound policies and align the interest of all stakeholders at large to foster a culture of responsibility and compliance. The driving forces of Corporate Governance at Wendt are its core values, belief in people, entrepreneurship, customer orientation and pursuit of excellence. The Company believes that Corporate Governance is not an end to itself but a catalyst in the process towards maximization of stakeholder value. Established Board processes, well-structured internal control systems, unrelenting trust that it places on its employees, its customer centric approach and its untiring efforts towards sustainable development and social responsibility are core to the Company's Corporate Governance practices.

The Company has adopted a Code of Conduct for the Board and its employees which contains the fundamental principles and rules concerning ethical business conduct. This Code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long-term excellence.

A. BOARD OF DIRECTORS

The Company's Board of Directors recognizes its responsibilities towards all stakeholders and plays a key role in not only providing directions in terms of strategy but also in upholding the highest standards of Governance. Wendt firmly believes that Board independence is essential to bring objectivity and transparency in the management of the Company. The Board of Directors provides leadership and strategic guidance to the Company's management, monitor the implementation of the plans and review the performance of the Company. The Independent Directors provide an objective judgement on matters placed before them.

The Company's day to day affairs are managed by on Executive Director, assisted by a competent Management team under the overall supervision of the Board. The Company's commitment to ethical and lawful business conduct is a fundamental shared value of the Board, Senior Management and all its employees.

i) Size and Composition of the Board

The key to good Corporate Governance is the optimum combination of the executive and non-executive Directors on the Board along with appropriate balance of professionalism, knowledge and experience.

The Board of Directors of the Company comprises of eminent persons and have collective experience in diverse fields of technology, engineering, finance, management and compliance. As of March 31, 2019, the Board at Wendt (India) comprises of 5 Non-Executive Directors out of which 4 are Independent Directors including a Woman Director. The Company's Executive Director carries more than two decades of experience in the Machine Tooling business. The Independent Directors provide an autonomous contribution in the deliberations and decisions of the Board, maintaining the requisite independence.

Name	Category	No. of Directorships/ (Chairmanships) in companies including Wendt (a)	No. of other Directorships	No. of Committee memberships / (Chairmanships) in companies including Wendt (b)	No. of Board meetings attended	Attendance at last AGM	Shares held in Wendt
Shrinivas G Shirgurkar DIN - 00173944	Non-Executive & Independent Director (ID)	6(1)	3	2(1)	4(5)	Yes	Nil
M Lakshminarayan DIN - 00064750	Non-Executive & Independent Director (ID)	8(2)	4	7(2)	5(5)	Yes	Nil
K S Shetty DIN - 01759936	Non-Executive & Independent Director (ID)	1	4	2	4(5)	Yes	Nil
Hima Srinivas DIN - 07556717	Non-Executive & Independent Director (ID)	1	-	1	5(5)	Yes	Nil
K Srinivasan DIN - 00088424	Non-Executive & Non - Independent Director (NED)	4(1)	6	3(1)	4(5)	Yes	2650 shares
Rajesh Khanna M DIN - 06923493	CEO & Executive Non - Independent Director (ED)	2	5	1	5(5)	Yes	240 shares

(a) Excluding Alternate Directorships and Directorships in Foreign companies, Private companies (which are not subsidiary or holding company of a Public company) and Section 8 companies;

(b) Only Audit & Stakeholders Relationship Committee of Public companies;

(c) Inter-se relationship between Directors - Nil.

The names of listed entities where the Directors hold directorships (other than Wendt) is given below:

Name of the Director	Company Name	Category
M Lakshminarayan	TVS Electronics Limited	Non - Executive Independent Director
	Wabco India Limited	Chairman and Non - Executive Independent Director
	Rane (Madras) Limited	Non - Executive Independent Director
	Kirloskar Oil Engines Limited	Non - Executive Independent Director
	ASM Technologies Limited	Non - Executive Independent Director
K Srinivasan	Carborundum Universal Limited	Managing Director

Note: None of the other Directors hold directorship in listed entities

The Company has received the requisite declarations from its Independent Directors confirming that they meet the criteria of independence prescribed both under the Companies Act, 2013 and the Listing Regulations. The Board at

its meeting held on 25th April 2019 had taken on record the declarations received from the Independent Directors after undertaking an assessment of its veracity and further has confirmed that the Independent Directors, in the opinion of the Board, fulfil the conditions specified in the Listing Regulations and are independent of the Management.

The Company operates in the field of Engineering and presence of technical expertise of engineering and technology in the Board to guide the Company in its projects and strategy assumes significance. Considering the nature of the business the Company operates in the Board should possess various other skills/expertise in the field of engineering, finance, and management. The Directors are nominated to the Board based on their qualification and experience in order to maintain a healthy balance of diversified experts on the Board.

A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those available with the board is given below:

Key Skills & competencies	Description
Technical	By qualification or by experience, having an understanding of the prevalent technology, future trends and its impact on the Company's manufacturing processes and products and further guide the Company in its innovation model.
Financial	Understanding financial reporting process, capital allocation, audit processes, internal controls, understanding of treasury management, debt management, advising leveraging banking relationships etc.
Board positions/ governance	Directorship positions or experience with Regulatory interfaces and having an insight into Board processes, structures, committee constitutions, protecting stakeholder interests, aligning with appropriate governance practices.
Management	Leadership positions in enterprises by virtue of which has requisite experience in management skills or functional expertise across various functions of the Company, guiding strategies for sustainable growth enhancing enterprise reputation.
Strategic advisory	Ability to advise on organic/inorganic growth opportunities through acquisitions/combinations, assess build or purchase proposals, appreciative of and understanding of the regulatory and legal requirements of the sector/industry in which the Company operates in.

ii) Directorships and Committee Memberships:

None of the Directors on the Board hold directorships exceeding the thresholds prescribed in Section 165 of the Companies Act, 2013 and Regulation 25(1) of Listing Regulations. Further, none of them is a member of more than ten (10) committees or Chairman of more than five (5) committees across all the public companies as required under Regulation 26(1) of Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16 of the Listing Regulations and Section 149 of the Companies Act, 2013.

iii) Changes in Board composition during the financial year 2018-19

During the year ended 31st March 2019, there were no other changes in the Board composition other than as detailed below:

Name	Category	Nature of Change	Remarks
Mr. M M Murugappan	Non-Executive & Non-Independent Chairman	Resigned from the Board	Ceased to be a Director of the Board with effect from the closing hours of 24th July 2018
Mr. Rajesh Khanna	Executive Director & CEO	Appointment as an Additional Director and Executive Director	Appointed as an Additional Director and Executive Director to the Board with effect from 24th July 2018
Mr. Edmar Allitsch	Non-Executive Non-Independent Director	Vacation of office as a Director	Ceased to be a Director of the Board with effect from 7th March 2019
Mr. Peter Verholen	Alternate Director to Mr. Edmar Allitsch	Vacation of office as a Director consequent to the vacation of office of Mr. Edmar Allitsch.	Ceased to be a Director of the Board with effect from 7th March 2019

iv) Board Meetings

The Board meets at regular intervals and has a formal schedule in respect of matters placed before it for its consideration. While the routine matters for discussion include strategy, financial, operational and compliance matters, meetings are also convened as and when deemed necessary. The Board on a periodical basis reviews the key business initiatives, the performance of the subsidiaries and the matters concerning thereto, compliance with the applicable laws and provides appropriate directions, wherever necessary. The Board is supplied with adequate, relevant and timely information on the operations, financial performance of the Company to facilitate the Board to make well informed decision. While the detailed notes on the agenda to be discussed at the meeting is provided well in advance, presentations to supplement the agenda is made at the meeting by the Management. The Board also has complete access to the Management to seek clarifications on any matter of discussion. The Board has established procedures in place to periodically review compliance reports pertaining to all laws applicable to the Company.

During the year, five Board meetings were held on 25th April 2018, 24th July 2018, 23rd October 2018, 23rd January 2019 and 15th March 2019.

In line with the amendments to the Companies Act, 2013 and Listing Regulations, the Company had reviewed the following existing policies and were duly amended by the Board:

- Policy on dealing with Related Parties and materiality of related party transactions
- Code of Conduct for Directors and Senior Management
- Remuneration Policy
- Whistle Blower Policy
- Policy on determination of material subsidiaries

The Company also has in place policies for determining 'materiality' for disclosure of events/information to stock exchanges, policy for preservation and archival of documents, dividend distribution policy, and policy for prevention of sexual harassment at workplace. These policies are periodically reviewed by the Board.

v) Independent Directors

Independent Directors play an important role in the governance processes of the Board. With different point of views flowing from their expertise and experience, they enrich the decision making process at the Board and prevent conflicts of interest in the decision making process. The Independent Directors have submitted declarations that they meet the criteria of Independence as laid down under the Companies Act, 2013 and the Listing Regulations. Besides the formal Board meetings, the Independent Directors hold meetings without the participation of the Non-Independent Directors and the members of the Management. During the year, the Independent Directors met on 15th March 2019 and reviewed the performance of the Non-Independent Directors, Board as a whole and also assessed the quality, quantity and timeliness of the flow of information between the Management and the Board.

vi) Board Evaluation

During the year, the Board conducted an evaluation of its own performance, individual Directors as well as the functioning of the Committees as per the Board evaluation framework adopted by it. The evaluation process is undertaken through a structured questionnaire framed after taking into consideration the inputs received from the Directors, covering aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

The Directors were evaluated on parameters such as understanding of the roles and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for the Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimization and governance duties and performance of specific duties.

The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc. The Chairman is evaluated mainly on key aspects of his role. A dedicated discussion of the Board is also undertaken on the performance and the outcome of the evaluation process.

vii) Board Familiarisation Process

The members of the Board are equipped with many opportunities to familiarize themselves with the Company, the operations and the Management. At the time of appointment of a Director, a formal induction programme comprising of a detailed presentation on the operations, the business segments and profile, organization structure and other market related information is done. Dedicated plant visits are also arranged for the Directors to enable them familiarize with the manufacturing and product processes. The Directors are also provided with a letter of appointment along with the Company's Code of Conduct detailing the duties and responsibilities of the Directors including that of an Independent Director.

On an ongoing basis as well, exclusive plant visits are organized periodically for the existing Directors to stay abreast of the operational and manufacturing processes. The Board is also apprised on a quarterly basis through presentations and discussions on the overall economic trends, the performance of the Company, analysis of the circumstances which helps or adversely impact the Company's performance, the initiatives taken / proposed to be taken, marketing strategy, business risks and mitigation plan, the regulatory changes impacting the Company etc.

These initiatives help the Directors in understanding the Company, its businesses, the regulatory arena in which it operates, thus enabling the Directors in effectively contributing to the Board. The familiarization programme for Independent Directors is disclosed on the Company's website.

B) BOARD COMMITTEES

The Board has constituted various Committees for effectively discharging its responsibilities more specifically in areas where specialized and extensive discussions are required. The Board's Committees include Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee. The Company Secretary acts as the Secretary to the Committees of the Board.

All Committees have formally established terms of reference, subject to revisions/amendments as and when required. The recommendations of the Committees are placed before the Board for its consideration and approval and all the minutes of the Committee meetings are circulated to the Board for information.

a. AUDIT COMMITTEE

Terms of Reference

The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements before submission to the Board, review of adequacy of internal control system, findings of internal audit, whistle blower mechanism, related party transactions, scrutiny of inter-corporate loans & investments, approval and review of related party transactions, valuation of assets/undertakings of the Company, appointment of registered valuers etc., besides recommending the appointment of Auditors and their remuneration to the Board as well as approval of payments to Statutory Auditors for non-audit services and review of effectiveness of audit process. The Audit Committee also reviews the financial statements of unlisted subsidiary companies, in particular, the investments made by them.

In line with the regulatory amendments in the Listing Regulations, the Board during the year reviewed the terms of reference of the Audit Committee and made amendments to the same. The amendments pertain to the review of utilisation of loans and/ or advances from/investment in the subsidiary and review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Composition & Meetings

The Audit Committee comprises of five members of which 4 members including the Chairman are Independent Directors and all members of the Committee are financially literate. The Statutory Auditor, Internal Auditor and members of the Management Committee are invited to attend meetings of the Committee. During the year, the Committee had five meetings on 25.04.2018, 24.07.2018, 23.10.2018, 23.01.2019 and 15.03.2019 for reviewing the financial statements and considering the internal audit reports and audit plan. The composition and attendance of the Committee members at the meetings held during the year are given below:

Name of Member	Category	No. of meetings attended (No. of meetings held)
Shrinivas G Shirgurkar, Chairman	ID	4 (5)
M Lakshminarayan	ID	5 (5)
Hima Srinivas	ID	5 (5)
K S Shetty	ID	4 (5)
K Srinivasan	NED	4 (5)

The Company Secretary of the Company officiates as the Secretary of the Committee.

b. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The terms of reference of this Committee includes formulation of investors' servicing policies, review of redressal of investor complaints and approval/overseeing of transfers, transmissions, transpositions, splitting, consolidation of

securities, issue of certificates, demat/remat requests, and performing other functions as delegated to it by the Board from time to time.

In line with the regulatory amendments in the Listing Regulations, the Board during the year reviewed the terms of reference of the Stakeholders Relationship Committee and made amendments to the same to include:

(a) review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent

(b) to consider and resolve the grievances of security holders of the Company and to determine, monitor and review the standards for resolution of stakeholders grievance

(c) review measures taken for effective exercise of voting rights by shareholders

(d) review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.

Composition & Meetings

During the year, the Stakeholders Relationship Committee was re-constituted by the Board on account of the resignation of Mr. M M Murugappan with effect from 24th July 2018 and with the induction of Mr. Rajesh Khanna as a member on 23rd January 2019. Mr. K Srinivasan was appointed as the Chairman of the Committee with effect from 23rd January 2019.

The Committee met once on 15th March 2019 during the year. The composition and attendance of Committee members are given below:

Name of Member	Category	No of meetings attended (No. of meetings held)
K Srinivasan, Chairman	NED	1 (1)
K S Shetty	ID	1 (1)
Rajesh Khanna	ED	1 (1)

The Company Secretary acts as the Secretary to the Committee.

There were seven investor service complaints received during the year. All the complaints received were resolved to the satisfaction of the shareholders. There were no investor service complaints pending as at 31st March 2019.

Ms. Janani T A, Company Secretary is the Compliance Officer for the purposes of compliance with the requirements of the Listing Regulations.

Karvy Fintech Private Limited, Hyderabad is the Company's Registrar and Share Transfer Agent (RTA). By virtue of an Order passed by the Hyderabad Bench of the National Company Law Tribunal (NCLT Order) approving the composite scheme of arrangement and amalgamation between M/s. Karvy Consultants Limited (demerged company), M/s. Karvy Computershare Private Limited (Transferor Company) and M/s. Karvy Fintech Private Limited (resulting company), the operations of Karvy Computershare Private Limited have been transferred to Karvy Fintech Private Limited with effect from 17th November 2018. The contact details are available in the General Shareholder Information section of the Report.

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee's responsibility is to assist the Board in undertaking CSR activities by way of formulating and monitoring spending on CSR activities by the Company. The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013. The Board has approved a CSR policy formulated and recommended by the Committee which is uploaded and available on the Company's website www.wendtindia.com.

The CSR Committee comprises of Mr. K S Shetty as Chairman, Mr. Shrinivas G Shirgurkar, Ms. Hima Srinivas and Mr. K Srinivasan as members.

The functions of the Committee include recommending the amount of expenditure to be incurred on the CSR activities, monitoring the implementation of CSR activities as per the CSR policy of the Company from time to time etc.

Composition & Meetings

The Senior Management is invited to the Committee meetings. The Committee met once on 15th March 2019 during the year.

The composition and attendance of Committee members are as follows:

Name of Member	Category	No of meetings attended (No. of meetings held)
K S Shetty, Chairman	ID	1 (1)
Hima Srinivas	ID	1 (1)
K Srinivasan	NED	1 (1)
Shrinivas G Shirgurkar	ID	1 (1)

The Company Secretary of the Company officiates as the Secretary of the Committee.

d. NOMINATION & REMUNERATION COMMITTEE

The Nomination and Remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of Listing Regulations, read with section 178 of the Companies Act, 2013.

Terms of Reference

The role of the Committee is to:

(a) recommend to the Board the appointment of Directors
(b) recommend re-election of Directors retiring by rotation
(c) recommend the remuneration including pension rights and periodic increments of the Managing/Wholetime Director(s)
(d) determine the annual incentive of the Managing/Wholetime Director(s)
(e) recommend to the Board, the commission payable annually to each of the Non-Whole time Directors, within the limits fixed by shareholders
(f) formulating criteria for appointment of Directors and Senior Management and identification of persons who may be qualified to be appointed in these positions
(g) devise policy on Board diversity
(h) formulate criteria for evaluation of Independent Directors/Board, evaluation of the Directors' performance
(i) recommend Remuneration policy to the Board
(j) ensuring Board Diversity etc.

In line with the amendments to the Listing Regulations, the Board during the year reviewed the terms of reference of the Nomination and Remuneration Committee to include recommendation of the appointment and remuneration payable to Senior Management to the Board.

The Committee has formulated the criteria for determining the qualifications, positive attributes and independence of a Director and the criteria for Senior Management positions in terms of Section178(3) of the Companies Act, 2013 besides laying down the criteria for Board evaluation. The Board evaluation including that of the Independent Directors is done based on the evaluation framework detailed elsewhere in the Directors' Report. The Company also has in place a Board approved policy on the remuneration for Directors, Key Managerial Personnel and other employees which was reviewed during the year in line with the Listing Regulations and adopted by the Board. The policy is available in the link www.wendtindia.com.

The Nomination and Remuneration Committee is responsible for identifying persons for initial nomination as Directors as well as evaluating incumbent Directors for their continued service. The Committee has formulated a criteria in terms of Section 178 of the Companies Act, 2013 and the Listing Regulations inter alia detailing the qualifications in terms of personal traits, experience & background, fit & proper, positive attributes and independence standards to be considered for nominating candidates for Board positions/re-appointment of Directors. The Nomination and Remuneration Committee is also responsible for identifying persons who are qualified to be appointed in Senior Management. The Committee has formulated a criteria in terms of personal traits, competencies, experience & background, etc. to be considered for nominating candidates to Senior Management positions.

Board Diversity Policy

The Company has a Board diversity policy in place which sets out the approach to having a diverse Board. A Board is diverse when the Board comprises qualified people having varied range of experience, possessing relevant expertise to the business. In line with the Board diversity policy, the Board is a balanced one having collective knowledge of business strategy, finance, marketing, manufacturing, technology, engineering etc.

Composition & Meetings

The Committee comprises four members of which three are Independent Directors. During the year, the Committee was reconstituted on 25th April 2018 with the induction of Mr. M Lakshminarayan as a Member.

The Committee met on two occasions during the year on 25.04.2018 and 24.07.2018. The composition and attendance of Committee members are given below:

Name of Member	Category	No of meetings attended (No. of meetings held)
K S Shetty, Chairman	ID	2 (2)
M Lakshminarayan*	ID	1 (1)
K Srinivasan	NED	2 (2)
Shrinivas G Shirgurkar	ID	2 (2)

* Number of meetings held during tenure of membership in the Committee

The Company Secretary of the Company officiates as the Secretary of the Committee.

Company's Policy on Remuneration:

The Company has in place a Remuneration policy to provide the framework for remuneration of members of the Board of Directors, Key Managerial Personnel, Senior Management and other employees of Wendt (India) Limited. This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Listing Regulations to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short-term and long-term performance of the Company.

Remuneration of Non-Executive Directors:

- The Non-Executive Directors are paid remuneration by way of Sitting Fees within the limits prescribed under the Companies Act, 2013 for every Board/ Committee meeting attended by them.
- As approved by the shareholders at the their meeting, Commission is paid in accordance with Section 198 of the Companies Act, 2013. The Commission to be paid will be restricted to a fixed sum within the above limit annually on the basis of their tenure in office during the financial year.

Remuneration of Executive Director

The compensation paid to the Executive Director is approved by the Board based on the recommendation of the Nomination and Remuneration Committee subject to the approval of the shareholders. Executive Directors will not be paid sitting fees for any Board/Committee meetings attended by them.

Remuneration of Key Managerial Personnel / Senior Management

The Company's total compensation for Key Management Personnel / Senior Management consists of:

- Fixed compensation;
- Variable compensation in the form of annual incentive;
- Benefits;
- Work related facilities and perquisites.

The N&R Committee shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

The Remuneration Policy is made available on the website of the Company www.wendtindia.com.

C. DISCLOSURES

CODE OF CONDUCT

The Company has in place a Code of Conduct which helps to maintain high standards of ethics for the Company's employees. The Code lays down the standard of conduct which is expected to be followed by the Directors and by the employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Company has adopted a Code of Conduct which applies to all its Directors and employees in terms of Regulation 17 of the Listing Regulations. All the Board Members and the Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct. A declaration signed by the Chief Executive has been submitted to the Board.

The Code of Conduct is available on the website of the Company www.wendtindia.com.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares for all transactions by Directors and designated employees (together called Designated Persons) and prohibits the purchase or sale of Company's securities by Designated Persons while in possession of unpublished price sensitive information (UPSI) in relation to the Company. Further, trading in securities is also prohibited for Designated Persons during the period when the Trading Window is closed. During the year, the Board had reviewed the Code of Conduct for Prevention of Insider Trading in line with the amended SEBI (Prohibition of Insider Trading) Regulations, 2015 and had also formulated a policy containing procedures for conduct of inquiry in case of leakage of UPSI or suspected leakage of UPSI as a part of the Code. The Board had also reviewed the Company's Code for practices and procedures for fair disclosure of unpublished price sensitive information and had also framed a policy for determination of 'legitimate purposes' as a part of this Code. The Company Secretary is responsible for implementation of the Code.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Wendt is committed to the highest standards of Corporate Governance and stakeholder responsibility. To provide an avenue to raise concerns, if any, in line with the Company's commitment to the high standards of ethical, moral and legal conduct of business, the Company has established the Whistle Blower policy. The mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism and also for appointment of an Ombudsman who will deal with the complaints received. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairperson of the Audit Committee. In line with the requirements of the Companies Act, 2013, the policy coverage extends to the Directors

of the Company and the Ombudsman for dealing with any referrals made by Board members is the Chairman of the Audit Committee. During the year, in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board had reviewed the Whistle Blower policy to include reporting of instances that may result in leakage of Unpublished Price Sensitive Information (UPSI). The Whistle blower policy is available on the Company's website at the following link www.wendtindia.com. It is affirmed that during the year, no employee was denied access to the audit Committee.

SUBSIDIARY COMPANIES

The Company has two wholly owned overseas subsidiaries. The Company does not have any material Subsidiary Company, whose income or net worth (paid-up capital and free reserves) exceeds 20% of the consolidated income or net worth of the holding company in the immediately preceding accounting year. Though the Company does not have any material subsidiary meeting the criteria, the Board voluntarily has nominated Mr. Hima Srinivas to the Board of Wendt Grinding Technologies Limited.

The Policy for determining Material Subsidiaries is made available on the website of the Company www.wendtindia.com.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. All Related Party transactions were placed before the Audit Committee for approval. The Audit Committee has granted an omnibus approval for Related Party transactions as per the provisions and restrictions contained in the Listing Regulations. Details of Related party Transactions are provided in the Financial Statements of the Company.

The Policy on Related Party Transactions is made available on the website of the Company www.wendtindia.com.

REMUNERATION OF DIRECTORS

The Company believes that for any successful organization, overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

The compensation to the Non-Executive Directors takes the form of commission on profit. The actual commission is paid to the Non-Executive and Independent Directors based on the time spent by the Directors for attending to the affairs and business of the Company and extent of responsibilities cast on Directors under general law and other relevant factors and it is restricted to a fixed sum as recommended by the Nomination and Remuneration Committee and decided by the Board within the limits approved by the shareholders. Details of Remuneration paid to Directors for the period under review are as follows.

(Rs. In Lakhs)

Director	Sitting Fee*	Commission #
M M Murugappan (resigned with effect from the closing hours of 24th July 2018)	0.40	-
K Srinivasan	-	-
Shrinivas G Shirgurkar	1.90	3.00
K S Shetty	2.00	3.00
Hima Srinivas	2.10	3.00
M Lakshminarayan	2.10	3.00

*Sitting fees includes the payments for Board and the Committee meetings.

#Commission will be paid subject to shareholder's approval and after adoption of accounts by shareholders at the 37th Annual General Meeting.

Remuneration paid to Executive Director

(Rs. In Lakhs)

Rajesh Khanna (a)	Amount
Salary & Allowances	100.11
Retirement benefits*	14.00
Perquisites	17.36
Total	**131.48***

The Company has no pecuniary relationship or transaction with its Non-Executive Directors other than payment of sitting fees and commission for attending Board and Committee Meetings.

* Subject to the approval of shareholders at the 37th AGM.

MANAGEMENT

(i) To avoid duplication and overlap between the Director's Report and a separate Management Discussion and Analysis Report, the information required to be provided has been given in the Directors Report itself as required by the SEBI Regulations.

(ii) No material transaction has been entered into by the Company with the Promoters, Directors or the senior management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the Company at large. The declaration to this effect has been submitted by all the senior management.

SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Audit for the year 2018-19 which, inter alia, includes audit of compliance with the Companies Act, 2013, and Regulations and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report forms part of this Report.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

A certificate from Practising Company Secretary on Corporate Governance is annexed.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON THE DIRECTOR'S DISQUALIFICATION

A certificate from Practising Company Secretary confirming that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed.

CEO/CFO CERTIFICATION

In accordance with the requirements of Regulation 17(8) of the Listing Regulations, Mr. Rajesh Khanna, Chief Executive Officer and Executive Director and Mr. Mukesh Kumar Hamirwasia, Chief Financial Officer of the Company have certified to the Board regarding the fairness of the financial statements and other matters as required under the above regulation.

GENERAL BODY MEETINGS

Details of Annual General Meetings

Location and time, where last three Annual General Meetings held:

Year	Date	Time	Venue	Special Resolution passed
2017 - 18	24.07.2018	03.00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	Payment of Commission to Non - Executive and Independent Directors.
2016 - 17	24.07.2017	04:00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	Nil
2015 - 16	26.07.2016	02:30 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	Nil

During the year, there were no resolutions passed through postal ballot and as at the year end, there are no proposals to pass special resolutions through postal ballot except those requiring to be passed pursuant to the Companies Act, 2013 which will be done after providing adequate notice to the shareholders.

DISCLOSURE RELATING TO FEE PAID TO STATUTORY AUDITOR

During the year, the Company's subsidiaries have not made any payments to Price Waterhouse Chartered Accountants LLP, Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part. The Company has relied on the information furnished by the Statutory Auditors in respect of the firms/entities covered under network firm/network entity of which the Statutory Auditor is a part. During the year, the Company has made the following payments to the Statutory Auditor's.

(Rs. In Lakhs)

Service availed	Amount
Statutory Audit including limited review	8.24
Tax Audit	1.00

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company does not carry out commodity hedging activities and hence does not have any risk pertaining to commodity price.

DISCLOSURE ON CREDIT RATINGS

During the year, no credit ratings were obtained by the Company nor were there revisions. The disclosure relating to reaffirmation of the existing ratings in respect of the borrowings of the Company forms part of the Directors' Report.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it displays multiple channels of communications viz. through dissemination of information on the website of the Stock Exchanges, press releases, the Annual Reports and uploading relevant information on its website www.wendtindia.com. Towards this end:

a) **Quarterly/Half Yearly/Annual Results:** The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year, as required under SEBI Regulations. The aforesaid financial results are announced to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these were considered and approved. The results of the Company are published in the prescribed format within 48 hours of the conclusion of the Board Meeting, one in English newspaper (Business Standard) having nationwide circulation and one in Vernacular newspaper of the State of Karnataka (Vijaya Karnataka), where the registered office of the Company is situated.

b) **Stock Exchange:** The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.

The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the Listing Regulations including material information having a bearing on the performance / operations of the Company or other price sensitive information. Information is filed electronically on BSE's on-line Portal - BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.

c) **Website:** The Company's website www.wendtindia.com contains a dedicated section "Investor Relations" where information for shareholders is available. The quarterly/half yearly/Annual Financial Results are promptly and prominently posted on the website. The Annual Reports of the subsidiary companies are also posted on the website of the Company. The Quarterly Corporate Governance Report, Shareholding Pattern, Policies, status of unclaimed dividend and other communications made to the Stock Exchanges are also available on the website. This results in prompt information disseminated to the shareholders.

d) **Reminder to Investors:** Reminders to claim the unclaimed dividend on shares and unclaimed shares are sent to the shareholders as per records every year.

e) **Designated E-mail ID for investors:** The Company has a designated exclusive email id for investors at investorservices@wendtindia.com.

D. NON MANDATORY REQUIREMENTS

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website, and any major developments are conveyed in the press releases issued by the Company and posted on the Company's website. The Company therefore did not send the half yearly performance update individually to the shareholders of the Company.

There are no qualifications or adverse remarks by the Company's Statutory Auditors in the Company's Financial Statements for the FY 2018-19.

Other non-mandatory requirements have not been adopted at present.

E. SHAREHOLDERS SATISFACTION SURVEY

The Company carries out Shareholders Satisfaction Survey every year. The questionnaire forms part of the Annual Report. The Management compiles the feedback received from shareholders and takes necessary action as may be required.

F. SOCIAL ACCOUNTABILITY POLICY

The Company recognizes the need and is committed to provide a safe, healthy and respectable work environment to all its employees. The Company strives to provide an environment, which is free of discrimination, intimidation and abuse. The Company has put in place SA 8000 System & Social Accountability Policy. As per the policy, the Company will not engage, support or tolerate the use of Child Labour, Forced or Compulsory Labour, Discrimination based on Race, National or Social origin, Caste, Birth, Religion, Disability, Gender etc., Corporal punishment, Mental or Physical coercion, verbal abuse, harsh or inhumane treatment of personnel and will comply with all the requirements as outlined by applicable Law.

G. COMPLIANCE OF MATTERS RELATING TO CAPITAL MARKET

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities.

H. GENERAL SHAREHOLDER INFORMATION

This is annexed.

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Shrinivas G Shirgurkar
Chairman

GENERAL SHAREHOLDER INFORMATION

1. Date of Incorporation: 21st August, 1980

2. Annual General Meeting

Day, Date and time : Monday, July 22nd, 2019 at 03.00 P.M

Venue : Bharatiya Vidya Bhavan
Race Course Road,
Bangalore- 560 001, Karnataka

Last date of receipt of Proxy forms: 20th July 2019 before 03.00 p.m.

3. Book Closure Date

15th July 2019 to 22nd July 2019 (both days inclusive)

4. Dividend Payment Date

The Board declared and paid an interim dividend of Rs. 15/- per share at its Board Meeting held on 23rd January 2019 for the financial year 2018-19 to those members whose names were appearing in the Register of Members on 2nd February 2019. The Board of Directors of the Company has proposed a final dividend of Rs. 15/- per share (150%) on equity shares of Rs. 10/- each. The dividend will be paid on or before 30th July 2019 after approval by the shareholders at the Annual General Meeting.

5. Registered Office Adress

Flat No. 105, 1st Floor, Cauvery Block,
National Games Housing Complex,
Koramangala
Bangalore-560047, Karnataka
Tel: +91 80 25701423/1424
Fax:+91 80 25701425

6. Auditors

Statutory Auditor
Price Waterhouse Chartered Accountants LLP,
5th Floor, Tower 'D', The Millenia,
1 & 2 Murphy Road, Ulsoor,
Bangalore - 560 008

Internal Auditor (for the FY 2018-19)
Ernst & Young LLP, Chartered Accountants,
6th & 7th Floor, A Block, Tidel Park,
4, Rajiv Gandhi Salai, Taramani, Chennai - 600 113

Secretarial Auditor (for the FY 2018-19)
Ms. Apeksha Nagori
Veera 506, SJR – Verity,
Kasavanahalli,
Bangalore – 560035

7. Listing Details & Codes

BSE Limited : 505412
National Stock Exchange of India Limited : WENDT
Annual Listing Fee has been paid to the Stock Exchanges.

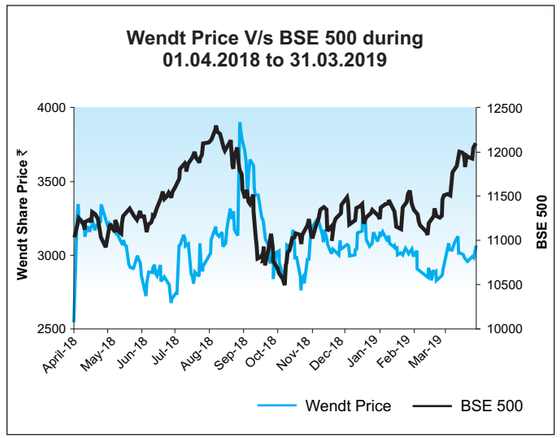
8. Corporate Identification Number: L85110KA1980PLC003913

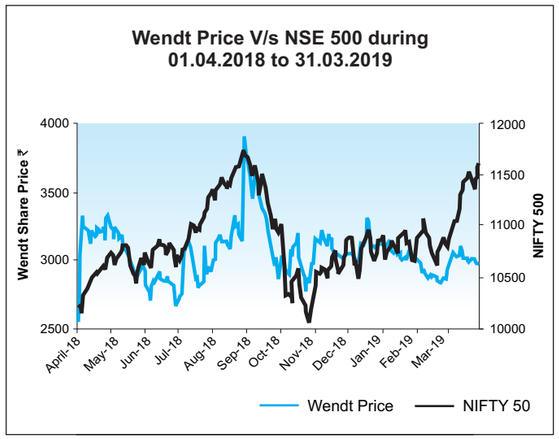
9. NSDL & CDSL (ISIN): INE274C01019

10. Share Price Data

Month		BSE Limited		National Stock Exchange of India Limited	
		High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2018	APRIL	3483.85	2389.95	3600.00	2441.50
	MAY	3280.55	2824.00	3316.25	2828.00
	JUNE	2972.00	2625.00	2989.90	2612.20
	JULY	3293.95	2660.00	3295.00	2700.00
	AUGUST	4013.85	2956.75	4050.00	2975.00
	SEPTEMBER	3840.00	2755.05	3820.00	2850.00
	OCTOBER	3280.00	2750.00	3250.00	2760.00
	NOVEMBER	3298.95	2925.05	3300.00	2985.00
	DECEMBER	3325.00	2915.00	3349.95	2972.00
2019	JANUARY	3301.60	2955.30	3190.00	2955.10
	FEBRUARY	3120.00	2761.00	3074.95	2805.20
	MARCH	3190.00	2950.00	3130.00	2910.05

11. Stock Performances in comparison to broad based indices:



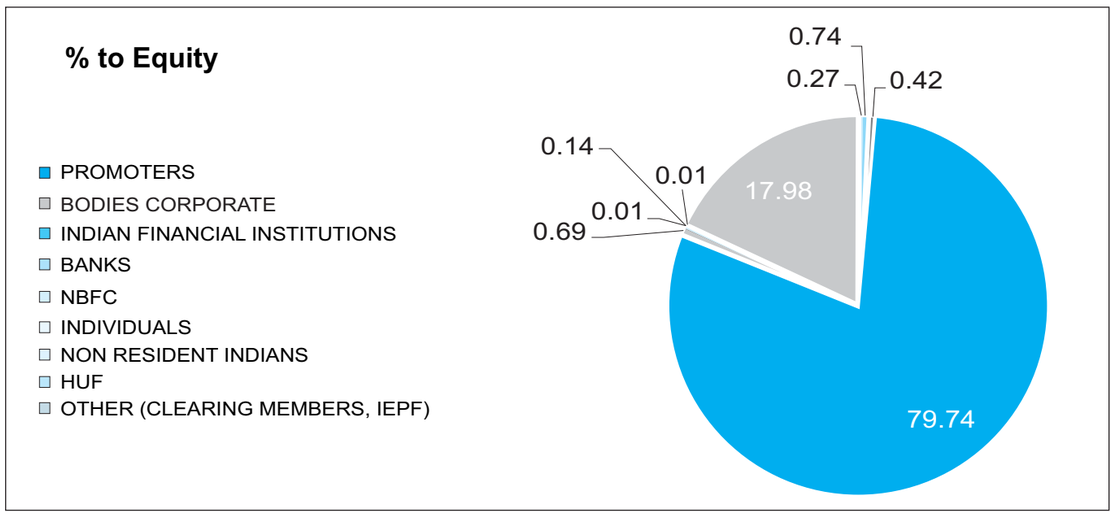


12. Distribution of Shareholding as on 31st March 2019

Category (Amount) (Rs.)	No. of shareholders	% of shareholders	Total Shares	Amount (Rs.)	% of Amount
1-5,000	6,643	98.41	2,60,588	26,02,420.00	13.01
5,001-10,000	66	0.98	53,484	5,05,280.00	2.53
10,001-20,000	28	0.42	39,104	4,02,560.00	2.01
20,001-30,000	4	0.06	10,968	1,09,680.00	0.55
30,001-40,000	3	0.04	10,200	1,03,000.00	0.51
40,001-50,000	1	0.02	8,827	49,110.00	0.25
50,001-1,00,000	2	0.03	8,050	1,40,160.00	0.70
1,00,001 & Above	3	0.04	16,08,779	1,60,87,790.00	80.44
TOTAL	**6,750**	**100%**	**20,00,000**	**2,00,00,000.00**	**100**

13. Shareholding Pattern as on 31st March 2019

Category	No. of shareholders	Total no. of Shares held	% of Share Capital
Promoters	2	1,594,704	79.74
Bodies Corporate	150	13,722	0.69
Indian Financial Institutions	1	162	0.01
Banks	3	3,062	0.14
NBFC	1	10	0.01
Individuals	6,165	359,596	17.98
Non Resident Indians	119	5,497	0.27
HUF	300	14,850	0.74
Others (Clearing Members, IEPF)	9	8,397	0.42
TOTAL	**6,750**	**20,00,000**	**100**

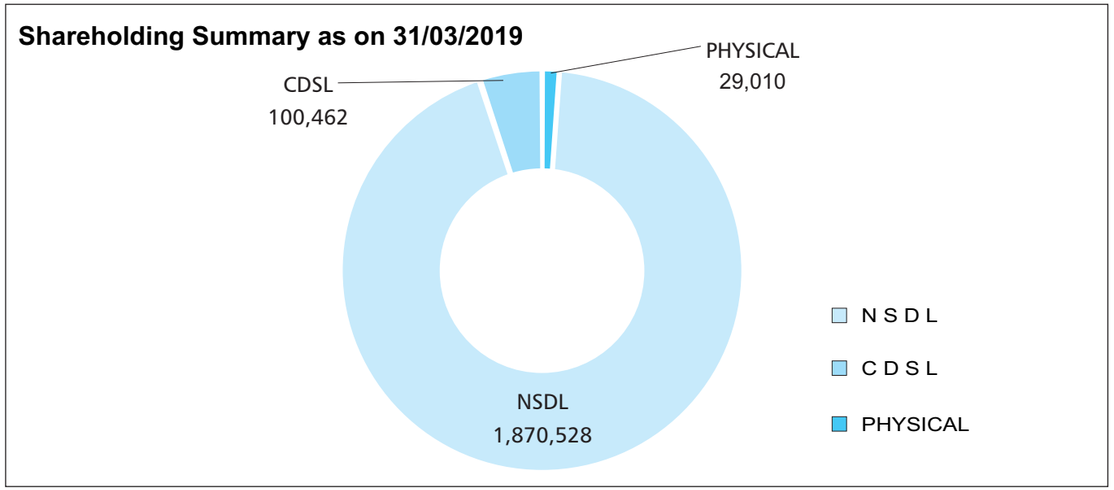


14. Dematerialisation of Shares

The Company has signed agreements with both National Securities Depositories Limited (NSDL) and with Central Depository Services (India) Limited (CDSL) to provide the facility of holding equity shares in dematerialized form with either of the two depositories.

As on 31st March 2019, 1970,990 Shares constituting 98.57 % of the total paid up capital of the Company are in demat form.

Shareholding Summary as on 31st March 2019			
Category	**No. of share holders**	**Total no. of Shares**	**% to share capital**
PHYSICAL	273	29,010	1.45
NSDL	4,003	1,870,528	93.53
CDSL	2,474	100,462	5.02
TOTAL	**6,750**	**2,000,000**	**100.00**



15. Outstanding GDRs/ADRs/Warrants or any convertible Instruments conversion date and likely impact on equity.

The Company has not issued any GDRs/ADRs/Warrants or any convertible Instruments during the financial year 2018-19.

16. Share Transfer Process

Share transfers in physical form upto 500 shares are processed by the Registrar and Transfer Agent, Karvy Fintech Private Limited and are approved by the Company Secretary and Executive Director. All requests for share transfer exceeding 500 shares are placed before the Stakeholders Relationship Committee of the Company. The status of share transfer is reported to the Board on regular basis. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The depository system handles share transfers in dematerialised form.

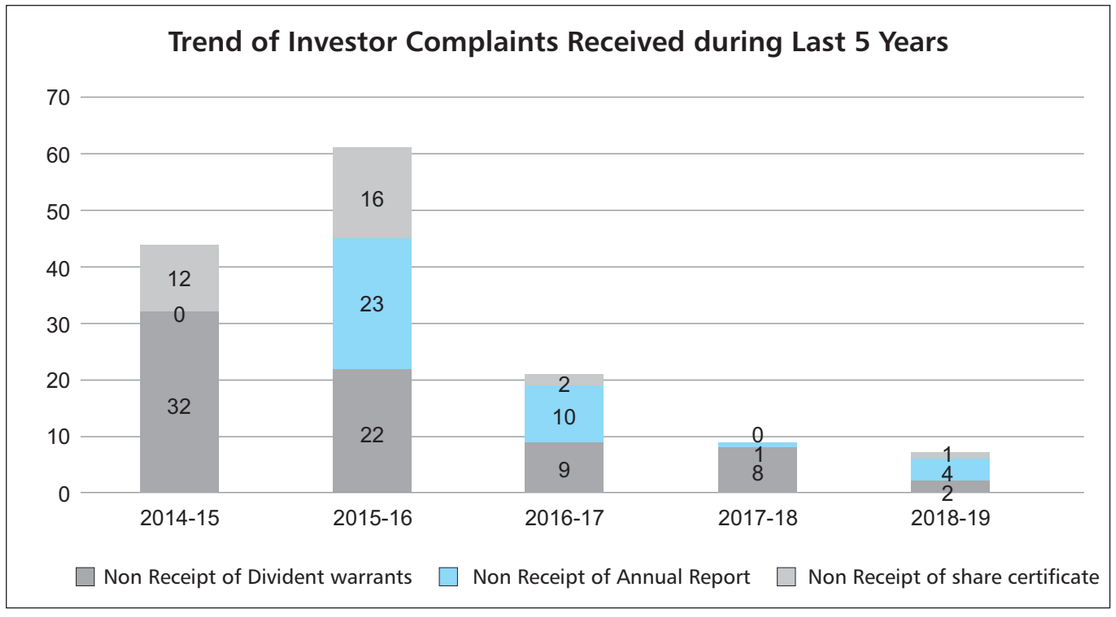
The Company obtains from a Company Secretary in practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 7(3) of SEBI (LODR) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.

Members may note that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 effective 1st April 2019, requests for effecting transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, members would be able to transfer their shares only after necessarily dematerialising their physical shares to demat form. Hence, members are encouraged to dematerialize their physical holdings to demat form

17. Complaints received during the financial year ended 31st March 2019 by the Company and the Registrar and Transfer Agents of the Company.

There were seven investor service complaints received during the year. Out of the seven complaints received, four complaints were pertaining to non-receipt of annual reports, two complaints pertained to non-receipt of dividend and one was with respect to procedure for issue of duplicate share certificates. All the complaints received were resolved to the satisfaction of the shareholders. There were no investor service complaints pending as at 31st March 2019.

Nature of Complaints	No. of complaints		
	Received	Resolved	Pending
Non receipt of Dividend Warrants	2	2	Nil
Non receipt of Share Certificates	1	1	Nil
Non receipt of Annual Report	4	4	Nil
Total	**7**	**7**	**Nil**



18. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates companies to transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the **Investor Education and Protection Fund (IEPF)**. The dividend for the years mentioned in the following table, if unclaimed within a period of seven years, will be transferred to IEPF. No claim shall lie against the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Shareholders who have not claimed their dividend are requested to approach M/s Karvy Fintech Private Limited, for issue of demand drafts in lieu of the revalidated dividend warrants.

Year	Type of Dividend	Dividend per share (Rs)	Date of declaration	Due date for transfer
2011-12	Final	25.00	13/07/2012	19-08-2019
2012-13	Final	15.00	25/07/2013	31-08-2020
2013-14	Interim	10.00	22/01/2014	28-02-2021
2013-14	Final	15.00	24/07/2014	30-08-2021
2014-15	Interim	10.00	27/01/2015	05-03-2022
2014-15	Final	15.00	23/07/2015	29-08-2022
2015-16	Interim	10.00	25/01/2016	03-03-2023
2015-16	Final	15.00	26/07/2016	01-09-2023
2016-17	Interim	10.00	24/01/2017	02-03-2024
2016-17	Final	15.00	24/07/2017	30-08-2024
2017-18	Interim	10.00	24/01/2018	02-03-2025
2017-18	Final	15.00	24/07/2018	30-08-2025
2018-19	Interim	15.00	23/01/2019	01-03-2019

The Company has transferred unclaimed/ un encashed dividends upto final dividend for FY 2010-11 to the IEPF during the year ended 31st March 2019. The Company has uploaded the details relating to unclaimed dividends on its website for the benefit of its shareholders.

19. Transfer of Shares into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven consecutive years or more)

In terms of Section 124(6) of the Companies Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, the Company is required to transfer the shares in respect of which dividends have remained unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company had published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also sent out individual communications to the concerned Members whose shares are liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter. As at 31st March 2019, the Company has transferred 8250 shares to the IEPF Authority.

20. Reconciliation of Share Capital Audit

The Company obtains from a Company Secretary in practice, a quarterly certificate of reconciliation of share capital audit with regard to the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and held in physical form, with the issued and listed capital under Regulation 76 of the securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. The certificate is submitted to BSE Limited and National Stock Exchange of India Limited and is also placed before the Board of Directors.

21. Company's Recommendation to the Shareholders

The Company recommends the following to the shareholders to mitigate/avoid risks while dealing with securities and related matters.

i) Dematerialize (Demat) your shares

Members are requested to note that in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (amended from time to time), with effect from 1st April 2019, shares of the Company can be transferred only in dematerialised form. In view of the above, members are advised to dematerialise shares held by them in physical form.

ii) Register your National Electronic Clearing Service(NECS)/Electronic Clearing Service(ECS)

SEBI vide its circular dated 21st March 2013 has emphasized on the usage of electronic mode for payments to the members for various purposes. To ensure compliance, members are requested to provide an NECS/ECS mandate to the Company in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the depository participant (DP) in case of shares held in demat form. This would also facilitate in receiving direct credits of dividends etc. from companies and avoiding postal delays and loss in transit.

iii) Nomination facility

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form from the RTA of the Company, Karvy Fintech Private Limited. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard. Members can approach the Company or Karvy Fintech Private Limited with regard to the same.

iv) Permanent Account Number (PAN)

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in securities market for registering transfers, transpositions, transmissions etc. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they maintain their demat accounts. Members holding shares in physical form are requested to submit a copy of their PAN card and original cancelled cheque leaf/attested bank passbook showing name of the account holder and bank account details to the RTA/Company to ensure timely credit of dividends.

v) Encash your Dividend on time

Please encash your dividends promptly to avoid hassles of revalidation/losing your right of claim owing to transfer of unclaimed dividends beyond seven years to **Investors Education and Protection Fund.**

vi) Support the Green Initiative

To support the 'Green Initiative',the Company sends its Notice calling General Meetings, Annual Report and other documents in electronic mode. It was also requested to inform the Company incase the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the members in electronic mode at their E-mail addresses.

Members holding shares in demat form are requested to provide their E-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide E-mail ID to the Company at investorservices@wendtindia.com or at einward.ris@karvy.com and also update the E-mail address as and when there is any change.

vii) Quoting the Folio No./DP ID - Client ID

Members are requested to quote their Folio No. / DP & Client ID Nos., as the case may be, their Contact nos./ Fax

nos. and E-mail ID in all correspondence with the Company. All correspondences regarding shares of the Company should be addressed to the Company's Registrar, Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

viii) Updation of details

Members holding shares in physical form are requested to notify promptly any change in address/ pincode and bank account details. Beneficial owners of shares in dematerialized form are requested to send their instructions regarding change of address, bank details, nomination, power of attorney etc. directly to their DP as the same are maintained by the DPs.

ix) Consolidation of securities

Member(s) of the Company who have multiple accounts in identical name(s) or more than one share certificate in the same name under different ledger folio(s) are requested to apply for the consolidation of such folio(s) and send the relevant share certificates to the Company.

x) Queries at the AGM

Members desiring any information with regard to the accounts are requested to write to the Company at least a week in advance of the Annual General Meeting date so as to enable the management to keep the information ready. However, the queries relating to operational and financial performance may be raised at the Annual General Meeting.

xi) Lodging investor complaint with SCORES

SEBI has an online investor grievance redressal forum **"SEBI Complaints Redress System-SCORES"**. Investors, have to first approach the Company/Registrar & Share Transfer Agent for their complaints redressal and in case they are dissatisfied with the response, they can log on to http://scores.gov.in/ and lodge their complaint by doing onetime registration.

22. Plant Location

Wendt (India) Limited
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
Tel: +91 4344 276851/52, 405500
Fax: +91 4344 405620, 405630

23. Subsidiaries

(i) **Wendt Grinding Technologies Limited, Thailand**
109/21, Moo.4, Tambon Pluakdaeng,
Aumpur Pluakdaeng,
Rayong 21140
Thailand

(ii) **Wendt Middle East FZE, Sharjah**
Warehouse No. W3-8
PO Box No.50732
Hamriyah Free Zone - Sharjah
United Arab Emirates

24. Addresses for Communication

(a) **Compliance Officer & Company Secretary & Nodal Officer for purposes of IEPF**

Janani T A
Wendt (India) Limited
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
Tel: +91 4344 405500

E-mail: Investorservices@wendtindia.com
jananita@wendtindia.com

(b) **Registrar and Share Transfer Agent**

Karvy Fintech Private Limited
Unit: Wendt (India) Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032
Tel: +91 40 67162222-1510-1512
Fax:+91 40 23001153
Toll free number: 1-800-3454001
E-mail: einward.ris@karvy.com
Website: www.karvy.com

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Shrinivas G Shirgurkar
Chairman

Declaration on Code of Conduct

To
The Members of Wendt (India) Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board members and Senior Management of Company. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at 31st March 2019, as envisaged in regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board
For Wendt (India) Limited

Place: Hosur
Date: 25th April 2019

Rajesh Khanna
Executive Director & CEO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED.

Report on the audit of the standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Wendt (India) Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of profit and loss (including Other comprehensive income), the Statement of changes in equity and the Statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2019, and its total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Appropriateness of provision recognized for obsolescence of slow moving Inventory

Refer Note 2.2 (Critical Estimates and Judgments) and Note 9 (Inventories) to the financial statements.

The Company manufacturers super abrasives and precision tools which includes grinding and honing tools. The inventory of the Company (including raw materials, work in progress, finished goods, stock in trade and stores and spares) as at March 31, 2019 aggregates to Rs.2,272 Lakhs. The Company has recognized a provision for obsolescence of the above inventories for Rs.105 Lakhs. Such provision for obsolescence mainly arises on account of:

(a) Items expected to be sold below cost (finished goods, stock in trade and work in progress) and

(b) Items which have become wholly or partially obsolete (raw materials, work in progress, finished goods, stock in trade and stores and spares).

Management judgment is required in assessing the adequacy of provision for obsolescence of slow moving inventory. There are key assumptions and management estimates involved in the provision, including the sale ability of aged inventory and the value that will be realised on sale. These judgements may have a significant impact on the calculation of inventory provision.

Due to the judgements involved, the risk around the adequacy of inventory provision is a focus area for the audit and is determined as a key audit matter.

How our audit addressed the key audit matter

Our audit procedures which involved applying sampling techniques included the following:

- Understanding and evaluating the design and testing the operating effectiveness of Company's controls relating to recognition of provision for obsolescence of inventory.
- Understanding the methodology used to calculate the inventory provision and determining whether it was consistent with that applied in the prior year.
- Testing whether all the slow moving inventory items have been considered by the Management along with the basis for its expected usage for recognition of provision.
- Discussing with Company's personnel, the rationale for recognizing a provision for inventory with little or no movement during the year.
- Testing the pattern of inventory movement obtained from the Management
- Testing the reconciliation of the amount of total inventory used for the calculation of provision to the inventory recorded.
- In respect of inventory items expected to be sold off at below cost, testing the management's basis for determining the net realizable value based on contracted selling price per sales orders or historical selling price as adjusted for price fluctuations and other factors, as applicable
- Verifying the arithmetical accuracy of the computation of the provision

Based on the above procedures performed, we considered the provision recognized for obsolescence of slow moving inventory to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance Report and Shareholder information, but does not include the standalone financial statements and our auditor's report thereon.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

     The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (II) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position.

    ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company does not have derivative contracts as at March 31, 2019.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number (FRN): 012754N/N500016

Mohan Danivas S A
Partner
Membership Number: 209136

Hosur
April 25, 2019

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the standalone financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. We have audited the internal financial controls with reference to financial statements of Wendt (India) Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company: and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number (FRN): 012754N/N500016

Mohan Danivas S A
Partner
Membership Number: 209136

Hosur
April 25, 2019

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the standalone financial statements as of and for the year ended March 31, 2019.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and(iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service tax, duty of customs, and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. As more fully discussed in Note 34 to the standalone financial statements, managerial remuneration aggregating to Rs.131 Lakhs have been paid in excess of the limits prescribed under Section 197 read with Schedule V. The Company has proposed to obtain shareholders' approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures, specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number (FRN): 012754N/N500016

Mohan Danivas S A
Partner
Membership Number: 209136

Hosur
April 25, 2019

Standalone Financial Statements

BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	**5,071.63**	5,170.69
(b) Capital work-in-progress		**469.25**	200.46
(c) Goodwill	4	**10.27**	10.27
(d) Other intangible assets	5	**137.87**	214.31
(e) Financial assets - Investments	6	**430.55**	430.55
(f) Other non-current assets	7	**55.34**	50.21
(g) Income tax assets (net)	8	**274.67**	287.87
Total non - current assets (1)		**6,449.58**	**6,364.36**
2 Current assets			
(a) Inventories	9	**2,271.75**	1,876.15
(b) Financial assets			
(i) Investments	6	**3,165.95**	1,798.82
(ii) Trade receivables	10	**2,736.64**	3,382.96
(iii) Cash and cash equivalents	11A	**285.01**	205.22
(iv) Bank balances other than (iii) above	11B	**686.58**	431.55
(v) Other financial assets	12	**143.32**	99.73
(c) Other current assets	7	**593.13**	400.29
Total current assets (2)		**9,882.38**	**8,194.72**
Total assets (1+2)		**16,331.96**	**14,559.08**
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	**200.00**	200.00
(b) Other equity	14	**11,261.17**	10,707.51
Total equity (1)		**11,461.17**	**10,907.51**
LIABILITIES			
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	16	**307.95**	397.37
Total non - current liabilities (2)		**307.95**	**397.37**
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro and small enterprises	17	**172.71**	99.22
- total outstanding dues of creditors other than micro and small enterprises	17	**2,172.21**	1,643.18
(ii) Other financial liabilities	18	**1,269.60**	717.12
(b) Provisions	15	**309.57**	186.14
(c) Income tax liabilities (net)	8	**1.36**	279.81
(d) Other current liabilities	19	**637.39**	328.73
Total current liabilities (3)		**4,562.84**	**3,254.20**
Total equity and liabilities (1+2+3)		**16,331.96**	**14,559.08**

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
1 INCOME			
(a) Revenue from operations	20	**14,285.10**	13,167.88
(b) Other Income	21	**409.43**	428.42
Total Revenue (1)		**14,694.53**	**13,596.30**
2 EXPENSES			
(a) Cost of materials consumed	22	**4,243.77**	3,899.75
(b) Purchases of stock-in-trade	23	**198.39**	185.13
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	**(136.41)**	37.23
(d) Excise duty		**-**	225.72
(e) Employee benefits expense	25	**2,892.28**	2,588.04
(f) Finance costs	26	**0.50**	19.64
(g) Depreciation and amortisation expense	27	**983.04**	1,016.13
(h) Other expenses	28	**4,608.68**	3,973.21
Total Expenses (2)		**12,790.25**	**11,944.85**
3 Profit before tax (1 - 2)		**1,904.28**	**1,651.45**
4 Tax Expense			
(a) Current tax	29	**578.23**	590.00
(b) Income tax for earlier years	29	**55.86**	-
(c) Deferred tax	29	**(76.42)**	(168.25)
Total tax expense		**557.67**	**421.75**
5 Profit for the period (3 - 4)		**1,346.61**	**1,229.70**
6 Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit obligation		**(122.97)**	36.23
(ii) Income tax relating to the above		**35.81**	-
Total Other Comprehensive Income		**(87.16)**	**36.23**
7 Total comprehensive income for the period (5 + 6)		**1,259.45**	**1,265.93**
8 Earnings per equity share:	35		
(1) Basic		**67.33**	61.49
(2) Diluted		**67.33**	61.49

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
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MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

(A) Equity Share Capital

Balance as at April 1, 2017	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2018	**200.00**
Balance as at April 1, 2018	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2019	**200.00**

(B) Other Equity

Particulars	Reserves and surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 1, 2017	**5,717.73**	**4,325.64**	**10,043.37**
Profit for the year	-	1,229.70	1,229.70
Other comprehensive income for the year, net of income tax	-	36.23	36.23
Total comprehensive income for the year	**-**	**1,265.93**	**1,265.93**
Payment of final dividend for the preceding financial year	-	(300.00)	(300.00)
Payment of dividend tax on final dividend for the preceding financial year	-	(61.07)	(61.07)
Payment of interim dividend for the current year	-	(200.00)	(200.00)
Payment of dividend tax on interim dividend for the current year	-	(40.72)	(40.72)
Transfer to General reserve	130.00	(130.00)	-
Balance as at March 31, 2018	**5,847.73**	**4,859.78**	**10,707.51**
Profit for the year	-	1,346.61	1,346.61
Other comprehensive income for the year, net of income tax	-	(87.16)	(87.16)
Total comprehensive income for the year	**-**	**1,259.45**	**1,259.45**
Payment of final dividend for the preceding financial year	-	(300.00)	(300.00)
Payment of dividend tax on final Dividend for the preceding financial year	-	(61.67)	(61.67)
Payment of interim dividend for the current year	-	(300.00)	(300.00)
Payment of dividend tax on interim dividend for the current year	-	(44.12)	(44.12)
Transfer to General reserve	135.00	(135.00)	-
Balance as at March 31, 2019	**5,982.73**	**5,278.44**	**11,261.17**

The above statement of changes in equity should be read in conjunction with the accompanying notes.
This is the statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
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MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		**1,904.28**	**1,651.45**
Adjustments for :			
Depreciation and amortisation expense		983.04	1,016.13
Provision for trade receivables (net of reversal)		27.50	16.32
Bad Debts written off		36.24	2.39
Finance costs		0.50	19.64
Interest income on deposits		(4.50)	(1.39)
Dividend from long term investments in subsidiaries		(173.09)	(197.01)
Dividend from current investments - mutual funds		(75.58)	(52.60)
Loss / (Profit) on sale / disposal of fixed assets (net)		16.68	0.11
Provisions and liabilities no longer required, written back		(23.93)	(10.94)
Net gain on sale / fair valuation of current investments (net)		(51.74)	(8.02)
Unrealised exchange loss / (gain)		4.84	(21.08)
Operating profit before working capital changes		**2,644.24**	**2,415.00**
Changes in working capital :			
(Increase)/Decrease in inventories		(395.60)	(31.84)
(Increase)/Decrease in trade receivables		565.11	(505.03)
(Increase)/Decrease in other financial assets		(43.59)	10.63
(Increase)/Decrease in other non-current assets		(2.20)	(5.70)
(Increase)/Decrease in other current assets		(271.15)	(5.51)
Increase/(Decrease) in trade payables		639.09	507.08
Increase/(Decrease) in other current financial liabilities		260.32	212.27
Increase/(Decrease) in non-current provisions		-	(96.21)
Increase/(Decrease) in current provisions		78.77	(33.99)
Increase/(Decrease) in other current liabilities		308.66	54.24
CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**3,783.65**	**2,520.94**
Income Taxes Paid (net of refunds)		(876.53)	(433.90)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**(A)**	**2,907.12**	**2,087.04**
Cash flow from investing activities			
Capital expenditure on tangible fixed assets		(913.16)	(483.50)
Capital expenditure on intangible fixed assets		(1.19)	(36.92)
Proceeds from sale of tangible fixed assets and capital work-in-progress		110.56	3.61
Sale / (Purchase) of current investments (net)		(1,315.39)	(719.30)
Interest income on deposits		4.50	1.39
Dividend from long term investment in subsidiaries		173.09	197.01
Dividend from current investments - mutual funds		75.58	52.60
Bank balances not considered as cash and cash equivalents			
- Placed		(517.77)	(500.00)
- Matured / encashed		262.74	298.58
NET CASH USED IN FROM INVESTING ACTIVITIES	**(B)**	**(2,121.04)**	**(1,186.53)**
Cash flow from financing activities			
Finance costs		(0.50)	(5.52)
Dividend Paid (including tax thereon)		(705.79)	(601.79)
NET CASH USED IN FINANCING ACTIVITIES	**(C)**	**(706.29)**	**(607.31)**
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**79.79**	**293.20**
Cash and cash equivalents at the beginning of the year	**D**	**205.22**	**(87.98)**
Cash and cash equivalents at the end of the year	**(A+B+C+D)**	**285.01**	**205.22**

Reconciliation of Cash and cash equivalents as per cash flow statement

Cash and cash equivalents as per above comprise of the following: (Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents (Note 11A)	285.01	205.22
Balance as per statement of cash flows	**285.01**	**205.22**

The above cash flow statement should be read in conjunction with the accompanying notes.
This is the cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

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Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE No.1

1 COMPANY OVERVIEW

Wendt (India) Limited was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH, Germany and Carborundum Universal Limited, India. Wendt (India) Limited is a leading manufacturer of Super Abrasives, High precision Grinding, Honing and Special Purpose Machines and High Precision components. The Company's registered office is in Bangalore and factory is situated in Hosur, Tamilnadu.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the act) [Indian Accounting Standards Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(iv) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

(a) Ind AS 115, Revenue from Contracts with Customers - refer note 2.5 and note 20

(b) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

(c) Appendix B, Foreign Currency Transactions and Advance consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The above amendments did not have any material impact on the financial statements of the Company.

2.2 Critical Estimates and Judgements

The preparation of these financial statements requires the use of accounting estimates which could differ from the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. These note provides an overview of the areas that involved higher degree of judgement or complexity , and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

(i) Impairment of trade receivables - refer note 10 and note 30.3

(ii) Estimation of defined benefit obligation - refer note 33

(iii) Provision for obsolescence of inventories - refer note 2.17 and note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

2.4 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the acquisition date fair value of any previous equity interest in the acquired entity (if any) over the fair value of the net identifiable assets acquired.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained above facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill arising on acquisition of a business is carried at costs as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated to reduce the carrying amount of the goodwill. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

2.5 Revenue recognition

2.5.1 Revenue from contract with customers

The Company applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the company has elected to apply the revenue

standard only to contracts that are not completed as at the date of initial application. The impact of the adoption of the standard on the financial statements of the company is not material. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted.

Sale of goods

Revenue is recognised when control of products has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. For the majority of the company's customer arrangements, control transfers to customers at a point-in-time when goods have been despatched as that is generally when legal title and risks and rewards of goods transfers to the customers.

Revenue is recognised at the transaction price which the company expects to be entitled. The Company does not adjust any of the transaction prices for the time value of money as the contract with customers does not contain a significant financing component.

When the consideration is received, before the company transfers goods to the customer, the company shall present the consideration as a contract liability and when the services rendered by the company exceed the payment, contract asset is recognised excluding any amount presented as receivable.

Contract liabilities are disclosed as advances received from customers under other current liabilities.

Sale of services

Revenue from rendering of services is recognized at the point in time on rendering of services as per the terms of contracts with customers.

2.5.2 Other income

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued on time proportion basis.

Rental income

The company's policy for recognition of revenue from operating lease is described in note 2.6.1

2.6 Leasing - Operating

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.6.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.6.2 The Company as lessee

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.7 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are netted off with the cost of related asset.

The export incentives from the Government are recognized based on eligibility at their fair value where there is a reasonable assurance that the incentive will be received and the company will comply with all attached conditions.

2.8 Foreign currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (INR), the national currency for India, which is the functional and presentation currency of the company.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at that date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss.

2.9 Borrowing costs

Borrowing costs, other than that are directly attributable to the acquisition, construction or production of a qualifying asset are expensed in the period in which they are incurred.

2.10 Employee benefits

2.10.1 Long Term Employee Benefits

Other long term Employee Benefits - Compensated Absences

The Company also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined Contribution Plans

Superannuation fund, Provident fund and Pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust, and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plan

The liability or asset recognised for gratuity as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance Sheet. Defined benefit costs are categorised as follows :

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurement

Termination benefits are recognized as an expense as and when incurred.

2.10.2 Short Term Employee Benefits

Short term employee benefits including performance incentives which are expected to be settled within 12 months after the end of the period in which the employee renders related service, are determined as per company's policy and recognized as expense based on expected obligation on undiscounted basis.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

2.11.1 Current Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

2.11.2 Deferred Tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.12 Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.13 Research and development costs

Revenue expenditure pertaining to research are charged to the respective heads in Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

2.14 Property, Plant and equipment

Freehold Land is carried at historical cost.

All other items of Property, Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying tangible assets up to the date the asset is ready for its intended use. Machinery spares which can be used exclusively in connection with an item of tangible asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

Capital work-in-progress:

Items of assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

Depreciation

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and assets under progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the tangible assets are as follows:-

Buildings	
(i) Factory Building	30 years
(ii) Residential Building	60 years
Plant and equipment	
(i) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the used / second hand machines & process bath equipments, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis from the month of addition or up to the month prior to the month of disposal, as applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.15 Intangible Assets

2.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.15.2. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination other than goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost)

2.15.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:-

Technical Knowhow	5 years
Computer Software	5 years
Brands and Trademarks	5 years
Patents	5 years

2.16 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset(or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2.17 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour, and an appropriate proportion of overheads. Cost of inventories also include all other costs incurred in bringing the inventories to the present location and condition. Cost is computed on weighted average basis.

Net realisable value represents the estimated selling price for inventories less the estimated costs of completion and estimated costs necessary to make the sale.

2.18 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with maturity of 3 months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts and Book overdrafts are disclosed under "Other financial liabilities".

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.19 Provisions and Contingencies

Provisions are recognised when the company has a present obligation (legal or constructive) as a results of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements.

2.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Company become a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.21 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.21.1. Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Financial assets are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by security deposits, cash and cash equivalents and eligible current and non-current assets. Cash and cash equivalent comprise cash on hand and in banks and demand deposit with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.21.4

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

2.21.2 Investment in equity instruments at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument- by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value. Subsequently, they are measured at fair value with gain and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.21.3. Financial assets at fair value through profit or loss (FVTPL)

Financial asset at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included under 'Other income'. Dividend on financial asset at FVTPL is recognised when the company's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

FVTPL is a residual category for financial assets. Any financial categorisation as at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

2.21.4. Impairment of financial assets

The company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the company measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the company always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). Refer Note 31 for segment information presented.

2.23 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III, unless otherwise stated.

2.24 New standards and interpretations not yet adopted

2.24.1 Ind AS 116 - Leases :

On March 30, 2019, Ministry of Corproate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the

existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The standard permits two possible methods of transition.

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The impact of the adoption of the standard on the financial statements of the company is not expected to be material.

2.24.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition :-

- Full retrospective - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight.

- Retrospectively, with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The impact of the adoption of the above pronouncement on the financial statements of the company is not expected to be material.

2.24.3 Amendment to Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is financial periods beginning on or after April 1, 2019. The impact of the adoption of the above amendment on the financial statements of the company is not expected to be material.

There are no other amendments, which have been notified, that are likely to have any material impact on the financial statements of the Company.

Note 3 - Property, plant and equipment

(Rs. in Lakhs)

Description of assets	Land - Freehold	Buildings - Freehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block							
Balance as at April 1, 2017	**3.66**	**1,582.64**	**7,930.42**	**853.27**	**261.02**	**119.32**	**10,750.33**
Additions	-	7.45	382.98	52.65	22.94	13.58	**479.60**
Disposals	-	-	(21.65)	(43.60)	-	(7.50)	**(72.75)**
Balance as at March 31, 2018	**3.66**	**1,590.09**	**8,291.75**	**862.32**	**283.96**	**125.40**	**11,157.18**
Balance as at April 1, 2018	**3.66**	**1,590.09**	**8,291.75**	**862.32**	**283.96**	**125.40**	**11,157.18**
Additions	-	93.57	721.89	49.51	18.19	50.43	**933.59**
Disposals	-	(19.56)	(272.39)	(5.34)	-	(18.49)	**(315.78)**
Balance as at March 31, 2019	**3.66**	**1,664.10**	**8,741.25**	**906.49**	**302.15**	**157.34**	**11,774.99**
II. Accumulated depreciation							
Balance as at April 1, 2017	**-**	**417.40**	**3,988.70**	**521.43**	**137.11**	**49.95**	**5,114.59**
Depreciation expense for the year (Note 27)	-	53.79	704.90	145.52	21.54	15.18	**940.93**
Eliminated on disposal of assets	-	-	(21.65)	(43.60)	-	(3.78)	**(69.03)**
Balance as at March 31, 2018	**-**	**471.19**	**4,671.95**	**623.35**	**158.65**	**61.35**	**5,986.49**
Balance as at April 1, 2018	**-**	**471.19**	**4,671.95**	**623.35**	**158.65**	**61.35**	**5,986.49**
Depreciation expense for the year (Note 27)	-	54.55	689.35	125.95	22.77	12.79	**905.41**
Eliminated on disposal of assets	-	(9.13)	(162.79)	(4.29)	-	(12.33)	**(188.54)**
Balance as at March 31, 2019	**-**	**516.61**	**5,198.51**	**745.01**	**181.42**	**61.81**	**6,703.36**
Net carrying value as at March 31, 2018	**3.66**	**1,118.90**	**3,619.80**	**238.97**	**125.31**	**64.05**	**5,170.69**
Net carrying value as at March 31, 2019	**3.66**	**1,147.49**	**3,542.74**	**161.48**	**120.73**	**95.53**	**5,071.63**

a) Refer to Note 36.2 for information on property, plant and equipment pledged as security by the Company.

Note 4 - Goodwill

(Rs. in Lakhs)

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Description of Assets	As at March 31, 2019	As at March 31, 2018
Cost		
Balance at beginning of year	10.27	10.27
Additions	-	-
Balance at end of year	**10.27**	**10.27**
Accumulated impairment		
Balance at beginning of year	-	-
Impairment losses recognised during the year	-	-
Balance at end of year	**-**	**-**
Net carrying Value	**10.27**	**10.27**

Note 5 - Other Intangible Assests

Description of assets	Technical Knowhow	Computer Software	Brands/ Trademarks	Patents	Total
I. Gross Block					
Balance as at April 1, 2017	**202.27**	**270.27**	**81.00**	**50.00**	**603.54**
Additions	-	51.92	-	-	**51.92**
Balance as at March 31, 2018	**202.27**	**322.19**	**81.00**	**50.00**	**655.46**
Balance as at April 1, 2018	**202.27**	**322.19**	**81.00**	**50.00**	**655.46**
Additions	-	1.19	-	-	**1.19**
Balance as at March 31, 2019	**202.27**	**323.38**	**81.00**	**50.00**	**656.65**
II. Accumulated amortisation					
Balance as at April 1, 2017	**164.29**	**182.01**	**12.15**	**7.50**	**365.95**
Amortisation expense for the year (Refer Note 27)	14.65	34.35	16.20	10.00	**75.20**
Balance as at March 31, 2018	**178.94**	**216.36**	**28.35**	**17.50**	**441.15**
Balance as at April 1, 2018	**178.94**	**216.36**	**28.35**	**17.50**	**441.15**
Amortisation expense for the year (Refer Note 27)	14.54	36.89	16.20	10.00	**77.63**
Balance as at March 31, 2019	**193.48**	**253.25**	**44.55**	**27.50**	**518.78**
Net carrying value as on March 31, 2018	**23.33**	**105.83**	**52.65**	**32.50**	**214.31**
Net carrying value as on March 31, 2019	**8.79**	**70.13**	**36.45**	**22.50**	**137.87**

Note 6 - Investments

(Rs. in Lakhs)

Sl No.	Particulars	As at March 31, 2019				As at March 31, 2018			
		Current		Non Current		Current		Non Current	
		Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount
A	**COST**								
	I. Unquoted Investments								
	Investments in Equity Instruments - of Subsidiaries								
	i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND	-	-	10,299,993.00	277.39	-	-	10,299,993.00	277.39
	(10,299,993 equity shares of face value Baht 10/- each (previous year 10,299,993), partly paid up @ 2.5 Baht per share								
	ii) WENDT MIDDLE EAST FZE, SHARJAH	-	-	8.00	153.16	-	-	8.00	153.16
	(8 equity shares of face value of AED 150,000 each (previous year 8) fully paid up)								
	TOTAL UNQUOTED INVESTMENTS CARRIED AT COST [A]		-		**430.55**		-		**430.55**
B	**Designated as Fair Value Through Profit and Loss**								
	I. Quoted Investments								
	Investments in Mutual Funds								
1	ICICI Prudential Money Market Fund - Daily Dividend	-	-	-	-	33,053	33.11	-	-
2	ICICI Prudential Liquid Fund - Daily Dividend	-	-	-	-	30,858	31.15	-	-
3	ICICI Prudential Ultra Short Term Fund - Growth	1,563,904	295.27	-	-	667,437	117.04	-	-
4	ICICI Prudential Money Market Fund - Direct Plan - Growth	19,496.18	50.72	-	-	-	-	-	-
5	ICICI Prudential Savings Fund -Growth	20,982.99	75.27	-	-	-	-	-	-
6	Aditya Birla Sun Life Savings Fund -Daily Dividend Regular Plan Reinvestment	133,507.02	133.88	-	-	-	-	-	-
7	Aditya Birla Sun Life Money Manager Fund - Daily Dividend - Reinvestment	-	-	-	-	49,579	49.71	-	-
8	Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	44,001.34	110.12	-	-	-	-	-	-
9	Aditya Birla Sun Life Low Duration Fund -Growth Regular Plan	80,491.92	361.62	-	-	-	-	-	-
10	Aditya Birla Sun Life Interval Income Fund -Qrtly Plan - Series 1 Dividend -Reg Plan	-	-	-	-	490,000	49.39	-	-
11	Reliance Money Market Fund - Direct Growth Plan Growth Option	4,002.37	113.64	-	-	-	-	-	-
12	Reliance Medium Term Fund - Daily Dividend Plan- Dividend Reinvestment	-	-	-	-	595,696	101.89	-	-
13	Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment	5,530.29	84.58	-	-	3,229	49.39	-	-
14	Reliance Fixed Horizon Fund - XXXVI-Series4-Dividend Plan-Dividend Payout	-	-	-	-	400,000	40.32	-	-
15	Reliance Liquid Fund - Direct Plan Daily Dividend Option - Reinvest	13,177.54	201.53	-	-	-	-	-	-
16	TATA Short Term Bond Fund Regular Plan A - Growth	295,555	95.96	-	-	295,555	95.43	-	-
17	TATA Short Term Bond Fund Direct Plan - Growth	186,618	63.49	-	-	186,618	62.58	-	-
18	Baroda Pioneer Credit Risk Fund (Credit Opp.Fund till 05.06.2018)-Plan A Monthly Dividend-Reinvestment	1,051,635	110.84	-	-	4,277,045	461.47	-	-
19	Baroda Pioneer Treasury Advantage Fund-Plan A Daily Dividend -Reinvestment	-	-	-	-	21,758	224.26	-	-
20	Baroda Pioneer Liquid Fund-Plan A Daily Dividend-Reinvestment	-	-	-	-	4,960	49.67	-	-
21	Baroda Ultra Short Duration Fund-Direct Plan Daily Dividend Reinvestment	4,885.02	49.00	-	-	-	-	-	-
22	DSP BlackRock FMP - Series 222-3m-Reg-Div-Reg Pay	-	-	-	-	311,803	31.42	-	-
23	DSP Liquidity Fund - Direct Plan - Daily Dividend -Reinvest	5,034.28	50.39	-	-	-	-	-	-
24	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend	3,696,533	373.02	-	-	-	-	-	-
25	Franklin India Short Term Income Plan - Retail Plan - Growth	11,376	454.72	-	-	-	-	-	-
26	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	718,671	188.79	-	-	-	-	-	-
27	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment	21	0.21	-	-	33,007	330.45	-	-
28	Indiabulls Ultra Short Term Fund - Existing Plan Daily Dividend - Reinvestment	-	-	-	-	5,104	51.22	-	-
29	SBI Magnum Ultra Short Duration Fund Regular Daily Dividend	-	-	-	-	1,213	20.32	-	-
30	SBI Liquid Fund - Direct- Daily Dividend	2,126	21.33	-	-	-	-	-	-
31	Invesco Money Market Fund -Growth	1,880	40.14	-	-	-	-	-	-
32	HDFC Ultra Short Term Fund - Regular Daily Dividend Reinvestment	2,193,113	220.41	-	-	-	-	-	-
33	HDFC Money Market Fund -Regular Plan-Daily Dividend Reinvestment	6,677	71.02	-	-	-	-	-	-
	TOTAL INVESTMENTS CARRIED AT FVTPL [B]		3,165.95		-		1,798.82		-
	TOTAL (A) + (B)		**3,165.95**		**430.55**		**1,798.82**		**430.55**
	Other disclosures								
	Aggregate cost of quoted investments		3,079.65		-		1,756.36		-
	Aggregate market value of quoted investments		3,165.95		-		1,798.82		-
	Aggregate value of unquoted investments		-		430.55		-		430.55
	Aggregate amount of impairment in value of investments		-		-		-		-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 7 - Other non-current and current assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good				
(a) Advances to suppliers	51.26	-	39.55	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat and custom duty refundable	2.71		2.71	
(ii) GST credit receivable	22.60	-	7.59	-
(c) Prepayments	218.91	-	232.40	-
(d) Security deposits with government	-	52.41	-	50.21
(e) Capital advances	-	2.93	-	-
(f) Export incentive receivable	119.01	-	90.28	-
(g) Contract assets (refer note (i) below)	152.08	-	-	-
(h) Others	26.56	-	27.76	-
Unsecured, considered doubtful				
(a) Other loans and advances	35.78	-	34.19	-
Less: Provisions for doubtful loans and advances	(35.78)	-	(34.19)	-
TOTAL	**593.13**	**55.34**	**400.29**	**50.21**

Note (i) : Contract assets include Rs. 49.80 lakhs (March 31, 2018 : Rs. Nil) due from related parties.

Note 8 - Income tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets - non current		
Advance Income tax paid (net)	274.67	287.87
Total	**274.67**	**287.87**
Income tax liabilities - current		
Provision for income tax (net)	1.36	279.81
Total	**1.36**	**279.81**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 9 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Raw materials	1,112.83	892.46
(b) Work-in-progress	794.85	693.05
(c) Finished goods	86.56	55.39
(d) Stock-in-trade	48.70	45.26
(e) Stores and spares	228.81	189.99
Total	**2,271.75**	**1,876.15**
Included above, goods-in-transit:		
(i) Raw materials	42.22	46.53
(ii) Stock-in-trade	1.12	-
Total goods-in-transit	**43.34**	**46.53**

Notes:

1) Provision for inventories, which have either become wholly or partially obsolete (Provision for obsolescence) or where their selling prices have declined below cost (Provision for net realisable value) as at March 31, 2019 amounted to Rs. 104.50 lakhs (March 31, 2018: Rs. 86.12 lakhs).
2) The Company analyses inventory items with no movement for more than one year for potential obsolescence and accounts for provision for obsolescence based on management's judgement. Expected usage of the inventory items is considered for assessing the adequacy of write down.
3) In respect of inventory items expected to be sold below net realisable value, estimates of the amount the inventories are expected to realise are based on the most reliable evidence available at the time the estimates are made. These estimates are based on Management's judgement and take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Note 10 - Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables from		
(a) Related parties	337.94	542.25
(b) Others	2,442.82	2,878.49
	2,780.76	3,420.74
Less: Loss allowance	44.12	37.78
Total	**2,736.64**	**3,382.96**

Note 10(a) - Break-up of security details

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,780.76	3,420.74
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	2,780.76	3,420.74
Less: Loss allowance	44.12	37.78
TOTAL	**2,736.64**	**3,382.96**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 11A - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks in current accounts	283.11	199.66
(b) Cheques on hand	-	5.06
(c) Deposits with maturity of less than three months	1.40	-
(d) Cash in hand	0.50	0.50
Total	**285.01**	**205.22**

Note 11B - Bank balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deposits with maturity of more than three months and less than one year	18.47	0.70
(b) Earmarked balances in dividend accounts	668.11	430.85
Total	**686.58**	**431.55**

Note 12 - Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Security deposits	12.82	7.02
(b) Employee advances	56.37	62.36
(c) Receivables from related parties	70.67	27.21
(d) Rent receivable from related party	3.46	3.14
Total	**143.32**	**99.73**

Note 13 - Equity Share Capital

(Rs. in lakhs, except for number of shares)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
30,00,000 (March 31, 2018: 30,00,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, subscribed and fully Paid:		
20,00,000 (March 31, 2018: 20,00,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	200.00	200.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount Rs. in lakhs	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the period	2,000,000	200	2,000,000	200
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200**	**2,000,000**	**200**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Equity Shares :				
Wendt GmbH, Germany	797,352	39.87	797,352	39.87
Carborundum Universal Limited, India	797,352	39.87	797,352	39.87

(c) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares with voting rights (one vote per share). The dividends proposed by the Board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in the proportion to the number of equity shares held by the shareholders.

(d) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date.

Note 14 - Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve	5,982.73	5,847.73
Retained earnings	5,278.44	4,859.78
Total	**11,261.17**	**10,707.51**

14.1 General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	5,847.73	5,717.73
Transfer from retained earnings	135.00	130.00
Balance as at the year end	**5,982.73**	**5,847.73**

The general reserve is a free reserve, retained from company's profits and can be utilised upon fulfilling certain conditions in accordance with Companies Act.

14.2 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	4,859.78	4,325.64
Profit for the year	1,346.61	1,229.70
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	(87.16)	36.23
Payment of final dividend for the preceding financial year	(300.00)	(300.00)
Dividend tax on final dividend for the preceding financial year	(61.67)	(61.07)
Payment of interim dividend for the current year	(300.00)	(200.00)
Dividend tax on interim dividend for the current year	(44.12)	(40.72)
Transfer to general reserve	(135.00)	(130.00)
Balance as at the year end	**5,278.44**	**4,859.78**

Retained earnings comprise of the company's undistributed earnings after taxes.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs, except for number of shares)

14.3 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2019 and March 31, 2018 was Rs. 30 and Rs. 25 respectively.

The Board of Directors at its meeting held on April 25, 2018 had recommended a final dividend of 150% (Rs.15/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 24, 2018, this has resulted in a cash outflow of Rs. 361.67 lakhs, inclusive of dividend distribution tax of Rs. 61.67 lakhs. Also, the Board of Directors at its meeting held on January 23, 2019 had declared an interim dividend of 150% (Rs.15/- per equity share of face value of Rs.10/- each). Further, the Board of Directors at its meeting held on April 25, 2019 have recommended a final dividend of 150% (Rs. 15/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders.

Note 15 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
- Compensated absences (refer note 33)	264.91	186.14
- Gratuity (refer note 33)	44.66	-
Total	**309.57**	**186.14**

Note 16 - Deferred tax Liabilities

Particulars	March 31, 2019			
	Opening Balance	Recognised in profit and Loss	Recognised in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Property, Plant and Equipment	460.17	(64.18)	-	395.99
Net gain on fair value of mutual funds	12.36	12.77	-	25.13
	472.53	(51.41)	-	421.12
Tax effect of items constituting deferred tax assets				
Employee benefits	(54.20)	(22.94)	(13.00)	(90.14)
Provision for doubtful trade receivables	(11.00)	(1.85)	-	(12.85)
Others	(9.96)	(0.22)	-	(10.18)
	(75.16)	(25.01)	(13.00)	(113.17)
Total	**397.37**	**(76.42)**	**(13.00)**	**307.95**

Particulars	March 31, 2018		
	Opening Balance	Recognised in profit and Loss	Closing Balance
Tax effect of items constituting deferred tax liabilities			
Property, plant and equipment	635.66	(175.49)	460.17
Net gain on fair value of mutual funds	13.38	(1.02)	12.36
	649.04	(176.51)	472.53
Tax effect of items constituting deferred tax assets			
Employee benefits	(63.19)	8.99	(54.20)
Provision for doubtful trade receivables	(10.27)	(0.73)	(11.00)
Others	(9.96)	-	(9.96)
	(83.42)	8.26	(75.16)
Total	**565.62**	**(168.25)**	**397.37**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 17 - Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables to		
- Micro and small enterprises	172.71	99.22
- Related parties (refer note 34)	407.26	327.03
- Others	1,764.95	1,316.15
Total	**2,344.92**	**1,742.40**

Note 18 - Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Unpaid dividends [refer note (i) below]	668.11	430.85
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies and services	344.04	56.45
(d) Retention money	4.56	-
(e) Due to employees	230.15	208.41
(f) Others	12.74	11.41
Total	**1,269.60**	**717.12**

Note:

(i) There are no amounts which has remained unpaid or unclaimed as at Balance sheet date requiring transfer to Investor Education and Protection Fund.

(ii) Creditors for capital supplies and services includes Rs. 33.42 lakhs (March 31, 2018 : Rs. Nil) due to related parties.

Note 19 - Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances received from customers (refer note (i) below)	555.59	209.62
(b) Statutory dues payable (other than income taxes)	69.18	119.11
(c) Others	12.62	-
Total	**637.39**	**328.73**

Note:

(i) : Advances received from customers includes Rs. 92.39 lakhs (March 31, 2018 : Rs. 94.34 lakhs) due to related parties.

Note 20 - Revenue from operations

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Revenue from contract with customers		
a) Sale of products (includes excise duty of Rs. Nil , March 31, 2018 : Rs. 225.72 lakhs) [refer note (i),(iii) and (v) below]	13,085.10	12,360.27
b) Sale of services [refer note (ii) and (iii) below]	900.67	550.85
Other operating income [refer note (iv) below]	299.33	256.76
Total	14,285.10	13,167.88

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 20(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Manufactured products	12,765.52	12,071.28
Traded products	319.58	288.99
Total - Sale of products	**13,085.10**	**12,360.27**

Note 20(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Machining charges	723.50	550.85
Others	177.17	-
Total - sale of services	**900.67**	**550.85**

Note 20 (iii) - Other disclosures required under Ind AS 115

Note:

(a) The Company has applied practical expedient in Ind AS 115, in relation to disclosure of aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations. As at Balance sheet date, there are no contracts that has an original expected duration of more than one year.

(b) Refer note 31 for disclosure of disaggregated revenue.

(c) Reconciliation of revenue recognised with contract price

Particulars	March 31, 2019
Contract price	13,985.77
Adjustment towards variable consideration	-
Revenue from sale of goods and services	13,985.77

Note 20(iv) - Details of other operating income

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Sale of scrap	74.36	57.83
Service charges	15.66	29.22
Commission	29.18	20.08
Management fee and other income	46.13	37.82
Export incentives [refer note (vi) below]	134.00	111.81
Total - other operating income	**299.33**	**256.76**

Note 20(v) - Goods and service tax on revenue

Goods and Service Tax, (GST) has been introduced effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Central sales tax (CST), Service tax, etc, have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of products' and "Revenue from operations' for the year ended March 31, 2019 are not comparable with those of the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 20(vi) - Government grants

Exports incentives represents grants in the nature of licenses under Merchandise export from India scheme (MEIS) and duty drawback.

Note 21 - Other income

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Interest income on deposits	4.50	1.39
(b) Dividend income		
-Dividend income on long-term investments (from subsidiaries)	173.09	197.01
-Dividend income from current investments - mutual funds	75.58	52.60
(c) Rental income	16.24	14.76
(d) Net gain on sale of current investments	7.90	4.21
(e) Net gain arising on financial assets designated as fair value through profit or loss	43.84	3.81
(f) Net foreign exchange differences	42.15	114.90
(g) Provisions and liabilities no longer required, written back		
-For doubtful trade receivables	2.68	15.03
-For other expenses	23.93	10.94
(h) Miscellaneous income	19.52	13.77
Total	**409.43**	**428.42**

Note 22 - Cost of materials consumed

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening stock	892.46	852.31
Add: Purchases	4,464.14	3,939.90
	5,356.60	4,792.21
Less: Closing stock	1,112.83	892.46
Cost of materials consumed	**4,243.77**	**3,899.75**

Note 23 - Purchases of stock-in-trade

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Purchases of stock in trade	198.39	185.13
Total	**198.39**	**185.13**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 24 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening stock		
Work - in - progress	693.05	644.95
Finished goods	55.39	130.61
Stock-in- trade	45.26	55.37
	793.70	830.93
Closing stock		
Work - in - progress	794.85	693.05
Finished goods	86.56	55.39
Stock-in- trade	48.70	45.26
	930.11	793.70
Net (increase) / decrease	**(136.41)**	**37.23**

Note 25 - Employee benefits expense

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Salaries, wages and bonus	2,390.45	2,108.90
(b) Contribution to provident and other funds	187.35	179.14
(c) Staff welfare expenses	314.48	300.00
Total	**2,892.28**	**2,588.04**

Note 26 - Finance cost

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Interest expense	0.50	5.52
(b) Interest on shortfall in payment of advance tax	-	14.12
Total	**0.50**	**19.64**

Note 27 - Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Depreciation of property, plant and equipment (refer note 3)	905.41	940.93
(b) Amortisation of intangible assets (refer note 5)	77.63	75.20
Total	**983.04**	**1,016.13**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 28 - Other Expenses

Particulars	Year ended			
	March 31, 2019		March 31, 2018	
Stores and spares consumed		896.29		715.05
Contract labour		88.52		82.01
Repairs and maintenance				
-Buildings		111.76		71.32
-Machinery		170.93		151.87
-Others		29.18		36.56
Power and fuel charges		330.84		306.45
Freight outward and packing charges (net)		292.41		318.42
Rental charges		18.05		16.51
Processing charges		754.96		561.06
Directors' sitting fees		8.50		7.22
Commission to non-whole time independent directors		12.00		8.91
Rates and taxes		71.28		134.92
Contribution to research institution (refer note 44)		2.00		2.00
Expenditure on corporate social responsibility (refer note 44)		29.70		30.36
Insurance charges		23.25		23.78
Selling commission		19.70		37.75
Bad trade receivables written off	57.40		10.62	
Less: Transferred from provision	21.16	36.24	8.23	2.39
Provision for doubtful trade receivables (refer note 30.3.2)		30.18		31.35
Increase / (decrease) of excise duty on inventory (refer note (i) below)		-		(14.51)
Auditors remuneration				
As auditors				
Statutory Audit		8.24		8.75
Tax Audit		1.00		1.00
Reimbursement of expenses		3.92		4.04
Bank charges		37.63		66.69
Service fee		194.14		177.68
Legal and professional expenses		160.96		138.87
Advertisement and sales promotion expenses		383.78		297.21
Travelling and conveyance expenses		439.16		384.06
Communication expenses		26.29		28.28
Loss on sale / disposal of fixed assets (net)		16.68		0.11
Miscellaneous expenses		411.09		343.10
Total		**4,608.68**		**3,973.21**

Note (i)

The above excise duty relates to difference between the opening and closing stock of finished goods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 29 - Income tax recognised in profit or loss

(a) Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of the current year	578.23	590.00
In respect of the Prior year	55.86	-
	634.09	590.00
Deferred tax		
In respect of the current year	(76.42)	(168.25)
	(76.42)	(168.25)
Total	**557.67**	**421.75**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	**1,904.28**	**1651.45**
Income tax using the Company's domestic Tax rate of 29.12% (March 31, 2018 - 34.61%)	554.53	571.54
Effect of income that is exempt from tax	(15.50)	(13.81)
Effect of expenses that are not deductible in determining taxable profit	8.65	10.51
Effect of concessions (research and development)	(25.60)	(25.31)
Effect of dividend income from foreign subsidiaries	(20.16)	(34.09)
Effect of changes in deferred tax rates	-	(74.89)
Others	(0.11)	(12.20)
	501.81	421.75
Adjustment recognised in the current year in relation to current tax of previous years	55.86	-
Income Tax recognised in statement of profit and loss	**557.67**	**421.75**

Note

The tax impact for deferred tax purposes has been arrived by applying a tax rate of 29.12% (March 31, 2018 : 29.12%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2020 under the Income tax Act, 1961.

Note 30 - Financial Instruments

30.1 Capital Management

The capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The Company's objectives when managing capital is to safeguard their ability to continue as a going concern while maximizing the return to shareholders through the optimization of cash and cash equivalents along with investment which is predominantly investment in liquid and short term mutual funds.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

30.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2019 and March 31, 2018 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	3,165.95	1,798.82	3,165.95	1,798.82
Measured at amortized cost				
- Trade receivables	2,736.64	3,382.96	2,736.64	3,382.96
- Contract assets	152.08	-	152.08	-
- Cash and cash equivalents	285.01	205.22	285.01	205.22
- Other bank balances	686.58	431.55	686.58	431.55
- Other financial assets	143.32	99.73	143.32	99.73
Total financial assets	7,169.58	5,918.28	7,169.58	5,918.28
Financial Liabilities				
Measured at amortized cost				
- Trade payables	2344.92	1742.40	2,344.92	1,742.40
- Other financial liabilities	1269.60	717.12	1,269.60	717.12
Total financial liabilities	3,614.52	2,459.52	3,614.52	2,459.52

The management assessed that fair value of cash and short- term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) The fair value of the quoted mutual funds is based on price quotations at reporting date.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2019 and March 31, 2018.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2019					
- Investment in mutual funds	6	3,165.95	3,165.95	-	-
As at March 31, 2018					
- Investment in mutual funds	6	1,798.82	1,798.82	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2019 and March 31, 2018.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2019					
Financial assets measured at amortized cost:					
- Trade receivables	10	2,736.64	-	-	2,736.64
- Contract assets	7	152.08	-	-	152.08
- Cash and cash equivalents	11A	285.01	-	-	285.01
- Other bank balances	11B	686.58	-	-	686.58
- Other financial assets	12	143.32	-	-	143.32
Financial liabilities measured at amortized cost:					
- Trade payables	17	2,344.92	-	-	2,344.92
- Other financial liabilities	18	1,269.60	-	-	1,269.60
As at March 31, 2018					
Financial assets measured at amortized cost:					
- Trade receivables	10	3,382.96	-	-	3,382.96
- Cash and cash equivalents	11A	205.22	-	-	205.22
- Other bank balances	11B	431.55	-	-	431.55
- Other financial assets	12	99.73	-	-	99.73
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,742.40	-	-	1,742.40
- Other financial liabilities	18	717.12	-	-	717.12

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Note 30.3 Financial Risk management objectives and polices

The Company treasury function provides service to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk report which analyze exposures by degree and magnitude of risk. These risk include market risk, currency risk, credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using policies approved by the board of directors, which provide written principles on interest risk, credit risk and investment of excess liquidity. The Company does not enter into trade financial instruments for speculative purpose.

The Company treasury function reports quarterly to the senior management team that monitors risk and policies implemented to mitigate risk exposures.

30.3.1 Market risk

The company is exposed primarily to the financial risk of change in foreign currency exchange rate. The Company transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. The Company being a net exporter, follows the policy of natural hedging of foreign exchange earnings. There is a net foreign exchange gain in the current and previous year.

30.3.1 (a) Foreign currency risk management

The company undertakes transactions denominated in foreign currencies, consequently, the company is exposed to exchange rate fluctuations. The company, being a net exporter, follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

The carrying amounts of the Company's foreign currency (unhedged) denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	March 31, 2019		March 31, 2018	
	Foreign Currency (in lakhs)	INR (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Creditors against import of goods, capital item and services				
- USD	7.54	528.02	6.44	423.45
- EUR	2.78	220.43	1.59	129.53
- GBP	0.11	9.89	0.28	25.63
- CHF	0.03	2.06	-	-
Trade and other receivables				
- USD	8.11	556.32	9.05	585.53
- EUR	2.63	200.49	3.33	264.10
- GBP	0.65	58.17	2.40	217.74

The sensitivity of impact on profit or loss of the company to changes in the exchange rates , individual currency wise, is summarized below:-

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2019	March 31, 2018
USD Sensitivity		
INR/USD - Increase by 1%	0.01%	0.10%
INR/USD - Decrease by 1%	(0.01%)	(0.10%)
EUR Sensitivity		
INR/EUR - Increase by 1%	(0.01%)	0.08%
INR/EUR - Decrease by 1%	0.01%	(0.08%)
GBP Sensitivity		
INR/GBP - Increase by 1%	0.02%	0.12%
INR/GBP - Decrease by 1%	(0.02%)	(0.12%)
CHF Sensitivity		
INR/CHF - Increase by 1%	0.00%	-
INR/CHF - Decrease by 1%	0.00%	-

30.3.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The customers are broadly classified into high risk and medium risk, accordingly credit limit exposure is fixed. The company carries out payment performance review of all customers and based on this analysis, risk category of customers are evaluated annually. Further, the utilization of credit limit is regularly monitored through inbuilt locks in the ERP system.

Details of loss allowance

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)
Within the credit period	1,786	0	2,260	0
1-30 days past due	391	2	416	1
31-60 days past due	192	2	203	2
61-90 days past due	95	3	89	2
More than 90 days past due	317	7	453	6

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Reconciliation of loss allowance

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	37.78	29.69
Amounts recognised in the year	30.18	31.35
Amounts written off during the year	(21.16)	(8.23)
Amounts recovered during the year	(2.68)	(15.03)
Balance at end of the year	**44.12**	**37.78**

Sensitivity analysis of loss allowance

Particulars	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
Increase in loss allowance + 1%	27.81	34.21
Decrease in loss allowance - 1%	(17.09)	(13.87)

30.3.3 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's business and reputation.

The Company regularly reviews its receivables, inventory and other working capital elements to mitigate any liquidity concerns. Any surplus from the business funds needs is parked in debt mutual funds (liquid / liquid plus) of reputed Asset Management Companies to provide day to day working capital.

Also, the company has unutilized credit limits with bank.

The following table presents the maturity period of all financial liabilities as at March 31, 2019 and March 31, 2018.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2019					
Financial liabilities measured at amortized cost:					
- Trade payables	17	2,344.92	2,344.92	-	-
- Other financial liabilities	18	1,269.60	1,269.60	-	-
As at March 31, 2018					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,742.40	1,742.40	-	-
- Other financial liabilities	18	717.12	717.12	-	-

Note 31 - Segment Disclosure

31.1 Products and services from which reportable segments derive their revenue

The Executive Director & CEO of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

1) The Company is organised into two main business segments, namely:

   a) Super Abrasives and b) Machines, Accessories and Components.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments. The Company has identified business segments as its primary segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

2) Segment Revenue and expenses have been identified to segments on the basis of their relationships to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Other un-allocable Expenditure".

31.2 Segment Revenues and Results

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1. Segment Revenue		
a) Super Abrasives	10,781.59	10,229.18
b) Machines, Accessories and Components	3,204.18	2,681.94
Total	13,985.77	12,911.12
Less:- Inter Segment Revenue	-	-
Revenues / Income From Operations	**13,985.77**	**12,911.12**
2. Segment Results		
a) Super Abrasives	1,859.77	1,975.47
b) Machines, Accessories and Components	473.15	217.32
Total	2,332.92	2,192.79
Less: (i) Finance costs	0.50	19.64
(ii) Other un-allocable expenditure net of un-allocable income of Rs. 708.77 lakhs (March 31, 2018 : Rs. 685.18 lakhs)	428.14	521.70
(iii) Tax expense	557.67	421.75
Profit for the year	**1,346.61**	**1,229.70**

31.3 Revenue by geographical market

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	9,733.07	9,053.91
Outside India	4,252.70	3,857.21
Total	**13,985.77**	**12,911.12**

31.4 Segment assets

Segment assets and Segment liabilities of the Company's business other than inventory and receivables have not been identified to any reportable segment, as these are used interchangeably between segments.

Particulars	March 31, 2019	March 31, 2018
a) Super Abrasives	3,618.87	3,830.36
b) Machines, Accessories and Components	1,389.76	1,428.60
Total segment assets	**5,008.63**	**5,258.96**
Unallocated assets	11,323.33	9,300.12
Total assets as per Balance sheet	**16,331.96**	**14,559.08**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

31.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2019	March 31, 2018
India	5,744.36	5,645.94
Outside India	-	-
Total	**5,744.36**	**5,645.94**

31.6 Information about major customers

For the year ended March 31, 2019, one customer (March 31, 2018 : Nil) represents 10% or more of the company's total revenue.

Note 32 - Leases

(a) The Company is obligated under cancelable operating leases towards residential accommodation, which are renewable at the option of both the lessor and the lessee. Total rental expense debited to the Statement of Profit and Loss under cancelable operating leases amounts to Rs. 18.05 lakhs (March 31, 2018: Rs 16.51 lakhs).

There are no sub-lease payments received/receivable recognised in the statement of profit and loss. Also, there are no contingent rents payable and there are no restrictions imposed by lease agreements such as those concerning dividends and additional debt.

(b) The Company has leased out a portion of its factory building to a related party. Total rental income credited to the Statement of Profit and Loss amounts to Rs. 16.24 lakhs (March 31, 2018 : Rs. 14.76 lakhs)

The lease agreement is for a period of 12 months and can be terminated by either party by giving one month notice.

Details of the above referred lease are as given below:

Particulars	March 31, 2019	March 31, 2018
Gross carrying amount	1,664.10	1,590.09
Less: Accumulated depreciation	516.61	471.19
Net carrying amount	**1,147.49**	**1,118.90**

The depreciation recognized in respect of the factory building for the year is Rs. 54.55 lakhs (March 31, 2018 : Rs. 53.79 lakhs).

There are no contingent rents receivable.

Note 33 - Employee Benefits

Defined Contribution Plans

The Company operates defined contribution benefit plans for all qualifying employees of the company.

Superannuation fund, Providend fund and pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss based on the amount of contribution required to be made and services rendered by the employees. The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees of the company.

The liability for gratuity to employees as at the Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2019 and March 31, 2018:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation at beginning of period	414.90	377.88
Service cost		
a) Current service cost	42.11	32.93
b) Past service cost	-	-
Interest expenses	30.67	25.63
Benefits Paid	(11.85)	(23.37)
Remeasurements:		
a) Effect of changes in demographic assumptions	(3.32)	-
b) Effect of change in financial assumptions	58.58	(11.36)
c) Effect of experience adjustments	68.86	13.19
Defined benefit obligation at end of period	**599.95**	**414.90**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at beginning of period	491.26	244.14
Interest Income	39.25	25.74
Contributions	35.48	206.69
Benefits Paid	(11.85)	(23.37)
Remeasurements:		
a) Return on plan assets (excluding interest income)	1.15	38.06
Fair value of plan assets at end of period	**555.29**	**491.26**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	599.95	414.90
Fair value of plan assets	(555.29)	(491.26)
Deficit / (surplus) of funded plans	44.66	(76.36)
Effect of asset ceiling	-	-
Net defined benefit liability */ (asset)**	**44.66**	**(76.36)**

* *Included under provision for employee benefits in Note 15 - "Provisions"*
** *Included under prepayments in Note 7 - "Other current assets"*

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service Cost	42.10	32.93
Net interest cost	-	-
a) Interest expense on DBO	(8.57)	(0.10)
Net Gratuity Cost in the Statement of Profit and Loss *	**33.53**	**32.83**

* *Included under contribution to provident and other funds in Note 25 - "Employee benefits expense"*

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	124.12	1.83
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	1.15	38.06
Net Cost in Other Comprehensive Income	**122.97**	**(36.23)**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fund with an Insurance Company	555.29	491.26

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.47%	7.50%
Salary escalation rate	9.00%	7.00%
Attrition Rate	7.00%	6.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate +100 basis points	568.00	393.38
Discount rate -100 basis points	636.05	439.17
Salary Increase Rate +1%	632.28	437.02
Salary Increase Rate -1%	570.78	394.94
Attrition Rate +1%	596.83	415.40
Attrition Rate -1%	603.38	414.32

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(i) Expected cash flows for following year

Particulars	As at March 31, 2019	As at March 31, 2018
Expected employer contributions /Addl. Provision next year	157.07	89.79
Expected total benefit payments		
Year 1	156.45	93.70
Year 2	41.45	55.51
Year 3	73.61	26.43
Year 4	37.11	52.51
Year 5	35.78	23.40
Next 5 years	176.30	114.33

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2018: 10 years)

The Company expects to make a contribution of Rs. 45 lakhs (as at March 31, 2018: Rs.50 lakhs) to the defined benefit plans during the next financial year. The employee benefit obligations(net) have been included in current liabilities based on the expected contributions.

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

Particulars	As at March 31, 2019	As at March 31, 2018
Charge / (credit) in the Statement of Profit and Loss	99.24	17.34
Liability as at the year end	264.91	186.14

The entire amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The leave obligation not expected to be settled within the next 12 months amounts to Rs. 119.71 lakhs (March 31, 2018 : Rs. 91.21 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.47%	7.50%
Salary Escalation Rate	9.00%	7.00%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' Contribution to Provident Fund *	61.34	55.52
Employers' Contribution to Superannuation Fund *	31.23	29.35
Employers' Contribution to Employee's Pension Scheme 1995 *	61.25	61.43
Employers' Contribution to Employee's State Insurance #	17.59	18.53

* Included in Contribution to provident and other funds
# Included in staff welfare expenses

Note 34 - Related Party Transactions

1) List of Related parties:

i) Party with whom control exists -Subsidiaries

(a) Wendt Grinding Technologies Ltd, Thailand
(b) Wendt Middle East FZE, United Arab Emirates

ii) Venturers and their subsidiaries with whom transactions have taken place during the year

(a) Carborundum Universal Limited
  (1) Cumi America Inc
  (2) Cumi (Australia) Pty Ltd
  (3) Cumi Abrasives & Ceramics Company Ltd
  (4) Net Access India Ltd
  (5) Sterling Abrasives Limited

(b) Wendt GmbH, Germany
  (1) Wendt Boart SA
  (2) Winterthur Technologie France
  (3) Winterthur Technology Iberica
  (4) 3M Wixom USA
  (5) 3M UK Winterthur Technology
  (6) AO 3M Russia
  (7) 3M Automotive Industries Victoria
  (8) 3M Australia
  (9) Altifort Boart SPRL
  (10) 3M Svenska AB

iii) Company in which KMP / Director is a director

(a) Ace Designers Ltd
(b) Pragati Transmission P Ltd
(c) Tespa Tools Pvt Ltd
(d) Sterling Abrasives Limited

iv) Key Management Personnel

Mr. Rajesh Khanna, Executive Director & CEO (from July 24, 2018)

v) Relatives of Key Management Personnel

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

2) Transaction with related parties during the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18
Purchase of Capital Goods										
Carborundum Universal Limited	-	-	-	0.70	-	-	-	-	-	0.70
Wendt Middle East FZE	-	2.27	-	-	-	-	-	-	-	2.27
Wendt Grinding Technologies Ltd	33.42	-	-	-	-	-	-	-	33.42	-
Other Purchases										
Wendt Gmbh, Germany	-	-	242.22	270.57	-	-	-	-	242.22	270.57
Carborundum Universal Limited	-	-	81.10	81.13	-	-	-	-	81.10	81.13
Wendt Grinding Technologies Ltd	20.48	14.86	-	-	-	-	-	-	20.48	14.86
Cumi Abrasives & Ceramics Company Ltd	-	-	-	0.56	-	-	-	-	-	0.56
Wendt Middle East FZE	-	3.00	-	-	-	-	-	-	-	3.00
Altifort Boart SPRL	-	-	0.37	3.59	-	-	-	-	0.37	3.59
3M Wixom USA	-	-	-	0.54	-	-	-	-	-	0.54
Tespa Tools Pvt Ltd	-	-	-	-	2.54	0.08	-	-	2.54	0.08
Sterling Abrasives Limited	-	-	21.81	9.87	-	-	-	-	21.81	9.87
Net Access India Limited	-	-	20.21	9.73	-	-	-	-	20.21	9.73
Sale of Goods and Services										
Wendt GmbH Germany	-	-	399.25	261.81	-	-	-	-	399.25	261.81
Carborundum Universal Limited	-	-	222.21	205.05	-	-	-	-	222.21	205.05
Cumi America Inc	-	-	274.16	353.99	-	-	-	-	274.16	353.99
CUMI (Australia) Pty Ltd	-	-	2.23	0.73	-	-	-	-	2.23	0.73
Cumi Abrasives & Ceramics Company Ltd	-	-	144.33	183.67	-	-	-	-	144.33	183.67
Wendt Grinding Technologies Ltd	381.68	282.47	-	-	-	-	-	-	381.68	282.47
Wendt Middle East FZE	259.00	209.41	-	-	-	-	-	-	259.00	209.41
Winterthur Technologie France	-	-	34.92	26.51	-	-	-	-	34.92	26.51
Wendt Boart SA	-	-	25.59	193.14	-	-	-	-	25.59	193.14
3M Automotive Industries Victoria	-	-	4.93	3.32	-	-	-	-	4.93	3.32
Winterthur Technology Iberica	-	-	167.38	129.45	-	-	-	-	167.38	129.45
3M Wixom USA	-	-	75.03	46.12	-	-	-	-	75.03	46.12
3M UK Winterthur Technology	-	-	164.42	136.16	-	-	-	-	164.42	136.16
AO 3M Russia	-	-	1.53	2.45	-	-	-	-	1.53	2.45
Altifort Boart SPRL	-	-	31.67	-	-	-	-	-	31.67	-
3M Svenska AB	-	-	1.39	-	-	-	-	-	1.39	-
3M Australia	-	-	0.33	-	-	-	-	-	0.33	-
Ace Designers Ltd	-	-	-	-	-	2.27	-	-	-	2.27
Pragati Transmission P Ltd	-	-	-	-	0.47	-	-	-	0.47	-
Sansera Engineering Limited	-	-	-	-	46.41	-	-	-	46.41	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18
Payment of Rent										
Rajesh Khanna	-	-	-	-	-	-	9.03	8.26	9.03	8.26
Preethi Khanna	-	-	-	-	-	-	9.02	8.25	9.02	8.25
Payment of Managerial Remuneration										
Rajesh Khanna (refer note (c) below)	-	-	-	-	-	-	131.48	-	131.48	-
Receipt of Dividend										
Wendt Middle East FZE	-	41.56	-	-	-	-	-	-	-	41.56
Wendt Grinding Technologies Ltd	173.09	155.45	-	-	-	-	-	-	173.09	155.45
Payment of Service Fee and Commission										
Carborundum Universal Limited	-	-	194.14	177.68	-	-	-	-	194.14	177.68
Wendt Middle East FZE	-	-	-	-	-	-	-	-	-	-
Payment of Dividend										
Carborundum Universal Limited	-	-	239.22	199.34	-	-	-	-	239.22	199.34
Wendt GmbH Germany *	-	-	239.22	199.34	-	-	-	-	239.22	199.34
Management fee, Service charges, Commission, Rent and Accounting charges										
Wendt GmbH Germany	-	-	22.92	20.08	-	-	-	-	22.92	20.08
Carborundum Universal Limited	-	-	16.24	14.76	-	-	-	-	16.24	14.76
Wendt Grinding Technologies Ltd	36.88	29.58	-	-	-	-	-	-	36.88	29.58
Wendt Middle East FZE	9.25	8.24	-	-	-	-	-	-	9.25	8.24
Reimbursement of Expenses - Paid										
Carborundum Universal Limited	-	-	80.43	67.11	-	-	-	-	80.43	67.11
Cumi America Inc	-	-	33.88	2.05	-	-	-	-	33.88	2.05
Cumi Abrasives & Ceramics Company Ltd	-	-	-	9.62	-	-	-	-	-	9.62
Reimbursement of Expenses - Received										
Carborundum Universal Limited	-	-	88.16	13.38	-	-	-	-	88.16	13.38
Wendt Grinding Technologies Ltd	1.75	3.58	-	-	-	-	-	-	1.75	3.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

3) The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Amount due from										
Wendt GmbH Germany	-	-	58.65	67.10	-	-	-	-	58.65	67.10
Carborundum Universal Limited	-	-	56.07	38.83	-	-	-	-	56.07	38.83
Cumi America Inc	-	-	107.43	144.91	-	-	-	-	107.43	144.91
CUMI (Australia) Pty Ltd	-	-	0.36	-	-	-	-	-	0.36	-
Cumi Abrasives & Ceramics Company Ltd	-	-	84.50	142.82	-	-	-	-	84.50	142.82
Wendt Grinding Technologies Ltd Thailand	77.56	56.62	-	-	-	-	-	-	77.56	56.62
Winterthur Technologie France	-	-	1.01	2.66	-	-	-	-	1.01	2.66
Wendt Boart SA	-	-	-	36.79	-	-	-	-	-	36.79
3M Automotive Industries Victoria	-	-	-	0.29	-	-	-	-	-	0.29
Winterthur Technology Iberica	-	-	39.82	40.13	-	-	-	-	39.82	40.13
3M Wixom USA	-	-	21.06	13.94	-	-	-	-	21.06	13.94
3M UK Winterthur Technology	-	-	8.87	28.51	-	-	-	-	8.87	28.51
AO 3M Russia	-	-	0.14	-	-	-	-	-	0.14	-
Altifort Boart SPRL	-	-	6.39	-	-	-	-	-	6.39	-
Amount due to										
Wendt GmbH Germany	-	-	88.42	67.19	-	-	-	-	88.42	67.19
Wendt Grinding Technologies Ltd Thailand	38.26	3.02	-	-	-	-	-	-	38.26	3.02
Wendt Middle East FZE	92.39	74.99	-	-	-	-	-	-	92.39	74.99
Carborundum Universal Limited	-	-	308.07	279.32	-	-	-	-	308.07	279.32
Cumi America Inc	-	-	2.54	0.54	-	-	-	-	2.54	0.54
Cumi Abrasives & Ceramics Company Ltd	-	-	-	0.73	-	-	-	-	-	0.73
Altifort Boart SPRL	-	-	0.36	-	-	-	-	-	0.36	-
Rajesh Khanna	-	-	-	-	-	-	0.71	0.65	0.71	0.65
Preethi Khanna	-	-	-	-	-	-	0.71	0.64	0.71	0.64
Sterling Abrasives Limited	-	-	3.79	1.19	-	-	-	-	3.79	1.19
Net Access India Limited	-	-	7.82	3.10	-	-	-	-	7.82	3.10

4) The details of compensation to key management personnel are as follows:

Particulars	18-19	17-18
Short term benefits	100.11	97.45
Post-Employment Benefits	14.00	12.80
Other benefits	17.37	15.36

a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / back other than the amount included above during the year.

c) Managerial remuneration as disclosed above has been paid in excess of the limits specified in Schedule V to the Companies Act, 2013 as computed in accordance with Section 198 of the Companies Act, 2013, during the financial year. The same has been held in trust by the Managerial personnel until the time the shareholders' approval is obtained to comply with the requirements of Section 197 read with Schedule V to the Act.The Company has proposed to obtain the shareholders' approval to comply with the requirements of Section 197 read with Schedule V to the Act in the ensuing Annual General Meeting.

* Amount for both the years lying in unclaimed / unpaid dividend account

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 35 - Earning per share (EPS)

(Rs. in lakhs, except number of shares)

Particulars	March 31, 2019	March 31, 2018
(a) Profit for the year	1,346.61	1,229.70
(b) Weighted average number of equity shares	2,000,000	2,000,000
(c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) -		
Basic and diluted	67.33	61.49

Note 36 - Contingent liability and commitments to the extent not provided for:
36.1 Commitments

Particulars	March 31, 2019	March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. 1.01 lakhs, March 31, 2018: Rs. Nil lakhs)	1,210.72	341.51
b) Other Commitments	-	-

36.2 The Company has a working capital limit with State Bank of India, secured by hypothecation of stock and book debts and collateral charge on all fixed assets other than land and building.

Note 37 - Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	March 31, 2019	March 31, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year	172.71	99.22
(ii) Interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 38 - Value of imports on CIF basis:

Particulars	March 31, 2019	March 31, 2018
Raw Materials	2,599.96	2,298.21
Traded goods	129.06	141.73
Stores and spare parts	125.13	116.96
Capital goods	342.03	123.60

Note 39 - Expenditure in Foreign Currency

Particulars	March 31, 2019	March 31, 2018
Technical consultancy fee	46.44	50.15
Travel	89.92	76.34
Others	42.66	15.35

Note 40 - Details of consumption of imported and indigenous items

Particulars	March 31, 2019	March 31, 2018
Imported		
Raw Material	2,213.73	2,147.74
Stores and Spare parts	89.68	70.28
Indigenous		
Raw Material	2,030.04	1,752.01
Stores and Spare parts	806.61	644.77

Note 41 - Earnings in Foreign exchange :

Particulars	March 31, 2019	March 31, 2018
FOB value of goods exported	4,213.97	3,805.97
Others	248.40	254.90

Note 42 - Research and Development Expenditure

Research and Development expenditure incurred during the year aggregates to Rs. 249.92 lakhs (Previous year Rs. 227.18 lakhs) as detailed below:

Particulars	March 31, 2019	March 31, 2018
Revenue expenditure (refer note below)	216.62	163.33
Capital expenditure (including capital work in progress)	33.30	63.85
Total	**249.92**	227.18

Notes:-

i) Revenue expenditure shown above includes depreciation of Rs. 52.67 lakhs (March 31, 2018 : Rs. 49.33 lakhs), consultancy services of Rs. 15.19 lakhs (March 31, 2018 : Rs. 12.78 lakhs) and travel expenditure of Rs. 8.27 lakhs (March 31, 2018 : Rs. 3.51 lakhs).

Note 43 - Previous years's figures have been regrouped / reclassified to conform to the current year's presentation for the purpose of comparability.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 44 - Corporate social responsibility

(a) Gross amount required to be spent by the company during the year :- Rs. 31.70 lakhs (Previous Year Rs. 32.36 lakhs)
(b) Amount spent by the company during the year on :- Rs. 31.70 lakhs (Previous Year Rs. 32.36 lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2018-19	3.35	28.35	31.70
- in 2017-18	26.01	6.35	32.36

Note 45 - Approval of financial statements

The financial statements were approved for issue by the board of directors on April 25, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136
Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Statement of Holding Company's Interest in Subsidiary Company

1 Name of the Company	Wendt Grinding Technologies Ltd	Wendt Middle East FZE
2 The Financial year of the Subsidiary ended on	31st March 2019	31st March 2019
3		
a i) Number of ordinary shares held by Wendt India Ltd in the Subsidiary Company on the above date	1,02,99,993	8
	Face Value Paid up value	Face Value Paid up value
ii) Face value and paid up value per share	Thai Baht 10 - Thai Baht 2.50	AED 150,000 AED 150,000
iii) Interest of Wendt India Ltd	100%	100%
b i) Number of Preference shares held by Wendt India Ltd in the Subsidiary Company on the above date	---	---
ii) Face value and paid up value per share	----	----
iii) Interest of Wendt India Ltd	----	----
	Rs in lakhs	**Rs in lakhs**
4 The Net aggregate profit/loss of subsidiary Company so far as it concerns the holding Company		
i) Not dealt with in the accounts of Wendt India Ltd		
a) For the Subsidiary 's Financial year ended 31st March, 2019 *	396.05	3.34
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	2063.63	278.45
ii) Dealt with in the accounts of Wendt India Ltd, by way of Dividends on the shares held in the subsidiary		
a) For the Subsidiary 's Financial year ended 31 st March, 2019	173.09	-
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	1363.45	202.71

* Computed based on the exchange rates as on 31 st March 2019 (Thai Baht Rs. 2.186 and AED Rs. 18.270)

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

Place: Hosur
Date: April 25, 2019

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

T A JANANI
Company Secretary

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED.

Report on audit of the consolidated financial statements

Opinion

1. We have audited the accompanying consolidated financial statements of Wendt (India) Limited (hereinafter referred to as the "Company" or the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), (refer notes 1 and 2.3 to the attached consolidated financial statements), which comprise the consolidated Balance sheet as at March 31, 2019 and the consolidated Statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31,2019, of its consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Appropriateness of provision recognized for obsolescence of slow moving Inventory

Refer Note 2.2 (Critical Estimates and Judgments) and Note 9 (Inventories) to the financial statements.

The Holding Company manufacturers super abrasives and precision tools which includes grinding and honing tools. The inventory of the Holding Company (including raw materials, work in progress, finished goods, stock in trade and stores and spares) as at March 31, 2019 aggregates to Rs.2,272 Lakhs. The Holding Company has recognized a provision for obsolescence of the above inventories for Rs.105 Lakhs. Such provision for obsolescence mainly arises on account of:

(a) Items expected to be sold below cost (finished goods, stock in trade and work in progress) and

(b) Items which have become wholly or partially obsolete (raw materials, work in progress, finished goods, stock in trade and stores and spares).

Management judgment is required in assessing the adequacy of provision for obsolescence of slow moving inventory. There are key assumptions and management estimates involved in the provision, including the saleability of aged inventory and the value that will be realised on sale. These judgements may have a significant impact on the calculation of inventory provision.

Due to the judgements involved, the risk around the adequacy of inventory provision is a focus area for the audit and is determined as a key audit matter.

How our audit addressed the key audit matter

Our audit procedures which involved applying sampling techniques included the following:

- Understanding and evaluating the design and testing the operating effectiveness of Holding Company's controls relating to recognition of provision for obsolescence of inventory.
- Understanding the methodology used to calculate the inventory provision and determining whether it was consistent with that applied in the prior year.
- Testing whether all the slow moving inventory items have been considered by the Management along with the basis for its expected usage for recognition of provision.
- Discussing with Holding Company's personnel, the rationale for recognizing a provision for inventory with little or no movement during year.
- Testing the pattern of inventory movement obtained from the Management
- Testing the reconciliation of the amount of total inventory used for the calculation of provision to the inventory recorded.
- In respect of inventory items expected to be sold off at below cost, testing the management's basis for determining the net realizable value based on contracted selling price per sales orders or historical selling price as adjusted for price fluctuations and other factors, as applicable
- Verifying the arithmetical accuracy of the computation of the provision

Based on the above procedures performed, we considered the provision recognized for obsolescence of slow moving inventory to be reasonable.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance Report and Shareholder information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11 We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14 We did not audit the financial statements/ financial information of two subsidiaries whose financial statements / financial information reflect total assets of Rs.2,310 lakhs and net assets of Rs.1,981 lakhs as at March31, 2019, total revenue of Rs. 2,908 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 389 lakhs and net cash flows amounting to Rs. 229 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15 As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated financial Statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. There were no pending litigations which would impact the consolidated financial position of the Group.

ii. The Group did not have any long-term contracts including derivative contracts as at March 31, 2019.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number (FRN): 012754N/N500016

Mohan Danivas S A
Partner
Membership Number: 209136

Hosur
April 25, 2019

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of Wendt (India) Limited on the consolidated financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Wendt (India) Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to the two subsidiaries namely, Wendt Grinding Technologies Limited and Wendt Middle East FZE.

Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company: and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number (FRN): 012754N/N500016

Mohan Danivas S A
Partner
Membership Number: 209136

Hosur
April 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, plant and equipment	3	**5,370.85**	5,459.03
	(b) Capital work-in-progress		**469.25**	199.56
	(c) Goodwill	4	**10.27**	10.27
	(d) Other intangible assets	5	**138.14**	214.77
	(e) Other non-current assets	7	**58.44**	60.11
	(f) Income tax assets (net)	8	**274.67**	287.87
	Total non - current assets (1)		**6,321.62**	**6,231.61**
2	**Current assets**			
	(a) Inventories	9	**2,475.65**	2,130.28
	(b) Financial assets			
	(i) Investments	6	**3,636.30**	2,245.16
	(ii) Trade receivables	10	**3,046.52**	3,661.45
	(iii) Cash and cash equivalents	11A	**1,093.26**	784.30
	(iv) Bank balances other than (iii) above	11B	**686.58**	431.55
	(v) Other financial assets	12	**123.02**	88.58
	(c) Other current assets	7	**596.08**	420.39
	Total current assets (2)		**11,657.41**	9,761.71
	Total assets (1+2)		**17,979.03**	**15,993.32**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity share capital	13	**200.00**	200.00
	(b) Other equity	14	**12,825.74**	11,962.48
	Total equity (1)		**13,025.74**	**12,162.48**
	Liabilities			
2	**Non-current liabilities**			
	(a) Deferred tax liabilities (net)	16	**302.62**	397.37
	Total non - current liabilities (2)		**302.62**	**397.37**
3	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables			
	- total outstanding dues of micro and small enterprises	17	**172.71**	99.22
	- total outstanding dues of creditors other than micro and small enterprises	17	**2,269.78**	1,834.36
	(ii) Other financial liabilities	18	**1,269.60**	717.12
	(b) Provisions	15	**309.81**	186.14
	(c) Income tax liabilities (net)	8	**58.91**	319.44
	(d) Other current liabilities	19	**569.86**	277.19
	Total current liabilities (3)		**4,650.67**	**3,433.47**
	Total equity and liabilities (1+2+3)		**17,979.03**	**15,993.32**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.
This is the consolidated balance sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
1	**INCOME**			
	(a) Revenue from operations	20	**16,455.21**	14,894.14
	(b) Other income	21	**242.33**	255.08
	Total income (1)		**16,697.54**	**15,149.22**
2	**EXPENSES**			
	(a) Cost of materials consumed	22	**4,243.77**	3,899.75
	(b) Purchases of stock-in-trade		**1,308.82**	1,158.90
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**(83.43)**	25.45
	(d) Excise duty		**-**	225.72
	(e) Employee benefits expense	24	**3,106.93**	2,765.61
	(f) Finance costs	25	**0.50**	19.64
	(g) Depreciation and amortisation expense	26	**1,027.93**	1,042.94
	(h) Other expenses	27	**4,900.39**	4,207.15
	Total Expenses (2)		**14,504.91**	**13,345.16**
3	**Profit before tax (1 - 2)**		**2,192.63**	**1,804.06**
4	**Tax Expense**			
	(a) Current tax	28	**677.18**	659.91
	(b) Income tax for earlier years	28	**55.86**	-
	(c) Deferred tax	28	**(81.75)**	(168.25)
	Total tax expense		**651.29**	**491.66**
5	**Profit for the period (3 - 4)**		**1,541.34**	**1,312.40**
6	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		**(122.97)**	36.23
	(ii) Income tax relating to the above		**35.81**	-
	B Items that may be reclassified to profit or loss			
	(i) Exchange differences in translating the financial statements of foreign operations		**114.87**	184.13
	Total other comprehensive income		**27.71**	**220.36**
7	**Total comprehensive income for the period (5 + 6)**		**1,569.05**	**1,532.76**
8	**Earnings per equity share:**	34		
	(1) Basic		**77.07**	65.62
	(2) Diluted		**77.07**	65.62

The above consolidated statement of Profit and Loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

(A) Equity Share Capital

Balance as at April 1, 2017 Add: Changes in equity share capital during the year	200.00 -
Balance as at March 31, 2018	**200.00**
Balance as at April 1, 2018 Add: Changes in equity share capital during the year	200.00 -
Balance as at March 31, 2019	**200.00**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

(B) Other Equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	General Reserve	Statutory Reserve	Retained Earnings	Exchange difference	
Balance as at April 1, 2017	**6,125.66**	**44.43**	**4,914.34**	**(52.92)**	**11,031.51**
Profit for the year	-	-	1,312.40	-	1,312.40
Other comprehensive income for the year, net of income tax	-	-	36.23	184.13	220.36
Total comprehensive income for the year	-	-	1,348.63	184.13	1,532.76
Payment of final dividend for the preceding financial year	-	-	(300.00)	-	(300.00)
Payment of dividend tax on final dividend for the preceding financial year	-	-	(61.07)	-	(61.07)
Payment of interim dividend for the current year	-	-	(200.00)	-	(200.00)
Payment of dividend tax on interim dividend for the current year	-	-	(40.72)	-	(40.72)
Transfer to General Reserve	130.00	-	(130.00)	-	-
Transfer to Statutory Reserve	-	0.99	(0.99)	-	-
Balance as at March 31, 2018	**6,255.66**	**45.42**	**5,530.19**	**131.21**	**11,962.48**
Profit for the year	-	-	1,541.34	-	1,541.34
Other comprehensive income for the year, net of income tax	-	-	(87.16)	114.87	27.71
Total comprehensive income for the year	-	-	1,454.18	114.87	1,569.05
Payment of final dividend for the preceding financial year	-	-	(300.00)	-	(300.00)
Payment of dividend tax on final dividend for the preceding financial year	-	-	(61.67)	-	(61.67)
Payment of interim dividend for the current year	-	-	(300.00)	-	(300.00)
Payment of dividend tax on interim dividend for the current year	-	-	(44.12)	-	(44.12)
Transfer to General Reserve	135.00	-	(135.00)	-	-
Transfer to Statutory Reserve	-	0.31	(0.31)	-	-
Balance as at March 31, 2019	**6,390.66**	**45.73**	**6,143.27**	**246.08**	**12,825.74**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136
Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

T A JANANI
Company Secretary

Place: Hosur
Date: April 25, 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities			
Profit before tax		**2,192.63**	**1,804.06**
Adjustments for :			
Depreciation and amortisation expense		1,027.93	1,042.94
Provision for trade receivables (net of reversal)		24.14	14.66
Bad Debts written off		36.24	2.39
Finance costs		0.50	19.64
Interest income on deposits		(10.64)	(5.21)
Dividend from current investments - mutual funds		(75.58)	(52.60)
Loss / (Profit) on sale / disposal of fixed assets (net)		16.68	0.11
Provisions and liabilities no longer required, written back		(23.93)	(15.12)
Net Gain on sale / fair valuation of current investments (net)		(55.26)	(11.73)
Unrealised exchange Loss / (Gain)		4.83	(23.87)
Operating profit before working capital changes		**3,137.54**	**2,775.27**
Changes in working capital :			
(Increase)/Decrease in inventories		(345.37)	(42.61)
(Increase)/Decrease in trade receivables		537.09	(583.45)
(Increase)/Decrease in other financial assets		(34.44)	(15.31)
(Increase)/Decrease in other non-current assets		4.60	(6.96)
(Increase)/Decrease in other current assets		(254.00)	44.13
Increase/(Decrease) in trade payables		545.47	536.54
Increase/(Decrease) in other current financial liabilities		260.32	211.70
Increase/(Decrease) in non-current provisions		-	(96.10)
Increase/(Decrease) in current provisions		79.01	(33.99)
Increase/(Decrease) in other current liabilities		292.67	52.18
Cash flow generated from operating activities		**4,222.89**	**2,841.40**
Income Taxes Paid (net of refunds)		(957.56)	(491.51)
Net Cash generated from operating activities	**(A)**	**3,265.33**	**2,349.89**
Cash flow from investing activities			
Capital expenditure on tangible fixed assets		(969.63)	(560.02)
Capital expenditure on intangible fixed assets		(1.19)	(37.21)
Proceeds from sale of tangible fixed assets		110.56	3.61
Sale / (Purchase) of current investments (net)		(1,335.88)	(766.22)
Interest income on deposits		10.64	5.21
Dividend from current investments - mutual funds		75.58	52.60
Bank balances not considered as cash and cash equivalents			
- Placed		(519.17)	(500.00)
- Matured / encashed		264.14	298.58
Net Cash used in from investing activities	**(B)**	**(2,364.95)**	**(1,503.45)**
Cash flow from financing activities			
Finance costs		(0.50)	(5.52)
Dividend Paid (including tax thereon)		(705.79)	(601.79)
Net Cash used in financing activities	**(C)**	**(706.29)**	**(607.31)**
Translation adjustment	**(D)**	114.87	184.13
Net Increase/(decrease) in cash and cash equivalents	**(A+B+C+D)**	**308.96**	**423.26**
Cash and cash equivalents at the beginning of the year	**E**	**784.30**	**361.04**
Cash and cash equivalents at the end of the year	**(A+B+C+D+E)**	**1,093.26**	**784.30**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

Reconciliation of Cash and cash equivalents as per cash flow statement

Cash and cash equivalents as per above comprise of the following:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents (Note 11A)	1,093.26	784.30
Balance as per statement of cash flows	**1,093.26**	**784.30**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.
This is the consolidated cash flow statement referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE No.1

1 GROUP OVERVIEW

Wendt (India) Limited (hereinafter referred to as "the Company") was incorporated on August 21, 1980 under the provisions of the erstwhile Companies Act,1956, and is a joint venture between Wendt GmbH Germany and Carborundum Universal Limited, India. Wendt (India) Limited is a leading manufacturer of Super Abrasives, High precision Grinding, Honing and Special Purpose Machines and High Precision components. The Company's registered office is in Bangalore and factory is situated in Hosur, Tamilnadu. The Company has 2 subsidiaries viz. Wendt Grinding Technologies Limited, Thailand and Wendt Middle East FZE, UAE. The Company, together with subsidiaries are hereinafter referred to as "the Group".

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the act) [Indian Accounting Standards Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

These Consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

(a) Ind AS 115, Revenue from Contracts with Customers - refer note 2.6 and note 20

(b) Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

(c) Appendix B, Foreign Currency Transactions and Advance consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The above amendments did not have any material impact on the financial statements of the group.

2.2 Critical Estimates and Judgements

The preparation of these Consolidated financial statements requires the use of accounting estimates which could differ from the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. These note provides an overview of the areas that involved higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

(i) Impairment of trade receivables - refer note 10 and note 29.3

(ii) Estimation of defined benefit obligation - refer note 32

(iii) Provision for obsolescence of inventories - refer note 2.18 and note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee
- is exposed, or has rights , to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and cease when the Company lose control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Following subsidiary companies have been included in Consolidation:-

(i) Wendt Grinding Technologies Limited, Thailand - 100% Ownership Proportion (as on March 31, 2019 & as on March 31, 2018) (incorporated on 19th July 2005)

(ii) Wendt Middle East FZE, Sharjah (UAE) - 100% Ownership Proportion (as on March 31, 2019 & as on March 31, 2018) (incorporated on 24th September 2008)

2.3.1. Changes in the Group's ownership interest in existing subsidiaries

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary (i.e.., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or , when applicable , the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the company and fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets and liabilities are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

2.5 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired business and the acquisition date fair value of any previous equity interest in the acquired entity (if any), over the fair value of the net identifiable assets acquired.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained above facts and circumstances that existed at the acquisition date that, if known, would have affect the amounts recognised at that date.

Goodwill arising on acquisition of a business is carried at costs as established at the date of acquisition of the business less accumulated impairment losses, if any.

Goodwill is tested for impairment annually. For the purpose of impairment testing, goodwill is allocated to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated to reduce the carrying amount of the goodwill. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

2.6 Revenue recognition

2.6.1 Revenue from contract with customers

The group applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the group has elected to apply the revenue standard only to contracts that are not completed as at the date of initial application. The impact of the adoption of the standard on the financial statements of the group is not material. In accordance with the modified retrospective approach, the comparatives have not been retrospectively adjusted.

Sale of goods

Revenue is recognised when control of products has transferred to customers and there are no unfulfilled obligations that could affect the customer's acceptance of the products. For the majority of the group's customer arrangements, control transfers to customers at a point-in-time when goods have been despatched as that is generally when legal title and risks and rewards of goods transfers to the customers.

Revenue is recognised at the transaction price which the group expects to be entitled.

The group does not adjust any of the transaction prices for the time value of money as the contract with customers does not contain a significant financing component.

When the consideration is received, before the group transfers goods to the customer, the group shall present the consideration as a contract liability and when the services rendered by the group exceed the payment, a contract asset is recognised excluding any amount presented as receivable.

Contract liabilities are disclosed as advances received from customers under other current liabilities.

Sale of services

Revenue from rendering of services is recognized at the point in time on rendering of services as per the terms of contracts with customers.

2.6.2 Other income

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised and accrued on time proportion basis.

Rental income

The group's policy for recognition of revenue from operating lease is described in note 2.7.1

2.7 Leasing - Operating

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.7.1 The group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.7.2 The group as lessee

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

2.8 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the consolidated profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income.

Government grants relating to the purchase of property, plant and equipment are netted off with the cost of related asset.

The export incentives from the Government are recognized based on eligibility at their fair value where there is a reasonable assurance that the incentive will be received and the company will comply with all attached conditions.

2.9 Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currency) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence are joint controlled), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.10 Borrowing costs

Borrowing costs, other than that are directly attributable to the acquisition, construction or production of a qualifying asset are expensed in the period in which they are incurred.

2.11 Employee benefits

2.11.1 Long Term Employee Benefits

Other long term Employee Benefits - Compensated Absences

The Company also has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Defined Contribution Plans

Superannuation fund, Provident fund and Pension fund are defined contribution plans towards which the company makes contribution at predetermined rates to the Superannuation Trust, and the Regional Provident Fund Commissioner respectively. The same is debited to the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Company also makes contributions to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plan

The liability or asset recognised for gratuity as at the Consolidated Balance sheet date is determined on the basis of actuarial valuation using Projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

Remeasurement, comprising actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in consolidated other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated Balance Sheet. Defined benefit costs are categorised as follows :

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income;
- remeasurement

Termination benefits are recognized as an expense as and when incurred.

2.11.2 : Short-term employee benefits

Short term employee benefits including performance incentives which are expected to be settled within 12 months after the end of the period in which the employee renders related service, are determined as per group's policy and recognized as expense based on expected obligation on undiscounted basis.

2.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense is recognized in the consolidated statement of profit and loss except to the extent it relates to items directly recognized in equity or in consolidated other comprehensive income.

2.12.1 Current tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

2.12.2 Deferred tax

Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in consolidated financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or losses at the time of the transaction.

Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences other than investment in subsidiaries, where the Parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.13 Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 Research and development costs

Revenue expenditure pertaining to research are charged to the respective heads in Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Property, plant and equipment.

2.15 Property, Plant and equipment

Freehold Land is carried at historical cost.

All other items of Property, Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying tangible assets up to the date the asset is ready for its intended use. Machinery spares which can be used exclusively in connection with an item of tangible asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent costs are included in the asset's carrying amount are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Individual assets costing less than Rs.5,000 each are depreciated in full in the year of acquisition.

Capital work-in-progress:

Items of assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

Depreciation

Depreciation is recognised so as to write off the cost of the assets (other than freehold land and properties under

construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the tangible assets are as follows:-

Buildings	
(i) Factory Building	30 years
(ii) Residential Building	60 years
(iii) Others	20 years
Plant and equipment	
(I) Single Shift	15 years
(ii) Double Shift	10 years
(iii) Triple Shift	7.5 years
Office equipment	
(i) Computers and Data Processing equipments	3 years
(ii) Servers and Networks	6 years
(iii) Others	5 years
Furniture and Fixtures	10 years
Vehicles	8 years

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the used / second hand machines & process bath equipments , in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation on assets added / disposed off during the year is provided on pro-rata basis from the month of addition or up to the month prior to the month of disposal, as applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement of profit or loss.

2.16 Intangible assets

2.16.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.16.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination other than goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

2.16.3 Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:-

Technical Knowhow	5 years
Software	5 years
Brands and Trademarks	5 years
Patents and Copyrights	5 years

2.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset(or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss.

2.18 Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour, and an appropriate proportion of overheads. Cost of inventories also include all other costs incurred in bringing the inventories to the present location and condition. Cost is computed on weighted average basis.

Net realisable value represents the estimated selling price for inventories less the estimated costs of completion and estimated costs necessary to make the sale.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with maturity of 3 months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts and Book overdrafts are disclosed under "Other financial liabilities".

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated.

2.20 Provisions and Contingencies

Provisions are recognised when the group has a present obligation (legal or constructive) as a results of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the consolidated financial statements.

2.21 Financial Instruments

Financial assets and financial liabilities are recognised when the group become a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in consolidated profit or loss.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

2.22.1. Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

Financial assets are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

Amortised cost are represented by security deposits, cash and cash equivalents and eligible current and non-current assets. Cash and cash equivalent comprise cash on hand and in banks and demand deposit with banks which can be withdrawn at any time without prior notice or penalty on the principal.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.22.4

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition) :

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding.

2.22.2 Investment in equity instruments at FVTOCI

On initial recognition, the group can make an irrevocable election (on an instrument- by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value. Subsequently, they are measured at fair value with gain and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instrument through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

2.22.3. Financial assets at fair value through profit or loss (FVTPL)

Financial asset at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividend or interest earned on the financial asset and is included under 'Other income'. Dividend on financial asset at FVTPL is recognised when the group's right to receive the dividends is established. It is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount can be measured reliably.

FVTPL is a residual category for financial assets. Any financial categorisation as at amortised cost or as FVTOCI, is classified at FVTPL. In addition, the group may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

2.22.4. Impairment of financial assets

The group measures the loss allowance for a financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on that financial instruments has increased significantly since initial recognition. If the credit risk on a financial instruments has not increased significantly since initial recognition, the group measures the loss allowance for that financial instruments at an amount equal to 12 month expected credit losses. 12 month expected credit losses are portion of the lifetime expected credit losses and represents the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

For trade receivables or any contractual rights to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the group always measures the loss allowance at an amount equal to life time expected credit losses.

Further, for the purposes of measuring lifetime expected credit loss allowance for trade receivables, the group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). Refer Note 30 for segment information presented.

2.24 Rounding Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, as per the requirement of Schedule III, unless otherwise stated.

2.25 New standards and interpretations not yet adopted

2.25.1 Ind AS 116 - Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also

contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The standard permits two possible method of transition.

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The impact of the adoption of the standard on the financial statements of the group is not expected to be material.

2.25.2 Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition :-

- Full retrospective - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight.

- Retrospectively, with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The impact of the adoption of the above pronouncement on the financial statements of the group is not expected to be material.

2.25.3 Amendment to Ind AS 12 - Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is financial periods beginning on or after April 1, 2019.

The impact of the adoption of the above amendment on the financial statements of the group is not expected to be material.

There are no other amendments, which have been notified, that are likely to have any material impact on the financial statements of the group.

Note 3 - Property, plant and equipment

(Rs. in Lakhs)

Description of assets	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
Balance as at April 1, 2017	103.74	1,883.60	3.58	8,073.88	897.52	264.54	191.92	**11,418.78**
Additions	-	7.45	-	382.98	53.63	22.94	41.90	**508.90**
Disposals	-	-	-	(23.64)	(43.60)	-	(21.51)	**(88.75)**
Effect of foreign currency translation from functional currency to reporting currency	11.80	35.48	-	16.57	4.96	-	8.55	**77.36**
Balance as at March 31, 2018	**115.54**	**1,926.53**	**3.58**	**8,449.79**	**912.51**	**287.48**	**220.86**	**11,916.29**
Balance as at April 1, 2018	**115.54**	**1,926.53**	**3.58**	**8,449.79**	**912.51**	**287.48**	**220.86**	**11,916.29**
Additions	-	93.57	-	722.09	51.63	18.20	74.06	**959.55**
Disposals	-	(19.56)	-	(272.38)	(5.34)	-	(18.49)	**(315.77)**
Effect of foreign currency translation from functional currency to reporting currency	4.89	14.70	-	6.86	2.09	(0.01)	4.17	**32.70**
Balance as at March 31, 2019	**120.43**	**2,015.24**	**3.58**	**8,906.36**	**960.89**	**305.67**	**280.60**	**12,592.77**
II. Accumulated depreciation								
Balance as at April 1, 2017	-	**583.46**	**3.58**	**4,132.06**	**564.26**	**139.58**	**122.56**	**5,545.50**
Depreciation expense for the year (Note No.26)	-	70.61	-	704.89	151.08	22.14	18.84	**967.56**
Eliminated on disposal of assets	-	-	-	(23.64)	(43.60)	-	(17.79)	**(85.03)**
Effect of foreign currency translation from functional currency to reporting currency	-	23.64	-	4.62	(3.74)	(0.60)	5.31	**29.23**
Balance as at March 31, 2018	-	**677.71**	**3.58**	**4,817.93**	**668.00**	**161.12**	**128.92**	**6,457.26**
Balance as at April 1, 2018	-	**677.71**	**3.58**	**4,817.93**	**668.00**	**161.12**	**128.92**	**6,457.26**
Depreciation expense for the year (Note No.26)	-	72.11	-	689.36	132.79	23.34	32.51	**950.11**
Eliminated on disposal of assets	-	(9.13)	-	(162.79)	(4.29)	-	(12.33)	**(188.54)**
Effect of foreign currency translation from functional currency to reporting currency	-	(3.10)	-	6.90	(2.22)	-	1.51	**3.09**
Balance as at March 31, 2019	-	**737.59**	**3.58**	**5,351.40**	**794.28**	**184.46**	**150.61**	**7,221.92**
Net carrying value as at March 31, 2018	**115.54**	**1,248.82**	-	**3,631.86**	**244.51**	**126.36**	**91.94**	**5,459.03**
Net carrying value as at March 31, 2019	**120.43**	**1,277.65**	-	**3,554.96**	**166.61**	**121.21**	**129.99**	**5,370.85**

a) Refer to Note 35.2 for information on property, plant and equipment pledged as security by the Group.

Note 4- Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

(Rs. in Lakhs)

Description of Assets	As at March 31, 2019	As at March 31, 2018
Cost		
Balance at beginning of year	10.27	10.27
Additions	-	-
Balance at end of year	**10.27**	10.27
Accumulated Impairment		
Balance at beginning of year	-	-
Impairment losses recognised during the year	-	-
Balance at end of year	-	-
Net Carrying Value	**10.27**	**10.27**

Note 5 - Other Intangible Assests

Description of Assets	Technical Knowhow	Computer Software	Brands/ Trademarks	Patents	Total
I. Gross Block					
Balance as at April 1, 2017	**202.26**	**271.22**	**81.00**	**50.00**	**604.48**
Additions	-	52.08	-	-	**52.08**
Effect of foreign currency translation from functional currency to reporting currency	-	0.05	-	-	**0.05**
Balance as at March 31, 2018	**202.26**	**323.35**	**81.00**	**50.00**	**656.61**
Balance as at April 1, 2018	**202.26**	**323.35**	**81.00**	**50.00**	**656.61**
Additions	-	1.19	-	-	**1.19**
Effect of foreign currency translation from functional currency to reporting currency	-	0.01	-	-	**0.01**
Balance as at March 31, 2019	**202.26**	**324.55**	**81.00**	**50.00**	**657.81**
II. Accumulated amortisation					
Balance as at April 1, 2017	**164.29**	**182.60**	**12.15**	**7.50**	**366.54**
Amortisation expense for the year (Note No. 26)	14.64	34.54	16.20	10.00	**75.38**
Effect of foreign currency translation from functional currency to reporting currency	-	(0.08)	-	-	**(0.08)**
Balance as at March 31, 2018	**178.93**	**217.06**	**28.35**	**17.50**	**441.84**
Balance as at April 1, 2018	**178.93**	**217.06**	**28.35**	**17.50**	**441.84**
Amortisation expense for the year (Note No.26)	14.54	37.08	16.20	10.00	**77.82**
Effect of foreign currency translation from functional currency to reporting currency	-	0.01	-	-	**0.01**
Balance as at March 31, 2019	**193.47**	**254.15**	**44.55**	**27.50**	**519.67**
Net carrying value as at March 31, 2018	**23.33**	**106.29**	**52.65**	**32.50**	**214.77**
Net carrying value as at March 31, 2019	**8.79**	**70.40**	**36.45**	**22.50**	**138.14**

Note 6 - Investments

(Rs. in Lakhs)

Sl No	Particulars	As at March 31, 2019		As at March 31, 2018	
		Units (Nos)	Amount	Units (Nos)	Amount
A	**Designated as Fair Value Through Profit and Loss**				
	Quoted Investments				
	Investments in Mutual Funds				
1	ICICI Prudential Money Market Fund - Daily Dividend	-	-	33,053	33.11
2	ICICI Prudential Liquid Fund - Daily Dividend	-	-	30,858	31.15
3	ICICI Prudential Ultra Short Term Fund - Growth	1,563,904	295.27	667,437	117.04
4	ICICI Prudential Money Market Fund - Direct Plan - Growth	19,496.18	50.72	-	-
5	ICICI Prudential Savings Fund -Growth	20,982.99	75.27	-	-
6	Aditya Birla Sun Life Savings Fund -Daily Dividend Regular Plan Reinvestment	133,507.02	133.88	-	-
7	Aditya Birla Sun Life Money Manager Fund - Daily Dividend - Reinvestment	-	-	49,579	49.71
8	Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	44,001.34	110.12	-	-
9	Aditya Birla Sun Life Low Duration Fund -Growth Regular Plan	80,491.92	361.62	-	-
10	Aditya Birla Sun Life Interval Income Fund -Qrtly Plan - Series 1 Dividend -Reg Plan	-	-	490,000	49.39
11	Reliance Money Market Fund - Direct Growth Plan Growth Option	4,002.37	113.64	-	-
12	Reliance Medium Term Fund - Daily Dividend Plan- Dividend Reinvestment	-	-	595,696	101.89
13	Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment	5,530.29	84.58	3,229	49.39
14	Reliance Fixed Horizon Fund - XXXVI-Series4-Dividend Plan-Dividend Payout	-	-	400,000	40.32
15	Reliance Liquid Fund - Direct Plan Daily Dividend Option - Reinvest	13,177.54	201.53	-	-
16	TATA Short Term Bond Fund Regular Plan A - Growth	295,555	95.96	295,555	95.43
17	TATA Short Term Bond Fund Direct Plan - Growth	186,618	63.49	186,618	62.58
18	Baroda Pioneer Credit Risk Fund (Credit Opp.Fund till 05.06.2018)-Plan A Monthly Dividend-Reinvestment	1,051,635	110.84	4,277,045	461.47
19	Baroda Pioneer Treasury Advantage Fund-Plan A Daily Dividend -Reinvestment	-	-	21,758	224.26
20	Baroda Pioneer Liquid Fund-Plan A Daily Dividend-Reinvestment	-	-	4,960	49.67
21	Baroda Ultra Short Duration Fund-Direct Plan Daily Dividend Reinvestment	4,885.02	49.00	-	-
22	DSP BlackRock FMP - Series 222-3m-Reg-Div-Reg Pay	-	-	311,803	31.42
23	DSP Liquidity Fund - Direct Plan - Daily Dividend -Reinvest	5,034.28	50.39	-	-
24	Franklin India Ultra Short Bond Fund - Super Institutional Plan - DAILY DIVIDEND	3,696,533	373.02	-	-
25	Franklin India Short Term Income Plan - Retail Plan - Growth	11,376	454.72	-	-
26	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	718,671	188.79	-	-
27	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment	21	0.21	33,007	330.45
28	Indiabulls Ultra Short Term Fund - Existing Plan Daily Dividend - Reinvestment	-	-	5,104	51.22
29	SBI Magnum Ultra Short Duration Fund Regular Daily Dividend	-	-	1,213	20.32
30	SBI Liquid Fund - Direct- Daily Dividend	2,126	21.33	-	-
31	Invesco Money Market Fund -Growth	1,880	40.14	-	-
32	HDFC Ultra Short Term Fund - Regular Daily Dividend Reinvestment	2,193,113	220.41	-	-
33	HDFC Money Market Fund -Regular Plan-Daily Dividend Reinvestment	6,677	71.02	-	-
34	UOB Asset Management - Sure Daily	1,690,855	470.35	1,690,855	446.34
	TOTAL INVESTMENTS CARRIED AT FVTPL		**3,636.30**		**2,245.16**
	Other disclosures				
	Aggregate cost of quoted investments	-	3,525.99	-	2,199.00
	Aggregate market value of quoted investments	-	3,636.30	-	2,245.16
	Aggregate value of unquoted investments	-	-	-	
	Aggregate amount of impairment in value of investments	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 7 - Other non-current and current assets

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
(a) Advances to suppliers	77.94	-	39.55	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat and custom duty refundable	2.71	-	2.71	-
(ii) GST credit receivable	22.60	-	7.59	-
(iii) VAT credit receivable	2.17	-	1.76	-
(c) Prepayments	229.33	-	249.91	-
(d) Security deposits with government	-	55.51	-	60.11
(e) Capital advances	-	2.93		-
(f) Export incentive receivable	119.01	-	90.28	-
(g) Contract assets (refer note (i) below)	114.47	-	-	-
(h) Others	27.85	-	28.59	-
Unsecured, considered doubtful				
(a) Other loans and advances	35.78	-	34.19	-
Less: Provisions for doubtful loans and advances	(35.78)	-	(34.19)	-
TOTAL	**596.08**	**58.44**	**420.39**	**60.11**

Note (i) : Contract assets include Rs. 12.19 lakhs (March 31, 2018 : Rs. Nil) due from related parties.

Note 8 - Income tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax assets - non current		
Advance income tax paid (net)	274.67	287.87
Total	**274.67**	**287.87**
Income tax liabilities - current		
Provision for income tax (net)	58.91	319.44
Total	**58.91**	**319.44**

Note 9 - Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Raw materials	1,112.83	892.46
(b) Work-in-progress	794.85	693.05
(c) Finished goods	86.56	55.39
(d) Stock-in-trade	244.11	293.65
(e) Stores and spares	237.30	195.73
Total	**2,475.65**	**2,130.28**
Included above, goods-in-transit:		
(i) Raw materials	42.22	46.53
(ii) Stock-in-trade	49.94	99.75
Total goods-in-transit	**92.16**	**146.28**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Notes

1) Provision for inventories, which have either become wholly or partially obsolete (Provision for obsolescence) or where their selling prices have declined below cost (Provision for net realisable value) as at March 31, 2019 amounted to Rs. 107.06 lakhs (March 31, 2018: Rs. 88.11 lakhs). The inventory balance pertaining to the holding Company is Rs. 2,271.75 lakhs (March 31, 2018 : Rs 1,876.15 lakhs) and related provision is Rs. 104.50 lakhs (March 31, 2018 : Rs. 86.12 lakhs).
2) The group analyses inventory items with no movement for more than one year for potential obsolescence and accounts for provision for obsolescence based on management's judgement. Expected usage of the inventory items is considered for assessing the adequacy of write down.
3) In respect of inventory items expected to be sold below net realisable value, estimates of the amount the inventories are expected to realise are based on the most reliable evidence available at the time the estimates are made. These estimates are based on Management's judgement and take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

Note 10 - Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables from		
(a) Related parties	352.77	526.01
(b) Others	2,737.87	3,176.58
	3,090.64	3,702.59
Less: Loss allowance	44.12	41.14
Total	**3,046.52**	**3,661.45**

Note 10(a) - Break-up of security details

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	3,090.64	3,702.59
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	3,090.64	3,702.59
Less: Loss allowance	44.12	41.14
TOTAL	**3,046.52**	**3,661.45**

Note 11A - Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks in current accounts	1,090.91	778.27
(b) Cheques on hand	-	5.06
(c) Deposits with maturity of less than three months	1.40	-
(d) Cash in hand	0.95	0.97
Total	**1,093.26**	**784.30**

Note 11B - Bank balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deposits with maturity of more than three months and less than one year	18.47	0.70
(b) Earmarked balances in dividend accounts	668.11	430.85
Total	**686.58**	**431.55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 12 - Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Security deposits	12.82	7.02
(b) Employee advances	67.63	78.42
(c) Receivables from related parties	39.11	-
(d) Rent receivable from related party	3.46	3.14
TOTAL	**123.02**	**88.58**

Note - 13: Equity share capital

(Rs. in Lakhs, except for number of shares)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised:		
3,000,000 (March 31, 2018: 3,000,000) Equity shares of Rs. 10/- each with voting rights	300.00	300.00
Issued, subscribed and fully paid:		
2,000,000 (March 31, 2018: 2,000,000) Equity shares of Rs. 10/- each with voting rights	200.00	200.00
Total	**200.00**	**200.00**

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (Rs. in lakhs)	No. of Shares	Amount (Rs. in lakhs)
Shares outstanding at the beginning of the period	2,000,000	200.00	2,000,000	200.00
Add: Movements during the year	-	-	-	-
Shares outstanding at the end of the period	**2,000,000**	**200.00**	**2,000,000**	**200.00**

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	%	No. of Shares	%
Equity shares :				
Wendt GmbH, Germany	797,352	39.87	797,352	39.87
Carborundum Universal Limited, India	797,352	39.87	797,352	39.87

(c) Rights, Preferences and Restrictions attached to shares

The Company has only one class of equity shares with voting rights (one vote per share). The dividends proposed by the Board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only the residual assets of the Company. The distribution of dividend is in the proportion to the number of equity shares held by the shareholders.

(d) There are no instances of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the Balance Sheet date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 14- Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
A. Reserves and Surplus		
General Reserve	6,390.66	6,255.66
Statutory Reserve	45.73	45.42
Retained earnings	6,143.27	5,530.19
B. Items of Other Comprehensive Income		
Foreign Currency Translation Reserve	246.08	131.21
Total	**12,825.74**	**11,962.48**

14.1 General Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	6,255.66	6,125.66
Transfer from retained earnings	135.00	130.00
Balance as at the year end	**6,390.66**	**6,255.66**

The general reserve is a free reserve, retained from company's profits and can be utilised upon fulfilling certain conditions in accordance with Companies Act.

14.2 Statutory Reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	45.42	44.43
Transfer from retained earnings	0.31	0.99
Balance as at the year end	**45.73**	**45.42**

This represents appropriation of profit by the group.

14.3 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	5,530.19	4,914.34
Profit for the year	1,541.34	1,312.40
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	(87.16)	36.23
Payment of final dividend for the preceding financial year	(300.00)	(300.00)
Dividend tax on final dividend for the preceding financial year	(61.67)	(61.07)
Payment of interim dividend for the current year	(300.00)	(200.00)
Dividend tax on interim dividend for the current year	(44.12)	(40.72)
Transfer to General Reserve	(135.00)	(130.00)
Transfer to Statutory Reserve	(0.31)	(0.99)
Balance as at the year end	**6,143.27**	**5,530.19**

Retained earnings comprise of the group's undistributed earnings after taxes.

14.4 Foreign Currency Translation reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	131.21	(52.92)
Transfer	114.87	184.13
Balance as at the year end	**246.08**	**131.21**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Exchange differences relating to the translation of the results and net assets of the Group's foreign subsidiaries from their functional currencies to the Group's presentation currency (i.e. Indian Rupees) are recognised directly in Other Comprehensive Income and accumulated in the foreign currency translation reserve. Exchange differences accumulated in the foreign currency translation reserve are reclassified to Profit or Loss at the time of disposal of respective foreign operation.

14.5 Distributions made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2019 and March 31, 2018 was Rs. 30 and Rs. 25 respectively.

The Board of Directors at its meeting held on April 25, 2018 had recommended a final dividend of 150% (Rs.15/- per equity share of face value Rs.10/- each). The proposal was approved by shareholders at the Annual General Meeting held on July 24, 2018, this has resulted in a cash outflow of Rs. 361.67 lakhs, inclusive of dividend distribution tax of Rs. 61.67 lakhs. Also, the Board of Directors at its meeting held on January 23, 2019 had declared an interim dividend of 150% (Rs.15/- per equity share of face value of Rs.10/- each). Further, the Board of Directors at its meeting held on April 25, 2019 have recommended a final dividend of 150% (Rs. 15/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders.

Note 15 - Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Provision for employee benefits		
- Compensated absences (refer note 32)	264.91	186.14
- Gratuity (refer note 32)	44.66	-
- Other employee obligations	0.24	-
Total	**309.81**	**186.14**

Note 16 - Deferred tax liabilities

Particulars	March 31, 2019			
	Opening Balance	Recognised in profit and loss	Recognised in other comprehensive income	Closing balance
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment	460.17	(64.18)	-	395.99
Net gain on fair value of mutual funds	12.36	12.77	-	25.13
	472.53	(51.41)	-	421.12
Tax effect of items constituting deferred tax assets				
Employee benefits	(54.20)	(22.94)	(13.00)	(90.14)
Provision for doubtful trade receivables	(11.00)	(1.85)	-	(12.85)
Tax on unrealised profit on stock	-	(5.33)	-	(5.33)
Others	(9.96)	(0.22)	-	(10.18)
	(75.16)	(30.34)	(13.00)	(118.50)
Total	**397.37**	**(81.75)**	**(13.00)**	**302.62**

Particulars	March 31, 2018		
	Opening Balance	Recognised in profit and loss	Closing balance
Tax effect of items constituting deferred tax liabilities			
Property, plant and equipment	635.66	(175.49)	460.17
Net gain on fair value of mutual funds	13.38	(1.02)	12.36
	649.04	(176.51)	472.53
Tax effect of items constituting deferred tax assets			
Employee benefits	(63.19)	8.99	(54.20)
Provision for doubtful trade receivables	(10.27)	(0.73)	(11.00)
Others	(9.96)	-	(9.96)
	(83.42)	8.26	(75.16)
Total	**565.62**	**(168.25)**	**397.37**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 17 - Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Trade payables to		
- Micro and small enterprises	172.71	99.22
- Related parties (Refer Note 33)	450.17	410.10
- Others	1,819.61	1,424.26
Total	**2,442.49**	**1,933.58**

Note 18 - Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Unpaid dividends [refer note (i) below]	668.11	430.85
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies/services	344.04	56.45
(d) Retention money	4.56	-
(e) Due to employees	230.15	208.41
(f) Others	12.74	11.41
Total	**1,269.60**	**717.12**

Note:

(i) There are no amounts which has remained unpaid or unclaimed as at Balance sheet date requiring transfer to Investor Education and Protection Fund.

Note 19 - Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances received from customers [refer note (i) below]	485.42	140.23
(b) Statutory dues payable (other than income taxes)	71.82	136.96
(c) Others	12.62	-
Total	**569.86**	**277.19**

Note:

(i) Advances received from customers includes Rs. Nil (March 31, 2018 : Rs. 19.35 lakhs) due to related parties.

Note 20 - Revenue from operations

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Revenue from contract with customers		
(a) Sale of products (includes excise duty of Rs. Nil, March 31, 2018 : Rs. 225.72 lakhs) [refer note (i),(iii) and (v) below]	15,135.50	13,962.29
(b) Sale of services [refer note (ii) and (iii) below]	1,042.33	695.16
Other operating income [refer note (iv) below]	277.38	236.69
Total	**16,455.21**	**14,894.14**

Note 20(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Manufactured products	12,133.88	11,579.40
Traded products	3,001.62	2,382.89
Total - sale of products	**15,135.50**	**13,962.29**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 20(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Machining charges	865.16	695.16
Others	177.17	-
Total - sale of services	**1,042.33**	**695.16**

Note 20 (iii) - Other disclosures required under Ind AS 115

(a) The group has applied practical expedient in Ind AS 115, in relation to disclosure of aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations. As at Balance sheet date, there are no contracts that has an original expected duration of more than one year.

(b) Refer note 30 for disclosure of disaggregated revenue.

(c) Reconciliation of revenue recognised with contract price

Particulars	March 31, 2019
Contract price	16,177.83
Adjustment towards variable consideration	-
Revenue from sale of goods and services	16,177.83

Note 20(iv) - Details of other operating income

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Sale of scrap	79.94	57.84
Service charges	34.26	46.96
Commission	29.18	20.08
Export incentives (refer note vi below)	134.00	111.81
Total - Other Operating Income	**277.38**	**236.69**

Note 20(v) - Goods and service tax on revenue

Goods and Service Tax, (GST) has been introduced effective from July 1, 2017. Consequently, excise duty, value added tax (VAT), Central sales tax (CST), Service tax, etc, have been replaced with GST. Until June 30, 2017, 'Sale of products' included the amount of excise duty recovered on sales. With effect from July 1, 2017, 'Sale of products' excludes the amount of GST recovered. Accordingly, revenue from 'Sale of products' and "Revenue from operations' for the year ended March 31, 2019 are not comparable with those of the previous year.

Note 20(vi) - Government grants

Exports incentives represent grants in the nature of licenses under Merchandise export from India scheme (MEIS) and duty drawback.

Note 21 - Other income

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Interest income on deposits	10.64	5.21
(b) Dividend income		
- Dividend income from current investments - mutual funds	75.58	52.60
(c) Rental income	16.24	14.76
(d) Net gain on sale of current investments	7.90	4.21
(e) Net gain arising on financial assets designated as at fair value through profit or loss	47.36	7.51
(f) Net foreign exchange differences	34.57	112.54
(g) Provisions and liabilities no longer required, written back		
- For doubtful trade receivables	6.27	16.69
- For other expenses	23.93	15.12
(h) Miscellaneous income	19.84	26.44
Total	**242.33**	**255.08**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 22 - Cost of materials consumed

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening stock	892.46	852.31
Add: Purchases	4,464.14	3,939.90
	5,356.60	4,792.21
Less: Closing stock	1,112.83	892.46
Cost of materials consumed	**4,243.77**	**3,899.75**

Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Opening stock		
Work - in - progress	693.05	644.95
Finished goods	55.39	130.61
Stock-in- trade	293.65	291.98
	1,042.09	1,067.54
Closing stock		
Work - in - progress	794.85	693.05
Finished goods	86.56	55.39
Stock-in- trade	244.11	293.65
	1,125.52	1,042.09
Net (increase) / decrease	**(83.43)**	**25.45**

Note 24 Employee benefits expense

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Salaries,wages and bonus	2,568.85	2,273.02
(b) Contribution to provident and other funds	187.35	179.81
(c) Staff welfare expenses	350.73	312.78
Total	**3,106.93**	**2,765.61**

Note 25 Finance cost

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Interest expense	0.50	5.52
(b) Interest on shortfall in payment of advance tax	-	14.12
Total	**0.50**	**19.64**

Note 26 Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2019	March 31, 2018
(a) Depreciation of property, plant and equipment (refer note 3)	950.11	967.56
(b) Amortisation of intangible assets (refer note 5)	77.82	75.38
Total	**1,027.93**	**1,042.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 27 - Other Expenses

Particulars	Year ended			
		March 31, 2019		March 31, 2018
Stores and spares consumed		908.82		720.71
Contract labour		88.52		82.98
Repairs and maintenance				
- Buildings		118.73		75.54
- Machinery		171.10		152.21
- Others		32.14		38.90
Power and fuel charges		334.04		309.11
Freight outward and packing charges (net)		307.51		331.02
Rental charges		38.72		43.75
Processing charges		754.96		561.06
Directors' sitting fees		8.50		7.22
Commission to non-whole time independent directors		12.00		8.91
Rates and taxes		76.33		139.50
Contribution to research institution (refer Note 37)		2.00		2.00
Expenditure on corporate social responsibility (refer Note 37)		29.70		30.36
Insurance charges		25.01		25.74
Selling commission		34.17		80.60
Bad trade receivables written off	57.40		10.62	
Less:- Transferred from provision	21.16	36.24	8.23	2.39
Provision for doubtful trade receivables (refer note 29.3.2)		30.18		31.35
Increase/(decrease) of excise duty on inventory (refer note (i) below)		-		(14.51)
Auditors remuneration				
As auditors				
Statutory Audit		13.97		13.39
Tax Audit		1.00		1.00
Reimbursement of expenses		3.92		4.04
Bank charges		42.06		70.45
Service fee		194.14		177.68
Legal and professional expenses		229.92		144.98
Advertisement and sales promotion expenses		420.78		310.33
Travelling and conveyance expenses		503.02		451.86
Communication expenses		35.40		39.08
Loss on sale / disposal of fixed assets (net)		16.68		0.11
Miscellaneous expenses		430.83		365.39
Total		**4,900.39**		**4,207.15**

Note: (i)
The above excise duty relates to difference between the opening and closing stock of finished goods.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 28 - Income tax recognised in profit or loss

(a) Income tax expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of the current year	677.18	659.91
In respect of the Prior year	55.86	-
	733.04	659.91
Deferred tax		
In respect of the current year	(81.75)	(168.25)
	(81.75)	(168.25)
Total	**651.29**	**491.66**

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2019	Year ended March March 31, 2018
Profit before tax	2,192.63	1,804.06
Income Tax using the Company's domestic Tax rate of 29.12% (March 31, 2018 - 34.61%)	638.49	624.35
Effect of income that is exempt from tax	(15.50)	(13.81)
Effect of expenses that are not deductible in determining taxable profit	8.65	10.51
Effect of concessions (Research and development)	(25.60)	(25.31)
Effect of dividend income from foreign subsidiaries	30.24	34.09
Effect of different overseas tax rates	(43.26)	(54.09)
Effect of changes in deferred tax rates	-	(74.89)
Others	2.41	(9.19)
	595.43	491.66
Adjustment recognised in the current year in relation to current tax of previous years	55.86	-
Income tax recognised in statement of profit and Loss	**651.29**	**491.66**

Note:
The tax impact for deferred tax purposes for the Company has been arrived by applying a tax rate of 29.12% (March 31, 2018 : 29.12%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2020 under the Income tax Act , 1961.

Note 29 - Financial Instruments

29.1 Capital Management

The capital includes issued equity share capital and all other equity reserves attributable to the equity holders. The group's objectives when managing capital is to safeguard their ability to continue as a going concern while maximizing the return to shareholders through the optimisation of cash and cash equivalents along with investment which is predominantly investment in liquid and short term mutual funds.

29.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2019 and March 31, 2018 were as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	3,636.30	2,245.16	3,636.30	2,245.16
Measured at amortised cost				
- Trade receivables	3,046.52	3,661.45	3,046.52	3,661.45
- Contract assets	114.47	-	114.47	-
- Cash and cash equivalents	1,093.26	784.30	1,093.26	784.30
- Other bank balances	686.58	431.55	686.58	431.55
- Other financial assets	123.02	88.58	123.02	88.58
Total financial assets	8,700.15	7,211.04	8,700.15	7,211.04
Financial Liabilities				
Measured at amortised cost				
- Trade payables	2442.49	1933.58	2,442.49	1,933.58
- Other financial liabilities	1269.60	717.12	1,269.60	717.12
Total financial liabilities	3,712.09	2,650.70	3,712.09	2,650.70

The management assessed that fair value of cash and short- term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted mutual funds is based on price quotations at reporting date.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value measurement hierarchy of financial assets measured at fair value on recurring basis as at March 31, 2019 and March 31, 2018.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets designated at FVTPL:					
As at March 31, 2019					
- Investment in mutual funds	6	3,636.30	3,636.30	-	-
As at March 31, 2018					
- Investment in mutual funds	6	2,245.16	2,245.16	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2019 and March 31, 2018.

Particulars	Note	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2019					
Financial assets measured at amortized cost:					
- Trade receivables	10	3,046.52	-	-	3,046.52
- Contract assets	7	114.47	-	-	114.47
- Cash and cash equivalents	11A	1,093.26	-	-	1,093.26
- Other bank balances	11B	686.58	-	-	686.58
- Other financial assets	12	123.02	-	-	123.02
Financial liabilities measured at amortized cost:					
- Trade payables	17	2,442.49	-	-	2,442.49
- Other financial liabilities	18	1,269.60	-	-	1,269.60
As at March 31, 2018					
Financial assets measured at amortized cost:					
- Trade receivables	10	3,661.45	-	-	3,661.45
- Cash and cash equivalents	11A	784.30	-	-	784.30
- Other bank balances	11B	431.55	-	-	431.55
- Other financial assets	12	88.58	-	-	88.58
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,933.58	-	-	1,933.58
- Other financial liabilities	18	717.12	-	-	717.12

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

29.3 Financial Risk management objectives and polices

The group treasury function provides service to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the group through internal risk report which analyze exposures by degree and magnitude of risk. These risk include market risk, currency risk, interest risk, price risk, credit risk and liquidity risk.

The group seeks to minimise the effects of these risks by using policies approved by the board of directors, which provide written principles on interest risk, credit risk and investment of excess liquidity. The group does not enter into trade financial instruments for speculative purpose.

The group treasury function reports quarterly to the senior management team that monitors risk and policies implemented to mitigate risk exposures.

29.3.1 Market risk

The group is exposed primarily to the financial risk of change in foreign currency exchange rate. The group transacts in various foreign currencies. Foreign currencies are recognised at the rate of exchange prevailing at the date of transaction. The group being a net exporter, follows the policy of natural hedging of foreign exchange earnings. There is net foreign exchange gain in the current and previous year.

29.3.1 (a) Foreign currency risk management

The group undertakes transactions denominated in foreign currencies, consequently, the group is exposed to exchange rate fluctuations. The group, being a net exporter, follows the policy of natural hedging of foreign exchange earnings and outflow and hence it does not take any forward covers.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

The carrying amounts of the group's foreign currency (unhedged) denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	March 31, 2019				March 31, 2018			
	AED (in lakhs)	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)	AED (in lakhs)	Thai Baht (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Creditors against Import of goods, capital items and Services								
USD	-	-	6.99	489.76		-	6.40	420.44
USD	-	58.70	-	128.32		44.40		92.99
USD	0.58	-	-	10.66	0.59	-	-	10.51
EUR	-	-	2.78	220.43	-	-	1.59	129.53
EUR	-	12.51	-	27.35	-	9.24		19.34
GBP	-	-	0.11	9.89	-	-	0.28	25.63
CHF	-	-	0.03	2.06	-	-	-	-
Trade and other receivables								
USD	-	-	7.00	478.76	-	-	9.38	607.58
EUR	-	-	2.63	200.49	-	-	3.33	264.10
GBP	-	-	0.65	58.17	-	-	2.40	217.74

The sensitivity of impact on profit or loss of the group to changes in the exchange rates , individual currency wise, is summarized below:-

Currency Sensitivity	Impact on profit before tax (in %)	
	March 31, 2019	March 31, 2018
USD Sensitivity		
INR/USD - Increase by 1%	0.10%	0.10%
INR/USD - Decrease by 1%	(0.10%)	(0.10%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.07%	0.07%
INR/EUR - Decrease by 1%	(0.07%)	(0.07%)
GBP Sensitivity		
INR/GBP - Increase by 1%	0.11%	0.11%
INR/GBP - Decrease by 1%	(0.11%)	(0.11%)
CHF Sensitivity		
INR/CHF - Increase by 1%	0.00%	-
INR/CHF - Decrease by 1%	0.00%	-

29.3.2 Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The customers are broadly classified into high risk and medium risk, accordingly credit limit exposure is fixed. The group carries out payment performance review of all customers and based on this analysis, risk category of customers are evaluated annually. Further, the utilization of credit limit is regularly monitored through inbuilt locks in the ERP system.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Details of loss allowance

Particulars	As at March 31, 2019		As at March 31, 2018	
	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)
Within the credit period	1,952	0	2,228	-
1-30 days past due	519	2	565	1
31-60 days past due	180	2	276	2
61-90 days past due	95	3	142	2
More than 90 days past due	345	7	492	6

Reconciliation of loss allowance

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	41.14	34.71
Amounts recognised in the year	30.18	31.35
Amounts written off during the year	(21.16)	(8.23)
Amounts recovered during the year	(6.27)	(16.69)
Exchange difference on opening provision	0.23	-
Balance at end of the year	**44.12**	**41.14**

Sensitivity analysis of loss allowance

Particulars	Impact on profit before tax	
	As at March 31, 2019	As at March 31, 2018
Increase in loss allowance + 1%	27.81	34.21
Decrease in loss allowance - 1%	(17.09)	(13.87)

29.3.3 Liquidity Risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's business and reputation.

The group regularly reviews its receivables, inventory and other working capital elements to mitigate any liquidity concerns. Any surplus from the business funds needs is parked in debt mutual funds (liquid / liquid plus) from reputed Asset Management Companies to provide day to day working capital.

Also, the group has unutilized credit limits with bank.

The following table presents the maturity period of all financial liabilities as at March 31, 2019 and March 31, 2018.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2019					
Financial liabilities measured at amortized cost:					
- Trade payables	17	2,442.49	2,442.49	-	-
- Other Financial Liabilities	18	1,269.60	1,269.60	-	-
As at March 31, 2018					
Financial liabilities measured at amortized cost:					
- Trade payables	17	1,933.58	1,933.58	-	-
- Other Financial Liabilities	18	717.12	717.12	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 30 - Segment Disclosures

30.1 Products and services from which reportable segments derive their revenue

The Executive Director & CEO of the holding Company has been identified as the Chief Operating Decision Maker (CODM) of the Group as defined by Ind AS 108, Operating Segments. Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

1) The Group is organised into three business segments, namely:

a) Super Abrasives b) Machines, Accessories and Components and c) Others

The "other" segment includes other trading products

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments. The Group has identified business segments as its primary segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM.

2) Segment revenue and expenses have been identified to segments on the basis of their relationships to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "Other un-allocable Expenditure".

30.2 Segment Revenues and Results

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
1. Segment Revenue		
a) Super Abrasives	11,118.47	10,622.76
b) Machines, Accessories and Components	3,214.16	2,681.94
c) Others	1,845.20	1,352.75
Total	16,177.83	14,657.45
Less:- Inter Segment Revenue	-	-
Revenues	**16,177.83**	**14,657.45**
2. Segment Results		
a) Super Abrasives	1,928.29	2,046.55
b) Machines, Accessories and Components	480.97	217.32
c) Others	401.09	275.00
Total	2,810.35	2,538.87
Less: (i) Finance costs	0.50	19.64
(ii) Other Un-allocable expenditure net of un-allocable income of Rs.519.71 lakhs (March 31, 2018 : Rs. 491.77 lakhs)	617.22	715.17
(iii) Tax expense	651.29	491.66
Profit for the year	**1,541.34**	**1,312.40**

30.3 Revenue by Geographical market

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
India	9,733.07	9,053.91
Outside India	6,444.76	5,603.54
Total Revenues	**16,177.83**	**14,657.45**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

30.4 Segment assets

Segment assets and Segment liabilities of the group's business other than inventory and receivables have not been identified to any reportable segment, as these are used interchangeably between segments.

Particulars	March 31, 2019	March 31, 2018
a) Super Abrasives	4,131.87	4,362.36
b) Machines, Accessories and Components	1,389.76	1,428.60
Total segment assets	**5,521.63**	**5,790.96**
Unallocated assets	12,457.40	10,202.36
Total assets as per Balance sheet	**17,979.03**	**15,993.32**

30.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2019	March 31, 2018
India	5,744.36	5,645.94
Outside India	302.60	297.80
Total non current assets	**6,046.96**	**5,943.74**

30.6 Information about major customers

No single customer represents 10% or more of the group's total revenue for the year ended March 31, 2019 and March 31, 2018.

Note 31 - Leases

(a) The group is obligated under cancelable operating leases towards residential accommodation, which are renewable at the option of both the lessor and the lessee. Total rental expense debited to the consolidated statement of profit and loss under cancelable operating leases amounts to Rs. 38.72 lakhs (March 31, 2018 : Rs 43.75 lakhs).

There are no sub-lease payments received/receivable recognised in the consolidated statement of profit and loss. Also, there are no contingent rents payable and there are no restrictions imposed by lease agreements such as those concerning dividends and additional debt.

(b) The Company has leased out a portion of its factory building to a related party. Total rental income credited to the consolidated statement of profit and loss amounts to Rs. 16.24 lakhs (March 31, 2018 : Rs. 14.76 lakhs).

Details of the above referred lease are as given below:

Particulars	March 31, 2019	March 31, 2018
Gross carrying amount	1,664.10	1,590.09
Less: Accumulated depreciation	516.61	471.19
Net carrying amount	**1,147.49**	**1,118.90**

The depreciation recognized in respect of the factory building for the year is Rs. 54.55 lakhs (March 31, 2018 : Rs. 53.79 lakhs).

There are no contingent rents receivable.

Note 32 - Employee Benefits

Defined Contribution Plans

The Group operates defined contribution benefit plans for all qualifying employees.

Superannuation fund, Provident fund, Social Security Fund and pension fund are defined contribution plans towards which the group makes contribution at predetermined rates to the Superannuation Trust funded with Life Insurance Corporation Of India and the Regional Provident Fund Commissioner respectively. The same is debited to the consolidated statement of profit and loss based on the amount of contribution required to be made and services are rendered by the employees. The Company has no further payment obligation once the contributions have been paid.

Defined Benefit Plans

The Company is having defined benefit plan namely gratuity for all qualifying employees of the company.

The liability for gratuity to employees as at the balance sheet date is determined on the basis of actuarial valuation using projected Unit Credit method. The amount is funded to a Gratuity fund administered by the trustees and managed by Life Insurance Corporation of India.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Remeasurement, comprising actuarial gain and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected in retained earnings and is not reclassified to profit or loss.

The plans typically expose the company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using the discount rate which is determined by reference to market yield at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period. If the return on plan asset is below this rate, it will create a plan deficit.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectance of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

A. Gratuity

The following tables set out the funded status of the gratuity plans and the amounts recognised in the Company's financial statements as at March 31, 2019 and March 31, 2018:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation at beginning of period	414.90	377.88
Service cost		
a) Current service cost	42.11	32.93
b) Past service cost	-	-
c) (Gain) / loss on settlements	30.67	25.63
Interest expenses	(11.85)	(23.37)
Benefits Paid		
Remeasurements		
a) Effect of changes in demographic assumptions	(3.32)	-
b) Effect of change in financial assumptions	58.58	(11.36)
c) Effect of experience adjustments	68.86	13.19
Defined benefit obligation at end of period	**599.95**	**414.90**

(b) Change in fair value of plan assets

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at beginning of period	491.26	244.14
Interest Income	39.25	25.74
Contributions	35.48	206.69
Benefits Paid	(11.85)	(23.37)
Remeasurements		
a) Return on plan assets (excluding interest income)	1.15	38.06
Fair value of plan assets at end of period	**555.29**	**491.26**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	599.95	414.90
Fair value of plan assets	(555.29)	(491.26)
Deficit / (surplus) of funded plans	44.66	(76.36)
Effect of asset ceiling	-	-
Net defined benefit liability */ (asset)**	**44.66**	**(76.36)**

* Included under provisions in Note 15 - "Provisions"
** Included under prepayments in Note 7 - "Other current assets"

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service Cost	42.10	32.93
Net interest cost	-	-
a) Interest expense on DBO	(8.57)	(0.10)
Net Gratuity Cost in the consolidated statement of profit and loss*	**33.53**	**32.83**

* Included under contribution to provident and other funds in Note 24 - "Employee benefits expense"

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	124.12	1.83
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	1.15	38.06
	122.97	**(36.23)**

(f) Composition of plan assets

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fund with an Insurance Company	555.29	491.26

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount rate	7.47%	7.50%
Salary escalation rate	9.00%	7.00%
Attrition Rate	7.00%	6.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate +100 basis points	568.00	393.38
Discount rate -100 basis points	636.05	439.17
Salary Increase Rate +1%	632.28	437.02
Salary Increase Rate -1%	570.78	394.94
Attrition Rate +1%	596.83	415.40
Attrition Rate -1%	603.38	414.32

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual changes in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(i) Expected cash flows for following year

Particulars	As at March 31, 2019	As at March 31, 2018
Expected employer contributions /Addl. Provision next year	157.07	89.79
Expected total benefit payments		
Year 1	156.45	93.70
Year 2	41.45	55.51
Year 3	73.61	26.43
Year 4	37.11	52.51
Year 5	35.78	23.40
Next 5 years	176.30	114.33

The weighted average duration of the defined benefit obligation is 10 years (March 31, 2018: 10 years)

The Company expects to make a contribution of Rs. 45 lakhs (as at March 31, 2018: Rs.50 lakhs) to the defined benefit plans during the next financial year. The employee benefit obligations(net) have been included in current liabilities based on the expected contributions.

B. Compensated Absences

(a) Charge to Statement of Profit and Loss and Liability

	As at March 31, 2019	As at March 31, 2018
Charge / (credit) in the Statement of Profit and Loss	99.24	17.34
Liability as at the year end	264.91	186.14

The entire amount of provision is presented as current since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months. The leave obligation not expected to be settled within the next 12 months amounts to Rs. 119.71 lakhs (March 31, 2018 : Rs. 91.21 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate	7.47% p.a.	7.50% p.a.
Salary Escalation Rate	9.00% p.a.	7.00% p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' Contribution to Provident Fund *	61.34	55.52
Employers' Contribution to Superannuation Fund *	31.23	29.35
Employers' Contribution to Employee's Pension Scheme 1995 *	61.25	61.43
Employers' Contribution to Employee's State Insurance #	17.59	18.53
Employers' Contribution to Social security Fund #	3.34	1.96

* Included in contribution to provident and other funds
\# Included in staff welfare expenses

Note 33 - Related Party Disclosures

1) List of Related parties

i) Venturers and their subsidiaries with whom transactions have taken place during the year

(a) Carborundum Universal Limited
- (1) Cumi America Inc
- (2) Cumi (Australia) Pty Ltd
- (3) Cumi Abrasives & Ceramics Company Ltd
- (4) Net Access India Ltd
- (5) Sterling Abrasives Limited

(b) Wendt GmbH Germany
- (1) Wendt Boart SA
- (2) Winterthur Technologie France
- (3) Winterthur Technology Iberica
- (4) 3M Wixom USA
- (5) 3M UK Winterthur Technology
- (6) AO 3M Russia
- (7) 3M Automotive Industries Victoria
- (8) 3M Australia
- (9) Altifort Boart SPRL
- (10) 3M Svenska AB

ii) Company in which KMP / Director is a director

(a) Ace Designers Ltd
(b) Pragati Transmission P Ltd
(c) Tespa Tools Pvt Ltd
(d) Sansera Engineering Limited

iii) Key Management Personnel

Mr. Rajesh Khanna, Executive Director & CEO (from July 24, 2018)

iv) Relatives of Key Management Personnel

Mrs. Preethi Khanna - Wife of Mr. Rajesh Khanna

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

2) Transaction with related parties during the year ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	Joint venturers and their subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	18-19	17-18	18-19	17-18	18-19	17-18	18-19	17-18
Purchase of Capital Goods								
Carborundum Universal Limited	-	0.70	-	-	-	-	-	0.70
Other Purchases								
Wendt Gmbh	242.22	270.57	-	-	-	-	242.22	270.57
Altifort Boart SPRL	98.90	3.59	-	-	-	-	98.90	3.59
3M Wixom USA	-	0.54	-	-	-	-	-	0.54
Carborundum Universal Limited	814.17	681.06	-	-	-	-	814.17	681.06
Cumi Abrasives & Ceramics Company Ltd	-	0.56	-	-	-	-	-	0.56
Tespa Tools Pvt Ltd	-	-	2.54	0.08	-	-	2.54	0.08
Sterling Abrasives Limited	21.81	9.87	-	-	-	-	21.81	9.87
Net Access India Limited	20.21	9.73	-	-	-	-	20.21	9.73
Sale of Goods and Services								
Wendt Gmbh	399.25	261.81	-	-	-	-	399.25	261.81
Carborundum Universal Limited	304.08	251.93	-	-	-	-	304.08	251.93
Cumi America Inc	274.16	353.99	-	-	-	-	274.16	353.99
CUMI (Australia) Pty Ltd	2.23	0.73	-	-	-	-	2.23	0.73
Cumi Abrasives & Ceramics Company Ltd	144.33	183.67	-	-	-	-	144.33	183.67
Winterthur Technologie France	34.92	26.51	-	-	-	-	34.92	26.51
Wendt Boart SA	25.59	193.14	-	-	-	-	25.59	193.14
3M Automotive Industries Victoria	4.93	3.32	-	-	-	-	4.93	3.32
Winterthur Technology Iberica	167.38	129.45	-	-	-	-	167.38	129.45
3M Wixom USA	75.03	46.12	-	-	-	-	75.03	46.12
3M UK Winterthur Technology	164.42	136.16	-	-	-	-	164.42	136.16
AO 3M Russia	1.53	2.45	-	-	-	-	1.53	2.45
Altifort Boart SPRL	31.67	-	-	-	-	-	31.67	-
3M Svenska AB	1.39	-	-	-	-	-	1.39	-
3M Australia	0.33	-	-	-	-	-	0.33	-
Ace Designers Limited	-	-	-	2.27	-	-	-	2.27
Pragati Transmission P Ltd	-	-	0.47	-	-	-	0.47	-
Sansera Engineering Limited	-	-	46.41	-	-	-	46.41	-
Payment of Rent								
Rajesh Khanna	-	-	-	-	9.03	8.26	9.03	8.26
Preethi Khanna	-	-	-	-	9.02	8.25	9.02	8.25
Payment of Managerial Remuneration								
Rajesh Khanna (refer note (c) below)	-	-	-	-	131.48	-	131.48	-
Payment of Service Fee & Commission								
Carborundum Universal Limited	194.14	177.68	-	-	-	-	194.14	177.68
Payment of Dividend								
Carborundum Universal Limited	239.22	199.34	-	-	-	-	239.22	199.34
Wendt GmbH Germany *	239.22	199.34	-	-	-	-	239.22	199.34
Service Charges, Commission & Rent receipts								
Wendt Gmbh	22.92	20.08	-	-	-	-	22.92	20.08
Carborundum Universal Limited	16.24	14.76	-	-	-	-	16.24	14.76
Reimbursement of Expenses Paid								
Carborundum Universal Limited	80.43	67.11	-	-	-	-	80.43	67.11
Cumi America Inc	33.88	2.05					33.88	2.05
Cumi Abrasives & Ceramics Company Ltd	-	9.62	-	-	-	-	-	9.62
Reimbursement of Expenses Received								
Carborundum Universal Limited	88.16	13.38	-	-	-	-	88.16	13.38

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

3) The details of amounts due to or due from related parties as at March 31, 2019 and March 31, 2018 are as follows:

Particulars	Joint venturers and their subsidiaries		Director's Company		Key Management Personnel and their relatives		Total	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Amount due From								
Wendt Gmbh	58.65	67.10	-	-	-	-	58.65	67.10
Carborundum Universal Limited	79.29	52.00	-	-	-	-	79.29	52.00
Cumi America Inc	107.43	144.91	-	-	-	-	107.43	144.91
CUMI (Australia) Pty Ltd	0.36	-	-	-	-	-	0.36	-
Cumi Abrasives & Ceramics Company Ltd	84.50	142.82	-	-	-	-	84.50	142.82
Winterthur Technologie France	1.01	2.66	-	-	-	-	1.01	2.66
Wendt Boart SA	-	36.79	-	-	-	-	-	36.79
3M Automotive Industries Victoria	-	0.29	-	-	-	-	-	0.29
Winterthur Technology Iberica	39.82	40.13	-	-	-	-	39.82	40.13
3M Wixom USA	21.06	13.94	-	-	-	-	21.06	13.94
3M UK Winterthur Technology	8.87	28.51	-	-	-	-	8.87	28.51
AO 3M Russia	0.14	-	-	-	-	-	0.14	-
Altifort Boart SPRL	6.39	-	-	-	-	-	6.39	-
Amount due to								
Wendt Gmbh	88.42	67.19	-	-	-	-	88.42	67.19
Carborundum Universal Limited	328.47	365.41	-	-	-	-	328.47	365.41
Cumi America Inc	2.54	0.54	-	-	-	-	2.54	0.54
Cumi Abrasives & Ceramics Company Ltd	-	0.73	-	-	-	-	-	0.73
Altifort Boart SPRL	27.71	-	-	-	-	-	27.71	-
Rajesh Khanna	-	-	-	-	0.71	0.65	0.71	0.65
Preethi Khanna	-	-	-	-	0.71	0.64	0.71	0.64
Sterling Abrasives Limited	3.79	1.19	-	-	-	-	3.79	1.19
Net Access India Limited	7.82	3.10	-	-	-	-	7.82	3.10

4) The details of compensation to key management personnel are as follows:

Particulars	18-19	17-18
Short term benefits	100.11	97.45
Post-Employment Benefits	14.00	12.80
Other benefits	17.37	15.36

a) The related party relationships are as identified by the Company, on the basis of information available with the Company and relied upon by the auditors.

b) No amounts in respect of related parties have been written off / back other than the amount included above during the year.

c) Managerial remuneration as disclosed above has been paid in excess of the limits specified in Schedule V to the Companies Act, 2013 as computed in accordance with Section 198 of the Companies Act, 2013, during the financial year. The same has been held in trust by the Managerial personnel until the time the shareholders' approval is obtained to comply with the requirements of Section 197 read with Schedule V to the Act. The Company has proposed to obtain the shareholders' approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act.

* Amount for both the years lying in unclaimed / unpaid dividend account

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs, except number of Shares)

Note 34 - Earning per share (EPS)

Particulars	March 31, 2019	March 31, 2018
(a) Profit for the year	1,541.34	1,312.40
b) Weighted average number of equity shares	2,000,000	2,000,000
c) Nominal value of shares (in rupees)	10	10
Earnings per share (in rupees) -		
Basic and diluted	77.07	65.62

Note 35 - Contingent liability and commitments to the extent not provided for:

35.1 Commitments

Particulars	March 31, 2019	March 31, 2018
a) Estimated amount of contracts remaining to be executed on capital account (in respect of tangible assets) and not provided for (net of advances Rs. 1.01 lakhs; March 31, 2018 : Rs. NIL lakhs)	1,210.72	341.51
b) Other Commitments	-	-

35.2 The group has a working capital limit with State Bank of India, secured by hypothecation of stock and book debts and collateral charge on all fixed assets other than land and building.

Note 36 - Previous years's figures have been regrouped / reclassified to conform to the current year's presentation for the purpose of comparability.

Note 37 - Corporate Social Responsibility

(a) Gross amount required to be spent by the company during the year :- Rs. 31.70 lakhs (Previous Year Rs. 32.36 lakhs)

(b) Amount spent by the company during the year on :- Rs. 31.70 lakhs (Previous Year Rs. 32.36 lakhs)

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above			
- in 2018-19	3.35	28.35	31.70
- in 2017-18	26.01	6.35	32.36

Note 38 - Approval of financial statements

The Consolidated financial statements were approved for issue by the board of directors on April 25, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number : 012754N/N500016

MOHAN DANIVAS S A
Partner
Membership Number : 209136

Place: Hosur
Date: April 25, 2019

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR
Chairman

K SRINIVASAN
Director

RAJESH KHANNA
Executive Director & CEO

MUKESH KUMAR HAMIRWASIA
Chief Financial Officer

Place: Hosur
Date: April 25, 2019

T A JANANI
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

FORM AOC-I

Pursuant to section 129 (3) of the Companies Act, 2013

Statement containing salient features of the financial statement of subsidiaries

	Wendt Grinding Technologies Ltd (WGTL) Incorporated on July 19, 2005		Wendt Middle East FZE (WME) Incorporated on September 24, 2008	
	31-3-2019	31-3-2018	31-3-2019	31-3-2018
Share capital	562.86	539.29	219.25	212.51
Reserves and surplus	1,203.48	921.90	21.09	17.63
Total liabilities *	2,041.24	1,746.58	269.34	261.66
Total assets**	1,570.89	1,300.24	269.34	261.66
Details of current and non-current investments (except investment in subsidiary)	470.35	446.34	-	-
Turnover	2,422.71	1,844.45	454.89	411.64
Profit before taxation	485.21	353.11	3.11	7.25
Provision for taxation	98.95	69.91	-	-
Profit after taxation	386.26	283.20	3.11	7.25
Proposed dividend (including dividend tax)	-	-	-	-
% of Shareholding	100	100	100	100

* Total Liabilities include : Share capital of subsidiary + Non current liabilities + current liabilities + Defered tax liability (net)

** Total Assets include: Non Current Assets and Current Assets. (excluding current and non-current investments)

The exchange rates used are as below:

Currency	Balance Sheet (Closing Rate)		Statement of Profit and Loss (Average Rate)	
	31-3-2019	31-3-2018	31-3-2019	31-3-2018
THB (WGTL)	2.186	2.094	2.152	1.951
AED (WME)	18.270	17.709	18.911	17.528

Notes:

a) The Consolidated Ind AS financial statements has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013.

b) The above information has been furnished in accordance with Section 129(3) of the Companies Act, 2013. The above statement is based on the financial statements of the respective subsidiary company which have been prepared in accordance with regulatory requirements as applicable in the country of incorporation.

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Platinum Award for Lean Management From ABK AOTS

The Economic Times - Best Brand Award 2018

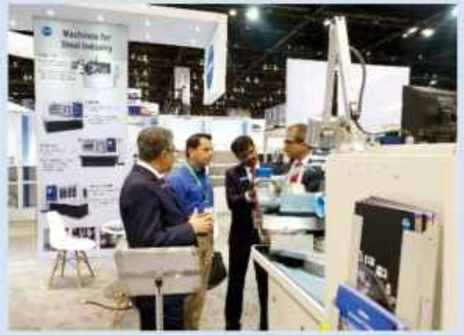
CII Innovation Award 2018

Excellence Awards **NCQC - Gwalior**

STAR Performer - Large Enterprises
Outstanding Export performance (2016-17)

Winner at Cufest 2018

Exhibitions



IMTS Exhibition - USA

CMT - Shanghai - China

IMTOS - Seoul, Korea

Glass Tec Exhibition - Germany

ADIS - Hydrabad, (Aerospace and Defence Exhibition)

Machine Tools Exhibition - Rajkot

Events

Family Get-together

Women's Day Celebration

Republic Day Celebration

Pongal Celebration

Christmas Celebration

Energy Hour Celebration