

WENDT (INDIA) LIMITED

No. 69/70, Sipcot, Hosur 635 126, Tamil Nadu, INDIA

Telephone: + 91 4344.405500

Telefax : + 91 4344 405620 / 405630

E-mail : wil@wendtindia.com

Web : www.wendtindia.com**CIN : L85110KA1980PLC003913**2nd July 2020

BSE Limited

1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001**Stock Code: 505412**
*Through BSE Listing Centre*National Stock Exchange of India Ltd.
Plot No. C/1, G Block
Bandra - Kurla Complex, Bandra (E)
Mumbai 400 051**Stock Code: WENDT**
Through NEAPS

Dear Sir/Madam,

Sub: Annual Report for the financial year ended 31st March 2020 and Annual General Meeting updates

Further to our intimation dated 28th May 2020 regarding the convening of the 38th Annual General Meeting (AGM) of the Company on Friday, 24th July 2020 at 3.00 P.M. IST through Video Conferencing (VC), in compliance with the various General Circulars issued by the Ministry of Corporate Affairs, the applicable provisions of the Companies Act 2013 (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations), we submit an electronic copy of the Annual Report of the Company comprising the audited financial statements, Directors' report and Auditors' report thereon for the financial year ended 31st March 2020 and the Notice convening the 38th AGM.

The electronic copies of the Annual Report and the AGM notice have been sent today to all the Members holding shares in dematerialised form whose e-mail addresses are available with their Depository Participants (DP) as well as to the Members holding shares in physical form whose e-mail addresses are registered with the Company/Registrar Share Transfer Agent for communication purposes. The documents have also been uploaded on the website of the Company at www.wendtindia.com and that of the RTA at <https://www.evoting.karvy.com> and this submission will enable them to be available on the website of the stock exchanges for access by any Member. In view of the exemptions provided, no physical or hard copies of the Notice and the Annual Report are being sent to the shareholders.

Members of the Company who have not registered their e-mail addresses with the Company or M/s. KFin Technologies Private Limited, RTA have been vide a publication dated 1st July 2020 as well as by communications uploaded in the website of the Company been informed about the process for registration of their e-mail addresses to receive the Annual Report, Notice and the login credentials for participating in the AGM through VC/OAVM facility. Detailed instructions are also available in the Notice convening the AGM. .

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 have been provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. KFin Technologies Private Limited (KFin) on all Resolutions set forth in the Notice. The facility for voting will also be made available during the AGM and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote during the AGM through Instapoll.

The remote e-voting period commences on Monday, 20th July 2020 (9.00 a.m. IST) and ends on Thursday, 23rd July 2020 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in



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physical form or in dematerialised form, as on the cut-off date i.e. 17th July 2020 may cast their votes electronically. The voting rights of the Members shall be in proportion to their shareholding in the Company as on 17th July 2020 (cut-off date). The AGM notice inter alia includes the detailed procedure for remote e-voting and voting through Instapoll.

Members are being provided with a facility to attend the AGM through the video conferencing platform provided by the Company's Registrar and Transfer Agent viz. KFin Technologies Private Limited ('KFin'). Members can access the facility at <https://emeetings.kfintech.com> by using their remote e-voting credentials itself. Members who do not have the credentials for e-voting or have forgotten the Password can retrieve the same by following the remote e-voting instructions stated in the Notice convening the AGM.

For any further information or clarification, Members can write to investorservices@wendtindia.com or to our RTA at inward.ris@kfintech.com.

Please take the same on record.

Thanking you.

Yours faithfully,

For Wendt (India) Limited

A handwritten signature in blue ink, appearing to read "Janani T A".

Janani T A

Company Secretary



NOTICE TO MEMBERS

NOTICE is hereby given that the Thirty Eighth Annual General Meeting (AGM) of the Members of Wendt (India) Limited will be held at 03.00 p.m. Indian Standard Time on Friday, 24th July 2020 through Video Conferencing (VC) or Other Audio Visual Means (OAVM) 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 2020 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 2020 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 dividend of ₹ 25/- per equity share of ₹ 10/- each be declared for the financial year ended 31st March 2020 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 16th July 2020 in case the shares are held in physical form and to the beneficial holders of the dematerialised shares as on 16th July 2020 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.

Item No.4 - Re-appointment of Mr. Rajesh Khanna, Director

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

RESOLVED THAT Mr. Rajesh Khanna holding DIN 06923493, 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 - Appointment of Mr. N Ananthaseshan as a Director

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

RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. N Ananthaseshan holding DIN 02402921 who was appointed as an Additional Director with effect from 23rd November 2019 by the Board pursuant to Section 161(1) of the Act and holds office up to 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 a Director not liable to retire by rotation.

Item No.6 - Approval for payment of remuneration to Directors

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

RESOLVED THAT pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Directors of the Company be paid remuneration exceeding the following limits for the financial years commencing from 1st April 2019 to 31st March 2022:

- 11% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 for each financial year in respect of managerial remuneration to all Directors;
- 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 for each financial year in respect of managerial remuneration to Non-Executive Directors.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide from time to time, the quantum and manner of distribution of commission payable to the Directors.

RESOLVED FURTHER THAT the aforesaid commission shall be in addition to the fees payable to such Directors for attending the meetings of the Board and Committees thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, desirable or expedient to give effect to this Resolution.

By order of the Board
For Wendt (India) Limited

Chennai
May 28, 2020

Janani T A
Company Secretary

Notes:

1. In view of the prevailing lockdown situation across the country due to outbreak of the COVID-19 pandemic and resultant travel restrictions as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs vide Circular No. 20/2020 dated May 05, 2020 read with Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members at a common venue. Considering the health and safety of all stakeholders including the shareholders, the 38th Annual General Meeting of the Company is being conducted through VC/OAVM in compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable Circulars issued in this regard on 5th May 2020 read with circulars dated 8th April 2020, 13th April 2020 and SEBI circular dated 12th May 2020.

The Company has appointed M/s. KFin Technologies Private Limited, Registrar and Share Transfer Agent to provide electronic voting facility and video conferencing facility (hereinafter referred to as 'KFin' or 'the Company's RTA'), for the AGM.

Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC/OAVM, physical attendance of Members is being dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form and Attendance Slip are not being annexed to this Notice and the resultant requirements for entitlement to appoint a proxy and submission of proxy form does not arise.
3. Corporate Members intending to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend the AGM and vote on their behalf.
4. The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under item nos. 5 and 6 of the Notice to be transacted at the AGM is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 17th July 2020 to 24th July 2020 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31st March 2020. Subject to the provisions of the Act, the dividend as recommended by the Board, if declared will be paid by 3rd August 2020.

6. 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).

7. 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 2011-12 to the Investor Education Protection Fund during the year ended 31st March 2020.

The Company has uploaded the details of unpaid and unclaimed amounts lying with it as on 31st March 2019 on the website 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 2012-13 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 Protection Fund 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, no shares were due to be transferred to the Investor Education and Protection Fund Authority under 124(6) of the Companies Act, 2013.

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

M/s. KFin Technologies Private Limited, Hyderabad, is the Company's Registrar and Share Transfer Agent (RTA). With effect from 5th December 2019, the name of the Company's Registrar and Share Transfer Agent (RTA) has been changed from Karvy Fintech Private Limited to KFin Technologies Private Limited.

8. Tax on Dividend

Members are requested to note that pursuant to an amendment in the Finance Act, 2020, dividends declared and paid by the Company with effect from 1st April 2020 will be taxed in the hands of the recipient of dividend i.e. shareholders. All dividends declared after 1st April 2020 by the Company will be paid to the members after deducting tax at the applicable rate prescribed under the Income Tax Act, 1961. Members may note that in the absence of PAN, the Company would be required to deduct tax at a higher rate prescribed under the Income tax Act, 1961. Hence, Members who have not furnished their PAN to the Company are requested to immediately submit a copy of their PAN to the Company. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable to the Company on a yearly basis at the link <https://ris.kfintech.com/form15/>. The detailed information with respect to tax deduction at source on dividend payments including the formats of Form 15G/Form 15H for seeking exemption is available in the links <https://ris.kfintech.com/form15/> as well as www.wendtindia.com. Members may contact the Company Secretary or any executive in the Secretarial team in case of any clarification in this regard.

9. 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.

10. Members are advised to intimate the details of their PAN and bank account details to enable electronic remittance of dividend or alternatively for being incorporated in the dividend warrants. This would help to avoid fraudulent encashment of dividend warrants. Members may follow the process detailed herein for updation of their bank account mandate for timely receipt of dividends.

Type of holder	Process to be followed
	Updating bank account details
Physical	Members can send a request to the Company's RTA at inward.ris@kfintech.com by providing the following: <ul style="list-style-type: none"> - Scanned copy of the signed request letter mentioning the Folio No., name of the member - Self-attested copy of PAN - Self-attested copy of any address proof including Aadhar, Passport etc. - Scanned copy of share certificate (front and back) - Scanned copy of the cancelled cheque bearing the name of the first member. - Name and branch of the bank in which you wish to receive the dividend, bank account type, 9 digit MICR Code Number and 11 digit IFSC.
Demat	Please contact your Depository Participant and register your PAN, e-mail address and bank account details in your demat account, as per the process recommended by your DP.

11. 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 the shares held by them in physical form. This will also eliminate all risks associated with holding securities in physical form and provide ease in portfolio management. For further information, please contact us at investorservices@wendtindia.com or contact the RTA.

12. In view of the prevailing COVID-19 pandemic situation, the Ministry of Corporate Affairs vide its circular dated 5th May 2020 has exempted companies from sending Annual Reports in physical mode. Accordingly, an electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialised mode and whose e-mail addresses are available with the Depository Participant(s) as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company/RTA for communication purposes. Procedure for obtaining the Annual Report, AGM notice as well as electronic voting (e-voting) instructions for Members whose e-mail addresses are not registered with the depositories or with RTA is provided herein and also available on the website of the Company. The report is also available on the Company's website <https://www.wendtindia.com/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and the website of RTA <https://www.evoting.karvy.com>.

In view of the exemptions provided, no physical or hard copies of the Notice and the Annual Report will be sent to the shareholders who have not registered their e-mail addresses with the Company/RTA as well as to those specifically requesting for physical copy of the documents.

Members holding shares in electronic form who have registered/not registered their e-mail address, mobile number, address and bank details may please contact and validate/update their details with the Depository Participant.

Members may follow the process detailed herein for registration of e-mail addresses to obtain the Annual Report, Notice and the login credentials for e-voting.

Type of holder	Process to be followed
	Registration of e-mail address
Physical	Members may send an e-mail request to einward.ris@kfintech.com along with: <ul style="list-style-type: none"> - Scanned copy of the signed request letter mentioning the Folio No., name of the member, e-mail address, mobile number - Self-attested copy of PAN - Self-attested copy of any address proof including Aadhar, Passport etc. - Scanned copy of share certificate (front and back)
Demat	Please contact your Depository Participant and register your e-mail address in your demat account, as per the process recommended by your DP.

Members holding shares in physical or in electronic form who have not registered their e-mail address may temporarily get their e-mail address and mobile number registered with KFin by clicking the link: https://ris.kfintech.com/email_registration/ for enabling the receipt of the Annual report through electronic mode. Members are requested to follow the process as stated in the link to record the e-mail address and mobile number. After due verification, the RTA will forward the login credentials to your registered e-mail address.

Members can also send the above mentioned documents to M/s. KFin Technologies Private Limited at Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032.

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.

In case of any queries, Members may write to einward.ris@kfintech.com or investorservices@wendtindia.com by quoting their Folio number or DP/Client ID.

13. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the Directors seeking appointment/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.
14. The business set out in the Notice will be transacted through electronic voting. Pursuant to Section 108 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 38th AGM. The Company has engaged the services of M/s. KFin Technologies Private Limited to provide remote e-voting facility and voting facility during the AGM (Instapoll) to enable Members to exercise their votes in a secured manner. The instructions for remote e-voting as well as Instapoll is provided in this Notice.

The Board of Directors have appointed Mr. R Sridharan or failing him Ms. Srinidhi Sridharan of M/s. R Sridharan and Associates, Practising Company Secretaries as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

The Notice and the instructions for attending the AGM and exercising the voting are being sent in electronic form to all the Members whose e-mail addresses are registered with the Company/their DPs for communication purposes. For others who have not registered their e-mail addresses, please refer the instructions in Note 12 above.
15. 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.
16. All documents referred to in the accompanying Notice and the statement under Section 102 of the Act, shall be open for inspection during normal business hours (9.30 a.m. to 5.30 p.m.) on all working days upto the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be available for inspection by the Members electronically during the meeting. Members seeking to inspect such documents can send an e-mail to investorservices@wendtindia.com.

17. Members holding shares in physical form are requested to address all correspondence relating to their shareholding in the Company to the Company's RTA or the Company. Members holding shares in dematerialised form may send such correspondence to their respective Dps.

18. INSTRUCTIONS FOR E-VOTING AND ATTENDING THE AGM

18.1 ELECTRONIC VOTING - REMOTE E-VOTING INSTRUCTIONS

Notwithstanding the fact that Members can vote electronically during the AGM, in case they wish to, they can also avail remote e-voting facility provided by the Company for voting before the AGM. 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. KFin Technologies Private Limited (KFin) on all Resolutions set forth in this Notice. The facility for voting will also be made available during the AGM and Members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote during the AGM (Instapoll).

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

- A. In case a Member receives an e-mail from KFin [for Members whose e-mail addresses are registered with the Company/Depository Participant(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 5344 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 KFin 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 address 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 shall not exceed 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 account.
 - 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 Scrutiniser at rsaevoting@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format 'Wendt - 38th AGM'.

- B. Members holding shares in dematerialised form whose e-mail addresses are not registered with the Company/DPs and Members holding shares in physical form:
- Please follow the steps provided in Note 12 in this Notice to obtain the User ID and password.
 - Please follow all steps from sl. no. (i) to sl. no. (xii) above to cast your vote by electronic means.

18.2 Other instructions:

- 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., 17th July 2020 may obtain the User ID and password by calling Toll Free No.1800 3454 001 or by sending an e-mail request to evoting@kfintech.com. If the Member is already registered with KFin's e-voting platform, then he can use his existing password for logging in. If the e-mail address or mobile number of the Member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS: MYEPWD <space> E-Voting Even Number+Folio No. or DP ID Client ID to 9212993399.
Example for NSDL - MYEPWD <SPACE>IN12345612345678
Example for CDSL - MYEPWD <SPACE>1402345612345678
Example for Physical - MYEPWD <SPACE>XXXX1234567890
- In case of any queries, you may refer Help & FAQ section in <https://evoting.karvy.com> (KFin website) or call KFin on 040-67162222; Toll Free No.1800 3454 001.
- You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of Members shall be in proportion to their shareholding as on the cut-off date 17th July 2020.
- The remote e-voting period commences on Monday, 20th July 2020 9.00 a.m. IST) and ends on Thursday, 23rd July 2020 (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. 17th July 2020 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.

18.3 INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VIDEO CONFERENCE

- Members can attend the AGM through the video conferencing facility provided by M/s. KFin Technologies Private Limited. Members may access the facility at <https://emeetings.kfintech.com/> by using their remote e-voting credentials itself.
- Members are requested to follow the procedure given below to join the AGM:
 - Launch internet browser (Chrome/Firefox/Safari) by typing the URL: <https://emeetings.kfintech.com>.
 - Enter the login credentials (i.e., User ID and password for remote e-voting).
 - After logging in, click on 'Video Conference' option.
 - Click on Camera icon appearing against AGM event of Wendt (India) Limited, to attend the Meeting.
- Please note that the Members who do not have the credentials for e-voting or have forgotten the Password can retrieve the same by following the remote e-voting instructions mentioned in point 18.2 of the Notice.
- The facility to join the AGM through VC/OAVM will be open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to participate and vote at the AGM.

- Please note that participants connecting from Mobile Devices or Tablets or through laptops or devices connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches. Members are encouraged to join the Meeting through Laptop devices with Google Chrome for better experience.
- To join the meeting, Members will be required to permit the use of Camera, if any. It is suggested to use an internet facility with a good speed and bandwidth to avoid any disturbance during the meeting. The Company will not be responsible for any disruption in the proceedings caused due to technical issues relating to inadequate bandwidth or internet at the end of the shareholder.
- AGM queries to be sent in prior to the AGM:** As the AGM is being conducted through VC/OAVM, Members who would like to express their views or ask questions can login to <https://emeetings.kfintech.com/>, click on 'Post your Questions' and post their queries in the window provided during the period 18th July 2020 to 21st July 2020. Queries received by the Company on or before 21st July 2020 shall only be considered and responded to during the AGM.
- Registration as a Speaker at the AGM:** Members who would like to express their views or ask questions during the AGM shall register themselves as a Speaker by logging in <https://emeetings.kfintech.com/>, click on 'Speaker Registration' in the window provided in the link during the period 18th July 2020 to 21st July 2020. Those Members who have registered themselves as a Speaker on or before 21st July 2020 will only be allowed to express their views or ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
- The Company reserves the right to restrict the number of questions and number of speakers depending on the availability of time for smooth conduct of the AGM. Please note that Members are entitled to attend the AGM and ask questions only if the Member continues to hold the shares as of cut-off date.
- A person who is not a member as on the cut-off date, should treat the Notice for information purpose only. Detailed instructions for joining the AGM through video conferencing is also available at www.wendtindia.com.

18.4 E-voting during the AGM through Instapoll

- Only those Members present during the AGM through Video Conference facility and who have not cast their vote through remote e-voting earlier are eligible to vote through e-voting in the AGM. Members who have voted through remote e-voting will be eligible to attend the AGM but will not be permitted to vote again.
 - The facility to cast the vote at the AGM would be available on the left hand corner of the Video Conferencing screen in the form of a 'Thumb' sign and will be activated once the voting is announced by the Chairman during the Meeting. Members can click on the same to take them to the 'Instapoll' page.
 - On clicking 'Instapoll', Members will reach the Resolution page. Please follow the instructions given to vote on the resolutions.
19. The Scrutiniser shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the digital 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-voting do not vote again at the Meeting, the Scrutiniser will have access, after closure of the period for remote e-voting for details relating to Members as the Scrutiniser may require except the manner in which the Members have cast their votes.
- The results will be declared not later than forty eight hours from the conclusion of the meeting. The results declared along with the Scrutiniser's Report will be placed on the Company's website www.wendtindia.com, as well as the website of RTA 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.
20. Resolutions passed through e-voting would be deemed to have been passed as on the date of the AGM i.e., 24th July 2020.
21. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice. For easy and quick reference, key details required for reference by Members is annexed to this Notice.

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 and 6 of the accompanying Notice:

Item No.5

Mr. N Ananthashan holding DIN:02402921 was appointed as an Additional Director with effect from 23rd November 2019 pursuant to Section 161 of the Companies Act, 2013 and he holds office until the date of the Annual General Meeting. The Company has received the requisite consent and disclosure forms from him confirming his eligibility and willingness to be appointed as a Director. The Company has also received a notice in writing from a Member under Section 160 of the Act proposing his candidature to the Board.

Mr. N. Ananthashan, aged 58 years holds a M. Tech degree in Material Science from IIT Kharagpur and also holds a Master's degree in Applied Science. Mr. Ananthashan possesses vast experience across business verticals of the Company. Mr. N Ananthashan is the Managing Director of Carborundum Universal Limited. The information as required under Secretarial Standards on General Meetings is provided in the annexure.

The Board recommends his appointment as a Director not liable to retire by rotation. As his appointment as an Additional Director is until the AGM and his appointment as a Director of the Company requires the approval of the shareholders, the item is considered unavoidable in line with the General circular No. 20/2020 issued by MCA and forms part of this Notice.

Memorandum of Interest

Except Mr. N Ananthashan being the appointee, none of the other Directors of the Company or their relatives are interested or concerned, financially or otherwise in this Ordinary Resolution.

Item No. 6

The remuneration to the Non-Executive Independent Directors of the Company comprises the sitting fees paid to them for attending the meetings of the Board/ Committee and the annual commission.

At the 36th Annual General Meeting held on 24th July 2018, the Members had approved payment of remuneration by way of commission to Non-Executive Independent Directors upto an amount not exceeding 3% of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013 for each financial year. This approval had been sought for a period of five financial years commencing from 1st April 2017. However, since then, as the Company had appointed an Executive Director - Mr. Rajesh Khanna, the limit of managerial remuneration payable to Non-Executive Independent Directors stands restricted to 1% of net profits computed pursuant to Section 197 of the Companies Act, 2013.

The compensation of Executive Director(s) comprises a fixed component and a performance incentive based on certain pre-agreed parameters. The Executive Director is not paid sitting fees for any Board/Committee meetings attended by him.

At the 37th Annual General Meeting held on 22nd July 2019, the Members approved the appointment of Mr. Rajesh Khanna as an Executive Director & CEO of the Company for a term commencing from 24th July 2018 till 31st October 2020 including payment of remuneration exceeding the 5% of the net profits prescribed under the Companies Act, 2013 in the event of inadequacy of profits during the term of the appointment. With respect to the remuneration of the Non-Executive Independent Directors, the commission paid to them was limited to 1% of the net profits since the appointment of Executive Director.

Considering the increased time spent by Ms. Hima Srinivas, Independent Director who has also been nominated as a Director on the Board of Wendt Grinding Technologies Limited, Material subsidiary of the Company, the Board at its meeting held on 28th May 2020 based on the recommendation of the Nomination and Remuneration Committee approved payment of differential commission to her. While the Non-Executive Independent Directors of the Company are generally paid a commission of ₹ 3,00,000/- per annum, it was decided to pay Ms. Hima Srinivas a differential commission of ₹ 5,00,000/- commencing from FY 2019-20 due to the increased time and efforts being spent by her.

During the FY 2019-20, the Company's revenues stands at ₹ 12,037 lakhs (₹ 13,986 lakhs the previous year) with a profit before tax of ₹ 1,189 lakhs (₹ 1,904 lakhs the previous year). The economic slowdown and in particular the decline in demand for automotive sector and its consequential slowdown coupled with the disruption in operations towards the end of the financial year owing to lockdown restrictions imposed by the Government of India to combat the COVID-19 spread impacted the performance of the Company for the FY 2019-20. The detailed reasons for decline in the turnover and profits are more fully detailed in the Director's report for the FY 2019-20. Consequentially, the profitability of the Company was also impacted leading to reduced profits. In view of the above, the remuneration payable to the Non-Executive Independent Directors during the year ended 31st March 2020 in the form of commission would exceed the 1% and 11% threshold limits prescribed under Section 197 of the Companies Act, 2013 by ₹ 1.90 lakhs and ₹ 23.80 lakhs respectively. The details of the remuneration payable to the Non-Executive Directors and the sitting fees paid is available in the corporate governance report forming part of the Director's Report.

As per Section 197 of the Companies Act, 2013, the total managerial remuneration payable by a public company to its directors, including managing director and whole-time director in respect of any financial year shall not exceed 11% of the net profits for that financial year computed in the manner laid down in section 198 of the Companies Act. However, the overall remuneration to such Directors exceeding 11% of the net profits of a company can be paid with the approval of the shareholders in general meeting. Further, with the approval of the shareholders in a general meeting by a special resolution, remuneration exceeding 1% of the net profits can be paid to Non-Executive Directors who are neither Managing Directors nor Whole-time Directors.

The Directors including the Independent Directors of the Company bring with them significant professional expertise and rich experience in diverse fields such as engineering, management, finance. The Board is of the view that adequate compensation be given to the Directors in recognition for their time and efforts despite the slight dip in performance of the Company owing to factors more fully detailed in the Directors Report impacting the adequacy of the profitability from the regulatory perspective.

The Board at its meeting held on 28th May 2020 based on the recommendation of the Nomination and Remuneration Committee had considered and recommended to the shareholders the payment of remuneration to Directors exceeding the threshold limits prescribed under Companies Act, 2013. Further, as the global pandemic situation is still continuing, approval is also being sought for payment of remuneration to the Directors for the financial years commencing from 1st April 2019 to 31st March 2022 considering the subdued economic and market conditions and consequential impact on the revenues and profitability of the Company.

Accordingly, the special resolution set out under Item No. 6 of the notice is placed before the Members for approval. As the approval of the shareholders is required to be obtained for payment of remuneration to the Directors exceeding the threshold limits, this item is considered unavoidable in line with the General circular No. 20/2020 issued by MCA and forms part of this Notice.

Memorandum of Interest

All the Directors and their relatives except Mr. N Ananthashan, Non-Executive Non-Independent Director who is not paid any remuneration from the Company are concerned or interested in the above resolution to the extent of the remuneration that they may receive. None of the key managerial personnel (other than Mr. Rajesh Khanna) or their relatives is concerned or interested, financially or otherwise in the aforesaid Special Resolution.

By order of the Board
For Wendt (India) Limited

Chennai
May 28, 2020

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	N Ananthaseshan	Mr. Rajesh Khanna
DIN	02402921	06923493
Date of Birth	14.12.1962	29.10.1960
Date of Appointment (Initial)	23.11.2019	24.07.2018
Qualification	Mr. N. Ananthaseshan holds a M. Tech degree in Material Science from IIT Kharagpur and also holds a Master's degree in Applied Science.	Mr. Rajesh Khanna is a Mechanical Engineer from NIT Raipur and PGDBA from Annamalai University.
Experience in specific functional areas	He has over two decades of experience in Electrominerals & Abrasives. His areas of expertise include fine powder processing technology, project management, strategic planning, strategic sourcing, global sourcing and e-procurement methodologies.	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)	Carborundum Universal Limited Murugappa Morgan Thermal Ceramics Limited Sterling Abrasives Limited Foskor Zirconia (Pty) Ltd., South Africa CUMI America Inc. CUMI Middle East FZE Volzhsky Abrasive Works, Russia CUMI Abrasive & Ceramics Co. Ltd., China CUMI (Australia) Pty Limited	Sterling Abrasives Limited CUMI America Inc. CUMI Abrasive & Ceramics Co. Ltd., China CUMI (Australia) Pty Limited Wendt Middle East FZE Wendt Grinding Technologies Limited, Thailand
Memberships in Board Committees of other companies (includes membership details of all Committees)	Carborundum Universal Limited: • Member - Stakeholders Relationship Committee • Member - Corporate Social Responsibility Committee • Member - Risk Management Committee Murugappa Morgan Thermal Ceramics Limited: • Chairman- Corporate Social Responsibility Committee	Wendt (India) Limited: • Member - Stakeholders Relationship Committee
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.

KEY DETAILS REGARDING THE ANNUAL GENERAL MEETING

In order to enable ease of participation of the Members, key details regarding the meeting is provided for your reference:

Sl. No.	Particulars	Details
1.	Date and Time of AGM	24 th July 2020 at 03.00 p.m. IST
2.	Link for participation through Video Conferencing (VC)	https://emeetings.kfintech.com
3.	Link for remote e-voting	https://evoting.karvy.com
4.	Username and password for joining the meeting through Video Conferencing	Members may attend the AGM through VC by accessing the link https://emeetings.kfintech.com by using the remote e-voting credentials. Please refer the instructions forming part of this Notice for further information.
5.	Cut-off date for e-voting	17 th July 2020
6.	E-voting period	Commences at 9.00 a.m. IST on Monday, 20 th July 2020 and ends at 5.00 p.m. IST on Thursday, 23 rd July 2020
7.	Link for Members to temporarily update e-mail address to receive the AGM documents	https://ris.kfintech.com/email_registration/
8.	Registrar and Share Transfer Agent contact details	Ms. Rajitha Cholleti, M/s. KFin Technologies Private Limited E-mail: rajitha.cholleti@kfintech.com ; inward.ris@kfintech.com ; evoting@kfintech.com Contact No.: 040-67161736
9.	Helpline number for VC participation and e-voting	Contact M/s. KFin Technologies Private Limited at 1-800-3454-001 or write to them at evoting@kfintech.com
10.	Contact details of the Company	E-mail: investorservices@wendtindia.com ; Contact: 044-30006166

Demonstrating Perpetual Resilience.....



..... Conquering Now,
Next & Beyond !

New Product Developments & Launches
- Machine Tools

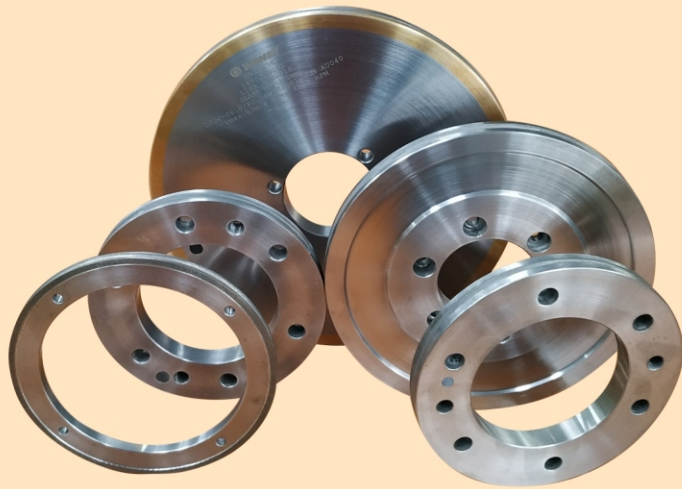


DELTA 450 - High Precision Ring Grinding Machine

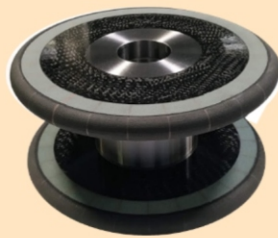


WXG 300 Machine - CNC Creep Feed Grinder

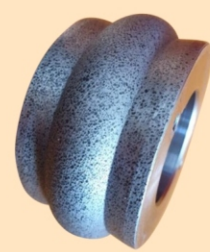
New Product Developments & Launches
- Super Abrasive Tools



Rotary Dresser - Turbo Charger Industries



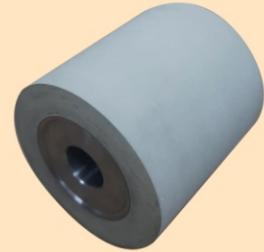
Rotary Dresser - Thread Rolling dye maker



Rotary Dresser - Power Steering manufacturing Industries



Precision Electro Plated Tools - Medical implants



Polyamide Wheels - Biomedical



Rotary Dresser - Bearing Industries



Rotary Dresser - Water pump Bearing Industries

Glimpses of
37th Annual General Meeting



The Board of Directors and Senior Management team



BOARD OF DIRECTORS

Independent Director & Chairman
 Independent Director
 Independent Director
 Independent Director
 Non-Executive Director
 Executive Director & CEO

SHRINIVAS G SHIRGURKAR
 K S SHETTY
 HIMA SRINIVAS
 M LAKSHMINARAYAN
 N ANANTHASESHAN
 RAJESH KHANNA

SENIOR MANAGEMENT

Unit Head
 Business Head - Super Abrasives (till 31st March 2020)
 Business Head - Machines & Components
 Chief Financial Officer
 Head - Technology and R & D

M S VENKATESH
 D K HOTTA
 S SUNDARIYA
 MUKESH KUMAR HAMIRWASIA
 PRABHU RAMANUJAM

COMPANY SECRETARY

JANANI T A

BANKERS

STATE BANK OF INDIA

AUDITORS

PRICE WATERHOUSE CHARTERED
 ACCOUNTANTS LLP,
 Bangalore

INTERNAL AUDITORS

DELOITTE HASKINS AND SELLS 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

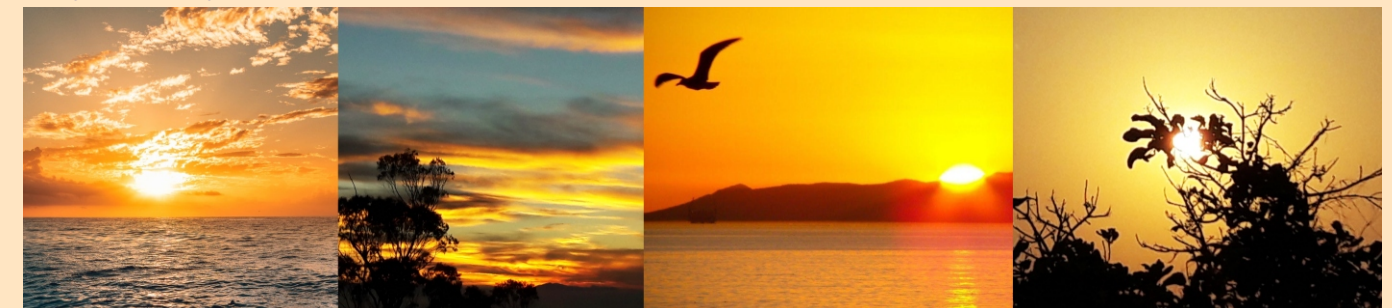
REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Private Limited

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Engineering Flair with Environmental Care...



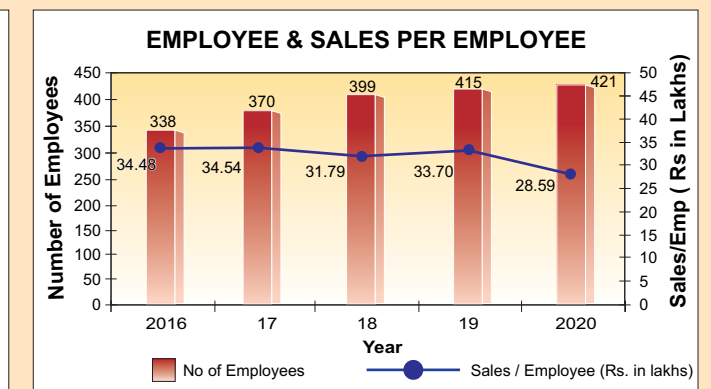
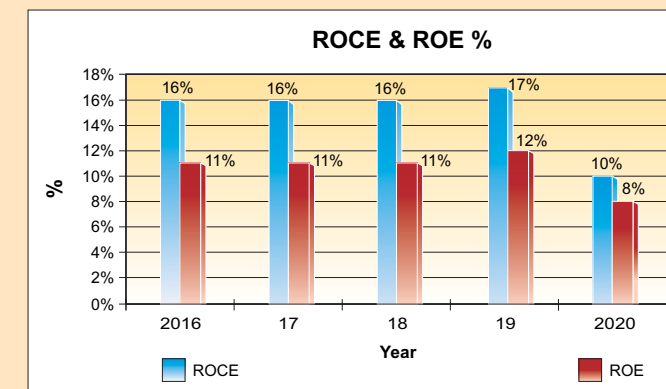
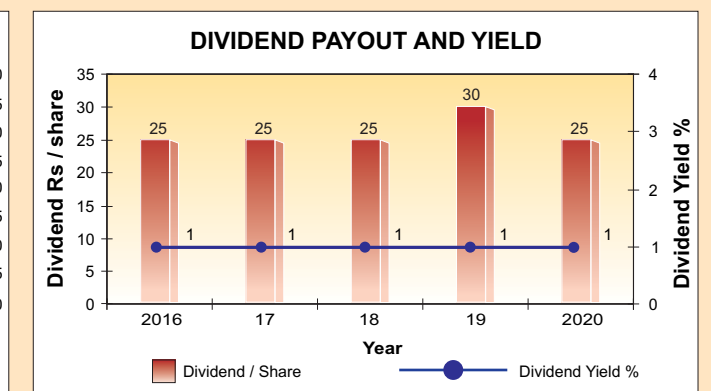
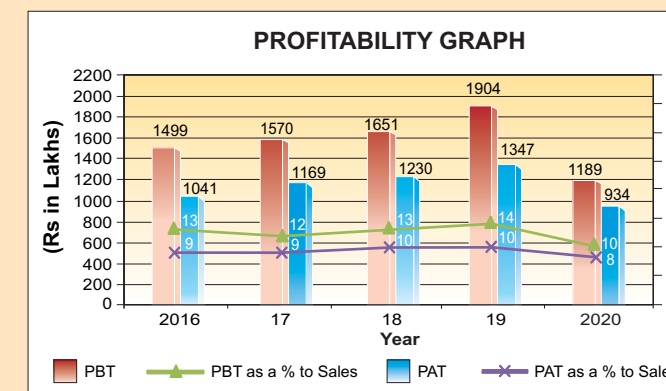
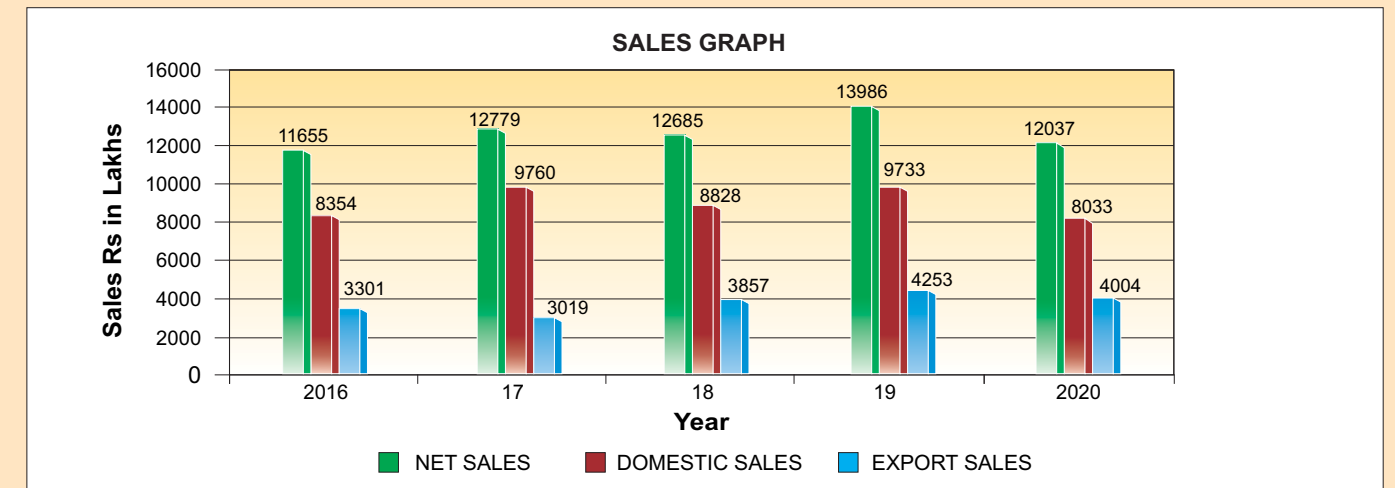
FINANCIAL TRACK RECORD - STANDALONE

Rs. in Lakhs

Year ending 31st March	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUE										
Net sales	8173	10001	8895	9449	10560	11655	12779	12685	13986	12037
Domestic sales	6727	8055	7176	7110	7890	8354	9760	8828	9733	8033
Export sales	1446	1946	1719	2339	2670	3301	3019	3857	4253	4004
Other Income	299	278	225	611	800	648	543	685	709	1057
PROFITABILITY										
Profit before depreciation	2654	2888	1930	2098	2556	2335	2534	2668	2887	2093
Profit before tax	2356	2552	1528	1640	1764	1499	1570	1651	1904	1189
Profit after tax	1595	1729	1012	1187	1485	1041	1169	1230	1347	934
Dividend %	250	250	150	250	250	250	250	250	300	250
EPS (Rs.)	79.76	86.45	50.59	59.34	74.24	52.06	58.47	61.49	67.33	46.70
ASSETS EMPLOYED										
Fixed assets	3264	4363	5027	5510	5608	6060	6078	5595	5689	5533
Investments	2257	1370	1496	1703	1866	1360	1502	2229	3596	3524
Net current assets	531	1532	1485	1505*	2047*	2534	3077	3233	2154	2479
Non- current assets	-	-	-	-	-	470	339	338	330	604
Total assets	6052	7265	8008	8718	9521	10424	10996	11395	11769	12140
CAPITAL STRUCTURE										
Paid up share capital	200	200	200	200	200	200	200	200	200	200
Reserves	5614	6762	7425	8031	8790	9544	10043	10707	11261	11766
Loan funds	-	-	-	-	-	-	-	-	-	-
Non- current liability	-	-	-	-	-	127	187	91	-	-
Deferred tax liability	238	303	383	487	531	553	566	397	308	174
Total funds	6052	7265	8008	8718	9521	10424	10996	11395	11769	12140

* 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, 2019 and 2020 figures are as per IND AS

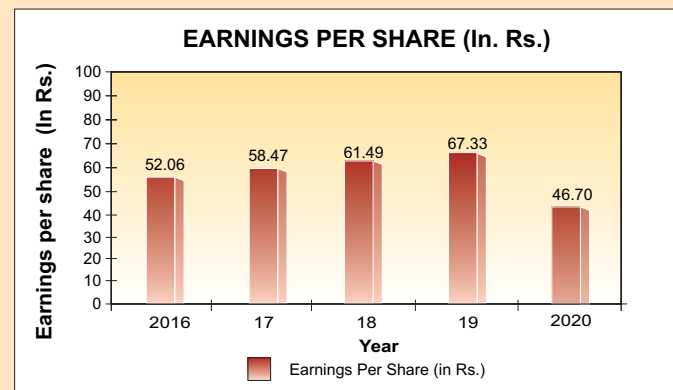
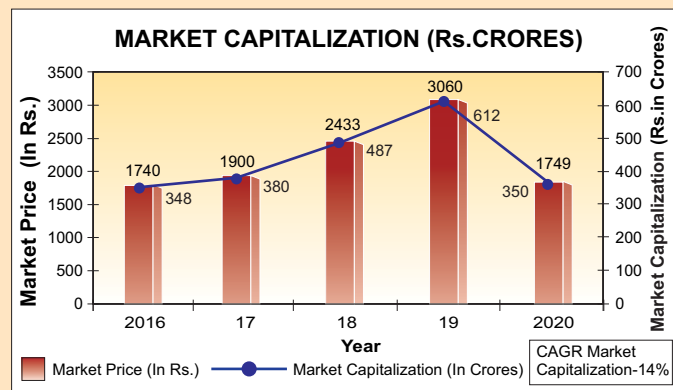
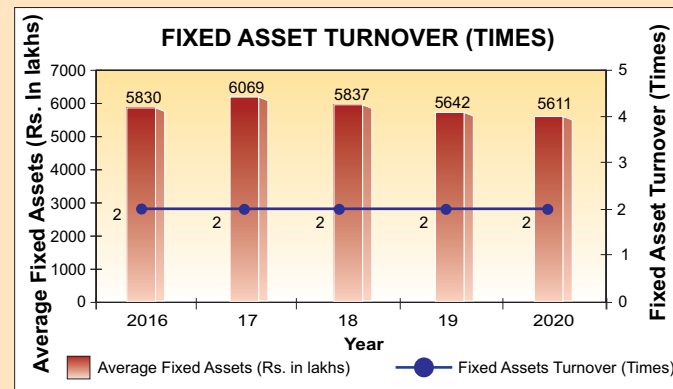
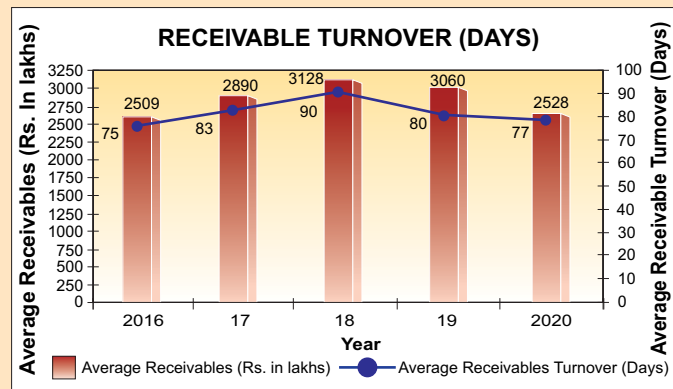
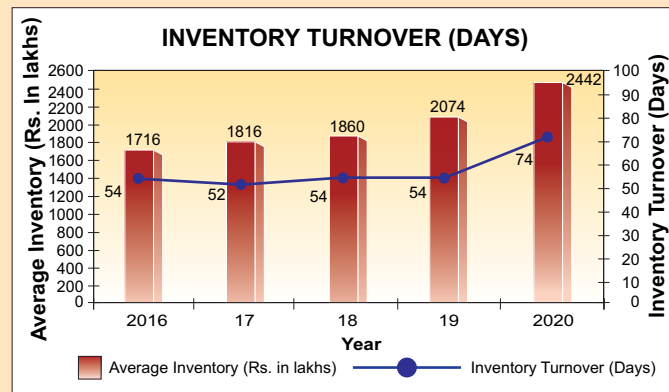


Engineering Flair with Environmental Care...

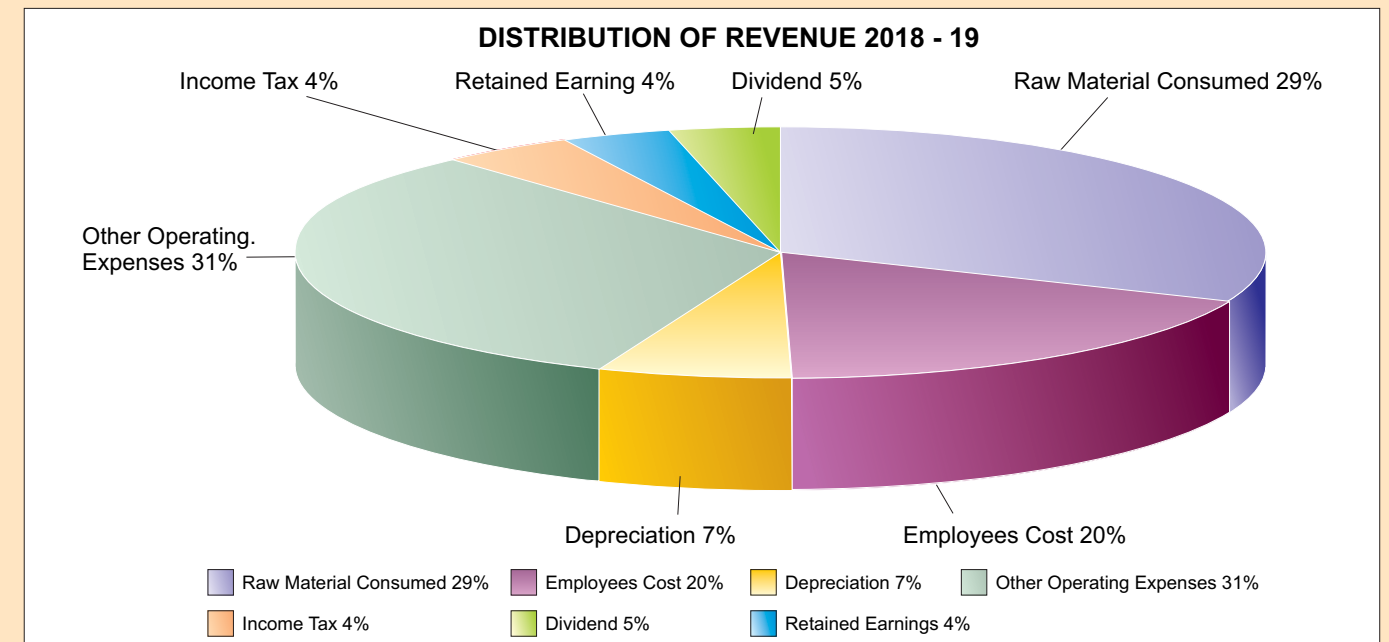
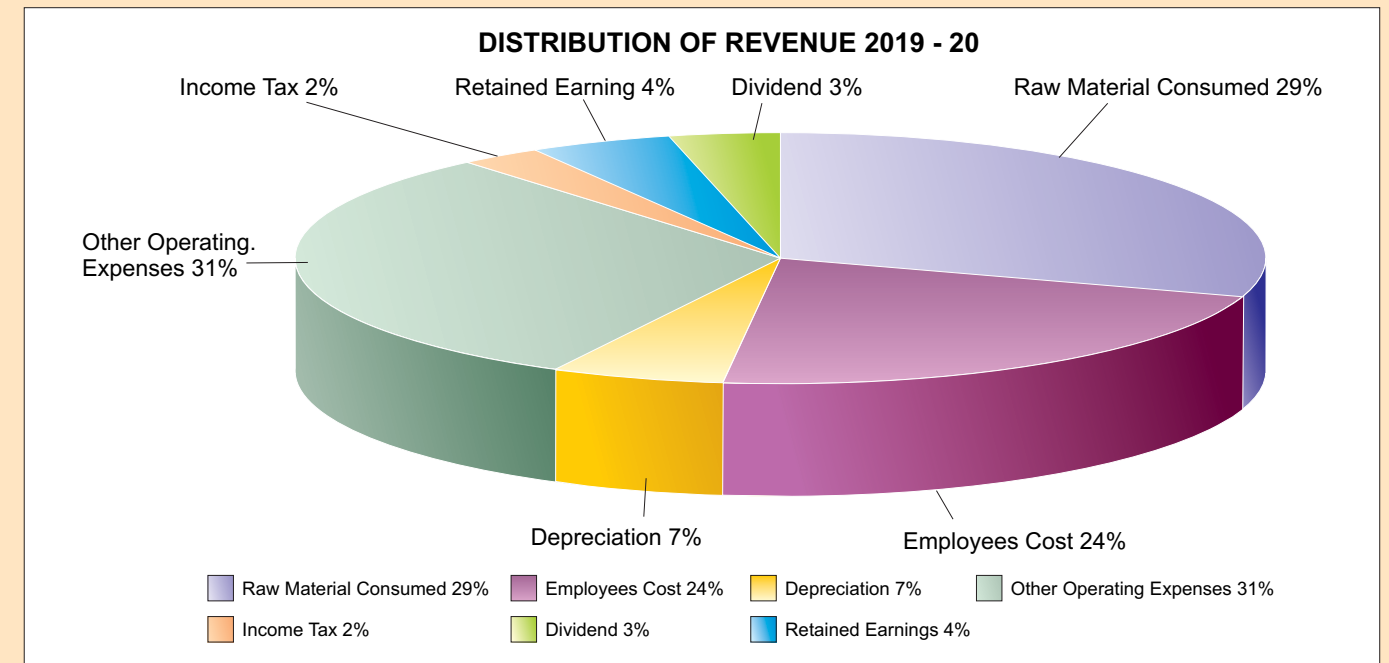


...Total Grinding and Honing Solutions





Engineering Flair with Environmental Care...



REPORT OF THE DIRECTORS

(Including Management Discussion and Analysis)

TO THE MEMBERS OF WENDT (INDIA) LIMITED

The Board of Directors have the pleasure in presenting the 38th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2020. The Management Discussion & Analysis Report which is required to be furnished as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 has been included in the Directors Report to avoid duplication and overlap.



ECONOMIC OVERVIEW



The global economy during the year 2019 was impacted on account of macro-economic uncertainties including the US-China trade war, the monetary policies, slowdown in the automotive sector due to which the global growth was at 2.9 per cent as against 3.6 per cent during the year 2018.

Global headwinds and challenges in the domestic financial sector moderated growth of the Indian economy in year 2019-20.

Corona Virus Disease 2019 (COVID-19) outbreak came at a time when India's economy was already undergoing a slowdown owing to declining demand in

automotive sector and other core sectors like construction as well as continuing financial sector weaknesses. To contain the outbreak of the pandemic, the Government imposed a lockdown, shutting factories and businesses, suspending flights, stopping trains and restricting mobility of goods and people. The rapid spread of the Corona virus and the associated isolation policies implemented to control the outbreak led to significant disruption in economic activity. Both the manufacturing and services industries bore the brunt of the impact. As per the data released by the National



Statistical Organization, India's economy slowed down to 3.1 per cent in Q4 (January-March quarter), reflecting the partial impact of the COVID-19 pandemic.

The annual expansion in the GDP stood at 4.2 per cent in fiscal year 2019-20 - the lowest pace of growth in 11 years, against 6.1 per cent expansion in 2018-19 (FY 2019).

The resultant domestic supply and demand disruptions (on the back of weak external demand) is expected to result in a sharp growth deceleration in FY 2020-21.



The stimulus package of ₹20 lakh crore, which is around 10 per cent of India's GDP, announced by the Government of India to counter the impact of the pandemic, reaffirms the country's commitment to macro-economic stability, prudent fiscal management and uplifting of indigenous manufacturing. The growth tonic to MSMEs, easing of labour related contributions, tax relaxations are expected to bring in much needed liquidity.

The recent spate of macro-indicators reveals the deep distress in the Indian economy with industrial activity and Indian exports posting record contraction in March and April 2020. In this light, *Atma Nirbhar Bharat* package, is a welcome move as it benefits not only industry and working-class population, but also focusses on the poor, migrant populace and agriculture sector and is a step towards making the country self-reliant.

The vision laid by Prime Minister to fulfil the country's dream to become **Self-Reliant** (Atma Nirbhar Bharat) resonates with the growth strategy of the Company and it's also time to become "**vocal for our local**" products and



make them global. This is a very bold step to encourage domestic industry, however there is a need to do more, as Atma Nirbhar will mean moving from 'Made in India' to 'Made by India'.

Self-Reliant India Mission aims towards cutting down import dependence by focusing on substitution, while improving safety compliance and quality goods to gain global market share.

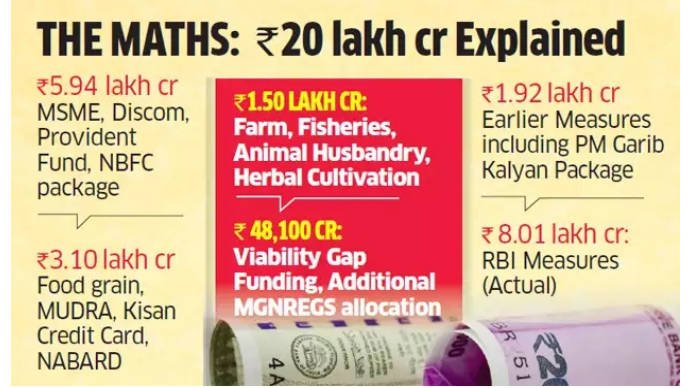
The outbreak of COVID-19 has yielded an unprecedented blow to global financial markets. As per IMF's World Economic Outlook (WEO) January

update, global economic activity remained weak with growth for 2019 downgraded to 2.9 per cent, which is the slowest since the global financial crisis.

INDUSTRY STRUCTURE & DEVELOPMENTS

The demand for Super Abrasive products is closely linked to the level of industrial production. Super Abrasives are used to manufacture long-lasting, expensive items like auto and aircraft parts, demand for which is highly cyclical. Diamond and Cubic Boron Nitride (CBN) Super Abrasive products are used extensively in aerospace industry and other industrial applications where price considerations are less significant as they incur high initial costs. They are used in the machining of materials such as nickel, cast iron and cobalt-based superalloys, where precision in machining operations is of prime importance.

Increasing complexity of Super Abrasive technology in high-performance applications and its high initial cost make it difficult for small-scale and medium-scale companies to compete with the global market leaders. While industry leaders can afford significant research operations, a majority of unorganized players do not have access to substantial R&D resources. This disparity can make it difficult for small and medium-scale companies to compete in the market, in terms of developing products that may require advanced technologies.





Additive manufacturing of components in the aerospace and other industries is pursued by a number of organizations. Since the additive processes produce components in near-net shape, there is often very little stock that remains on these components for providing final finish. Therefore, any post-processing finishing methods that are employed need to be extremely consistent in achieving part tolerances and surface quality, which in turn create opportunities for Super Abrasives and Machine Tool Business.

The Company being a total Grinding & Honing Solution provider, innovation is at the core of the Company's products and processes. As such majority of our products are

customized to fulfil the customer's requirements.

Our comprehensive product range backed by state-of-the-art technology, valued-added services and consistent performance, by and large fulfil the needs and expectations of our customers in diverse industrial segments.

The Company is a preferred supplier for many of the automobile, auto component, engineering, aerospace, defence ceramics customers for their Super Abrasive Tooling solutions, Grinding & Honing Machines and Precision components. A major contribution to the Company's revenues in the forthcoming year is expected to come from these industries.

Also, the Company is working on de-risking its business by introducing new products and exploring new markets for Glass Wheels for Auto/Solar/Construction Application; Textile industry for Knife grinding; Razor Blade and Needle & Surgical Blade/Cutlery Knives Industry.



COMPANY PERFORMANCE OVERVIEW (STANDALONE)

(₹ in lakhs)

	FY 2019 - 20	FY 2018 - 19
Domestic Sales	8,033	9,733
Export Sales	4,004	4,253
Total Sales	12,037	13,986
Other Income	1,057	709
Profit Before Tax	1,189	1,904
Profit After Tax	934	1,347
Operating Profit before Finance cost	425	1,495
Capital Employed	11,966	11,461
Earnings per Share - ₹	46.70	67.33

Due to the vulnerabilities of our domestic economy & the global market dislocation including on the back of the COVID-19 pandemic in March 2020, the Company clocked a top line of ₹12,037 lakhs, compared to ₹13,986 lakhs (net), lower by 14 per cent over the previous year.

Considering preventive measures to curtail the spread of COVID-19 and in line with the directions issued by the Ministry of Home Affairs, the Company had to temporarily suspend its manufacturing operations from 23rd March 2020 leading to a tepid performance in the month of March 2020.

Though the demand for Company's products and services in the domestic market saw a reasonable traction during the year from the Steel Industry, the Company was adversely impacted due to lower orders from major contributory industry segments such as Auto & ancillary, Engineering & allied sector. Consequently, the Company recorded sales 17 per cent lower than the last year. The export business was also affected by continued volatility and global slowdown resulting in sales being 6 per cent lower than the previous year. The Company continued its efforts in addressing the challenges thereby recording growth in some of the overseas markets such as Korea, United States of America, China, United Kingdom and Taiwan despite uncertainties.



During the year, the Company continued its dedicated efforts in pursuing business in its major verticals namely Super Abrasives, Machines and Components. The Company would continue to deploy the required investments and resources in identified growth areas considering its long-term growth strategy.

The **Super Abrasive Business** comprising Diamond/CBN Grinding Wheels in various Bonding Systems, Rotary Dressers, Stationary Dressers, Hones and Segmented products, was majorly impacted by the volatile situation in the domestic market and also lower orders from some of the key overseas markets like Germany, Russia, Singapore and Spain. However, amidst many challenges, business has achieved a growth of over 10 per cent in countries like the United States of America, China, United Kingdom and Taiwan.



The Company continued to drive growth through **New Product Developments** in areas such as Wheels for Auto/Solar/Construction applications; Textile industry for Knife grinding, Razor Blade, Needle/Surgical Blade/Cutlery Knives industry in addition to adopting new technologies for Dressing Rolls, Precision Electroplated products.

During the year, the Company with an aim to explore opportunities in new markets, customers and applications

adopted **Online Marketing** initiatives and a **B2B Digital Marketing Platform**.

The **Machines Business** vertical witnessed a growth of 29 per cent over the previous year, on the back of good orders from domestic and overseas market. The Company has developed and launched new models/variants in this segment viz., High Precision Ring Grinding Machine: Delta 450. These machines have been well received by the customers projecting a good performance. Machine sales in the export market achieved an impressive growth of 93 per cent, on the back of good orders from renowned Steel and Cutting Tool industries.

The **Precision Components Business**, during the year, faced few challenges in terms of lower volume off take by the customers due to slowdown in the auto sector and transition phase of BS IV to BS VI in the internal combustion engine. The Company has successfully established and ramped up the capacity of new components to suit the latest technology.

The Company also focused on de-risking the Precision Components business to reduce dependency on Auto





industry by exploring new business opportunities in refrigerator & air conditioning parts, special inserts, Carbide industry, deploying its core competencies - Expertise, Experience and Knowledge on Grinding, Machines & Super Abrasive Tools for producing related precision components.

FOCUS ON PROCESS EFFICIENCY

The Company continues to focus on improving operational efficiency as well as optimal utilization of various resources in manufacturing and production areas. This is supported through implementation of LEAN, not only in manufacturing process but also in

support functions. This initiative is beneficial in addressing some of the key areas like planning and scheduling, production reliability, materials availability, and product delivery. The Company ensures maintaining minimum inventory levels while safeguarding on-call supplies and on-time delivery to customers.

Optimum use/sweating of assets based on Value Stream Mapping, by using common pool of resources (Machine) for similar operation across all cells remains the Company's priority.

Supply Chain efficiency is one of the Company's key focus area. The Company outsources most of its 'Non-Precision' processes and the 'Precision' processes are carried in-house. The Company partners with well-equipped and established vendors in and around Hosur, Tamil Nadu for certain non-critical activities.

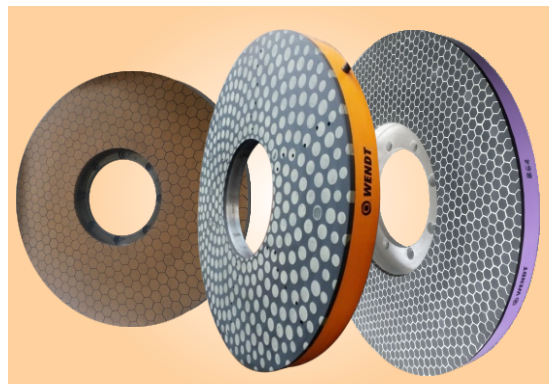


On the raw material front, the Company continuously develops alternative, reliable and competitive sources/suppliers for critical raw materials including Diamond/CBN, machine castings, systems, electrical, chemicals etc.

FUTURE PROSPECTS

With Government of India giving more thrust to localization, Indian machine tool industry is keen to substitute imports and explore new user segments especially in Agriculture machinery, Pharmaceutical and Medical equipment, Defence and other emerging sectors.

There will be a push for digitalization, automation and optimization of processes in the manufacturing ecosystem in the medium to long-term. Industries need to use manpower judiciously for new product and process developments as well as for engineering services.



Super Abrasive products are used in various medical applications such as Surgical Instruments, Hypodermic Needles, Dental implants, Knee, Hip and Shoulder joints. Availability of nano Cubic Boron Nitride particles is expected to open up more untapped medical applications in the near future. Also growing Consumer Electronic Segment, with also manufacturing facilities in India is expected to provide a wide array of opportunities for consumption of Super Abrasives in the coming years.

With specialized manufacturing gaining more attention worldwide, there is a growing importance for manufacturing of

smaller and accurately shaped parts. Precision grinding is the only way to produce the tight tolerances that make smaller, more intricate parts fit properly. The Company aims to capitalize on this front in manufacturing technology for customers in the field of high precision grinding.

The Company's growth lies in constantly monitoring changes in the external environment and adapting to the customer needs that are emerging. Accordingly, mega trends and underlying new opportunities that unfolds are being tracked continuously.

To bridge the gap between optimizing existing technologies & investing in advancements, the Company's in-house R&D efforts are aimed at strengthening the existing technology, complemented by new methods of manufacturing.

The Company has embraced the current slowdown as an opportunity to get its employees up skilled in digital marketing and **Digital Technology** so as to complement the traditional sourcing and interacting with customers in a much cost-effective manner ultimately enhancing customer experience.



Adoption and deployment of appropriate technologies for indigenous Bond development, streamlining processes, introducing automation in critical areas and working on industry 4.0 would also be the key focus areas for the year to address the Company's growth prospect. Product and process improvement through constant innovation has always been the Company's driver for growth.

SUBSIDIARY COMPANIES

Wendt Grinding Technologies Limited, Thailand

The Company's wholly owned subsidiary, Wendt Grinding Technologies Limited, Thailand, achieved sales of Thai Baht 1,022 lakhs (₹2,337 lakhs) which is 4% lower than the last year, despite continuing industry slowdown, declining exports, political uncertainties, rising costs and all odds. The subsidiary continues to demonstrate its strong resolve and business acumen challenging the unfavourable conditions and churning out good results on a consistent basis.

The Profit Before Tax was Thai Baht 225 lakhs (₹ 508 lakhs) and the Profit After Tax has been Thai Baht 179 lakhs (₹ 404 lakhs), both being 5 per cent higher over previous year.

Like in earlier years, persistent growth initiatives and efforts have been the key to performance sustainability of the subsidiary. Strict cost control measures despite gaining new business through proactive measures and strong business network has also been instrumental. Focus on providing value-added services, enhancing the product basket, new customer additions and entering new geographies have yielded desirable results.

The subsidiary participates in important Industrial and Trade Exhibitions as a 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 the Company, has clocked an annual sale of AED 7.82 lakhs (₹151 lakhs), which is 67 per cent lower than the last year. The lower top line is attributable to the worsening oil crisis, political disturbance and slowdown in new projects in the Middle East region. Also, due to the worsening credit situation, the subsidiary has been cautious and prudent in growing the top line.

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

2019-20 are prepared in compliance with the applicable provisions of the Companies Act, Accounting Standards as prescribed by Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 thereon form part of this Annual Report. A statement of summarized financials of all subsidiaries of the 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 information on the consolidated operations are as follows: -

KEY CONSOLIDATED FINANCIAL SUMMARY

(₹ in lakhs)

	FY 2019 - 20	FY 2018 - 19
Sales	14,063	16,178
Other Income	745	520
Profit Before Tax	1,361	2,193
Profit After Tax	1,003	1,541
Earnings per share-₹	50.13	77.07

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 Dividend of ₹ 25/- per equity share of face value ₹ 10/- each (250 per cent) for the year ended 31st March 2020 to be distributed upon approval by the members at the ensuing 38th Annual General Meeting.

TRANSFER TO RESERVES

The Company transferred ₹ 93.40 lakhs to the General Reserve. An amount of ₹ 5,690 lakhs is retained in the Statement of Profit & Loss.



APPROPRIATIONS

Available for appropriation	(₹ in lakhs)
Profit After Tax	934
Add: Other Comprehensive Income	(96)
Add: Balance brought forward from previous year	5278
Total	6116
Recommended appropriations	
Transfer to General Reserve	(93)
Dividend	
-Final (Dividend paid for 2018-19 ₹ 15/- per share of face value of ₹ 10/- each)	(300)
Dividend Tax	
-Final (for 2018-19)	(33)
Balance carried forward	5690
Total	6116

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible Corporate, the Company's Corporate Social Responsibility pursuits have always been based on the foundation of ethical behaviour 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. The Company being a part of the Murugappa Group has been upholding this tradition by allocating a part of its profits for fulfilling its social responsibilities. The Group's philosophy is to serve the communities in which it operates through the services of service-oriented philanthropic institutions with education and healthcare being the core focus areas.



The Company believes that social responsibility is not just a corporate obligation that has to be carried out, but an opportunity to make a difference. The Company's Corporate Social Responsibility programmes are aimed at inclusive growth and sustainable development of the community.

The Company's Skill Development Program run in collaboration with Carborundum Universal Limited has been a major initiative over these years. The main objective being to provide high quality vocational and technical training to less privileged youth from weaker sections of the society by uplifting their lives by equipping them with employable skill sets. This training programme is designed based on the coaching methodology defined by Government of India, Ministry of Skill Development and Entrepreneurship. This programme also includes providing stipend to the enrolled students, ensuring that they earn while they learn. Not only does this initiative help in imparting formal education, but also helps them in honing them to become a valuable citizen while helping them in seeking gainful employment upon successful completion of the course.



During the year, the Company also contributed a sum of ₹ 2 lakhs to Shri. AMM Murugappa Chettiar Research Centre towards R&D initiatives for rural development.

The Company also gives importance to green environment



and tree plantation in the nearby communities by distributing and planting free saplings every year. Employees are encouraged to participate in activities like blood donation camps, taking classes on computer education in municipality schools, creating awareness on road safety, nominating employees with RTO as traffic wardens, 5S campaigns towards cleaner environment, imparting special education to the school children to name a few.

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

The Company, during the year 2019-20 has spent ₹ 34.50 lakhs towards CSR activities in line with the provisions of the Companies Act, 2013.

The Annual Report on CSR activities in the prescribed format is annexed herewith as Annexure C.

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

Particulars of Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are given below. There were no loans or guarantees covered under section 186 granted during the year.

(₹ in lakhs)

Description	As on 31.03.2019	Movement (net of deletions)	As on 31.03.2020
Loans given by the Company	-	-	-
Corporate Guarantee given by the Company	-	-	-
Investments made by the Company	430.55	-	430.55

Current Investments: Investments in Mutual Funds as on 31.03.2020 was ₹ 3,093.34 lakhs



TRANSFER TO THE INVESTOR EDUCATION & PROTECTION FUND

In terms of Section 124 (5) of the Companies Act, 2013, an amount of ₹ 4.04 lakhs being unclaimed dividend during the year, pertaining to the financial year 2011-12 was transferred to IEPF after sending due reminders to the shareholders.

KEY RATIOS

Sl. no	Ratios	in terms of	31.03.2020	31.03.2019
1	Performance Ratios			
a.	Operating Profit / Net Sales	(%)	4	11
b.	EBIDTA / Net Sales	(%)	17	21
c.	PBIT / Net Sales	(%)	10	14
d.	ROCE	(%)	10	17
e.	ROE	(%)	8	12
f.	Fixed Asset Turnover Ratio	Times	2.15	2.48
2.	Activity Ratios			
a.	Inventory Turnover Ratio	Days	74	54
b.	Receivable Turnover Ratio	Days	77	80
3.	Liquidity Ratio			
a.	Current Ratio	Times	2.35	2.17

The significant change in operating profit and PBIT to net sales is mainly due to lower sales and resultant lower profit for the year. This has also resulted in adverse change in ROCE and ROE for the year ended 31st March 2020.

Further, the imposition of lockdown at the year-end due to COVID-19 pandemic, has resulted in a higher inventory turnover days.



QUALITY

To maintain the quality of its products, the Company follows a quality assurance system with stringent tests built into every stage of production. This extreme quality consciousness backed by a thorough understanding of customer application needs and "one to one" customer support, has made the Company a synonym for quality and reliability.

The Company has certifications of ISO 9001 and TS 16949 reinforcing its commitment to ensure Quality Management

Standards are met.

TS 16949 pertains to manufacturing of precision components. In order to comply with the safety norms and requirements of overseas customers, the Company has successfully renewed EN 13236 Standards during the year. Quality being the uncompromised differentiator, the Company aims to ensure that product quality is built by deploying and embracing effective quality control management, process robustness, quality assurance and discipline at every stage of material flow.

SAFETY, HEALTH AND ENVIRONMENT (SHE)

The Company recognizes the need and is committed to provide Safe, Healthy and Socially Accountable Work Culture in the Organization. The Company has complied with the requirements of internationally recognized Social Accountability Standard SA 8000:2014 and periodically reviews its policy to cater to the changing requirements. The





Senior Management takes responsibility for maintaining these standards through deployment of relevant processes and guidelines in line with **OHSAS 18001 and ISO 14001 standards**.

All personnel on a periodical basis receive effective health and safety training, including on-site training, job specific training etc. During the year, the Company has provided trainings for creating awareness about the significance of safety amongst employees and visitors including by way of setting up of safety training kiosk.

Quarterly mock drills for fire safety, annual health check-up for employees, special medical attention for employees working in special process & sensitive areas, use of personal protection equipment (PPEs), zero discharge of ETP/STP and hazardous waste handling are some of the initiatives, which the Company undertook during this year.

In March 2020, as the COVID-19 pandemic spread to India, actions were taken to enhance employee awareness, health and safety, with also ensuring business continuity.

Towards this, the Company provided guidance and made a SOP detailing the appropriate social distancing measures, including restricted movement of manpower, use of hand sanitizers and face mask at workplace and home and ensuring adequate spread of employees in 3 shifts to maintain social distancing.



RECOGNITIONS AND AWARDS

The Company encourages its employees to participate in customer audits, group competitions, various national and international events & competitions. During the year, Company received many awards and accolades from well recognized organizations, establishments and certifying bodies for various distinctive achievements. Needless to mention that these recognitions and accolades enhance the

passion and optimism among the employees and acts as key motivator for the Company as a whole. Some of the key recognitions received during the year are as follows:

- **Best New Development Award**
Awarded with "Best New Development Award" at Schaeffler Supplier Meet.
- **ASSOCHAM Excellence Award**
Won the prestigious ASSOCHAM Excellence Award for Corporate Social Responsibility. The award was presented by Shri Nitin Jairam Gadkari.



- **CII Award**
CII Award for CUMI Centre for Skill Development (CCSD) for Community engagement.
- **Quality Circle Awards**
Bagged National Level - Excellence Award organized by NCQC – 2019, Varanasi.
- **Cufest 2019 Awards**
Employees participated in Group-level Quality competitions 'CUFEST 2019 (Quality festival of CUMI) and won awards for Quiz, Best Practice: Commercials, 5S, SGA and Idea King.



OPPORTUNITIES & THREATS

OPPORTUNITIES

Electric Automobiles is the recent emerging trend in the automotive industry, which is expected to boost the market demand for Super Abrasives for high thermal and wear resistance applications.

Nano Cubic Boron Nitride abrasives are likely to augment applicability of Super Abrasives in many medical and electronic industry applications.

The industries in the Auto, aerospace and electronics manufacturing space demand high-performance applications. Improvements in the design of diamond wheels used to finish ceramics can be key to cost-effective manufacturing. Metal-bond specially design wheels for longer wheel life can lead to shorter process cycle times while also ensuring longer life, thereby reducing the overall grinding cost.

Growing construction industry is anticipated to drive the demand for Super Abrasives over the coming years. Initiatives taken by the Indian Government for boosting infrastructure viz., highways, construction of flyovers, metros and the Housing for all initiatives is expected to drive the demand for our products.

The Company would continue to leverage upon its vast experience and technical expertise, deep understanding of customer requirements, comprehensive product range, superior technology and the resultant competitive edge emerging out of its complementary business verticals namely Super Abrasives, Machine Tools and Precision Component.

Further, the Government's focus on Projects like 'Make In India' or 'Atma Nirbhar Bharat' are expected to give a boost to the Company's products being import substitute, thus helping in conservation of precious foreign exchange during these difficult times.

THREATS

Industry leaders across globe, with high brand value afford significant Research operations. Investment in R&D activities by these major players to innovate the existing products and to develop new technologies to sustain competition in the market is very high. On the other hand, we have many unorganized, regional proprietary-run entities that are smaller in size with limited offering, which address customers' requirements in a specific region.

In order to counter both the extremes, the Company strives to evolve a unique approach to improve its market presence, market share and address both the segments. To address the price competitive market, the Company has launched fast moving and Standard Super





Abrasives and other tooling products in **STAR brand** and has been aggressively conducting promotional activities at the vicinity of high potential customer. For addressing the high performance, quality conscious segment, the Company is working with foreign Research Institutes and is on lookout for product specific, niche manufacturers for acquiring state of the art technology.

BUSINESS OUTLOOK

Consolidation amongst customers in the auto and aircraft parts industries is opening opportunities for large abrasive manufacturers to develop nationwide sales relationships with big customers. Although there are few economies of scale in manufacturing operations, there are large distribution efficiencies for companies that can provide a

wide range of Super Abrasive products to large customers.

Unique properties of Super Abrasives such as extraordinary hardness & high thermal conductivity in the entire abrasive range ensures unparalleled consistency in performance, high grinding ratio, higher wheel life, consistent high surface finish, making it a unique proposition for grinding hard & tough to grind materials. By virtue of it providing a longer wheel life, reduced grinding time & downtime, the high initial cost is justified by being cost effective during the course of its life cycle.

Government initiatives in countries such as India, United States of America and China to promote construction activities are further likely to propel the market growth.

Asia - Pacific region is expected to be a major consumer of the Company's products in the coming years. Increasing demand for the products is majorly driven by developing countries like India. Precision tooling is one of the rapidly growing markets in India as majority of machine shops in the country are shifting towards manufacturing precision tools to cater to the rapidly advancing automotive, bearing, aerospace and electronic markets. The growing precision tooling market is expected to trigger the market growth in the incoming years.



In **Super Abrasives business**, the Company's focus will be on extrapolating success in domestic and in the overseas market, while increasing the share of business of established products, focusing on new product & application developments with identified domestic customers. In addition to this, the Company is aggressively focusing on the mega trend and aligned strategies by directing energies towards Non-Traditional business, such as wheels for Nuclear, Wind Energy, Glass Wheels for Auto/Solar/Construction Application; Textile industry for Knife grinding, Razor Blade, Needle and Surgical Blade/Cutlery Knives Industry.



On the **Machine front**, the Company will continue to provide Grinding Solutions to Steel Industry for WRM and BRM in India as well as for identified countries like South Korea, China, United Kingdom, Spain, Brazil & certain parts of Middle East and Cutting Tool industry for Dressing machines. Simultaneously, the Company is identifying opportunities to develop machines for automotive industry for Grinding and Honing application, where there is a high dependency on imports such as Double Disc/Fine Grinding machine and Single Pass Honing machine.

The **Precision Components business** is being strengthened and enhanced by ramping up of capacity for existing products and new projects like Fuel pump industry in line with Euro 6 Norms. The initial test and approval for new projects have been encouraging and we expect to benefit from this during the years to come.

The Company's wholly owned subsidiary, **Wendt Grinding Technologies Limited**, Thailand, continues to show creditable performance year on year albeit Thailand being affected by slowdown specially in export dependent countries, political uncertainties, declining demand, shifting of base by many Japanese companies. It demonstrates enough confidence for even better performance in the coming years. Certainly, this has been possible due to continuous efforts in exploring newer opportunities, scanning new industry segments, enhancing product basket as well as delivering superior value propositions to the customers in Thailand and adjoining countries.



Due to the ongoing slowdown and worsening liquidity situation in the Middle East, the Company's subsidiary Wendt Middle East FZE is showing a stagnated performance. However, despite these difficulties and hardships, the subsidiary continues to dedicate all its efforts on markets and industries that have given good results during these

tough times. The subsidiary would 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.



COVID-19 Impact and Risk Assessment

The outbreak of the COVID-19 pandemic developed into a global crisis in the last quarter of the FY 2019-20 forcing countries globally to impose lockdown conditions on all activities impacting the economy at large. At the onset of the pandemic spread in India, the priority for the Company was the safety and health of all its employees and other

stakeholders with minimal disruption to operations. In adherence to the Government advisories and considering the well-being of our stakeholders, the Company's plant situated at Hosur, Tamil Nadu was shut down in a safe manner following due protocols. However, considering that the Company's operations involve continuous processes as a safeguard measure, minimal essential staff required for safety and maintenance were deployed after undertaking due health and hygiene precautions.

Once the lockdown was imposed, a swift transition to remote working was made by putting in place a framework for operating from home with well-established protocols. The robust IT platform of the Company enabled significant personnel to continue to perform their services remotely in a safe and secured manner. Since the Company's facility was located in a green zone, operations resumed on 30th April 2020 with permitted workforce after ensuring receipt of requisite permissions from the local authority and in





adherence to the standard operating procedures laid down by the Ministry of Home Affairs from time to time. This adherence was ensured not only from a regulatory compliance perspective but by keeping in mind the well-being of our employees, customers and other stakeholders.

The COVID-19 pandemic has caused unprecedented disruption in business and operation models globally. This has cascading uncertainties making market and business conditions volatile. Even prior to the COVID-19, the slowdown in the automotive sector and other core sectors started to reverse the growth momentum of the Company. However, with a sound financial position with dedicated passionate

employees, the Company believes it will be able to navigate these challenges for a sustainable future.

The Company has identified the various risks owing to COVID-19 that could impact future performance and is taking initiatives to mitigate the same. The initiatives undertaken include rigorous review of the business plan as well as contingency plan based on scenario planning closely monitored by the Management duly supported by the operating teams with timely and relevant information and new opportunities. The Company is in constant engagement with its customers and updates them on the status of operations and assuring them of delivery and performance. Prudent cash management and efficient working capital management with sharp focus on collections and payments, cost reduction and inventory management is the key. The Company is in regular coordination with its key suppliers as well as identifying alternate suppliers for expediting the services/materials critical for operations.

On the people front, dedicated and clear communication and awareness programs are being conducted at regular intervals to sensitize the employees on the cause and effect of this disease. Periodic calls are made to enquire about the health status of the employee and his/her family including neighbourhood. Dedicated Task forces for taking concerted and quick decision on matters relating to COVID-19 have been set up under the supervision of Unit Head. Preliminary health check-ups are being undertaken before a worker resumes duty. Continuous guidance on social distancing norms and hygiene given. Separate helplines 24X7 to counsel employees who require customized guidance or information set up. Online learning and development programs rolled out to keep employees engaged and up skilled during the lock down.

The Company has made detailed assessment of its liquidity position for FY 2020-21 and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.



The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

With respect to material changes or commitments impacting the financial position of the Company in respect of events occurring after end of the year but before the date of this report, the Board is of the opinion that no material adjustments in the accounting entries or estimates, accounting policies are relevant to the financial statements for the year ended 31st March 2020.

Enterprise Value Addition (EVA)

(₹ in lakhs)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Generation of Gross Value added	5251	5800	5272	4902	4417
Breakup on Application of Value added					
Payment to Employees	3136	2892	2588	2363	2077
Payment to Shareholders (on payment basis)	300	600	500	500	500
Payment to Government	404	740	692	490	539
Payment to Directors	22	21	16	5	5
Towards replacement and expansion	1389	1547	1476	1544	1296
Total	5251	5800	5272	4902	4417

- 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.
- The Company has been constantly investing towards replacement and expansion expenditure to ensure fulfillment of market demand.



RISK & CONCERN

The Company determines the categories of risk from – strategic, operational, environmental, legal, social, and financial points of view, which the organization may be exposed to and could impact its ability to conduct its business operations without disruption, to provide customer satisfaction and achieve sustained success. As per its evaluation and periodic monitoring there is no risk envisaged at this point in time that may threaten the existence of the Company.

The risk management controls established by the Company includes:

- Taking risk, where risks have desirable potential consequences.
- Altering risk, to optimize potential opportunities and minimize threats.
- Transferring risk by measures including insurance, contractual arrangements, trade unions, partnerships, and joint ventures.
- Retain risk, where no worthwhile controls actions are feasible and the risk is within the organization's risk tolerance.

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?

- Adverse demand shock for automobile manufacturers, due to COVID-19.
- Disruption in the overall automotive market landscape due to transition of the automobile industry towards hybrids and electric vehicles.



- Effect on Customer Relationship with change in ownership.
- Disruptive innovation & process changes.
- Newer technology like Integrated Starter Generator and Belt-Driven Starter Generator that are likely to replace alternator and generator in the automobile.

Mitigation Plan/Counter Measure to address

- Identifying alternate Industry base Segments based on Mega Trends- Aerospace, Bearings, Razor Blade, Glass, Power (Solar, Nuclear, Wind and Gas).
- Widening the customer base/new industry segment & new geographies thereby de-risking the business.
- Pursuing product innovation and new application development as per government norms.
- Building relationship and engagement with the customer by adopting new initiatives conducting Technical Seminar – both online and onsite, participation in international exhibitions, CRM & Knowledge Management application.
- Working with renowned research universities and technical consultants, to develop new products.
- Focus on Digital Marketing, to acquire new customers and pursue new applications.

Competition Risk

Why is it considered as a Risk?

- Loss in share of business for standard and low precision products, due to presence of many unorganized regional players often adopting measures like pricing strategy, free samples, longer credit period etc.
- Disruption in global competition by Chinese low-cost products.
- Major companies acquiring local dealers/manufacturers and entering into partnerships with major end users to continuously supply products.
- Organized player spending on Research and Development and coming up with new products.

Mitigation Plan/Counter Measure to address

- Launching High Performance standard products, in STAR Brand with competitive price and branding products by conducting seminar at Tier 1 & Tier 2 cities, Mela at dealer locations and participating in various exhibitions.
- Identify products under Threat. Segregate products and identify which can be produced in large volume machining, with low cost raw material, automated processes.
- Association with external agency for developing new products for different applications.
- Offering products against import substitute by focusing on cost, delivery, quality and technical support.
- Automation and Robotization to address lower manufacturing cost and enhance competitiveness.

Technology Risk

Why is it considered as a Risk?

- Elimination of Machining Process (Turning, Milling, Grinding, Honing).
- High investment on Technology by key global players.
- Access to new advanced technologies.

Mitigation Plan/Counter Measure to address

Indigenous development of Bonds with external consultant support and working with Research Institutes.

- Enhance in-house R&D efforts (DSIR approved R&D) to strengthen existing technology, complemented by new methods of manufacturing.
- Association with external Research laboratories/Technical institutes for technology upgradation.
- Collaboration with external consultants for product and process Innovations.

HR & Legal Risk

Why is it considered as a Risk?

- Employee disengagement risk, owing COVID-19 Pandemic.
- Non-availability of employees owing to them residing in containment zones or being quarantined.
- Attrition of skilled/trained manpower leading to disruption of operations or knowledge gap.
- Millennial work force – no long-term interest.

Mitigation Plan/Counter Measure to address

- Facilitate to enhance technical and behavioural capabilities through e-learning modes and Webinars.
- Continuous counselling on health, safety and mental well being besides extending necessary support to employees and their family members on matters relating to COVID-19.
- Improve leadership readiness to manage the growth initiatives by identifying internal and external incumbent for next set of leadership positions.
- Focus on acquiring high skilled talents from best in class domains/organizations.
- Design & implement career road map through structured development plan for career enhancement based on roles and job descriptions.
- Mentoring and Coaching programme for employees for enhancing engagement level.

Online Data & Information Security Risk

Why is it considered as a Risk?

- Disruption of technology service providers (in Work from Home conditions)
- Data breach, loss or exposure increase due to a remote/mobile workforce.

Mitigation Plan/Counter Measure to address

- The Company has a backup process available for data restoration. The Company has identified alternate service providers in case of switch over.
- Implemented SIEM (Security Information and Event Management) for identifying, monitoring, recording and analysing security events or incidents in a real-time IT environment.
- Continuous review of the Disaster Recovery Strategy & Business Continuity 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.
- 'IT Way Forward' initiative to rationalize processes & eliminate non-value add processes.

INFORMATION TECHNOLOGY (IT)

Use of technology and harnessing the benefits for smooth functioning has been one of the key success factors for the Company.

The Company configured **C4C Cloud for Customer (SAP CRM)**, which empowers sales and service team on the field to have real time data along with respective visit calendar, customer 360 Degree reports, service tickets etc. All future leads/opportunity are being tracked for faster closure.

The Company also launched a **Wendt - dynamic website**, "wendtindia.com" which includes Wendt designs layout, catalogues, product bifurcations, customer enquiries, & feedbacks and ensure maximum reach of website through Search Engine Optimization. The Company has an updated Knowledge Based Portal, with latest proven Application Products and shares the same with Overseas Dealer for easy access of Product Application technical details for required application.

Lucky Customer Scheme, (promotional activity) is well supported by IT, by developing software and making changes in SAP for ensuring better service to the selected customers in terms of planning, OB, production, sales, technical & commercial clarifications (if any), inspection and material planning.

During the year, the Company has started the '**IT Way Forward**' Initiative with focus on how IT function can become an enabler to the business by reducing cost and improving efficiency of business operations. This objective required formulation of a Core IT Team comprising of the best talents across all SAP modules, mapping the existing SAP ERP '**AS IS**' process of each module and identifying the '**TO BE**' process. This work is currently under progress and is expected to yield significant benefits in terms of rationalizing processes, eliminating duplication and non-value-added activities, focus on how to use the ERP for better analytics and decision support.

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 function is delegated to an external Chartered Accountants' firm which evaluates the effectiveness and adequacy of internal controls, compliance with operating systems, policies and procedures of the Company and recommends improvements, if any. The scope of the Internal Audit is annually determined by the Audit Committee considering inputs from the Statutory Auditors and the Management Team. Significant audit observations and the corrective/ preventive actions taken by the process owners is presented to the Audit Committee. Periodic review of the adherence to the agreed action plan is carried out. 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 (IFC)

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,

Enforcement and Delegation of Authority, Hiring and Retention practices, Whistle Blower mechanism, 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. They are also classified as Preventive or Detective.
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 IFC Audit is conducted annually by an Independent firm of Accountants by testing of controls to ensure that all controls are operational, effective, adequate and identifying improvements to controls wherever necessary which is reviewed by the Audit Committee.

FINANCIAL REVIEW

Liquidity and Cash Equivalents

The 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 enable the Company to eliminate short and medium-term liquidity risks.

The Company continued to have a healthy cash generation during the year, due to prudent capital expenditure and efficient working capital management.

The Company follows a robust Cash Management Policy whereby it:

- a. Uses cash to provide sufficient working capital to address business objectives of the Company & to add value to all stakeholders by continued enhancement.
- b. Conserves sufficient cash as reserves that will aid the Company in venturing into meaningful business opportunities that unfold in future.
- c. Prudently invests surplus funds that the business generates in liquid investments including rated debt schemes of mutual funds as per the Board approved policy. 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.

As at 31st March 2020, the Company's investment in debt mutual funds was ₹3,093 lakhs in securities holding papers with high credit rating.

Costs

During the year, the Company has formulated Cost Optimization Projects wherein the Cross Functional Teams are identified across various projects and the potential cost savings in all the three business segments – Super Abrasives, Machines and Precision Components is determined. These projects are reviewed on a monthly basis in terms of savings in both variable cost and fixed cost.

FINANCIAL POSITION

Share Capital

The paid-up equity share capital as on 31st March 2020 was ₹200 lakhs. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

Shareholders' Funds

The shareholders fund as on 31st March 2020 was ₹11,966 lakhs against ₹11,461 lakhs of previous year. Accordingly, the book value of the share stands at ₹598/- as compared to ₹573/- during the previous year.

Loan Funds

The Company is debt free as it does not have any long-term borrowing. 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. The Company does not have any interest-bearing term loan.

During the current year as well, the working capital limits of the Company continued to be rated by ICRA as AA- (pronounced ICRA double A minus) rating assigned to the ₹ 2 Crore Long-term Fund facilities of the Company which signifies low credit risk and stable. The short-term rating assigned to ₹ 9 crore Non-Fund Based working capital limit also continued to be reaffirmed as A1+ (pronounced ICRA A one plus).

ASSETS

CAPITAL EXPENDITURE

The Company follows the policy of being prudent in its capex spend. During the current year, the capital expenditure was ₹ 756 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 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 2020 is ₹ 2,612 lakhs which is higher than previous year by ₹340 lakhs.

Receivables (Gross) as on 31st March 2020, were at ₹ 2,368 lakhs against ₹2,781 lakhs during the previous year. Despite the tough liquidity position in the market, the Company has been able to maintain the receivable average credit days at 88 days 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 a net exporter & based on its export & import position, the Company continues to follow the practice of natural hedging of foreign exchange earnings and outflow and does not take forward covers. The net forex gain during the year has been ₹ 85 lakhs (Previous Year ₹ 42 lakhs).

HUMAN RESOURCE

Human capital is the most precious asset in any organization. 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 capacity. The Company encourages & motivates employees to take active part in activities such as Cross Functional Teams (CFTs), Kaizens, Small Group Activities (SGAs), and Suggestions. The Company believes in Building leadership by talent management and developing competencies and plan structured individual development programmes for high potential individuals and enhance existing multi-skilled workforce to next level to support business.

Safety at the workplace remains the top priority with focused and highest attention from the Board. Periodic training and awareness sessions continue to be conducted for identification and elimination of unsafe working conditions.

In order to meet the growth plans set by the Company and to fulfil the ever changing needs and expectations of the customers, the Company continues to focus on identifying and drawing a structured training plan based on the competency levels, future needs and focusses on recruiting high skilled talents from best in class domains/organizations. The Company gives equal importance to physical wellness of not only its employees but also their family members by conducting annual health check up every year. 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 future.

Employee relations continue to be smooth and cordial and the work atmosphere remained congenial throughout the year. The manpower strength of confirmed employees of the Company as on 31st March 2020 was 421.

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) to redress complaints received regarding sexual harassment has been constituted. No complaints were received and disposed off during the year under review.

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.

The details of transactions proposed to be entered with Related Parties are placed before the Audit Committee for approval on an annual basis before the commencement of the financial year. Thereafter, a statement containing the nature and value of the transactions entered by the Company with Related Parties is presented for quarterly review by the Committee. Further, revised estimates or changes, if any to the proposed transactions for the remaining period are also placed for approval of the Committee on a quarterly basis. Besides, the Related Party transactions entered during the year are also reviewed by the Board on an annual basis.

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis requiring no particulars to be entered in the Form AOC-2. Further, all transactions entered into with Related Parties during the year even at arms' length basis in the ordinary course did not exceed the thresholds prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 or Listing Regulations or the Company's Policy in this regard and hence no disclosure was required to be made in Form AOC-2. Accordingly, there are no contracts or arrangements entered with Related Parties during the year to be disclosed under Sections 188(1) and 134(h) of the Companies Act, 2013 in Form AOC- 2.

There are no materially significant Related Party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel (KMP), their relatives and other related parties may have a potential conflict with the interest of the Company at large.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.wendtindia.com. During the year, in line with the regulatory changes in the Listing Regulations and the Companies Act, 2013 & the rules referred therein, the policy on dealing with Related Parties was amended and approved by the Board. None of the Directors and KMPs had any pecuniary relationship or transaction with the Company other than those relating to remuneration in their capacity as Directors/Executives and corporate action entitlements in their capacity as shareholders of the Company.

BUSINESS RESPONSIBILITY REPORTING (BRR)

During the year, consequent to the requirements of reporting of its business responsibility initiatives becoming mandatory under the Listing Regulations, the Company formulated a consolidated Policy on Business Responsibility

which lays down the broad principles guiding the Company in delivering its various responsibilities to its stakeholders. The Policy is intended to ensure that the Company adopts responsible business practices in the interest of the social set up and the environment so that it contributes beyond financial and operational performance.

A copy of the Policy is available at <https://www.wendtindia.com/> and the Business Responsibility Report for the year ended 31st March 2020 in terms of Regulation 34 of the Listing Regulations is annexed to this Report as Annexure E.

GOVERNANCE

BOARD OF DIRECTORS

As on 31st March 2020, the Board of Directors comprises six Directors of which majority (four) are independent. During the year, Mr. Rajesh Khanna's appointment as a Director under Section 152 of the Companies Act, 2013 and as an Executive Director for a term commencing from 24th July 2018 to 31st October 2020 was approved by the shareholders at the 37th Annual General Meeting of the Company held on 22nd July 2019.

Mr. Shrinivas G. Shirgurkar and Mr. K S Shetty, Independent Directors, were appointed at the Annual General Meeting (AGM) held on 24th July 2014 for a period of five years and their tenure of office ended on 23rd July 2019. Being eligible for re-appointment, Mr. Shrinivas G Shirgurkar and Mr. K S Shetty were re-appointed as Independent Directors of the Company for a second term of five years with effect from 24th July 2019 and their appointment was approved by the shareholders vide special resolution at the 37th Annual General Meeting.

Mr. K Srinivasan ceased to be a Director of the Company with effect from closing hours of 22nd November 2019 in view of his retirement as the Managing Director of Carborundum Universal Limited on that date. Based on the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. N Ananthasethan (DIN: 02402921) as an Additional Director to the Board with effect from 23rd November 2019. The Board places on record its appreciation for the services rendered by Mr. K Srinivasan during his term as a Director of the Company.

Consequent to the changes in the Board composition, the constitution of various Committees were reviewed and revised more fully detailed in the Corporate Governance section of the Report.

In accordance with the provisions of the Companies Act, 2013, Mr. Rajesh Khanna, Executive Director and CEO 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 the Company believe that his continued association with the Company will be beneficial to the Company and recommends his re-appointment.

Mr. Rajesh Khanna has confirmed that he is not disqualified from being appointed as Director 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 the Listing Regulations. In the opinion of the Board, all the Directors appointed/re-appointed during the year are persons with integrity, expertise and possess relevant experience in their respective fields.

All Directors of the Company other than Mr. K S Shetty have registered their names in the Independent Directors Databank as required under the Companies Act, 2013 and the Rules referred therein. MCA has extended the timeline for this requirement until 30th June 2020. The Independent Directors are also required to take up an online proficiency self-assessment test within one year from the date of inclusion of their name in the Independent Directors databank with an exemption provided to Directors fulfilling the criteria prescribed under the Act and the Rules referred therein. While the requirement of completion of the online proficiency self-assessment test is exempt for few of the Company's Independent Directors, considering the one year time available from the date of inclusion of the name in the databank, the Independent Directors would complete the assessment within the prescribed time. Hence, considering the time available for the Independent Directors to complete the online proficiency test, the requirement for the Board to provide its opinion on the experience of the Independent Directors with specific reference to proficiency ascertained from passing of the online proficiency self-assessment test does not arise.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Rajesh Khanna, Executive Director & CEO, Mr. Mukesh Kumar Hamirwasia, CFO 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 (5) 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.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its various Committees as per the evaluation framework adopted by the Board on the recommendation of the Nomination and Remuneration Committee. Structured assessment forms were used in the overall Board evaluation comprising various aspects of the Board's functioning in terms of structure, its meetings, strategy, governance and other dynamics of its functioning besides the financial reporting process, internal controls and risk management. The evaluation of the Committees was based on their terms of reference fixed by the Board besides the dynamics of their functioning in terms of meeting frequency, effectiveness of contribution etc.

Separate questionnaires were used to evaluate the performance of individual Directors on parameters such as their level of engagement and contribution, objective judgement etc. The Executive Director's evaluation was based on leadership qualities, strategic planning, communication, engagement with the Board etc.

The Chairman was also evaluated based on the key aspects of his role. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman, the Board as whole and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting held during the year.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

Pursuant to Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has formulated the criteria for Board nominations as well as the policy on remuneration for Directors and employees of the Company.

The criteria for Board nominations lays down the qualification norms in terms of personal traits, experience, background and standards for independence besides the positive attributes required for a person to be inducted into the Board of the Company. Criteria for induction into Senior Management positions have also been laid down.

The Remuneration policy provides the framework for remunerating the members of the Board, Key Managerial Personnel and other employees of the Company. This Policy is guided by the principles and objectives enumerated in Section 178(4) of the Companies Act, 2013 and reflects the remuneration philosophy and principles of the Murugappa Group 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 and long-term performance of the Company. The policy lays down broad guidelines for payment of remuneration to Executive and Non-Executive Directors within the limits approved by the shareholders. Further details are available in the Corporate Governance Report.

The Board Nomination criteria and the Remuneration policy are available on the website of the Company at www.wendtindia.com.

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company does not fall under the category of companies required to mandatorily undertake Cost Audit. However, the Company maintains cost accounting records in respect of products of the Company.

PARTICULARS OF REMUNERATION

The information on employees and other details required to be disclosed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to and forms part of this Report (refer Annexure D).

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Board comprises five members out of which four are independent. Mr. Shrinivas G. Shirgurkar is the Chairman and other members are Mr. K S Shetty, Mr. M Lakshminarayan, Mrs. Hima Srinivas and Mr. N Ananthashan. Consequent to the resignation of Mr. K Srinivasan with effect from 22nd November 2019, Mr. N Ananthashan was inducted to the Committee with effect from 23rd November 2019. During the year, five Audit Committee meetings were held, the details of which are provided in the Corporate Governance Report.

STATUTORY AUDITORS AND AUDITORS' 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 (Reg. No. FRN 012754N/N500016), were appointed as Statutory Auditors for a term of 5 consecutive years at the 35th Annual General Meeting of the Company held on 24th July 2017 subject to annual ratification by the shareholders at every AGM. However, as the Companies (Amendment) Act, 2017 has dispensed with the requirement of annual ratification of the Statutory Auditor's appointment, there is no requirement to seek an annual ratification of their appointment this year.

As required under Regulation 33 of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Report given by M/s Price Waterhouse Chartered Accountants LLP on the Financial Statements of the Company for the year ended 31st March 2020 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.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Companies Act, 2013 and hence there are no details to be disclosed under Section 134(3)(ca) of the Act.

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. R Sridharan and Associates, Practising Company Secretaries, Chennai to undertake the secretarial audit for the financial year 2019-20. 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 per cent 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 other Respondents 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.

The Hon'ble National Company Law Tribunal (NCLT) on 7th March 2019 dismissed the petitions filed by Carborundum Universal Limited and directed SEBI to take appropriate judicious decision as expeditiously as possible on the issue of the purchase of 20 per cent 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.

M/s. 3M (Schweiz) AG had made an open offer on 4th June 2011 to acquire up to 20 per cent of the equity capital of the Company under the extant Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as amended. Owing to the interim stay granted by the Company Law Board on

18th January 2011, the open offer process could not be completed. During the year, the Company received a letter from M/s. JM Financials Limited representing M/s. 3M (Schweiz) AG intimating the public announcement made on 26th September 2019 for withdrawal of the open offer made by 3M in 2011.

The Company's public shareholding currently stands at 20.26 per cent which is less than threshold of 25 per cent mandated under the Securities Contract Regulation Rules, 1957. The Company is in discussions with its promoters in the matter of meeting the minimum public shareholding requirement, including seeking relaxation on the timelines if so required, particularly given the prevailing circumstances arising out of the ongoing COVID19 pandemic.

In terms of Regulation 24A of the Listing Regulations, there is no material unlisted subsidiary incorporated in India. Material unlisted subsidiary for the purpose of this Regulation is a subsidiary whose income/net worth exceeds 10 per cent of the consolidated income/net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year. Hence, the requirement prescribed under Regulation 24A of the Listing Regulations is not applicable to the Company.

SECRETARIAL STANDARD

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

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

Mr. Rajesh Khanna, Executive Director & CEO and Mr. Mukesh Kumar Hamirwasia, 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 behaviour, 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. 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.

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. (Annexure B). 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 2020, the applicable accounting standards have been followed and there have been no material departures therefrom.
- 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.

ACKNOWLEDGMENTS

The Board would like to record its sincere appreciation for the cooperation received from various stakeholders of the Company viz., customers, suppliers, bankers, investors, channel partners, government and other statutory authorities, auditors, business associates and shareholders. The 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: Bangalore

Date: May 28, 2020

Shrinivas G Shirgurkar

Chairman

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE A

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

a) Conservation of Energy

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

- Natural cross ventilation of CCSD building through maximum utilisation of natural light.
- Natural lighting ventilation for all PEB buildings by providing polycarbonate transparency sheet.
- Provided AHF (active harmonic filter) in main power distribution system to ensure the quality of power.
- 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 streetlights.
- 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.
- The Company has taken measures to save water whereby 100 per cent 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

The Company is getting its employees up skilled in digital marketing, use of IT & digital technology, to complement our traditional way of reaching out to customers in a much cost-effective manner in order to enhance the customer experience.

The Company's R&D team has taken initiatives to develop own technologies and patent novel concepts/designs to become the front-line runners in the Super Abrasives technology and has put in efforts for indigenized bonding systems suitable for varied verticals in Super Abrasives.

The Company's in-house R&D also collaborates with renowned institutes & laboratories to further strengthen existing technology, complemented by new methods of manufacturing. Increasing implementation of these manufacturing technologies drive the demand of products for Bearing & Guide Ways, Gears, Cam & Crank shaft and in industries like Aerospace, Cutting Tool, Engineering & Auto Sectors.

The Company also banks on the rich experience, knowledge pool and R&D facility of Carborundum Universal Limited, shareholder of the Company and pioneers in the field of conventional abrasive & material science for some of the application developments for specific areas.

No technology was imported by the Company during the last three years.

RESEARCH & DEVELOPMENT (R&D)

The Research and Development function of the Company represents the activities it undertakes to innovate and introduce new Super Abrasive products and services to improve its existing offerings. The objective of R&D is to design and develop new processes/products through the advancement of Materials Science & Machining Techniques towards providing the **"Complete Grinding and Honing Solutions"** to its Customers. The Company's R&D is housed with industrial scientists/researchers, all of whom are well versed in both applied and fundamental research and facilitate the development of future products or the improvement of current products and/or operating procedures. The Company's R&D centre is recognized by Department of Scientific and Industrial Research (DSIR) under the Ministry of Department of Science and Technology, Government of India. This recognition which was valid up to 31st March 2020 has been renewed for another two years in January 2020.

The Company's R&D is keen on filing patents and publishing papers in the peer reviewed SCI journals. The R&D personnel also build their network by attending seminars, workshops, national & international conferences and develop transferable skills by undertaking required training and workshops.

Industrial Research & Development plays an important role in the innovation process by developing future technology and future capabilities, which transforms into new products, processes and services. This offers a basic platform to conduct both fundamental and applied research for better understanding of the products and push the frontiers of the technology further. The Company is agile in adapting to situations and shifting their product baskets into the non-automobile sectors, electronic industries with the help of its R&D.

In the fast-growing technologies, moving targets pose big challenges for sustainability. In this context, the R&D team has taken efforts to develop new products with superior performance. Projects such as Flute grinding, Brake Disc

Honing, Cam/Crank shaft grinding and Double disc fine grinding requires high competency.

On the other hand, the Company also aims at addressing the gaps on account of process developments. New processes such as hot press sintering, induction heating, vacuum brazing and pulse electroplating replaced the conventional methods. These processes substantially decreased the cycle time and enhanced the quality of the products being manufactured in an economical and effective way.

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

1. Development of bonds for self-sufficiency.
2. Indigenization of Bonding raw materials for Super Abrasives as import substitution.
3. Grinding Solutions for new applications like double disc grinding, glass, razor blade, vanes, ceramics, & carbide grinding – which has contributed to the Company's top line.
4. Upgrading Manufacturing Technologies to match changing needs of the customer as well as to venture into new markets.

The 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.

During the year, the Company has filed 8 Intellectual properties (IPs) for its products/processes.

Benefits derived: The Company mainly caters to niche market where majority of customers are OEMs and look for technologically superior products with consistent performance. Majority of the customers consider the Company as a One-Stop Shop for **Complete Grinding and Honing Solutions** offering technologically superior products with reliable performance. The 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 the Company to retain its position in the market and also enable to justify the due premium for its product.

(i) Expenditure on R&D (₹ In lakhs)

Sl. No	Particulars	2019-20	2018-19
a)	Capital Expenditure	21	33
b)	Recurring (revenue expenditure)	215	217
c)	Total Expenditure	236	250
d)	Total R&D Expenditure as a percentage of turnover (net of excise duty)	1.96%	1.79%

(ii) Foreign Exchange Earnings and Outgo (₹ In lakhs)

Sl. No	Particulars	2019-20	2018-19
a)	Foreign Exchange Used	2,919	3,375
b)	Foreign Exchange Earned	4,325	4,462

On behalf of the Board
For Wendt (India) Limited

Shrinivas G Shirgurkar
Chairman

Place: Bangalore
Date: May 28, 2020

Safe Harbor

This communication contains statements relating to future business developments and economic performance that could constitute 'forward looking statement'. 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. The 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 31st March 2020**

[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 limited by Shares/Non-government Company
Address of the Registered office and contact details	Flat No.105, 1 st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore - 560047 Telephone No.: 080 25701423
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Unit: Wendt (India) Limited Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Tel: +91-40-67162222 Fax: +91-40-23420814

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	64.20
2	Special Purpose Machine, Components & Accessories	3590	10.80
3	Machine Tools & Accessories	3570	15.90

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 (87)(ii)
2	Wendt Grinding Technologies Limited, Thailand 109/21 Moo.4, Tambon Pluakdaeng Aumpur Pluakdaeng Rayong 21140	Foreign Company UIN: BGWAZ20060179	Subsidiary	100%	2 (87) (ii)

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 (1 st April 2019)				No. of Shares held at the end of the year (31 st March 2020)				% 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	3,224	-	3,224	0.16	1,850	-	1,850	0.09	(0.07)
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	3,224	-	3,224	0.16	1,850	-	1,850	0.09	(0.07)

Category of Shareholders	No. of Shares held at the beginning of the year (1 st April 2019)				No. of Shares held at the end of the year (31 st March 2020)				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	13,522	200	13,722	0.69	12,089	200	12,289	0.61	(0.07)
ii. Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹.1 lakh	331,561	28,810	360,371	18.02	329,338	26,095	355,433	17.77	(0.25)
ii. Individual shareholders holding nominal share capital in excess of ₹.1 lakh	14,075	-	14,075	0.70	14,075	-	14,075	0.70	-
(C) Others (Specify)									
i) Trust	-	-	-	-	-	-	-	-	-
ii) NBFC Registered with RBI	10	-	10	0.00	-	-	-	-	(0.00)
iii) Clearing Members	147	-	147	0.01	1,200	-	1,200	0.06	0.05
iv) Non Resident Indians	5,497	-	5,497	0.27	12,199	-	12,199	0.61	0.34
v) IEPF	8,250	-	8,250	0.41	8,250	-	8,250	0.41	-
Sub-Total (B)(2)	3,73,062	29,010	4,02,072	20.10	3,77,151	26,295	4,03,446	20.16	0.06
Total Public Shareholding = (B) (1) + (B) (2)	3,76,286	29,010	4,05,296	20.26	3,79,001	26,295	4,05,296	20.26	-
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	19,70,990	29,010	20,00,000	100.00	19,73,705	26,295	20,00,000	100.00	-

(ii) Shareholding of Promoters:

S.No	Shareholders' Name	Shareholding at the beginning of the year (1 st April 2019)			Shareholding at the end of the year (31 st March 2020)			% 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 (1 st April 2019)		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 Shareholding 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 31 st March 2020	-	-		
	At the end of the year			14,075	0.70
2	Investor Education and Protection Fund Authority				
	At the beginning of the year	8,250	0.41		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			8,250	0.41
3	Vijaykumar Kripaldas Assudani				
	At the beginning of the year	-	-		
	Transactions during the year ended 31 st March 2020				
	Transfer – 10/01/2020 (Purchase)	2,911	0.15		
	Transfer – 17/01/2020 (Purchase)	3,600	0.18	6,511	0.33
	At the end of the year			6,511	0.33
4	Bhumesh Kumar Gaur				
	At the beginning of the year	5,766	0.29		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			5,766	0.29
5	Tara Chand Jain jointly with Sushma Jain				
	At the beginning of the year	4,911	0.25		
	Transactions during the year ended 31 st March 2020				
	Transfer – 27/09/2019 (Sale)	(277)	0.01	4,684	0.23
	At the end of the year			4,684	0.23

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
6	Ram Krishan Khandelwal				
	At the beginning of the year	3,800	0.19		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			3,800	0.19
7	Payal Prem Raheja				
	At the beginning of the year	3,400	0.17		
	Transactions during the year ended 31 st March 2020				
	Transfer – 03/05/2019 (Purchase)	10	0.00	3,410	0.17
	At the end of the year			3,410	0.17
8	Anita Khandelwal				
	At the beginning of the year	3,100	0.16		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			3,100	0.16
9	Om Prakash Rawat				
	At the beginning of the year	3,000	0.15		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			3,000	0.15
10	Kirit Modi jointly with Nandini K Modi				
	At the beginning of the year	2,818	0.14		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			2,818	0.14
11	Hafeez Sorab Contractor				
	At the beginning of the year	2,500	0.13		
	Transactions during the year ended 31 st March 2020	-	-		
	At the end of the year			2,500	0.13

Notes:

1. As the Company is listed, its shares are traded on a daily basis and hence the above dates refer to the respective beneficiary position dates.
2. The above list comprises top 10 shareholders as on 1st April 2019 and as on 31st March 2020.

(v) *Shareholding of Directors and Key Managerial Personnel:*

S.No	For each of the Directors and KMP	Shareholding at the beginning of the year (1 st April 2019)		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	-	-	-	-
	As on 22 nd November 2019	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 Personnel hold shares in the Company.

*Mr. K Srinivasan stepped down from the Board with effect from closing hours of 22nd November 2019.

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:* (₹ in lakhs)

S.No	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr. Rajesh Khanna, Executive Director & CEO	
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	125.95	
(b)	Value of perquisites u/s 17(2) of Income - tax Act, 1961	16.95	
(c)	Profits in lieu of salary under 17(3) of Income - tax Act, 1961	-	
2	Stock Option	-	
3	Sweat Equity	-	
4	Commission - as % of profit - others, specify	-	
5	Others, please specify	-	
Total (A)		142.90	
Ceiling as per the Act		60.50	

B. *Remuneration to other Directors:*

1. *Directors*

S.No	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Lakhs)
		Mr. Shrinivas G Shirgurkar	Mr. K S Shetty	Ms. Hima Srinivas	Mr. M Lakshminarayan	
1.	Fee for attending board / committee meetings	2.40	1.00	2.10	2.30	7.80
2.	Commission*	3.00	3.00	5.00	3.00	14.00
3.	Others, please specify	-	-	-	-	-
Total B (1)		5.40	4.00	7.10	5.30	21.80
Overall ceiling as per the Act excluding sitting fees						12.10

* Commission for the year will be paid after approval of shareholders and adoption of accounts by the shareholders at the 38th Annual General Meeting.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: (₹ in Lakhs)

S.No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Mukesh Kumar Hamirwasia, CFO	Ms. Janani TA Company Secretary	Total
(a)	Salary as per provisions contained in section 17(2) of Income-tax Act, 1961	42.22	NA*	42.22
(b)	Value of perquisites u/s 17(2) of Income - tax Act, 1961	0.21		0.21
(c)	Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as % of profit Others, specify	-		-
5	Others, please specify	-	-	
Total (C)		42.43		42.43

*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		
Punishment					
Compounding					

On behalf of the Board
For Wendt (India) Limited

Shrinivas G Shirgurkar
Chairman

Place: Bengaluru
Date: May 28, 2020

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	The Company is cognizant of its responsibility towards the society in which it operates and has been engaged in CSR activities directly through the establishment of skill development centre as well indirectly through contributions to Shri. AMM Murugappa Chettiar Research Centre, a registered society committed towards promoting preventive healthcare and ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources. In line with its objectives and practices, the CSR policy focusses on Health, Education and Skill Development. The policy is uploaded in the website of the Company.
2.	Website link where the CSR policy is uploaded	http://www.wendtindia.com/pdf/csrapolicy.pdf
3.	The Composition of the CSR Committee#	Mr. K S Shetty, Chairman (Independent Director) Mr. Shrinivas G Shirgurkar, Member (Independent Director) Ms. Hima Srinivas, Member (Independent Director) Mr. N Ananthaseshan, Member (Non-Executive Director) #Mr. K Srinivasan stepped down from the Board with effect from the closing hours of 22 nd November 2019. Mr. N Ananthaseshan was appointed as an Additional Director with effect from 23 rd November 2019. Consequent to his appointment, the Committee was reconstituted with the induction of Mr. N Ananthaseshan as a member with effect from 23 rd November 2020.
4.	Average net profit of the company for last three financial years	₹ 1,725 lakhs
5.	Prescribed CSR Expenditure (two per cent of the amount as in item 4 above)	₹ 34.50 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	₹ 34.50 lakhs Nil

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

Sl No.	CSR project or activity identified	Sector in which the project is covered	Project or Programs - Location	Amount outlay (budget) project or program wise	Amount spent on the projects or programs 1. Direct expenditure 2. overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Centre for Skill Development	Enhancing employment skills in manufacturing sector	Hosur, Tamil Nadu	32.50	32.50	32.50	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	Chennai, Tamil Nadu	2.00	2.00	2.00	Agency
TOTAL				34.50	34.50	34.50	

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 2019-20 is in compliance with the CSR objectives and policy of the Company.

On behalf of the Board

Hima Srinivas
 Chairperson of CSR Committee Meeting

Rajesh Khanna
 Executive Director & CEO

Place: Bengaluru

Date: May 28, 2020

ANNEXURE – D

STATEMENT OF EMPLOYEES' REMUNERATION

- A. The details of top ten employees in terms of remuneration drawn during the financial year 2019-20 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	Qualification & experience (years)	Date of commencement of employment	Previous employment
1.	Rajesh Khanna (59)	Executive Director & CEO	1,42,90,406	B.E (Mech), PGDBA (37 years)	01-10-1982	Nil
2.	M S Venkatesh (54)	Unit Head	53,65,767	B.E. (30 years)	25-03-1996	Mysore Kirloskar Ltd.
3.	Mukesh Kumar Hamirwasia (48)	Chief Financial Officer	42,43,411	B.Com (Hons), ACA, AICWA (22 years)	15-04-2010	Ecom Gill Coffee Trading Pvt. Ltd.
4.	S Sundariya (56)	Business Head- Machine & Precision Components	41,86,596	IIIE (37 years)	03-08-1992	Rane Brake Lining Limited
5.	D K Hotta (56) ^(g)	Business Head-Super Abrasives	32,15,560	B.E., PGDBA (29 years)	16-09-2002	ICFAI Business School
6.	Santosh Kulkarni P (49)	Marketing Head - SA - Domestic & Exports	28,56,232	B.E. (27 years)	02-05-1997	Ultra Filter Pvt. Ltd.
7.	Uday R B (51)	Senior General Manager - SA Manufacturing	26,77,194	M. Tech (27 years)	08-01-2005	Sundram Fasteners
8.	Rathinam P (49)	DGM - SA Manufacturing	24,35,431	M. Tech (30 years)	08-06-1992	Nil
9.	Saju Abraham (51)	DGM - Sales & Marketing - Machine Tools	21,06,620	B.E. (Mech) (28 years)	29-11-1993	Mysore Thermo Electric Pvt Ltd.
10.	Satheesh C (48)	AGM - Human Resources	20,23,373	B.Sc., PGDPM (24 years)	17-08-2016	Carborundum Universal Limited

- a) 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.
 b) The employment of the above persons is whole-time in nature and terminable with 3 months' notice on either side.
 c) 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.
 d) The remuneration details are for the financial year 2019-20 and all other particulars are as on 31st March 2020.
 e) None of the employees of the Company other than Mr. Rajesh Khanna, Executive Director were in receipt of remuneration for the FY 2019-20 in excess of one crore and two lakh per year or Rupees eight lakh and fifty thousand per month.
 f) Mr. Rajesh Khanna who was the Chief Executive Officer was appointed as an Executive Director with effect from 24th July 2018 with the approval of the shareholders at the 37th Annual General Meeting held on 22nd July 2019. He is subject to the service conditions of the Company.
 g) Mr. D K Hotta resigned from the services of the Company effective 31st March 2020.

- B. The details of remuneration during the year 2019-20 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 are as follows:

- (i) Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name	Designation	Ratio
Mr. Shrinivas G Shirgurkar	Chairman & Independent Director	1.14
Mr. K S Shetty	Independent Director	0.85
Ms. Hima Srinivas	Independent Director	1.50
Mr. M Lakshminarayan	Independent Director	1.12
Mr. N Ananthasheshan	Non-Executive Director	Nil
Mr. Rajesh Khanna	Executive Director & CEO	30.25

- (ii) Percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Name	Designation	Increase (%)
Mr. Shrinivas G Shirgurkar	Chairman & Independent Director	10.20
Mr. K S Shetty	Independent Director	(20.00)
Ms. Hima Srinivas	Independent Director	39.22
Mr. M Lakshminarayan	Independent Director	3.92
Mr. N Ananthasheshan	Non-Executive Director	Nil
Mr. Rajesh Khanna	Executive Director & CEO	8.69
Mr. Mukesh Kumar Hamirwasia	Chief Financial Officer	18.87
Ms. Janani T A	Company Secretary	NA*

*deputed from Carborundum Universal Limited.

The Non-Executive Independent Directors remuneration comprises commission and sitting fees for attending the meetings of the Board. The increase/decrease in remuneration of Non-Executive Independent Directors was mainly on account of the number of Board meetings attended by them during the year. Considering the increased time

spent by Ms. Hima Srinivas, Independent Director on account of her nomination to the Board of Wendt Grinding Technologies Limited, material subsidiary, a differential commission was proposed to be paid to her for the FY 2019-20.

(iii) Percentage increase in the median remuneration of employees in the financial year: 10 per cent (employees who were in employment for the whole of FY 2019-20 & whole of FY 2018-19 considered for this purpose in the respective financial years).

(iv) Number of permanent employees on the rolls of the Company as on 31st March 2020: 421

(v) The average annual increase in salaries of employees was 9.01% compared to a increase in managerial remuneration of 8.66%. Hence, the confirmation with respect to exceptional circumstances for increase in managerial remuneration does not arise.

Annual increase in employee's remuneration is based on Company and individual performance. The individual performance parameters varies based on employee cadres.

(vi) The Company affirms that the remuneration is in compliance with its Remuneration policy.

Place: Bengaluru
Date: May 28, 2020

On behalf of the Board
Shrinivas G Shirgurkar
Chairman

ANNEXURE E

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L85110KA1980PLC003913
2	Name of the Company	Wendt (India) Limited
3	Registered address	Flat No 105, Cauvery Block National Games Housing Complex, Koramangala, Bangalore, Karnataka - 560047
4	Website	https://www.wendtindia.com/
5	E-mail id	wil@wendtindia.com
6	Financial Year reported	1 st April 2019 to 31 st March 2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	
S.No.	Class	Description
(i)	239	Super Abrasives
(ii)	357	Machine Tools
(iii)	359	Precision Components
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Super Abrasives, Machine Tools and Precision Components
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	On a consolidated basis, the Company's wholly owned subsidiary, Wendt Grinding Technologies Limited carries its manufacturing operations in Thailand.
	(b) Number of National Locations	On a standalone basis, the Company carries its manufacturing operations in Hosur, Tamil Nadu.
10	Markets served by the Company – Local/State/National/International	Local/State/National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 200 lakhs
2	Total Turnover (INR)	₹ 13,094.09 lakhs
3	Total profit after taxes (INR)	₹ 933.95 lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 34.50 lakhs (3.69% as a percentage of profit after tax) (2% of the average net profits in preceding three years)
5	List of activities in which expenditure in 4 above has been incurred:-	(a) Skill Development - Enhancing employment skills of under privileged youth in the manufacturing sector (b) Rural Development

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. As at 31 st March 2020, the Company has two wholly owned subsidiaries - Wendt Grinding Technologies Limited, Thailand and Wendt Middle East FZE.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Each subsidiary company carries out BR initiatives as per their local requirements
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company does business with reputed organisations who undertake BR initiatives as per their respective organisational policies. CUMI Centre for Skill Development, the CSR initiative of the Company for enhancing the employment of skills of under privileged youth is a joint collaboration with Carborundum Universal Limited.

SECTION D: BR INFORMATION

1	Details of Director/Directors responsible for BR		
(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies		
1	DIN	06923493	
2	Name	Rajesh Khanna	
3	Designation	Executive Director & CEO	
(b)	Details of the BR head		
No.	Particulars	Details	Details
1	DIN (if applicable)	NA	NA
2	Name	Mr. M S Venkatesh	Mr. S Sundariya
3	Designation	Unit Head	Business Head – Machines & Components
4	Telephone number	+91-4344-276851	+91-4344-276851
5	e-mail id	VenkateshMS@wendtindia.com	SundariyaS@wendtindia.com

2	Principle - wise (as per NVGs) BR Policy/policies									
(a)	Details of compliance (Reply in Y/N)									
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The policy(ies) has been framed keeping in mind the interests of the stakeholders at large								
3	Does the policy conform to any national / international standards?	Various practises/processes emanating out of the policy(ies) conform to national/international standards								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	https://www.wendtindia.com/investors/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	The individual policies by and large prescribe a grievance redressal mechanism for the stakeholders concerned. Wherever, the individual policies do not explicitly state the grievance redressal mechanism, grievances can be addressed to wil@wendtindia.com.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Internal Auditors of the Company review the implementation of policies from time to time. The Company's Plant has been subject to audit by external certification agencies. No dedicated Business Responsibility audit has been conducted.								
(b)	If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable									
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3	Governance related to BR	
a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BRR policy has been recently framed and Mr. Rajesh Khanna, the Executive Director and CEO is the implementation Head reviewing this periodically.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The requirement of publishing BRR annually is applicable to the Company from the FY 2019-20 only. This report is available at https://www.wendtindia.com/investors/

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the group/joint ventures/ suppliers/ contractors/ NGOs/ others?

Wendt (India) Limited is committed to high standards of business ethics and integrity. The Company has a 'zero tolerance' policy when it comes to deviation from ethical business conduct. The Company promotes transparency in business transactions with all its stakeholders including business partners. The spirit of the Murugappa Group – 'The Five Lights' comprising Integrity, Passion, Quality, Respect & Responsibility governs all its business dealings. This Code is applicable to all the stakeholders connected with the Company as suppliers, contractors, business partners, associates, its personnel employed by the Company or engaged to provide services.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The Whistle Blower mechanism of the Company provides the Directors, Employee, Customers and Vendors an avenue to raise concerns, in line with the Company's commitment to open communication and standards of ethical, moral and legal business conduct. During the year, there were no referrals made under the Whistle Blower Policy of the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

The Company caters to the B2B market and has close interaction with customers on the goods manufactured for them. The safety, health and workplace environment concerns are deeply inculcated not only in the processes involved to make the product but in the end product itself. The Company's manufacturing systems are designed in a manner that incorporates the key factors that contribute to optimal and safe use of the products in its life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and for opportunities:

The Company takes all efforts to ensure that whatever it produces is safe and environment friendly. Over the years, the Company has been continuously making improvements in recycling & reuse of waste, consumption of water & energy and optimal use of available natural resources. The Company has been certified with recognised Standards such as ISO 9001, ISO 14001, TS 16949, OHSAS and SA 8000 to ensure its products have a sustainable use from a social and environmental perspective.

Super Abrasives:

- The dimensions like Diameter (D), Thickness/Height (T) and Bore (H) of the products are designed with a specific criteria so that they can resist the expected forces and loads when used as intended and also avoids ejection of parts.
- Resin, Metal Bond and other Super Abrasive products are designed in such a way that, when used in accordance

with instructions, there is no hazardous decomposition of products.

- All Super Abrasives products are 100% recyclable once the life cycle of product is complete.

The Company has successfully implemented EN 13236 Standards to address the safety norms and requirements of overseas customers.

Machine Tools:

- The Company's machines are designed with operator safety system and necessary interlock to ensure safety at customer's end while operation.
- Machine Tools includes a range of machines such as Rotary Surface Grinding, Notch Milling, TC Ring Grinding, Vertical & Horizontal Honing, Cylindrical grinding & accessories that are compliant with the International standards and CE certification fulfilling the international safety norms.

Precision Component:

- Dust collection systems installed in Grinding Machine and Honing Machine enable collection of dust at the time of grinding operations thus ensuring safe and clean environment.
- The Company manufactures products customized for customers based on their recommended design incorporating cleanliness and environment friendly standards.
- The packing material used for products supplied to its customers can be re-used multiple times and be recycled.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

• **Water**

- Water Treatment: As a responsible organization, Wendt (India) Limited has been at the forefront when it comes to implementation of Effluent treatment plant (ETPs) and Sewage treatment plant (in line with the compliance norms in force). The Company has installed a Sewage Treatment Plant for 40 KLD to treat sewage and an Effluent Treatment Plant for 16 KLD for treatment of effluents.
- Water recycle & Reuse: The Company has installed a RO plant to achieve zero discharge of water waste. The Company treats its process effluents and reuses it in its process.
- The Company's Green belt within its facility is fully maintained using recycled water.
- Water Recharge: Water collected out of rain is harvested through a percolation pond carrying a storage capacity of 1.2 million litres.

• **Energy**

- The Company's manufacturing processes are not power intensive. However, the Company takes continuous efforts to reduce energy consumption. The environmental policy of the Company focusses on conservation of natural resources and minimization of pollution. The energy conservation measures include reforms such as installation of Energy Savers in the Lighting circuit to conserve energy up to 20%, replacement of high voltage consumption lamps with LED lights, introduction of LDR-light dependent resistance sensors that harnesses natural daylight for all outdoor lighting with automatic controls.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Innovation and listening to the voices of the customers has always been the Company's priority. Constantly adjusting our processes, methods and systems across the value chain in shortest possible time and designing our responses in terms of products, services and behaviour ensures manufacturing excellence.

- The Super Abrasive wheel (CBN/Diamond) provides an advantage of reduced risk of thermal damage to the workpiece. The reduced risk of thermal damage in CBN grinding is at times attributed to the lower grinding specific energies. This advantage can allow a marked increase in removal rate whilst maintaining surface quality of the component compared to grinding with conventional abrasives such as aluminium oxide.

- Super Abrasive wheels extend bearing, spindle and overall machine life thereby reducing the power draw and energy consumption for acceleration & deceleration in linear and rotary movement.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Yes. The raw materials critical for manufacture of Super Abrasives, Machine Tool and Precision Components are sourced from renowned, technologically sound suppliers who also value sustainability high.

The Company's business partners and suppliers play a key role in our performance footprint. To forge a relationship with them in the long-term, the Company has established a dedicated accountability mechanism through our Supplier's Code of Conduct that encourages business partners and suppliers to adopt principles and practices comparable to our own.

Joint project opportunities amongst various business units improves efficiencies in sourcing besides resulting in product efficiencies. Conscious efforts are made to ensure that everyone connected with the Company in its value chain including customers and recyclers are made aware of their responsibilities.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes. The Company utilizes the services of the local and small producers in and around our location for procurement of goods and services. The Company sources packing materials and engages with contractors for canteen, local transport, housekeeping and other repairs & maintenance only through local sources. The Company has been associated with dedicated, skilled and well-equipped local sub-contractors for more than two decades.

The Company from time to time provides training and guidance to its contractors on optimum use of resources, thereby saving cost and time. This has resulted in the small producers, manufacturing products which benchmarks in quality, thereby gaining an edge over the market.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)?

Duly recognizing that over-consumption results in unsustainable exploitation of the planet's resources, the business units in the Company are committed to promoting sustainable consumption, including recycling of resources.

While setting the Environment, Health, Safety objectives and targets, considerations are given to reuse, recycle & reduction of waste, handling and disposal of wastes. Measurable performance indicators include waste produced per unit of production. The Company has installed high-tech pre-treatment line in the place of conventional treatment to ensure clean production and reduction in hazardous waste generation. During the year, the Company has achieved a waste reduction of 16 litres /unit of production in the case of electroplating products and an overall reduction of 28% in consumption of papers.

The Company has a secured landfill facility in line with the applicable guidelines for storage of hazardous waste. The Company has also created a Vermi compost facility to convert all the garden/green waste into manure.

Principle 3: Businesses should promote the well-being of all employees.

The Company believes that its employees are an indispensable asset. To ensure safety and health of its employees, the Company provides effective health and safety training, including on-site training, job specific training. These trainings are repeated for new/re-assigned personnel to avoid untoward incidents and are also provided in case of technology related changes and/or the introduction of new machinery that might pose risk to health and safety.

Based on a dedicated assessment of risks and taking into account the results of internal/external monitoring undertaken, the Human Resources department in consultation with the Departmental heads and the Social Performance Team identifies the trainings to be provided and formulates a training plan for its employees.

The Company neither supports nor engages in discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender etc. that could give rise to discrimination. The Company does not tolerate any behaviour that is threatening, abusive, exploitative, or sexually coercive, including gesture, language and physical contact at the workplace. The Company is in compliance with the applicable laws, collective bargaining agreements and industry standards with respect to employment conditions.

- 1. Total number of employees** The number of employees as on 31st March 2020 (including Non-Management staff) was 505.
- 2. Total number of employees hired on temporary/ contractual/ casual basis** 84
- 3. Number of permanent women employees** 25
- 4. Number of permanent employees with disabilities** 5
- 5. Do you have an employee association that is recognized by Management?** Yes. There are recognized trade unions affiliated to various trade union bodies.
- 6. What percentage of your permanent employees are members of this recognized employee association** 11.4 per cent of the employees are members of recognized employee associations
- 7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

No.	Category	Safety Training	Skill upgradation
1.	Permanent Employees	100%	100%
2.	Permanent Women Employees	100%	100%
3.	Casual/Temporary/Contractual Employees	100%	100%
4.	Employees with Disabilities	100%	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- 1. Has the Company mapped its internal and external stakeholders?**
Yes. The Company as a first step towards stakeholder engagement has identified relevant stakeholders both Internal and External.
- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**
Yes. The Company has identified disadvantaged, vulnerable & marginalized stakeholders from the local

community and has also engaged them for their socio-economic development through various CSR and affirmative action interventions. The systems and processes in place to systematically identify stakeholders, understanding their concerns and for engaging with them is reviewed from time to time. The feedback mechanism available for stakeholders to assess the service levels and other complaints follows the spirit laid down therein.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The Company seeks to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their well being. The Company is dedicated to the cause of empowering people, educating them and in improving their quality of life. While the Company undertakes programmes based on the identified needs of the community, education and healthcare remains our top priority. Across the different areas identified by the Company, the Company endeavours to reach the disadvantaged and the marginalized sections of the society to make a meaningful impact on their lives. The Skill Development Centre has been a major initiative towards addressing the social responsibility. The main objective behind the Skill Development Centre is to provide high quality vocational and technical training towards uplifting the lives of young children drawn from poor and deprived background. The Company also provides access to necessities like healthcare, drinking water & sanitation and the like to the underprivileged located in the neighbourhood.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the group / joint ventures/ suppliers/ contractors/NGOs/others?

The Company has adopted the Social Accountability Standard to devise an auditable voluntary mechanism based on UN Declaration of Human Rights, Principles of ILO, International Human Rights, Labour Norms and National Labour Laws that is applicable not only to its employees but also to the stakeholders viz., suppliers, sub-contractors, sub-suppliers, home workers etc.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the Management?

Nil under this principle.

Principle 6: Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the group / joint ventures/ suppliers/contractors/ NGOs/ others?

Protection of the environment ranks high among the Company's goals and as a responsible corporate citizen, the Company is committed to implementing a specific policy to ensure that definite steps are taken to protect the environment. The Safety, Health and Environment policy of the Company covers all its business verticals and it applies to the contractors as well engaged with the Company including by way of incorporating the Safety, Health and Environment compliances in the agreement and in certain cases also cover the interest of customers/suppliers/transporters/contractors etc. The Company's facility at Hosur, Tamil Nadu has received the ISO 1400 and OHSAS 18001 certification.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Yes. The Company understands the implications of global environmental hazards, not only in terms of cost to our operations but more from the price environment would have to pay for it.

Apart from ISO 14001 EMS Policy implementation, maintaining a fine balance between its surrounding and operations comes naturally for the Company. As a part of its commitment to ensure greenery within the factory

premises, every prominent visitor to the plant is encouraged to **Plant a Tree** in their name at the Company's facility which also serves a commemoration of their visit. This is evident from the bountiful Flora & Fruit laden trees surrounding the plant. The Company has taken initiatives and has implemented innovative technologies to reduce the impact on the environment. The Company has also achieved a year on year reduction in consumption of electric power.

The Company has taken the following steps to address the environment concerns:

- More than 5000 trees planted and maintained inside the factory premises;
- Rainwater harvested through percolation pond having a storage capacity of 1.2 Million litres;
- Effluent Treatment Plant installed to treat process effluents;
- RO plant installed towards implementation of zero discharge.

3. Does the Company identify and assess potential environmental risks?

The Company has an Environment, Health and Safety policy, Sustainability policy and has also adopted the ISO standards which identify the potential risks and guides the efforts in limiting the environmental impact arising out of its operations. Based on an initial environmental & hazard review and evaluation of significant impacts & unacceptable risks, the Company sets its overall EHS objectives & targets. The Company also reviews the progress achieved towards EHS objectives and targets from time to time as a part of the Management Reviews.

4. Does the Company have any project related to Clean Development Mechanism?

No, the Company has not undertaken any specific project related to the Clean Development Mechanism as per the Kyoto Protocol. However, the Company's manufacturing location is certified ISO 14001 (Environment Management System), QMS - ISO 9001 (Quality Management System), OHSAS - 18001. The Company has set up a dedicated task force to identify activities to be undertaken to control the emissions to air and noise, release to water and contamination of land.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.?

Yes, the Company has undertaken initiatives on clean technology, energy efficiency and renewable energy. Some of the initiatives are highlighted below:

- Energy Savers installed in the lighting circuit to conserve energy up to 20%;
- High-tech pre-treatment line in place of conventional treatment to ensure clean production and reduction in hazardous waste generation;
- Acoustic Covers introduced for the generators to reduce the noise levels from 105 db to 75 db;
- Advanced technology paint booths with water spray installed to wash the paint particles in the spray booth and also neutralize the effluent from the paint booth;
- Vermi compost facility to convert all the garden /green waste into manure is set up;
- Implemented ultrasonic cleaners with organic biological cleaning agent thus eliminating the usage of TCE;

For more details on the energy conservation initiatives - please refer Annexure A of the Directors' report for the FY 2019-20.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The Company being in manufacturing business, at all times ensures compliance with the applicable environmental laws. The emissions/waste generated by the Company is within the permissible limits given by Pollution Control Board(s) for the FY 2019-20.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year:

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? Yes

- a. CII- Confederation of Indian Industry
- b. IMTMA – Indian Machine Tool Manufacturers' Association
- c. HIA – Hosur Industries Association
- d. Indo German Chamber of Commerce
- e. Bangalore Chamber of Industry
- f. Quality Circle Forum of India
- g. Engineering Export Promotion Council
- h. Indian Cutting Tool Manufacturer

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

The Company is not actively involved in lobbying. However, as a responsible corporate citizen, the Company as a part of industry associations/chambers makes recommendations/representations before regulators and associations for advancement and improvement of the industrial climate in India.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?

The Company attaches great importance to factors contributing towards community & society welfare activities. The Company has been practicing this right from the beginning with the employment of underprivileged & rural people from surrounding areas.

The CUMI Centre for Skill Development (CCSD) is a unique initiative undertaken by the Company in association with its promoter Carborundum Universal Limited since 2012 to build mutually beneficial relationship with the local community and society. The Skill Development Centre is housed within the Company's Hosur facility augments the Company's commitment to society through initiatives that would address the needs of the underprivileged populations and to create good citizens. The Centre provides specialized training based on National Council for Vocational Training syllabus for the rural youth drawn from the socially and underprivileged section of the society. The job oriented skill training enhances their employability and aids in uplifting their socio economic status. The technically trained students can be employed by any industrial entity once they complete the training programme. The courses conducted in CCSD covers provision of extensive facilities including state-of-the-art classrooms, experienced & motivated instructors, a well-stocked library, audio visual aids, well-maintained machines & equipment for hands-on training etc. Apart from this, a very integral part of the programme is the importance attached to the development of soft skills through Group activities, Yoga, Communication building exercises, NGO activities & extracurricular events. All this makes the program a holistic and enriching experience both professionally and personally for the students.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company's Corporate Social Responsibility initiatives are implemented through an in-house team as well as through an implementing agency – AMM Murugappa Chettiar Research Centre, while also pursuing CSR

activities for the benefit of community around its local areas of operations. The contribution to AMM Murugappa Chettiar Centre is towards R&D initiatives for rural development.

3. Have you done any impact assessment of your initiative?

The CCSD programme is designed with a perfect balance of theory and practical training to ensure maximum learning and retention of the concepts. The syllabus and coaching methodology defined by Government of India, Ministry of Skill Development and Entrepreneurship is adopted.

Currently, 113 trainees are undergoing training and 26 trainees would be completing their course in June 2020. During the year, the CCSD students participated in the 98th All India Skill Competition and came out successfully as winners.

In recognition of its CSR practices, the Company has been awarded the prestigious ASSOCHAM award under the CSR category. The award was presented by Shri Nitin Jairam Gadkari, Hon'ble Union Minister for MSME, Government of India during the ASSOCHAM 7th MSMEs Excellence Awards & Summit in January 2020.

Addition of new batches in the Skill Development Centre and introduction of training for new trades is a resultant of the impact assessment undertaken by the Company.

4. What is your Company's direct contribution to community development projects?

Please refer the CSR report in Annexure C of the Directors' report for the FY 2019-20 for complete details on the spend made by the Company during the financial year ended 31st March 2020.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The CCSD team operating at Hosur constantly engages with the NGO's, Gandhigram Rural Institute, Society for Rural Development & NOCPL and other residential associations etc. in Tamil Nadu to identify the deserving candidates from various backgrounds.

The main driving force behind such an initiative is the co-creation of value which happens - not only is the skilled labour being made available on a regular basis but also such an initiative takes into account the well-being and development of the local community to drive both the community and industry towards greater heights of progress and prosperity. The initiative ensures development of soft skills through group activities, Yoga, Communication building exercises, NGO activities & extracurricular events.

The students enrolled at the centre are also highlighted the importance of being a healthy and responsible citizen. They practice yoga, regulate traffic at important junctions, initiate 5S, Cleanliness drives from their hostel rooms to external environment. The confidence and the professional conduct shown by the students is an acknowledgment to the Company of its successful implementation of the CCSD initiative.

Befitting its size, the 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. The 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.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The total number of customer complaints across all businesses which were pending at the end of the year constitutes less than 5 percent which have been subsequently resolved.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes. Wherever relevant, the Company encourages that its packaging/ labelling contain detailed information

regarding safe handling, storage and use, which is over and above what is mandated as per local laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as on end of financial year?

None

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company is a customer-centric organisation and attaches considerable value to the trust, satisfaction and loyalty of our customers across the world. The Company strives to ensure that customer needs are satisfied and our products and services offer value to our customers. As a part of our stakeholder engagement strategy, the Company engages with its customers and carries consumer surveys every year to know the customer satisfaction level so that necessary steps may be taken to enhance customer satisfaction levels.

The Business Responsibility Policy of the Company governing its business sustainability efforts is available on the Company's website www.wendtindia.com.

On behalf of the Board
For Wendt (India) Limited

Shrinivas G Shirgurkar
Chairman

Place: Bengaluru

Date: May 28, 2020

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24 A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended]

The Members

Wendt (India) Limited

CIN: L85110KA1980PLC003913

Flat No 105, Cauvery Block National Games Housing Complex,

Koramangala,

Bangalore - 560047

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **WENDT (INDIA) LIMITED** [Corporate Identification Number: L85110KA1980PLC003913] (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place.

We 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, 2020 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) The Company has complied with the applicable provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment. There are no External Commercial Borrowings and Foreign Direct Investment during the year under review;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (not applicable to the company during the audit period);
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the company during the audit period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the audit period);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the audit period); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (not applicable during the period under review)
- (vi) We have 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 as relating to 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 protection of IPR with.

We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the systems and mechanisms established by the Company are adequate to ensure compliance of laws as mentioned above.

With respect to the applicable financial laws such as direct and indirect tax laws, based on the information & explanations provided by the management and officers of the Company and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (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:

It is observed that as per Regulation 38 of the SEBI (LODR), Regulations, 2015 read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulations) Rules, 1957 every listed entity shall comply with the minimum public shareholding. As on 31st March, 2020, the public shareholding was 20.26 %.

We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Woman Independent Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all 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. Notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and Secretarial Standards on Board Meeting are complied with. The necessary compliances of Rule 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 have been complied with in respect of meetings convened through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions at the Board / Committee Meetings were taken with the consent of the Board of Directors / Committee Members and no Director / Member had dissented on any of the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the Members who voted against the resolution(s) have been recorded.

We further report that based on review of compliance mechanism established by the Company we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that the above mentioned Company being a Listed entity this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No.CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.

We further report that as per the information and explanations provided by the Management, the Company does not have any Material Unlisted Subsidiary(ies) Incorporated in India as defined in Regulation 16(1)(c) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.

We further report that during the audit period, there were no specific events having major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

For **R. SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R. SRIDHARAN

CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000281007

Place: Chennai

Date: 28th May, 2020

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 recognize its responsibilities towards all stakeholders and play 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 an 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, 2020, the Board at Wendt (India) Limited comprises of 6 Directors out of which 4 are Independent Directors including a Woman Director.

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	Chairman, Non-Executive & Independent Director (ID)	6(1)	4	2(1)	5(5)	Yes	Nil
K S Shetty DIN - 01759936	Non-Executive & Independent Director (ID)	1	4	2	2(5)	Yes	Nil
M Lakshminarayan DIN - 00064750	Non-Executive & Independent Director (ID)	9(2)	4	10(5)	5(5)	Yes	Nil
Hima Srinivas DIN - 07556717	Non-Executive & Independent Director (ID)	1	1	1	5(5)	Yes	Nil
N Ananthaseshan DIN-02402921*	Non-Executive & Non-Independent Director (NED)	4(1)	6	3(1)	2(2)	NA	Nil
Rajesh Khanna M DIN - 06923493	CEO & Executive 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;

(d) Mr. K Srinivasan stepped down from the Board at the closing hours of 22nd November 2019;

*Mr. N Ananthaseshan was appointed as an Additional Director w.e.f. 23rd November 2019

The names of listed entities where the Directors hold directorships [other than Wendt (India) Limited] 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
	Suprajit Engineering Limited	Non - Executive Independent Director
N Ananthaseshan	Carborundum Universal Limited	Managing Director

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

Changes in Board composition during the financial year 2019-20

During the year ended 31st March 2020, there were no changes in the Board composition other than as detailed below:

Name	Category	Nature of Change	Remarks
Mr. K. Srinivasan	Non-Executive & Non-Independent Director	Resignation	Ceased to be a Director of the Board with effect from the closing hours of 22 nd November 2019
Mr. Rajesh Khanna	Executive Director & CEO	Appointment as an Executive Director and CEO	Appointed as an Executive Director and CEO by the shareholders at the 37 th Annual General Meeting held on 22 nd July 2019 effective 24 th July 2018
Mr. N Ananthaseshan	Additional Director	Appointment	Appointed as an Additional Director w.e.f. 23 rd November 2019
Mr. Shrinivas G Shirgurkar	Non-Executive & Independent Director	Re-appointment	Re-appointed for a second term of five years from 24 th July 2019
Mr. K S Shetty	Non-Executive & Independent Director	Re-appointment	Re-appointed for a second term of five years from 24 th July 2019

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 28th May 2020 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 coreskills / expertise / competencies identified by the Board of Directors, along with the details of Director who possess the skill, 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	Shrinivas G Shirgurkar	K S Shetty	Hima Srinivas	M Lakshminarayan	N Ananthaseshan	Rajesh Khanna
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.				✓	✓	

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.

(ii) 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 2019, 22nd July 2019, 22nd October 2019, 24th January 2020 and 16th March 2020. The dates of the Board meetings are fixed in advance for the full calendar year to enable maximum attendance from the Board members. As required under the Companies Act, 2013, the Company facilitates participation of a Director who is unable to attend the Board/Committee meetings physically, through video conference or other audio visual means in the manner prescribed under the relevant regulations.

The Company has in place the following policies:

- Policy on dealing with related party transactions
- Code of Conduct for Directors and Senior Management
- Remuneration Policy
- Whistle Blower Policy
- Policy on determination of material subsidiaries
- 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 (POSH).

These policies are periodically reviewed by the Board.

(iii) Independent Directors

Independent Directors play an important role in the governance processes of the Board. They enrich the decision-making process at the Board by bringing in their diverse views based on their expertise and experience. 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 16th March 2020 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.

(iv) Board Familiarization

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.

(v) 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.

B. BOARD COMMITTEES

The Board has constituted various Committees for effectively discharging its responsibilities more specifically in areas as 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.

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, review of utilization of loans and/ or advances from / investments made in subsidiaries, review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, 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.

Composition & Meetings

The Audit Committee comprises of 5 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 Audit Committee was re-constituted by the Board with the induction of Mr. N. Ananthaseshan as a member on 23rd November 2019.

During the year, the committee had five meetings on 25th April 2019, 22nd July 2019, 22nd October 2019, 24th January 2020 and 16th March 2020 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	5 (5)
K S Shetty	ID	2 (5)
Hima Srinivas	ID	5 (5)
M Lakshminarayan	ID	5 (5)
K Srinivasan*	NED	2 (3)
N Ananthaseshan*	NED	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.

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-Wholetime 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 (k) recommend to the Board the appointment and remuneration payable to Senior Management.

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 Section 178(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 (KMP) 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.

Criteria for Board Nomination

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.

Criteria for Senior Management

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 re-constituted by the Board with the induction of Mr. N. Ananthaseshan as a member on 23rd November 2019.

The Committee met on three occasions during the year on 25th April 2019, 22nd July 2019 and 22nd October 2019. 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	1 (3)
Shrinivas G Shirgurkar	ID	3 (3)
M Lakshminarayan	ID	3 (3)
K Srinivasan*	NED	2 (3)
N Ananthaseshan*	NED	-

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference

The terms of reference of this Committee includes formulation of investor 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, review of service standards in respect of various services rendered by the Registrar & Share Transfer Agent, 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, review measures taken for effective exercise of voting rights by shareholders, review of 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, administering the unclaimed shares suspense account and performing other functions as delegated to it by the Board from time to time.

Composition & Meetings

The Committee comprises three members with one Independent Director. During the year, the Stakeholders Relationship Committee was re-constituted by the Board with the induction of Mr. N. Ananthaseshan as a Chairman on 23rd November 2019.

The Committee met once on 24th January 2020 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)
N. Ananthaseshan*, Chairman with effect from 23 rd November 2019	NED	1 (1)
K S Shetty	ID	1 (1)
K Srinivasan*, Chairman till 22 nd November 2019	NED	-
Rajesh Khanna	ED	1 (1)

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

The Company Secretary acts as the Secretary to the Committee.

There were two investor service complaints received during the year. One complaint pertained to non-receipt of dividend while the other related to seeking details about other shareholders in the Company in a format not prescribed in the Act. The complaints received were resolved. There were no investor service complaints pending as at 31st March 2020.

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

KFin Technologies Private Limited, Hyderabad is the Company's Registrar and Share Transfer Agent (RTA). With effect from 5th December 2019, the name of the Company's Registrar and Share Transfer Agent (RTA) was changed from Karvy Fintech Private Limited to KFin Technologies Private Limited. The contact details are available in the General Shareholder Information section of the Report.

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 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 Committee comprises four members of which three are Independent Directors. The Senior Management is invited to the Committee meetings.

During the year, the CSR Committee was re-constituted by the Board with the induction of Mr. N. Ananthaseshan as a member on 23rd November 2019.

The Committee met once on 25th April 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	0 (1)
Shrinivas G Shirgurkar	ID	1 (1)
Hima Srinivas	ID	1 (1)
K Srinivasan*	NED	1 (1)
N Ananthaseshan*	NED	-

* 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 compensation to the Non-Executive Independent Directors takes the form of commission on profit. The Non-Executive Independent directors are paid remuneration by way of sitting fees for every Board/ Committee meeting attended by them. Considering the increased time spent by Ms. Hima Srinivas, Independent Director in matters pertaining to the Company and its material subsidiary, Wendt Grinding Technologies Limited, a differential commission for the FY 2019-20 is proposed to be paid to her.

Remuneration of Executive Directors

The compensation of the Executive Director comprises a fixed component and a performance incentive based on certain pre-agreed parameters. The compensation is determined based on levels of responsibility and scales prevailing in the industry. The Executive Director is not paid sitting fees for any Board/Committee meetings attended by him.

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 Nomination and Remuneration Committee recommends 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.

REMUNERATION OF DIRECTORS

Non-Executive Directors

(₹. In lakhs)

Director	Sitting Fee*	Commission #
Shrinivas G Shirgurkar	2.4	3.00
K S Shetty	1.0	3.00
Hima Srinivas	2.1	5.00
M Lakshminarayan	2.3	3.00
N Ananthaseshan**	-	-
Total	7.8	14.00

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

#As the remuneration payable to the Non-Executive Directors exceeds the 1% limit prescribed under the Companies Act, 2013, the commission will be paid subject to shareholder's approval and after adoption of accounts by shareholders at the 38th Annual General Meeting.

**Appointed as an Additional Director with effect from 23rd November 2019.

Remuneration paid to Executive Director

(₹. In lakhs)

Rajesh Khanna	Amount
Salary & Allowances	110.25
Retirement benefits	15.70
Perquisites	16.95
Total	142.90

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.

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 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. 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 Whistle Blower policy also covers 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. Wendt Grinding Technologies Limited is a 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. In anticipation of this, the Board has nominated Mrs. 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 dealing with Related Party Transactions is made available on the website of the Company www.wendtindia.com.

DISCLOSURES

The requirements of Regulation 17 to Regulation 27 of the Listing Regulations and clauses (b) to (i) of Regulation 46(2) to the extent applicable to the Company have been complied with as disclosed in this Report. Further, there were no instances of non-compliance by the Company nor were there any penalties or strictures imposed on the Company by the stock exchanges, SEBI or any statutory authority on any matter related to capital markets in the preceding three years. The disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Board's report.

MANAGEMENT

- (i) To avoid duplication and overlap between the Director's Report and a separate Management Discussion and Analysis Report (MDA), the information required to be provided in the MDA has been given in the Directors Report itself as required by the SEBI Regulations.
- (ii) No material transactions 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 2019-20 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 M/s. R Sridharan & Associates, Practising Company Secretaries, Chennai confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is annexed and forms part of this Report.

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 on matters relating to financial reporting, compliance with relevant statutes and adequacy of internal control systems.

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
2018 - 19	22.07.2019	03.00 PM	Bharatiya Vidya Bhavan, Race Course Road, Bangalore	Re-appointment of Mr. Shrinivas G Shirgurkar Mr. K S Shetty as Independent Directors. Appointment of Mr. Rajesh Khanna as an Executive Director
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

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 / Listing Regulations 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/ their network firm.

(₹. In lakhs)

Network firm	Service availed	Amount
Price Waterhouse Chartered Accountants LLP	Statutory Audit including limited review	9.50
	Tax Audit and R&D related certifications	1.00
Price Waterhouse & Co LLP	Certification of forms relating to international transactions and specified domestic transactions (transfer pricing)	2.00

Payment in respect of non-audit services provided by the Statutory Auditors to the Company are made only with the approval of the Audit Committee as required under Section 144 of the Companies Act, 2013.

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. The quarterly financial 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. 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. 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.

Further, the Financial Statements have an unmodified opinion by the Company's Auditors.

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

OTHER DISCLOSURE:

During the year, there has been no instance where the Board did not accept the recommendation of its Committees. Further during the year, the Company has not raised funds through preferential allotment or qualified institutions placement.

E. SHAREHOLDERS SATISFACTION SURVEY

The Company carries out Shareholders Satisfaction Survey every year. The questionnaire forms part of the Annual Report. The feedback is compiled for taking 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.

H. GENERAL SHAREHOLDER INFORMATION

As per Annexure

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: May 28, 2020

Shrinivas G Shirgurkar
Chairman

GENERAL SHAREHOLDER INFORMATION

1. **Date of Incorporation:** 21st August, 1980

2. **Annual General Meeting**

Day, Date and time : Friday 24th July 2020 at 03.00 p.m.

Venue : Through video conferencing

3. **Book Closure Date**

17th July 2020 to 24th July 2020 (both days inclusive)

4. **Dividend Payment Date**

The Board of Directors of the Company has proposed a final dividend of ₹ 25/- per share (250%) on equity shares of ₹ 10/- each. The dividend will be paid on or before 3rd August 2020 after approval by the shareholders at the Annual General Meeting.

5. Addresses for Correspondence

Registered Office Address

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

Compliance Officer:

Janani T A
Wendt (India) Limited,
Plot No. 69/70, SIPCOT Industrial Estate
Hosur- 635126, Tamil Nadu
E-mail: jananita@wendtindia.com

Registrar and Share Transfer Agent

KFin Technologies Private Limited,
Unit: Wendt (India) Limited,
Tower B, Plot 31-32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032;
Tel: +91-40-67162222; Fax: +91-40-23420814;
Toll Free no.: 1800-345-4001;
E-mail: einward.ris@kfintech.com; Website: www.kfintech.com;
Contact Person: Ms. Rajitha Cholleti

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 2019-20)

Deloitte Haskins and Sells LLP
Chartered Accountants,
ASV N Ramanas Towers, No. 52, (Old No. 37),
Venkatnarayana Road, T. Nagar,
Chennai - 600017

Secretarial Auditor (for the FY 2019-20)

R Sridharan & Associates, Company Secretaries,
Thiruvaramangam Apartments, Flat No.3, First Floor,
New No.44, Old No.25, Unnamalai Ammal Street,
T.Nagar, Chennai – 600 017

7. Listing Details & Codes

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

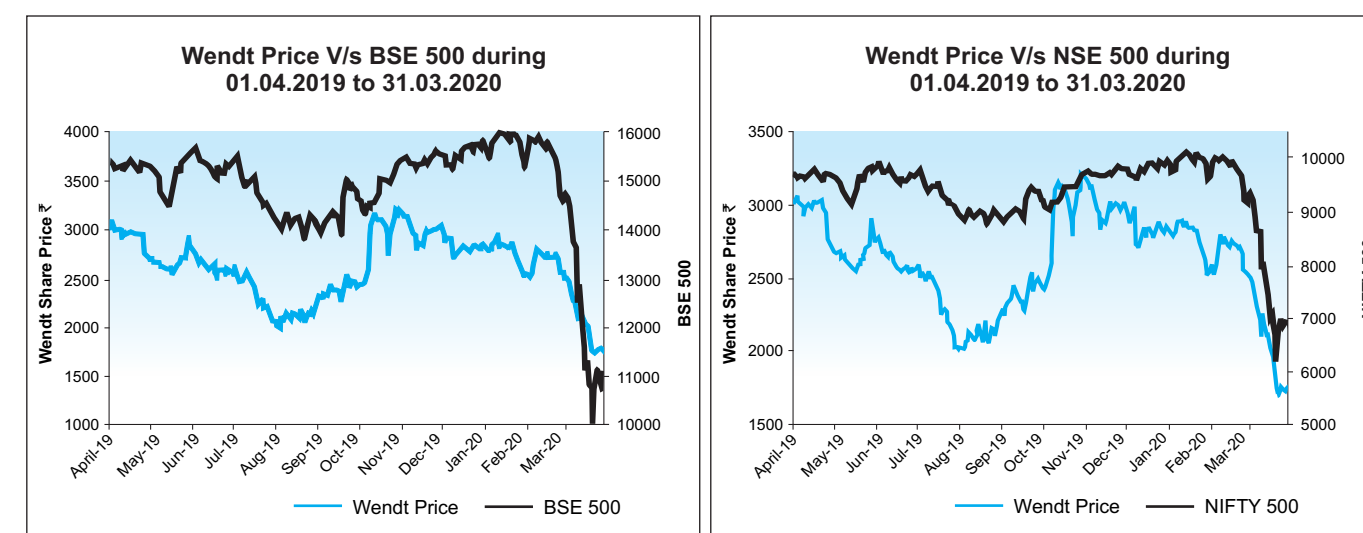
8. Corporate Identification Number: L85110KA1980PLC003913

9. NSDL & CDSL (ISIN): INE274C01019

10. Share Price Data

Month	BSE Limited		National Stock Exchange of India Limited		
	High (₹)	Low (₹)	High (₹)	Low (₹)	
2019	APRIL	3150	2688	3140	2690
	MAY	2972.75	2550	2939	2544
	JUNE	2859.9	2500	2825	2500
	JULY	2640	2000	2597.95	1991
	AUGUST	2270	1955	2247	1926.2
2020	SEPTEMBER	2585	2255	2550	2195
	OCTOBER	3347	2321	3308.95	2400
	NOVEMBER	3390	2779	3283	2771
	DECEMBER	3038.95	2710.05	3020	2688
	JANUARY	2946.85	2583.4	2975	2552
2020	FEBRUARY	2840	2325	2847	2661
	MARCH	2626.7	1590	2601	1611

11. Stock Performances in comparison to broad based indices:



12. Distribution of Shareholding as on 31st March 2020

Category (Amount) (₹)	No. of shareholders	% of shareholders	Total Shares	Amount (₹)	% of Amount
1-5,000	6,405	98.34	2,53,587	25,35,870.00	12.68
5,001-10,000	66	1.01	49,693	4,96,930.00	2.48
10,001-20,000	27	0.41	38,953	3,89,530.00	1.95
20,001-30,000	5	0.08	13,467	1,34,670.00	0.67
30,001-40,000	3	0.04	10,310	1,03,100.00	0.52
40,001-50,000	1	0.02	4,684	46,840.00	0.23
50,001-1,00,000	3	0.05	20,527	2,05,270.00	1.03
1,00,001 & Above	3	0.05	16,08,779	1,60,87,790.00	80.44
TOTAL	6,513	100%	20,00,000	2,00,00,000.00	100

13. Shareholding Pattern as on 31st March 2020

Category	No. of shareholders	Total no. of Shares held	% of Share Capital
Promoters	2	1,594,704	79.74
Bodies Corporate	89	12,289	0.61
Banks	2	1,850	0.09
Individuals	5,966	3,54,711	17.74
Non Resident Indians	127	12,199	0.61
HUF	294	14,797	0.74
Others (Clearing Members, IEPF)	33	9,450	0.47
TOTAL	6,513	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 2020, 1,973,705 shares constituting 98.69% of the total paid up capital of the Company are in demat form.

Shareholding Summary as on 31 st March 2020			
Category	No. of share holders	Total no. of Shares	% to share capital
PHYSICAL	265	26,295	1.31
NSDL	3,826	1,861,489	93.07
CDSL	2,422	112,216	5.62
TOTAL	6,513	20,00,000	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 2019-20.

16. Share Transfer Process

Share transfers in physical form upto 500 shares are processed by the Registrar and Transfer Agent, KFin Technologies 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 dematerialized 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 dematerializing their physical shares to demat form. Hence, members are encouraged to dematerialize their physical holdings to demat form.

17. 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 KFin Technologies Private Limited, for issue of demand drafts in lieu of the revalidated dividend warrants.

Year	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date for transfer
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	02/03/2023
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	01/03/2026
2018 - 19	Final	15.00	22/07/2019	28/08/2026

The Company has transferred unclaimed/ unencashed dividends upto final dividend for FY 2011-12 to the IEPF during the year ended 31st March 2020. The Company has uploaded the details relating to unclaimed dividends on its website for the benefit of its shareholders.

18. 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 were liable to be transferred to IEPF Account, pursuant to the said Rules to take immediate action in the matter. As at 31st March 2020, the Company has transferred 8250 shares to the IEPF Authority. During the year, there were no shares liable to be transferred to the IEPF Authority.

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/> along with the requisite documents. Shareholders are requested to contact the Company's RTA – KFin Technologies Private Limited or the Company in this regard. The contact details are available in the General Shareholder information of this Report.

19. 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.

20. 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 dematerialized form. In view of the above, members are advised to dematerialize 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, KFin Technologies Private Limited. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard. Members can approach the Company or KFin Technologies Private Limited with regard to the same.

(iv) Deduction of tax at source

Members are requested to note that pursuant to an amendment in the Finance Act, 2020, with effect from 1st April 2020, dividends declared by the Company will be taxed in the hands of the recipient of dividend i.e. shareholders. Hence, all dividends declared after 1st April 2020 by the Company will be paid to the members after deducting tax at the applicable rate prescribed under the Income Tax Act, 1961. Members may note that in the absence of PAN, the Company would be required to deduct tax at a higher rate as prescribed on the dividend. Hence, members who have not furnished their PAN to the Company are requested to immediately submit a copy of their PAN. Members seeking non-deduction of tax on their dividends may submit Form 15G/15H as applicable to the Company on a yearly basis. The formats of Form 15G/Form 15H are available in <https://www.wendtindia.com/>. Members may contact the Secretarial team in case of any clarification with respect to the dividends declared by the Company.

(v) 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. As stated above, non-submission of PAN will result in deduction of tax at higher rate.

(vi) 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.

(vii) Registration of 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@kfintech.com and also update the E-mail address as and when there is any change.

(viii) 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. 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, KFin Technologies Private Limited, Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032.

(ix) 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.

(x) 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.

(xi) Queries at the AGM

Members desiring any information with regard to the accounts are requested to write to the Company in advance of the Annual General Meeting date as stated in the AGM notice.

(xii) 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 one time registration.

21. 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

22. 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

23. Financial Year:

1st April to 31st March

Place: Bengaluru
Date: May 28, 2020

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 2020, as envisaged in regulation 34(3) read with Schedule V of the Listing Regulations.

On behalf of the Board
For Wendt (India) Limited

Place: Bengaluru
Date: May 28, 2020

Rajesh Khanna
Executive Director & CEO

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members

WENDT (INDIA) LIMITED

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

We have examined documents, books, papers, minutes, forms and returns filed and other relevant records maintained by **Wendt (India) Limited**, (CIN: L85110KA1980PLC003913) having its Registered Office at NO.105, 1st Floor, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore - 560047, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2020. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the financial year ended 31st March, 2020.

This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 28th May, 2020

For **R. SRIDHARAN & ASSOCIATES**
COMPANY SECRETARIES

CS R. SRIDHARAN

CP No. 3239

FCS No. 4775

UIN : S2003TN063400

UDIN: F004775B000281007

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) read with Schedule V Para-C Sub clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members
Wendt (India) Limited
 CIN: L85110KA1980PLC003913
 Flat No 105, Cauvery Block National Games Housing Complex,
 Koramangala,
 Bangalore - 560047

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **WENDT (INDIA) LIMITED (CIN: L85110KA1980PLC003913)** having its Registered Office at Flat No. 105, Cauvery Block, National Games Housing Complex, Koramangala, Bangalore - 560047 (hereinafter referred to as "The Company") produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Part-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In our opinion and to the best of our knowledge and according to the verifications (including Director Identification Number (DIN) Status at the portal www.mca.gov.in) and based on such examination as well as information and explanations furnished to us, which to the best of our knowledge and belief were necessary for the purpose of issue of this certificate and based on such verification as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company as on 31st March 2020 have been debarred or disqualified from being, appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority.

S.No	DIN	Name of The Director	Designation	Date of Appointment
1.	00173944	Shrinivas G Shirgurkar	Non-Executive - Chairman	17/04/2006
2	06923493	Rajesh Khanna	Executive Director	24/07/2018
3.	01759936	K S Shetty	Non-Executive - Independent Director	16/04/2009
4.	07556717	Hima Srinivas	Non-Executive - Independent Director	24/04/2017
5.	00064750	M Lakshminarayan	Non-Executive - Independent Director	20/03/2018
6.	02402921	N Ananthaseshan	Non-Executive - Non Independent Director	23/11/2019

Ensuring the eligibility of, for the appointment/ continuity of, every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R. SRIDHARAN & ASSOCIATES**
 COMPANY SECRETARIES

CS R. SRIDHARAN
 CP No. 3239
 FCS No. 4775

UIN : S2003TN063400
 UDIN: F004775B000281007

Place: Chennai
 Date: 28th May, 2020

Standalone
 Financial
 Statements

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, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and 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, 2020, and 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.

Emphasis of Matter

4. We draw your attention to Note 45 to the standalone financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lockdown and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the Government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at year end. Our opinion is not modified in respect of this matter.

Key audit matters

5. 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 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 Judgements) and Note 9 (Inventories) to the standalone financial statements.

The Company manufactures 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, 2020 aggregates to Rs.2,612.25 Lakhs. The Company has recognized a provision for obsolescence of the above inventories for Rs. 98.16 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 judgments may have a significant impact on the calculation of inventory provision.

Due to the judgments 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 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

6. 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.
7. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. 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 standalone 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

9. The Company's Board of Directors is responsible 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 judgments 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.

10. 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 financial statements

11. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
12. As part of an audit in accordance with SAs, we exercise Professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 for 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
14. 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.

15. 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

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) 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.
17. 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 Cash Flow Statement 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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
 - 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, 2020.
18. The Company has paid managerial remuneration to the executive director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act (refer Note 34 to the standalone financial statements). Commission payable to non-whole time independent directors aggregating to Rs. 14 lakhs is subject to shareholders' approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act (refer Note 28 to the standalone financial statements). Also refer Clause xi of the CARO report on the Standalone Financial Statements.

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

Mohan Danivas S A
Partner
Membership Number: 209136
UDIN: 20209136AAAABT9502

Bangalore
 May 28, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 17 (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, 2020

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, 2020 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.

Auditors' 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 controls 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 unauthorised 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, 2020, 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. Also refer paragraph 4 of the main audit report.

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

Mohan Danivas S A
Partner

Membership Number: 209136
UDIN: 20209136AAAABT9502

Bangalore
May 28, 2020

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 16 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, 2020

- 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. Further, our attendance at the physical inventory verification done by the management was impracticable under the current restrictions imposed by the Government and we have relied on the related alternate audit procedures. (refer paragraph 4 of the main audit report).
- iii. The Company has not granted secured or unsecured loans, 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 the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, 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 Clause 3(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. The Company has paid managerial remuneration to the executive director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act (refer Note 34 to the standalone financial statements). Commission payable to non-whole time independent directors aggregating to Rs. 14 lakhs is subject to shareholders' approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act (refer Note 28 to the standalone financial statements). Also refer paragraph 18 of the main audit report to the standalone financial statements.
- 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: 012754N/N500016
Chartered Accountants

Mohan Danivas S A
Partner

Membership Number: 209136
UDIN: 20209136AAAABT9502

Bangalore
May 28, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	4,995.16	5,071.63
(b) Capital work-in-progress		417.09	469.25
(c) Goodwill	4	10.27	10.27
(d) Other intangible assets	5	110.84	137.87
(e) Financial assets - Investments	6A	430.55	430.55
(f) Other non-current assets	7	260.50	55.34
(g) Income tax assets (net)	8	343.32	274.67
Total non - current assets (1)		6,567.73	6,449.58
2 Current assets			
(a) Inventories	9	2,612.25	2,271.75
(b) Financial assets			
(i) Investments	6B	3,093.34	3,165.95
(ii) Trade receivables	10	2,319.07	2,736.64
(iii) Cash and cash equivalents	11A	148.92	285.01
(iv) Bank balances other than (iii) above	11B	821.17	686.58
(v) Other financial assets	12	126.46	143.32
(c) Other current assets	7	576.86	593.13
Total current assets (2)		9,698.07	9,882.38
Total assets (1+2)		16,265.80	16,331.96
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	200.00	200.00
(b) Other equity	14	11,766.38	11,261.17
Total equity (1)		11,966.38	11,461.17
LIABILITIES			
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	15	173.99	307.95
Total non - current liabilities (2)		173.99	307.95
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro and small enterprises	16	82.44	172.71
- total outstanding dues of creditors other than micro and small enterprises	16	1,938.57	2,172.21
(ii) Other financial liabilities	17	1,131.02	1,269.60
(b) Provisions	18	478.51	309.57
(c) Income tax liabilities (net)	8	1.36	1.36
(d) Other current liabilities	19	493.53	637.39
Total current liabilities (3)		4,125.43	4,562.84
Total equity and liabilities (1+2+3)		16,265.80	16,331.96

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR Chairman
ANANTHASESHAN Director
RAJESH KHANNA Executive Director & CEO
MUKESH KUMAR HAMIRWASIA Chief Financial Officer
T A JANANI Company Secretary
Place: Bangalore
Date: May 28, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
1 INCOME			
(a) Revenue from operations	20	12,327.50	14,285.10
(b) Other income	21	766.59	409.43
Total income (1)		13,094.09	14,694.53
2 EXPENSES			
(a) Cost of materials consumed	22	4,062.51	4,243.77
(b) Purchases of stock-in-trade	23	175.62	198.39
(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	24	(414.91)	(136.41)
(d) Employee benefits expense	25	3,135.55	2,892.28
(e) Finance costs	26	2.91	0.50
(f) Depreciation and amortisation expense	27	904.50	983.04
(g) Other expenses	28	4,039.25	4,608.68
Total Expenses (2)		11,905.43	12,790.25
3 Profit before tax (1-2)		1,188.66	1,904.28
4 Tax Expense			
(a) Current tax	29	363.40	578.23
(b) Income tax for earlier years	29	7.27	55.86
(c) Deferred tax	29	(115.96)	(76.42)
Total tax expense		254.71	557.67
5 Profit for the period (3-4)		933.95	1,346.61
6 Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit obligation		(127.62)	(122.97)
(ii) Income tax relating to the above		32.12	35.81
Total Other Comprehensive income		(95.50)	(87.16)
7 Total comprehensive income for the period (5+6)		838.45	1,259.45
8 Earnings per equity share (Rs.):	35		
(1) Basic		46.70	67.33
(2) Diluted		46.70	67.33

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR Chairman
ANANTHASESHAN Director
RAJESH KHANNA Executive Director & CEO
MUKESH KUMAR HAMIRWASIA Chief Financial Officer
T A JANANI Company Secretary
Place: Bangalore
Date: May 28, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

(A) Equity Share Capital

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
Balance as at April 1, 2019	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2020	200.00

(B) Other Equity

Particulars	Reserves and surplus		Total
	General Reserve	Retained Earnings	
Balance as at April 1, 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
Profit for the year	-	933.95	933.95
Other comprehensive income for the year, net of income tax	-	(95.50)	(95.50)
Total comprehensive income for the year	-	838.45	838.45
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	-	(33.24)	(33.24)
Transfer to General reserve	93.40	(93.40)	-
Balance as at March 31, 2020	6,076.13	5,690.25	11,766.38

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director
RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer
Place: Bangalore T A JANANI
Date: May 28, 2020 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	1,188.66	1,904.28
Adjustments for :		
Depreciation and amortisation expense	904.50	983.04
Allowance for doubtful trade receivables (net of reversal)	8.61	27.50
Bad Debts written off	2.07	36.24
Finance costs	2.91	0.50
Interest income on deposits	(5.00)	(4.50)
Dividend from long term investments in subsidiaries	(290.90)	(173.09)
Dividend from current investments - mutual funds	(13.13)	(75.58)
Loss / (Profit) on sale / disposal of fixed assets (net)	(8.30)	16.68
Provisions and liabilities no longer required, written back	(19.15)	(23.93)
Net Gain on sale / fair valuation of current investments (net)	(136.69)	(51.74)
Unrealised exchange loss / (gain)	(22.19)	4.84
Operating profit before working capital changes	1,611.39	2,644.24
Changes in working capital :		
(Increase)/Decrease in inventories	(340.50)	(395.60)
(Increase)/Decrease in trade receivables	449.36	565.11
(Increase)/Decrease in other financial assets	20.85	(43.59)
(Increase)/Decrease in other non-current assets	(1.50)	(2.20)
(Increase)/Decrease in other current assets	13.37	(271.15)
Increase/(Decrease) in trade payables	(325.03)	639.09
Increase/(Decrease) in other current financial liabilities	101.15	260.32
Increase/(Decrease) in current provisions	41.32	78.77
Increase/(Decrease) in other current liabilities	(143.86)	308.66
Cash flow generated from operating activities	1,426.55	3,783.65
Income Taxes Paid (net of refunds)	(425.20)	(876.53)
Net cash generated from operating activities (A)	1,001.35	2,907.12
Cash flow from investing activities		
Capital expenditure on tangible fixed assets	(1,162.12)	(913.16)
Capital expenditure on intangible fixed assets	(35.20)	(1.19)
Proceeds from sale of tangible fixed assets and capital work-in-progress	13.38	110.56
Sale / (Purchase) of current investments (net)	209.30	(1,315.39)
Interest income on deposits	1.01	4.50
Dividend from long term investment in subsidiaries	290.90	173.09
Dividend from current investments - mutual funds	13.13	75.58
Bank balances not considered as cash and cash equivalents		
- Placed	(316.30)	(517.77)
- Matured / encashed	181.71	262.74
Net cash flows from / (used in) investing activities (B)	(804.19)	(2,121.04)
Cash flow from financing activities		
Finance costs	(0.01)	(0.50)
Dividend Paid (including tax thereon)	(333.24)	(705.79)
Net Cash flows (used in) financing activities (C)	(333.25)	(706.29)
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(136.09)	79.79
Cash and cash equivalents at the beginning of the year D	285.01	205.22
Cash and cash equivalents at the end of the year (refer Note 11A)(A+B+C+D)	148.92	285.01

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director
RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer
Place: Bangalore T A JANANI
Date: May 28, 2020 Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE No.

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, 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, 2019:

- (a) Ind AS 116, Leases - refer note 2.6 & 32
- (b) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

There has been no impact on adoption of these amendments on the financial statements.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

Management's assessment of the impact (if any) arising on individual financial statement line items on account of the COVID-19 pandemic situation has been disclosed in the related notes.

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 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.

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 affect the amounts recognised at that date.

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

The Company is into manufacturing, selling and servicing of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and High Precision components.

2.5.1 Sale of goods

Revenue is recognised when control of products has transferred to customers. 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, physical possession 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.

Receivable is recognised when the right to consideration is unconditional because only the passage of time is required before payment of the consideration is due.

When the value of goods supplied or services rendered by the Company exceed the payment, a contract assets is recognised.

When the payment exceeds the value of goods supplied or services rendered, a contract liability is recognised.

2.5.2 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.5.3 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 using effective interest rate method.

2.5.4 Rental income

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

2.6 Leasing - Operating

Till March 31, 2019

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 a 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 a 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.

With effect from April 01, 2019

2.6.1 The Company as lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective lease assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new lease standard.

2.6.2 The Company as lessee

Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'.

The Company has a single leasing arrangement which meets the definition of short term lease in accordance with Ind AS 116. The Company has elected to apply the practical expedient to not recognise a lease liability and right-of-use asset for short-term leases with a lease term of 12 months or less. Payments associated with short term leases are recognised on a straight line basis in the Statement of Profit and Loss.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 transactions

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 as and when services are rendered by the employees.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 becomes 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. Transaction 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 amortised 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 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 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 instrument 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 115, 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

(Rs. in Lakhs)

Note 3 - Property, plant and equipment

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, 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
Balance as at April 1, 2019	3.66	1,664.10	8,741.25	906.49	302.15	157.34	11,774.99
Additions	-	35.64	673.26	50.02	4.88	7.00	770.80
Disposals	-	-	(6.10)	(13.64)	-	(23.09)	(42.83)
Balance as at March 31, 2020	3.66	1,699.74	9,408.41	942.87	307.03	141.25	12,502.96
II. Accumulated depreciation							
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 (refer 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
Balance as at April 1, 2019	-	516.61	5,198.51	745.01	181.42	61.81	6,703.36
Depreciation expense for the year (refer note 27)	-	56.75	656.90	86.63	25.88	16.11	842.27
Eliminated on disposal of assets	-	-	(5.85)	(12.85)	-	(19.13)	(37.83)
Balance as at March 31, 2020	-	573.36	5,849.56	818.79	207.30	58.79	7,507.80
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
Net carrying value as at March 31, 2020	3.66	1,126.38	3,558.85	124.08	99.73	82.46	4,995.16

Notes:

- a) Refer to Note 36.1 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
 b) Refer to Note 36.2 for information on property, plant and equipment pledged as security by the Company.

(Rs. in Lakhs)

Note 4 - Goodwill

A reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period

Description of Assets	As at March 31, 2020	As at March 31, 2019
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 Assets

Description of Assets	Technical Knowhow	Computer Software	Brands and Trademarks	Patents	Total
I. Gross Block					
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
Balance as at April 1, 2019	202.27	323.38	81.00	50.00	656.65
Additions	-	35.20	-	-	35.20
Balance as at March 31, 2020	202.27	358.58	81.00	50.00	691.85
II. Accumulated amortisation					
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
Balance as at April 1, 2019	193.48	253.25	44.55	27.50	518.78
Amortisation expense for the year (refer note 27)	6.26	29.77	16.20	10.00	62.23
Balance as at March 31, 2020	199.74	283.02	60.75	37.50	581.01
Net Carrying Value as on March 31, 2019	8.79	70.13	36.45	22.50	137.87
Net Carrying Value as on March 31, 2020	2.53	75.56	20.25	12.50	110.84

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Sl No.	Particulars	As at March 31, 2020				As at March 31, 2019			
		Current		Non Current		Current		Non Current	
		Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount	Units (Nos)	Amount
A	COST								
	<i>1. Unquoted Investments</i>								
	Investments in Equity Instruments - of Subsidiaries								
	(i) WENDT GRINDING TECHNOLOGIES LTD, THAILAND								
	(10,299,993 equity shares of face value Baht: 10/- each (March 31, 2019: 10,299,993), partly paid up @ 2.5 Baht per share			102,99,993	277.39	102,99,993	277.39		277.39
	(ii) WENDT MIDDLE EAST FZE, SHARJAH							8	153.16
	(8 equity shares of face value of AED 150,000 each (March 31, 2019: 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>1. Quoted Investments</i>								
	Investments in Mutual Funds								
1	ICICI Prudential Ultra Short Term Fund - Growth	12,53,512	255.29			15,63,904	295.27		
2	ICICI Prudential Money Market Fund - Direct Plan - Growth	18,222	50.89			19,496	50.72		
3	ICICI Prudential Savings Fund - Growth					20,983	75.27		
4	ICICI Prudential Corporate Bond Fund - Growth	18,93,954	394.43			1,33,507	133.88		
5	Aditya Birla Sun Life Savings Fund - Daily Dividend Regular Plan Reinvestment	20,832	56.07			44,001	110.12		
6	Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	15,427	49.02			80,492	361.62		
7	Aditya Birla Sun Life Liquid Fund - Growth Regular Plan	20,759	100.41			4,002	113.64		
8	Aditya Birla Sun Life Low Duration Fund - Growth Regular Plan	40,183	159.74			5,530	84.58		
9	Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan	24,248	281.45			13,178	201.53		
10	Aditya Birla Sun Life Overnight Fund - Growth - Regular Plan					2,95,555	95.96		
11	Reliance Money Market Fund - Direct Growth Plan Growth Option					1,86,618	63.49		
12	Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment								
13	Reliance Liquid Fund - Direct Plan Daily Dividend Option - Reinvest								
14	Nippon Money Market Fund - Direct Growth Plan - Growth Option	1,912	58.37			10,51,635	110.84		
15	Nippon India Liquid Fund Growth Plan - Growth Option	2,495	120.33			4,885	49.00		
16	Nippon India Floating Rate Fund - Growth Plan - Growth Option	12,85,184	408.38			5,034	50.39		
17	Nippon India Money Market Fund - Growth Plan - Growth Option	1,677	167.74						
18	TATA Short Term Bond Fund Regular Plan A - Growth	2,95,555	104.55			2,95,555	95.96		
19	TATA Short Term Bond Direct Plan - Growth	1,86,618	69.80			1,86,618	63.49		
20	Baroda Pioneer Credit Risk Fund (Credit Opp. Fund III 05.06.2018)-Plan A Monthly Dividend-Reinvestment								
21	Baroda Ultra Short Duration Fund-Direct Plan Daily Dividend Reinvestment								
22	Baroda Short Term Bond Fund - Plan A Growth	4,75,461	103.02			4,885	49.00		
23	DSP Liquidity Fund - Direct Plan - Daily Dividend -Reinvest								
24	DSP Low Duration Fund - Regular Plan - Growth	10,30,334	151.07						
25	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend								
26	Franklin India Short Term Income Plan - Retail Plan - Growth								
27	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth								
28	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment								
29	SBI Liquid Fund - Direct - Daily Dividend								
30	SBI Magnum Low Duration Fund-Regular Growth	6,109	159.01			2,126	21.33		
31	Invesco Money Market Fund - Growth					1,880	40.14		
32	Invesco India Treasury Advantage Fund - Growth	9,976	278.32						
33	HDFC Ultra Short Term Fund - Regular Growth	18,86,770	211.42						
34	HDFC Ultra Short Term Fund - Regular Daily Dividend Reinvestment								
35	HDFC Money Market Fund - Regular Plan-Daily Dividend Reinvestment								
36	L&T Ultra Short Term Fund Direct Plan - Growth	1,52,334	50.92			21,93,113	220.41		
	TOTAL INVESTMENTS CARRIED AT FVPL [B]		3,093.34		430.55		3,165.95		430.55
	TOTAL INVESTMENTS CARRYING VALUE (A) + (B)		3,093.34		430.55		3,165.95		430.55
	Other disclosures								
	Aggregate cost of quoted investments		3,093.39				3,079.65		
	Aggregate market value of quoted investments		3,093.34				3,165.95		
	Aggregate value of unquoted investments								430.55
	Aggregate amount of impairment in value of investments								

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 7 - Other non-current and current assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non- Current	Current	Non- Current
Unsecured, considered good				
(a) Advances to suppliers	89.15	-	51.26	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat and custom duty refundable	2.71	-	2.71	-
(ii) GST credit receivable	30.54	-	22.60	-
(c) Prepayments	177.17	-	218.91	-
(d) Security deposits with government	-	53.91	-	52.41
(e) Capital advances	-	206.59	-	2.93
(f) Export incentive receivable	142.85	-	119.01	-
(g) Contract assets (refer note (i) and (ii) below)	102.33	-	152.08	-
(h) Others	32.11	-	26.56	-
Unsecured, considered doubtful				
(a) Other loans and advances	35.86	-	35.78	-
Less: Provisions for doubtful loans and advances	(35.86)	-	(35.78)	-
TOTAL	576.86	260.50	593.13	55.34

Notes:-

- (i): Contract assets include Rs. NIL (March 31, 2019 : Rs. 49.80 lakhs) due from related parties.
- (ii): Movement of Contract assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	152.08	-
Obligation fulfilled during the year	(152.08)	-
Obligation to be fulfilled	102.33	152.08
Balance at end of the year	102.33	152.08

Note 8 - Income tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets - non current		
Advance Income tax paid (net)	343.32	274.67
Total	343.32	274.67
Income tax liabilities - current		
Provision for income tax (net)	1.36	1.36
Total	1.36	1.36

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 9 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	1,048.14	1,112.83
(b) Work-in-progress	1,030.80	794.85
(c) Finished goods	269.09	86.56
(d) Stock-in-trade	45.13	48.70
(e) Stores and spares	219.09	228.81
Total	2,612.25	2,271.75
Included above, goods-in-transit:		
(i) Raw materials	105.30	42.22
(ii) Stock-in-trade	-	1.12
Total goods-in-transit	105.30	43.34

Notes:

- The method of valuation of inventories are stated in Note: 2.17.
- 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, 2020 amounted to Rs. 98.16 lakhs (March 31, 2019: Rs. 104.50 lakhs).
- 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.
- 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.

Covid-19 evaluation

Based on the current orders in hand, the expected demand for company's products and the historical/expected gross margins, the Company is of the view that there is no significant negative impact due to the COVID 19 pandemic on the carrying value of the inventory. In the case of Inventory, Management has performed the year-end 'wall to wall' inventory verification and again at a date subsequent to the year end in the presence of a firm of chartered accountants appointed by the Company to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.

Note 10 - Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from		
(a) Related parties	384.73	337.94
(b) Others	1,983.39	2,442.82
	2,368.12	2,780.76
Less: Allowance for doubtful receivables (expected credit loss allowance)	49.05	44.12
Total	2,319.07	2,736.64

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 10(a) - Break-up of security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,368.12	2,780.76
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	2,368.12	2,780.76
Less: Allowance for doubtful receivables (expected credit loss allowance)	49.05	44.12
TOTAL	2,319.07	2,736.64

Notes:

- Credit risk is managed at the operational segment level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.
- The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix which takes into account the historical credit loss experience adjusted for forward looking information. (refer note 30.3.2).
- Some trade receivables may be past due over 365 days without being impaired considering the certainty of realisation.

Covid-19 evaluation

Management believes that the COVID-19 pandemic situation would not materially affect recovery of trade receivables, as significant receivables are due from large corporates and few government entities and further the customer profile has not changed. However, the measures taken by the government to contain the spread of the pandemic might result in some of the collections being delayed.

Note 11A - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks in current accounts	127.56	283.11
(b) Deposits with maturity of less than three months	19.87	1.40
(c) Cash in hand	1.49	0.50
Total	148.92	285.01

Note 11B - Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Deposits with maturity of more than three months and less than one year	34.77	18.47
(b) Earmarked balances in dividend accounts	786.40	668.11
Total	821.17	686.58

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 12 - Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Security deposits	17.23	12.82
(b) Employee advances	58.75	56.37
(c) Receivables from related parties	41.31	70.67
(d) Rent receivable from related party	5.18	3.46
(e) Interest receivable	3.99	-
Total	126.46	143.32

Note 13 - Equity Share Capital

(Rs. in lakhs, except for number of shares)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised: 3,000,000 (March 31, 2019: 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, 2019: 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, 2020		As at March 31, 2019	
	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

(b) Details of shares held by each shareholder holding more than 5% shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019	
	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

The Company has communicated the requirement to the promoters for initiating measures to comply with the minimum public shareholding requirement in due course.

(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 STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 14 - Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
General reserve	6,076.13	5,982.73
Retained earnings	5,690.25	5,278.44
Total	11,766.38	11,261.17

14.1 General Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	5,982.73	5,847.73
Transfer from retained earnings	93.40	135.00
Balance as at the year end	6,076.13	5,982.73

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, 2020	As at March 31, 2019
Balance at the beginning of the year	5,278.44	4,859.78
Profit for the year	933.95	1,346.61
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	(95.50)	(87.16)
Payment of final dividend for the preceding financial year	(300.00)	(300.00)
Dividend tax on final dividend for the preceding financial year	(33.24)	(61.67)
Payment of interim dividend for the current year	-	(300.00)
Dividend tax on interim dividend for the current year	-	(44.12)
Transfer to general reserve	(93.40)	(135.00)
Balance as at the year end	5,690.25	5,278.44

Retained earnings comprise of the company's undistributed earnings after taxes.

14.3 Distributions made and proposed

The amount of per share dividend distributed to equity shareholders during the year ended March 31, 2020 and March 31, 2019 was Rs. 15 and Rs. 30 respectively.

The Board of Directors at its meeting held on April 25, 2019 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 22, 2019, this has resulted in a cash outflow of Rs. 333.24 lakhs, inclusive of dividend distribution tax of Rs. 33.24 lakhs. Further, the Board of Directors at its meeting held on May 28, 2020 have recommended a final dividend of 250% (Rs. 25/- per equity share of face value of Rs. 10/- each) which is subject to approval of shareholders.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 15 - Deferred tax liabilities

Particulars	March 31, 2020			
	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 and other intangible assets	395.99	(97.52)	-	298.47
Net gain on fair value of mutual funds	25.13	(8.03)	-	17.10
	421.12	(105.55)	-	315.57
Tax effect of items constituting deferred tax assets				
Employee benefits	(90.14)	(12.29)	(18.00)	(120.43)
Allowance for doubtful trade receivables	(12.85)	0.50	-	(12.35)
Others	(10.18)	1.38	-	(8.80)
	(113.17)	(10.41)	(18.00)	(141.58)
Total	307.95	(115.96)	(18.00)	173.99

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 and other intangible assets	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)
Allowance 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

Note 16 - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Trade payables to		
- Micro and small enterprises (refer note 37)	82.44	172.71
- Related parties (refer note 34)	390.39	407.26
- Others	1,548.18	1,764.95
Total	2,021.01	2,344.92

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 17 - Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Unclaimed and Unpaid dividends [refer note (i) below]	786.40	668.11
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies and services [refer note (ii) below]	95.08	344.04
(d) Retention money	13.79	4.56
(e) Due to employees	213.21	230.15
(f) Others	12.54	12.74
Total	1,131.02	1,269.60

Notes:

- (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. NIL lakhs (March 31, 2019 : Rs. 33.42 lakhs) due to related parties.

Note 18 - Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
- Compensated absences (refer note 33)	355.34	264.91
- Gratuity (refer note 33)	123.17	44.66
Total	478.51	309.57

Note 19 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers (refer note (i) and (ii) below)	403.97	555.59
(b) Statutory dues payable (other than income taxes)	73.66	69.18
(c) Others	15.90	12.62
Total	493.53	637.39

Notes:

- (i) : Advances received from customers includes Rs. 52.68 lakhs (March 31, 2019 : Rs. 92.39 lakhs) due to related parties.
- (ii) : Movement of Advances received from customers:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	555.59	209.62
Amounts received during the year	293.86	466.19
Amounts adjusted during the year	(445.48)	(120.22)
Balance at end of the year	403.97	555.59

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 20 - Revenue from operations

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Revenue from contract with customers		
a) Sale of products [refer note (i) and (iii) below]	11,260.59	13,085.10
b) Sale of services [refer note (ii) and (iii) below]	776.53	900.67
Other operating income [refer note (iv) below]	290.38	299.33
Total	12,327.50	14,285.10

Note 20(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Manufactured products	10,981.09	12,765.52
Traded products	279.50	319.58
Total - Sale of products	11,260.59	13,085.10

Note 20(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Machining charges	640.90	723.50
Others	135.63	177.17
Total - sale of services	776.53	900.67

Note 20 (iii) - Other disclosures required under Ind AS 115

- (a) All the revenue contracts are for periods of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.
- (b) Refer note 31 for disclosure of disaggregated revenue.
- (c) Reconciliation of revenue recognised with contract price

Particulars	March 31, 2020	March 31, 2019
Contract price	12,037.12	13,985.77
Adjustment towards variable consideration	-	-
Revenue from sale of products and services	12,037.12	13,985.77

Note 20(iv) - Details of other operating income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Sale of scrap	58.92	74.36
Service charges	43.37	15.66
Commission	18.79	29.18
Management fee and other income	38.44	46.13
Export incentives [refer note (v) below]	130.86	134.00
Total - other operating income	290.38	299.33

Note 20(v) - Government grants

Exports incentives represents grants in the nature of licenses under Merchandise export from India scheme (MEIS) and duty drawback.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 21 - Other income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Interest income on deposits	5.00	4.50
(b) Dividend income		
- Dividend income on long-term investments (from subsidiaries)	290.90	173.09
- Dividend income from current investments - mutual funds	13.13	75.58
(c) Rental income	17.57	16.24
(d) Net gain on sale of current investments	155.03	7.90
(e) Net gain arising on financial assets designated as fair value through profit or loss	-	43.84
(f) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	8.30	-
(g) Net foreign exchange differences	84.79	42.15
(h) Allowance for doubtful trade receivables no longer required, written back	17.11	2.68
(i) Provisions and liabilities no longer required, written back	19.15	23.93
(j) Miscellaneous income [refer note (i) below]	155.61	19.52
Total	766.59	409.43

Note:

- (i) includes proceeds of insurance claim of Rs. 145.48 lakhs (March 31, 2019 : NIL)

Note 22 - Cost of materials consumed

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Opening stock	1,112.83	892.46
Add: Purchases	3,997.82	4,464.14
	5,110.65	5,356.60
Less: Closing stock [refer note 9(a)]	1,048.14	1,112.83
Cost of materials consumed	4,062.51	4,243.77

Note 23 - Purchases of stock-in-trade

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Purchases of stock in trade	175.62	198.39
Total	175.62	198.39

NOTES FORMING PART OF THE STANDALONE 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, 2020	March 31, 2019
Opening 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
Closing stock		
Work - in - progress	1,030.80	794.85
Finished goods	269.09	86.56
Stock-in- trade	45.13	48.70
	1,345.02	930.11
Net (increase) / decrease	(414.91)	(136.41)

Note 25 - Employee benefits expense

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Salaries, wages and bonus	2,587.56	2,390.45
(b) Contribution to provident and other funds	212.34	187.35
(c) Staff welfare expenses	335.65	314.48
Total	3,135.55	2,892.28

Note 26 - Finance costs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Interest expense	2.91	0.50
Total	2.91	0.50

Note 27 - Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Depreciation of property, plant and equipment (refer note 3)	842.27	905.41
(b) Amortisation of intangible assets (refer note 5)	62.23	77.63
Total	904.50	983.04

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 28 - Other Expenses

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Stores and spares consumed	668.36	896.29
Contract labour	69.41	88.52
Repairs and maintenance		
- Buildings	109.56	111.76
- Machinery	173.53	170.93
- Others	20.88	29.18
Power and fuel charges	319.79	330.84
Freight outward and packing charges (net)	252.50	292.41
Rental charges	18.88	18.05
Processing charges	694.61	754.96
Directors' sitting fees	7.80	8.50
Commission to non-whole time independent directors*	14.00	12.00
Rates and taxes	61.60	71.28
Contribution to research institution (refer note 44)	2.00	2.00
Expenditure on corporate social responsibility (refer note 44)	32.50	29.70
Insurance charges	44.98	23.25
Selling commission	83.63	19.70
Bad trade receivables written off	5.75	57.40
Less: Transferred from provision	3.68	21.16
Allowance for doubtful trade receivables (refer note 30.3.2)		
		25.72
30.18		
Auditors remuneration		
As auditors		
Statutory Audit	9.50	8.24
Tax Audit	1.00	1.00
Reimbursement of expenses	4.34	3.92
Bank charges	80.33	37.63
Service fee	166.75	194.14
Professional expenses	105.11	152.44
EDP Charges	134.12	120.24
Advertisement and sales promotion expenses	302.40	383.78
Travelling and conveyance expenses	331.11	439.16
Communication expenses	26.20	26.29
Loss on sale / disposal of fixed assets (net)	-	16.68
Net loss arising on financial assets designated as fair value through profit or loss	18.34	-
Miscellaneous expenses	258.23	299.37
Total	4,039.25	4,608.68

* will be paid subject to the approval of shareholders in the ensuing Annual General Meeting.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 29 - Income tax recognised in profit or loss

(a) Income Tax Expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	363.40	578.23
In respect of the Prior year	7.27	55.86
	370.67	634.09
Deferred tax		
In respect of the current year	(115.96)	(76.42)
	(115.96)	(76.42)
Total	254.71	557.67

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit Before tax	1,188.66	1904.28
Income Tax using the Company's domestic Tax rate of 25.17% (March 31, 2019 - 29.12%)	299.16	554.53
Effect of income that is exempt from tax	-	(15.50)
Effect of expenses that are not deductible in determining taxable profit	9.19	8.65
Effect of concessions (research and development)	-	(25.60)
Effect of dividend income from foreign subsidiaries	(23.30)	(20.16)
Effect of changes in tax rates	(41.79)	-
Others	4.18	(0.11)
	247.44	501.81
Adjustment recognised in the current year in relation to current tax of previous years	7.27	55.86
Income Tax recognised in statement of profit and loss	254.71	557.67

Notes:1) The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Liability basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of Profit and Loss for the year ended March 31, 2020.

2) The tax impact for deferred tax purposes has been arrived by applying a tax rate of 25.17% (March 31, 2019 : 29.12%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2021 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 STANDALONE 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, 2020 and March 31, 2019 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	3,093.34	3,165.95	3,093.34	3,165.95
Measured at amortized cost				
- Trade receivables	2,319.07	2,736.64	2,319.07	2,736.64
- Contract assets	102.33	152.08	102.33	152.08
- Cash and cash equivalents	148.92	285.01	148.92	285.01
- Other bank balances	821.17	686.58	821.17	686.58
- Other financial assets	126.46	143.32	126.46	143.32
Total financial assets	6,611.29	7,169.58	6,611.29	7,169.58
Financial Liabilities				
Measured at amortized cost				
- Trade payables	2,021.01	2,344.92	2,021.01	2,344.92
- Other financial liabilities	1,131.02	1,269.60	1,131.02	1,269.60
Total financial liabilities	3,152.03	3,614.52	3,152.03	3,614.52

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. The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debtor similar terms, credit risk and remaining maturities.

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, 2020 and March 31, 2019.

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, 2020					
- Investment in mutual funds	6B	3,093.34	3,093.34	-	-
As at March 31, 2019					
- Investment in mutual funds	6B	3,165.95	3,165.95	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Covid-19 evaluation

Investments in mutual funds measured at fair value as at March 31, 2020 is Rs. 3,093.34 lakhs. The fair valuation of investments in mutual funds has been classified as Level 1. The fair value of these investments is marked to an active market. Management does not expect any material volatility on account of COVID-19 pandemic situation considering the investments are in debt based mutual funds.

The following table presents the assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2020 and March 31, 2019.

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, 2020					
Financial assets measured at amortized cost:					
- Trade receivables	10	2,319.07	-	-	2,319.07
- Contract assets	7	102.33	-	-	102.33
- Cash and cash equivalents	11A	148.92	-	-	148.92
- Other bank balances	11B	821.17	-	-	821.17
- Other financial assets	12	126.46	-	-	126.46
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,021.01	-	-	2,021.01
- Other financial liabilities	17	1,131.02	-	-	1,131.02
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	16	2,344.92	-	-	2,344.92
- Other financial liabilities	17	1,269.60	-	-	1,269.60

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Note 30.3 Financial Risk management objectives and policies

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. Company being a net exporter, follows the policy of natural hedging of foreign exchange transactions. There is 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

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:

Particulars	March 31, 2020		March 31, 2019	
	Foreign Currency (in lakhs)	INR (in lakhs)	Foreign Currency (in lakhs)	INR (in lakhs)
Creditors against Import of goods, capital items and services				
- USD	5.94	451.52	7.54	528.02
- EUR	1.80	152.10	2.78	220.43
- GBP	0.39	36.46	0.11	9.89
- CHF	0.06	4.45	0.03	2.06
Trade and other receivables				
- USD	7.95	596.12	8.11	556.32
- EUR	2.20	180.72	2.63	200.49
- GBP	0.37	33.92	0.65	58.17

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, 2020	March 31, 2019
USD Sensitivity		
INR/USD - Increase by 1%	0.10%	0.01%
INR/USD - Decrease by 1%	(0.10%)	(0.01%)
EUR Sensitivity		
INR/EUR - Increase by 1%	0.03%	(0.01%)
INR/EUR - Decrease by 1%	(0.03%)	0.01%
GBP Sensitivity		
INR/GBP - Increase by 1%	0.00%	0.02%
INR/GBP - Decrease by 1%	(0.00%)	(0.02%)
CHF Sensitivity		
INR/CHF - Increase by 1%	0.00%	0.00%
INR/CHF - Decrease by 1%	0.00%	0.00%

Covid-19 evaluation

Financial assets of Rs. 3,517.95 lakhs as at March 31, 2020 carried at amortised cost (excluding Rs. 3,093.34 lakhs being investments in mutual funds which are carried at fair value through profit and loss) significantly includes trade receivables, cash and cash equivalents, bank deposits, security deposits, receivable from related parties and employee advances where the management has assessed the counterparty credit risk. Trade receivables as at March 31, 2020 amounting to Rs. 2,319.07 lakhs constitutes a significant part of the financial assets carried at amortised cost. Management has estimated and recognised life-time expected credit losses on trade receivables in accordance with Ind AS 109. Management's estimate of the expected credit losses is based on historical pattern of credit loss and likelihood of increased credit risk. Management believes that the COVID-19 pandemic situation would not materially affect recovery of trade receivables, as significant receivables are due from large corporates and few government entities and further the customer profile has not changed. However, the measures taken by the government to contain the spread of the pandemic might result in some of the collections being delayed. Other financial assets carried at amortised cost or at fair value significantly includes balances with reputed banks. Based on the information available, management does not expect any increase in credit risk and consequential risk of non-recoverability due to uncertainties arising out of COVID-19.

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

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, 2020		As at March 31, 2019	
	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)
Within the credit period	1,280	1	1,786	0
1-30 days past due	453	2	391	2
31-60 days past due	205	3	192	2
61-90 days past due	114	4	95	3
More than 90 days past due	316	5	317	7

Reconciliation of loss allowance

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	44.12	37.78
Amounts recognised in the year	25.72	30.18
Amounts written off during the year	(3.68)	(21.16)
Amounts recovered during the year	(17.11)	(2.68)
Balance at end of the year	49.05	44.12

Sensitivity analysis of loss allowance

Particulars	Impact on profit before tax	
	As at March 31, 2020	As at March 31, 2019
Increase in loss allowance + 1%	24.00	27.81
Decrease in loss allowance - 1%	(24.00)	(17.09)

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, 2020 and March 31, 2019.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2020					
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,021.01	2,021.01	-	-
- Other financial liabilities	17	1,131.02	1,131.02	-	-
As at March 31, 2019					
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,344.92	2,344.92	-	-
- Other financial liabilities	17	1,269.60	1,269.60	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

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.

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, 2020	Year ended March 31, 2019
1. Segment Revenue		
a) Super Abrasives	8,431.00	10,781.59
b) Machines, Accessories and Components	3,606.12	3,204.18
Total	12,037.12	13,985.77
Less:- Inter Segment Revenue	-	-
Revenues / Income From Operations	12,037.12	13,985.77
2. Segment Results		
a) Super Abrasives	930.95	1,859.77
b) Machines, Accessories and Components	425.64	473.15
Total	1,356.59	2,332.92
Less: (i) Finance costs	2.91	0.50
(ii) Other un-allocable Expenditure net of un-allocable income of Rs. 1056.97 lakhs (March 31, 2019 Rs. 708.76 lakhs)	165.02	428.14
(iii) Tax expense	254.71	557.67
Profit for the year	933.95	1,346.61

31.3 Revenue by geographical market

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	8,033.20	9,733.07
Outside India	4,003.92	4,252.70
Total	12,037.12	13,985.77

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
a) Super Abrasives	3,559.95	3,618.87
b) Machines, Accessories and Components	1,371.40	1,389.76
Total segment assets	4,931.35	5,008.63
Unallocated assets	11,334.45	11,323.33
Total assets as per Balance sheet	16,265.80	16,331.96

31.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2020	March 31, 2019
India	5,793.86	5,744.36
Outside India	-	-
Total non current assets	5,793.86	5,744.36

31.6 Information about major customers

Revenues of approximately of 11% are derived from one external customer (March 31, 2019 : 11% from one external customer) exceeding 10% of the total revenue.

Note 32 - Leases

As a Lessee

The Company has entered into operating lease arrangements for leased accommodation which is for a period of 12 months. The lease is cancellable at the option of the lessee.

This lease is a short term lease and does not include any variable payment terms.

Impact due to Adoption of Ind AS 116 on the financial statements

Only leasing arrangement that the Company has entered into is in respect of a leased accommodation which is for a period of 12 months. The Company has elected to apply the practical expedient available in Ind AS 116 to not apply the requirements of the standard to short-term leases (i.e. leases which are for a period of 12 months or less). Accordingly, no right-of-use asset or a lease liability have been recognised by the Company upon transition to Ind AS 116. The adoption of Ind AS 116, did not have any material impact on the balance sheet as at March 31, 2020 and statement of profit and loss and statement of cash flows for the year ended March 31, 2020.

Disclosures under Ind AS 17 for the previous year

Particulars	March 31, 2020	March 31, 2019
Lease rentals recognised in the Statement of Profit and Loss (Refer Note 28)	-	18.05

Disclosure relating to Ind AS 116

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2020
Lease rentals recognised in the Statement of Profit and Loss (Refer Note 28)	18.88

As a Lessor

The Company has entered into operating lease arrangements and leased out a portion of its factory building to a related party, which is for a period of less than 12 months. This lease is a short term lease and does not include any variable payment terms.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2020	March 31, 2019
Lease rental income recognised in the Statement of Profit and Loss (Refer Note 21)	17.57	16.24

Details of the Factory Building (out of this, leased out a portion) are as given below:

Particulars	March 31, 2020	March 31, 2019
Gross carrying amount	1,699.74	1,664.10
Less: Accumulated depreciation	573.36	516.61
Net carrying amount	1,126.38	1,147.49

The depreciation recognized in respect of the factory building for the year is Rs. 56.75 lakhs (March 31, 2019 : Rs. 54.55 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, Provident 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 as 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 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.

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 expectancy 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

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, 2020 and March 31, 2019:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation at beginning of period	599.95	414.90
Service cost		
a) Current service cost	47.33	42.11
b) Past service cost	-	-
Interest expenses	42.35	30.67
Benefits Paid	(66.10)	(11.85)
Remeasurements:		
a) Effect of changes in demographic assumptions	-	(3.32)
b) Effect of change in financial assumptions	168.49	58.58
c) Effect of experience adjustments	(43.63)	68.86
Defined benefit obligation at end of period	748.39	599.95

(b) Change in fair value of plan assets

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at beginning of period	555.29	491.26
Interest Income	44.09	39.25
Contributions	94.70	35.48
Benefits Paid	(66.10)	(11.85)
Remeasurements:		
a) Return on plan assets (excluding interest income)	(2.76)	1.15
Fair value of plan assets at end of period	625.22	555.29

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	748.39	599.95
Fair value of plan assets	(625.22)	(555.29)
Funded status	123.17	44.66
Effect of asset ceiling	-	-
Net defined benefit liability */ (asset)	123.17	44.66

*Included under provision for employee benefits in Note 18 - "Provisions"

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service Cost	47.33	42.10
Net interest cost	(1.74)	(8.57)
Net Gratuity Cost in the Statement of Profit and Loss*	45.59	33.53

* Included under contribution to provident and other funds in Note 25 - "Employee benefits expense"

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	124.86	124.12
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	2.76	(1.15)
Net Cost in Other Comprehensive Income	127.62	122.97

(f) Composition of plan assets

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fund with an Insurance Company	625.22	555.29

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.04%	7.47%
Salary escalation rate	10.00%	9.00%
Attrition Rate	7.00%	7.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) 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.

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate +100 basis points	698.17	568.00
Discount rate -100 basis points	806.05	636.05
Salary Increase Rate +1%	799.66	632.28
Salary Increase Rate -1%	702.65	570.78
Attrition Rate +1%	735.14	596.83
Attrition Rate -1%	763.44	603.38

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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

(i) Expected cash flows for following year

Particulars	As at March 31, 2020	As at March 31, 2019
Expected employer contributions /Addl. Provision next year	139.74	157.07
Expected total benefit payments		
Year 1	43.55	156.45
Year 2	89.28	41.45
Year 3	42.10	73.61
Year 4	43.67	37.11
Year 5	49.46	35.78
Next 5 years	204.50	176.30

The weighted average duration of the defined benefit obligation is 9 years (March 31, 2019: 10 years)

The Company expects to make a contribution of Rs. 50 lakhs (as at March 31, 2019: Rs.45 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, 2020	As at March 31, 2019
Charge / (credit) in the Statement of Profit and Loss	132.78	99.24
Liability as at the year end	355.34	264.91

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. 198.50 lakhs (March 31, 2019 : Rs. 145.20 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.04% p.a.	7.47% p.a.
Salary Escalation Rate	10.00% p.a.	9.00% p.a.

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers' Contribution to Provident Fund *	70.52	61.34
Employers' Contribution to Superannuation Fund *	32.29	31.23
Employers' Contribution to Employee's Pension Scheme 1995 *	63.94	61.25
Employers' Contribution to Employee's State Insurance #	13.09	17.59

* Included in Contribution to provident and other funds

Included in staff welfare expenses

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 34 - Related Party Transactions

1) List of Related parties:

i) Party where control exists -Subsidiaries

- Wendt Grinding Technologies Ltd, Thailand
- Wendt Middle East FZE, United Arab Emirates

ii) Venturers and their subsidiaries with whom transactions have taken place during the year

- Carborundum Universal Limited
 - Cumi America Inc
 - Cumi (Australia) Pty Ltd
 - Cumi Abrasives & Ceramics Company Ltd
 - Net Access India Ltd
 - Sterling Abrasives Limited
- Wendt GmbH, Germany
 - Winterthur Technologie France
 - Winterthur Technology Iberica
 - 3M Wixom USA
 - 3M UK Winterthur Technology
 - AO 3M Russia
 - 3M Automotive Industries Victoria
 - 3M Australia
 - 3M Svenska AB

iii) Company in which KMP / Director is a director

- Pragati Transmission P Ltd
- Tespa Tools Pvt Ltd
- Tespa India Private Limited
- Tespa Calibration Service
- Micromatic Machine Tools Private 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

2) Transaction with related parties during the year ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Company in which KMP/director is a Director		Key Management Personnel and their relatives		Total	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Purchase of Capital Goods										
Wendt Grinding Technologies Ltd	53.69	33.42	-	-	-	-	-	-	53.69	33.42
Other Purchases										
Wendt GmbH, Germany	-	-	104.62	242.22	-	-	-	-	104.62	242.22
Carborundum Universal Limited	-	-	82.31	81.10	-	-	-	-	82.31	81.10
Wendt Grinding Technologies Ltd	16.97	20.48	-	-	-	-	-	-	16.97	20.48
Cumi America	-	-	46.60	-	-	-	-	-	46.60	-
Altifort Boart SPRL	-	-	-	0.37	-	-	-	-	-	0.37
Micromatic Machine Tools Private Limited	-	-	-	-	2.18	-	-	-	2.18	-
Tespa Tools Pvt Ltd	-	-	-	-	1.49	2.54	-	-	1.49	2.54
Tespa India Private Limited	-	-	-	-	0.21	-	-	-	0.21	-
Tespa Calibration Service	-	-	-	-	0.03	-	-	-	0.03	-
Sterling Abrasives Limited	-	-	13.16	21.81	-	-	-	-	13.16	21.81
Net Access India Limited	-	-	17.81	20.21	-	-	-	-	17.81	20.21

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Company in which KMP/director is a Director		Key Management Personnel and their relatives		Total	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Sale of Goods and Services										
Wendt GmbH Germany	-	-	224.08	399.25	-	-	-	-	224.08	399.25
Carborundum Universal Limited	-	-	144.63	222.21	-	-	-	-	144.63	222.21
Cumi America	-	-	437.64	274.16	-	-	-	-	437.64	274.16
CUMI (Australia) Pty Ltd	-	-	1.17	2.23	-	-	-	-	1.17	2.23
Cumi Abrasives & Ceramics Company Ltd	-	-	172.47	144.33	-	-	-	-	172.47	144.33
Wendt Grinding Technologies Ltd	321.45	381.68	-	-	-	-	-	-	321.45	381.68
Wendt Middle East FZE	74.75	259.00	-	-	-	-	-	-	74.75	259.00
Winterthur Technologie France	-	-	23.63	34.92	-	-	-	-	23.63	34.92
Wendt Boart SA	-	-	-	25.59	-	-	-	-	-	25.59
3M Automotive Industries Victoria	-	-	-	4.93	-	-	-	-	-	4.93
Winterthur Technology Iberica	-	-	81.21	167.38	-	-	-	-	81.21	167.38
3M Wixom USA	-	-	31.25	75.03	-	-	-	-	31.25	75.03
3M UK Winterthur Technology	-	-	228.61	164.42	-	-	-	-	228.61	164.42
AO 3M Russia	-	-	0.14	1.53	-	-	-	-	0.14	1.53
Altifort Boart SPRL	-	-	-	31.67	-	-	-	-	-	31.67
3M Svenska AB	-	-	2.15	1.39	-	-	-	-	2.15	1.39
3M Australia	-	-	2.26	0.33	-	-	-	-	2.26	0.33
Sterling Abrasives Limited	-	-	0.09	-	-	-	-	-	0.09	-
Pragati Transmission P Ltd	-	-	-	-	0.39	0.47	-	-	0.39	0.47
Sansera Engineering Limited	-	-	-	-	-	46.41	-	-	-	46.41
Payment of Rent										
Rajesh Khanna	-	-	-	-	-	-	9.44	9.03	9.44	9.03
Preethi Khanna	-	-	-	-	-	-	9.44	9.02	9.44	9.02
Payment of Managerial Remuneration										
Rajesh Khanna (refer note (c) below)	-	-	-	-	-	-	142.90	131.48	142.90	131.48
Receipt of Dividend										
Wendt Grinding Technologies Ltd	290.90	173.09	-	-	-	-	-	-	290.90	173.09
Payment of Service Fee and Commission										
Carborundum Universal Limited	-	-	166.75	194.14	-	-	-	-	166.75	194.14
Payment of Dividend										
Carborundum Universal Limited	-	-	119.61	239.22	-	-	-	-	119.61	239.22
Wendt GmbH Germany *	-	-	119.61	239.22	-	-	-	-	119.61	239.22
Receipt of Management fee, Service charges, Commission, Rent and Accounting charges										
Wendt GmbH Germany	-	-	18.79	22.92	-	-	-	-	18.79	22.92
Carborundum Universal Limited	-	-	17.57	16.24	-	-	-	-	17.57	16.24
Wendt Grinding Technologies Ltd	33.47	36.88	-	-	-	-	-	-	33.47	36.88
Wendt Middle East FZE	4.97	9.25	-	-	-	-	-	-	4.97	9.25
Reimbursement of Expenses - Paid										
Carborundum Universal Limited	-	-	74.76	80.43	-	-	-	-	74.76	80.43
Cumi America	-	-	7.36	33.88	-	-	-	-	7.36	33.88
Reimbursement of Expenses - Received										
Carborundum Universal Limited	-	-	24.13	88.16	-	-	-	-	24.13	88.16
Wendt Grinding Technologies Ltd	0.58	1.75	-	-	-	-	-	-	0.58	1.75
Wendt Middle East FZE	0.46	-	-	-	-	-	-	-	0.46	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

3) The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows:

Particulars	Subsidiaries		Joint venturers and their subsidiaries		Company in which KMP/director is a Director		Key Management Personnel and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Amount due from										
Wendt GmbH Germany	-	-	28.91	58.65	-	-	-	-	28.91	58.65
Carborundum Universal Limited	-	-	57.98	56.07	-	-	-	-	57.98	56.07
Cumi America	-	-	157.61	107.43	-	-	-	-	157.61	107.43
CUMI (Australia) Pty Ltd	-	-	-	0.36	-	-	-	-	-	0.36
Cumi Abrasives & Ceramics Company Ltd	-	-	122.40	84.50	-	-	-	-	122.40	84.50
Wendt Grinding Technologies Ltd	28.65	77.56	-	-	-	-	-	-	28.65	77.56
Winterthur Technologie France	-	-	1.18	1.01	-	-	-	-	1.18	1.01
Winterthur Technology Iberica	-	-	21.05	39.82	-	-	-	-	21.05	39.82
3M Wixom USA	-	-	5.77	21.06	-	-	-	-	5.77	21.06
3M UK Winterthur Technology	-	-	5.52	8.87	-	-	-	-	5.52	8.87
AO 3M Russia	-	-	-	0.14	-	-	-	-	-	0.14
Altifort Boart SPRL	-	-	-	6.39	-	-	-	-	-	6.39
3M Australia	-	-	2.06	-	-	-	-	-	2.06	-
Pragati Transmission P Ltd	-	-	-	-	0.09	-	-	-	0.09	-
Amount due to										
Wendt GmbH Germany	-	-	32.33	88.42	-	-	-	-	32.33	88.42
Wendt Grinding Technologies Ltd	3.17	38.26	-	-	-	-	-	-	3.17	38.26
Wendt Middle East FZE	15.78	92.39	-	-	-	-	-	-	15.78	92.39
Carborundum Universal Limited	-	-	393.63	308.07	-	-	-	-	393.63	308.07
Cumi America	-	-	-	2.54	-	-	-	-	-	2.54
Micromatic Machine Tools Private Limited	-	-	-	-	0.37	-	-	-	0.37	-
Altifort Boart SPRL	-	-	-	0.36	-	-	-	-	-	0.36
Rajesh Khanna	-	-	-	-	-	-	-	0.71	-	0.71
Preethi Khanna	-	-	-	-	-	-	-	0.71	-	0.71
Sterling Abrasives Limited	-	-	1.89	3.79	-	-	-	-	1.89	3.79
Net Access India Limited	-	-	5.90	7.82	-	-	-	-	5.90	7.82

4) The details of compensation to key management personnel are as follows:

Particulars	19-20	18-19
Short term benefits	110.25	100.11
Post-Employment Benefits	15.70	14.00
Other benefits	16.95	17.37

- 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.
- No amounts in respect of related parties have been written off / back other than the amount included above during the year.
- Managerial remuneration as disclosed above for FY 2018-19 and FY 2019-20 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, with the approval of the shareholders at the 37th Annual General Meeting held on July 22, 2019.

* Amount for both the years lying in unclaimed / unpaid dividend account

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 35 - Earning per share (EPS)

(Rs. in lakhs, except number of shares)

Particulars	March 31, 2020	March 31, 2019
(a) Profit for the year	933.95	1,346.61
(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	46.70	67.33

Note 36 - Contingent Liability and commitments to the extent not provided for:

36.1 Commitments

Particulars	March 31, 2020	March 31, 2019
(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. 206.59 lakhs, March 31, 2019: Rs. 1.01 lakhs)	1,396.53	1,210.72
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, 2020	March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of each accounting year	82.44	172.71
(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 STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 38 - Value of imports on CIF basis:

Particulars	March 31, 2020	March 31, 2019
Raw Materials	2,342.85	2,599.96
Traded goods	159.94	129.06
Stores and spares	116.73	125.13
Capital goods	163.04	342.03

Note 39 - Expenditure in Foreign Currency

Particulars	March 31, 2020	March 31, 2019
Professional expenses (technical consultancy fee)	17.93	46.44
Travelling and conveyance expenses	60.49	89.92
Others	58.32	42.66

Note 40 - Details of consumption of imported and indigenous items

Particulars	March 31, 2020	March 31, 2019
Imported		
Raw Materials	2,165.23	2,213.73
Stores and Spares	95.85	89.68
Indigenous		
Raw Materials	1,897.28	2,030.04
Stores and Spares	572.51	806.61

Note 41 - Earnings in Foreign exchange :

Particulars	March 31, 2020	March 31, 2019
FOB value of goods exported	3977.26	4,213.97
Others	348.13	248.40

Note 42 - Research and Development Expenditure

Research and Development expenditure incurred during the year aggregates to Rs. 236.20 lakhs (March 31, 2019: Rs. 249.92 lakhs) as detailed below:

Particulars	March 31, 2020	March 31, 2019
Revenue expenditure (refer note below)	214.70	216.62
Capital expenditure (including capital work in progress)	21.50	33.30
Total	236.20	249.92

Note:-

(i) Revenue expenditure shown above includes depreciation of Rs. 51.58 lakhs (March 31, 2019 : Rs.52.67 lakhs), consultancy services of Rs. 22.03 lakhs (March 31, 2019 : Rs. 15.19 lakhs) and travel expenditure of Rs. 4.36 lakhs (March 31, 2019 : Rs. 8.27 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 STANDALONE FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 44 - Corporate social responsibility

- (a) Gross amount required to be spent by the company during the year :- Rs. 34.50 lakhs (March 31, 2019 : Rs. 31.70 lakhs)
 (b) Amount spent by the company during the year on :- Rs. 34.50 lakhs (March 31, 2019 : Rs. 31.70 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 2019-20	2.00	32.50	34.50
- in 2018-19	3.35	28.35	31.70

* includes Contribution to research institution of Rs. 2 lakhs (March 31, 2019: Rs. 2 lakhs)

Note 45 - Note on COVID -19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 and has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Trade receivables, Inventory and Investments as at the balance sheet date, and has concluded that there are no material adjustments required in the stand-alone financial statements. Given the uncertainty because of COVID-19, the final impact on the company's assets in future may differ from that estimated as at the date of approval of these financial statements.

Note 46 - Approval of Standalone financial statements

The Standalone financial statements were approved for issue by the board of directors on May 28, 2020.

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

MOHAN DANIVAS S A
 Partner
 Membership Number : 209136
 Place: Bangalore
 Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR Chairman	ANANTHASESHAN Director
RAJESH KHANNA Executive Director & CEO	MUKESH KUMAR HAMIRWASIA Chief Financial Officer
Place: Bangalore Date: May 28, 2020	T A JANANI Company Secretary

Statement of Holding Company's Interest in Subsidiary Company

	Wendt Grinding Technologies Ltd		Wendt Middle East FZE	
	Face Value	Paid up value	Face Value	Paid up value
1 Name of the Company				
2 The Financial year of the Subsidiary ended on	31st March 2020		31st March 2020	
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	
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, 2020 *	416.16		(27.13)	
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	2,459.68		281.79	
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, 2020	290.90		-	
b) For the previous financial years of the Subsidiary since it became a subsidiary of Wendt India Ltd	1,536.54		202.71	

* Computed based on the exchange rates as on 31st March 2020 (Thai Baht Rs. 2.3187 and AED Rs. 20.496)

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Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WENDT (INDIA) LIMITED.

Report on the 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 'Holding Company' or '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, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement 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, 2020, of the consolidated total comprehensive income (comprising of profit and 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 ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 38 to the consolidated financial statements which explains the uncertainties and the management's assessment of the financial impact due to the lock downs and other restrictions and conditions related to the COVID – 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification of the Holding Company done by the Management was impracticable under the current lock down restrictions imposed by the Government and we have therefore, relied on the related alternate procedures to obtain comfort over the existence and condition of inventory at the year end. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. 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 Judgements) and Note 8 (Inventories) to the consolidated financial statements.

The Holding Company manufactures 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, 2020 aggregates to Rs.2,612.25 Lakhs. The Holding Company has recognized a provision for obsolescence of the above inventories for Rs. 98.16 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 judgments 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 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 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

6. The Holding Company's Board of Directors are 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 doesn't include the consolidated financial statements and our auditor's report thereon.
7. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. 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

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term 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) and 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 judgments 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.

10. 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.
11. 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

12. 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.
13. As part of an audit in accordance with SAs, we exercise professional judgment 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 for 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 Holding 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 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.
14. 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.

15. 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.
16. 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

17. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/financial information reflect total assets of Rs. 2,511 lakhs and net assets of Rs. 2,208 lakhs as at March 31, 2020, total revenue of Rs. 2,505 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 379 lakhs and net cash flows amounting to Rs. 407 lakhs for the year then ended on that date, as considered in the consolidated financial statements. These 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.
18. 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

19. 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 Cash Flow Statement 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, 2020 and 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, 2020 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 with reference to financial statements 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 has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2020.

(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, 2020.

20. The Holding Company has paid managerial remuneration to the executive director in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act (refer Note 33 to the consolidated financial statements). Commission payable to non-whole time independent directors aggregating to Rs. 14 lakhs is subject to shareholders' approval in the ensuing Annual General Meeting to comply with the requirements of Section 197 read with Schedule V to the Act (refer Note 27 to the consolidated financial statements).

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

Mohan Danivas S A
Partner

Membership Number: 209136
UDIN: 20209136AAAABU2255

Bangalore
 May 28, 2020

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 19 (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, 2020

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, 2020, 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 with reference to financial statements 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, 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 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 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, 2020, 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. Also refer paragraph 4 of the main audit report.

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

Mohan Danivas S A
Partner

Membership Number: 209136
UDIN: 20209136AAAABU2255

Bangalore
 May 28, 2020

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	5,286.39	5,370.85
(b) Capital work-in-progress		417.09	469.25
(c) Goodwill	4	10.27	10.27
(d) Other intangible assets	5	111.01	138.14
(e) Other non-current assets	6	266.16	58.44
(f) Income tax assets (net)	7	343.32	274.67
Total non - current assets (1)		6,434.24	6,321.62
2 Current assets			
(a) Inventories	8	2,786.29	2,475.65
(b) Financial assets			
(i) Investments	9	3,597.85	3,636.30
(ii) Trade receivables	10	2,584.61	3,046.52
(iii) Cash and cash equivalents	11A	1,363.86	1,093.26
(iv) Bank balances other than (iii) above	11B	821.17	686.58
(v) Other financial assets	12	102.53	123.02
(c) Other current assets	6	588.71	596.08
Total current assets (2)		11,845.02	11,657.41
Total assets (1+2)		18,279.26	17,979.03
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	13	200.00	200.00
(b) Other equity	14	13,567.65	12,825.74
Total equity (1)		13,767.65	13,025.74
Liabilities			
2 Non-current liabilities			
(a) Deferred tax liabilities (net)	15	169.51	302.62
Total non - current liabilities (2)		169.51	302.62
3 Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro and small enterprises	16	82.44	172.71
- total outstanding dues of creditors other than micro and small enterprises	16	2,099.13	2,269.78
(ii) Other financial liabilities	17	1,131.02	1,269.60
(b) Provisions	18	480.22	309.81
(c) Income tax liabilities (net)	7	58.16	58.91
(d) Other current liabilities	19	491.13	569.86
Total current liabilities (3)		4,342.10	4,650.67
Total equity and liabilities (1+2+3)		18,279.26	17,979.03

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director
RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer
Place: Bangalore T A JANANI
Date: May 28, 2020 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
1 INCOME			
(a) Revenue from operations	20	14,323.17	16,455.21
(b) Other income	21	485.13	242.33
Total income (1)		14,808.30	16,697.54
2 EXPENSES			
(a) Cost of materials consumed	22	4,062.51	4,243.77
(b) Purchases of stock-in-trade		1,225.63	1,308.82
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(379.17)	(83.43)
(d) Employee benefits expense	24	3,347.03	3,106.93
(e) Finance costs	25	2.91	0.50
(f) Depreciation and amortisation expense	26	949.27	1,027.93
(g) Other expenses	27	4,238.91	4,900.39
Total Expenses (2)		13,447.09	14,504.91
3 Profit before tax (1 - 2)		1,361.21	2,192.63
4 Tax Expense			
(a) Current tax	28	466.52	677.18
(b) Income tax for earlier years	28	7.27	55.86
(c) Deferred tax	28	(115.11)	(81.75)
Total tax expense		358.68	651.29
5 Profit for the period (3 - 4)		1,002.53	1,541.34
6 Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit obligation		(127.62)	(122.97)
(ii) Income tax relating to the above		32.12	35.81
B Items that may be reclassified to profit or loss			
(i) Exchange differences in translating the financial statements of foreign operations		168.12	114.87
Total other comprehensive income		72.62	27.71
7 Total comprehensive income for the period (5 + 6)		1,075.15	1,569.05
8 Earnings per equity share (Rs.) :	34		
(1) Basic		50.13	77.07
(2) Diluted		50.13	77.07

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director
RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer
Place: Bangalore T A JANANI
Date: May 28, 2020 Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
(Rs. in Lakhs)

(A) Equity Share Capital

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
Balance as at April 1, 2019	200.00
Add: Changes in equity share capital during the year	-
Balance as at March 31, 2020	200.00

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
(Rs. in Lakhs)

Particulars	Reserves and surplus		Retained Earnings	Items of other comprehensive income		Total
	General Reserve	Statutory Reserve		Exchange difference		
Balance as at April 1, 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	
Profit for the year	-	-	1,002.53	-	1,002.53	
Other comprehensive income for the year, net of income tax	-	-	(95.50)	168.12	72.62	
Total comprehensive income for the year	-	-	907.03	168.12	1,075.15	
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	-	-	(33.24)	-	(33.24)	
Transfer to General Reserve	93.40	-	(93.40)	-	-	
Balance as at March 31, 2020	6,484.06	45.73	6,623.66	414.20	13,567.65	

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: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors
SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director
RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer
T A JANANI
Place: Bangalore Company Secretary
Date: May 28, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Rs. in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	1,361.21	2,192.63
Adjustments for :		
Depreciation and amortisation expense	949.27	1,027.93
Allowance for doubtful trade receivables (net of reversal)	10.46	24.14
Bad Debts written off	3.30	36.24
Finance costs	2.91	0.50
Interest income on deposits	(12.01)	(10.64)
Dividend from current investments - mutual funds	(13.13)	(75.58)
Loss / (Profit) on sale / disposal of fixed assets (net)	(10.44)	16.68
Provisions and liabilities no longer required, written back	(20.03)	(23.93)
Net Gain on sale / fair valuation of current investments (net)	(142.20)	(55.26)
Unrealised exchange Loss / (Gain)	(22.19)	4.83
Operating profit before working capital changes	2,107.15	3,137.54
Changes in working capital :		
(Increase)/Decrease in inventories	(310.64)	(345.37)
(Increase)/Decrease in trade receivables	490.64	537.09
(Increase)/Decrease in other financial assets	24.48	(34.44)
(Increase)/Decrease in other non-current assets	(4.06)	4.60
(Increase)/Decrease in other current assets	4.47	(254.00)
Increase/(Decrease) in trade payables	(261.18)	545.47
Increase/(Decrease) in other current financial liabilities	101.15	260.32
Increase/(Decrease) in current provisions	42.79	79.01
Increase/(Decrease) in other current liabilities	(78.73)	292.67
Cash flow generated from operating activities	2,116.07	4,222.89
Income Taxes Paid (net of refunds)	(529.07)	(957.56)
Net Cash generated from operating activities (A)	1,587.00	3,265.33
Cash flow from investing activities		
Capital expenditure on tangible fixed assets	(1,198.70)	(969.63)
Capital expenditure on intangible fixed assets	(35.30)	(1.19)
Proceeds from sale of tangible fixed assets and capital work-in-progress	15.52	110.56
Sale / (Purchase) of current investments (net)	180.65	(1,335.88)
Interest income on deposits	8.02	10.64
Dividend from current investments - mutual funds	13.13	75.58
Bank balances not considered as cash and cash equivalents		
- Placed	(316.30)	(519.17)
- Matured / encashed	181.71	264.14
Net Cash flows from / (used in) investing activities (B)	(1,151.27)	(2,364.95)
Cash flow from financing activities		
Finance costs	(0.01)	(0.50)
Dividend Paid (including tax thereon)	(333.24)	(705.79)
Net Cash flows (used in) financing activities (C)	(333.25)	(706.29)
Translation adjustment	168.12	114.87
Net Increase/(decrease) in cash and cash equivalents (A+B+C+D)	270.60	308.96
Cash and cash equivalents at the beginning of the year (E)	1,093.26	784.30
Cash and cash equivalents at the end of the year (refer Note 11A) (A+B+C+D+E)	1,363.86	1,093.26

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020 (Rs. in Lakhs)

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: Bangalore

Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR ANANTHASESHAN
Chairman Director

RAJESH KHANNA MUKESH KUMAR HAMIRWASIA
Executive Director & CEO Chief Financial Officer

Place: Bangalore

Date: May 28, 2020

T A JANANI
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE No.

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, 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, 2019:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- (a) Ind AS 116, Leases - refer note 2.7 & 31
- (b) Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments

There has been no impact on adoption of these amendments on the consolidated financial statements.

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 8

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.

Management's assessment of the impact (if any) arising on individual financial statement line items on account of the COVID-19 pandemic situation has been disclosed in the related notes.

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 ceases when the Company loses 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, 2020 & as on March 31, 2019) (incorporated on 19th July 2005)
- (ii) Wendt Middle East FZE, Sharjah (UAE) - 100% Ownership Proportion (as on March 31, 2020 & as on March 31, 2019) (incorporated on 24th September 2008)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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.

2.6 Revenue recognition

The Group is into manufacturing, selling and servicing of Super Abrasives, High precision Grinding, Honing, Special Purpose Machines and High Precision components.

2.6.1 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.

Receivable is recognised when the right to consideration is unconditional because only the passage of time is required before payment of the consideration is due.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When the value of goods supplied or services rendered by the group exceed the payment, a contract assets is recognised.

When the payment exceeds the value of goods supplied or services rendered, a contract liability is recognised.

2.6.2 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.

2.6.3 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 using effective interest rate method.

2.6.4 Rental income

The group's policy for recognition of revenue from operating lease is described in note 2.7.1

2.7 Leasing - Operating

Till March 31, 2019

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.

With effect from April 01, 2019

2.7.1 The group as lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective lease assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new lease standard.

2.7.2 The group as lessee

Effective April 1, 2019, the Group has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise Right-of-use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Group has used the 'modified retrospective approach' for transition from Ind AS 17, 'Leases'.

The Group has a single leasing arrangement which meets the definition of short term lease in accordance with Ind AS 116. The Group has elected to apply the practical expedient to not recognise a lease liability and right-of-use asset for short-term leases with a lease term of 12 months or less. Payments associated with short term leases are recognised on a straight line basis in the Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 transactions

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

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 as 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 in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 - Freehold	
(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,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 result 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 becomes 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 instrument 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 115, 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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description of assets	(Rs. in Lakhs)							
	Land - Freehold	Buildings - Freehold	Buildings - Leasehold	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Block								
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
Balance as at April 1, 2019	120.43	2,015.24	3.58	8,906.36	960.89	305.67	280.60	12,592.77
Additions	-	35.64	-	673.46	50.62	4.88	7.00	771.60
Disposals	-	-	-	(6.10)	(13.64)	-	(33.75)	(53.49)
Effect of foreign currency translation from functional currency to reporting currency	7.09	21.34	-	9.75	0.89	-	(17.58)	21.49
Balance as at March 31, 2020	127.52	2,072.22	3.58	9,583.47	998.76	310.55	236.27	13,332.37
II. Accumulated depreciation								
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 (refer note 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
Balance as at April 1, 2019	-	737.59	3.58	5,351.40	794.28	184.46	150.61	7,221.92
Depreciation expense for the year (refer note 26)	-	75.37	-	656.93	92.73	26.36	35.45	886.84
Eliminated on disposal of assets	-	-	-	(5.85)	(12.85)	-	(29.79)	(48.49)
Effect of foreign currency translation from functional currency to reporting currency	-	(5.20)	-	9.96	(3.65)	-	(15.40)	(14.29)
Balance as at March 31, 2020	-	807.76	3.58	6,012.44	870.51	210.82	140.87	8,045.98
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
Net carrying value as at March 31, 2020	127.52	1,264.46	-	3,571.03	128.25	99.73	95.40	5,286.39

Notes :

- a) Refer to Note 35.1 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
b) Refer to Note 35.2 for information on property, plant and equipment pledged as security by the Company.

(Rs. in Lakhs)

Description of Assets	As at March 31, 2020		As at March 31, 2019	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Cost				
Balance at beginning of year	10.27	10.27	10.27	10.27
Additions	-	-	-	-
Balance at end of year	10.27	10.27	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	10.27	10.27

Note 5 - Other Intangible Assets

Description of Assets	Technical Knowhow	Computer Software	Brands and Trademarks	Patents	Total
I. Gross Block					
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
Balance as at April 1, 2019	202.26	324.55	81.00	50.00	657.81
Additions	-	35.20	-	-	35.20
Effect of foreign currency translation from functional currency to reporting currency	-	0.04	-	-	0.04
Balance as at March 31, 2020	202.26	359.79	81.00	50.00	693.05
II. Accumulated amortisation					
Balance as at April 1, 2018	178.93	217.06	28.35	17.50	441.84
Amortisation expense for the year (refer note 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
Balance as at April 1, 2019	193.47	254.15	44.55	27.50	519.67
Amortisation expense for the year (refer note 26)	6.26	29.97	16.20	10.00	62.43
Effect of foreign currency translation from functional currency to reporting currency	-	(0.06)	-	-	(0.06)
Balance as at March 31, 2020	199.73	284.06	60.75	37.50	582.04
Net carrying value as at March 31, 2019	8.79	70.40	36.45	22.50	138.14
Net carrying value as at March 31, 2020	2.53	75.73	20.25	12.50	111.01

Note 6 - Other non-current and current assets

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
(a) Advances to suppliers	90.54	-	77.94	-
(b) Balances with government authorities (other than income taxes)				
(i) Cenvat and custom duty refundable	2.71	-	2.71	-
(ii) GST credit receivable	30.54	-	22.60	-
(iii) VAT credit receivable	0.37	-	2.17	-
(iv) Service tax credit receivable	-	-	-	-
(c) Prepayments	186.56	-	229.33	-
(d) Security deposits with government	-	59.57	-	55.51
(e) Capital advances	-	206.59	-	2.93
(f) Export incentive receivable	142.85	-	119.01	-
(g) Contract assets (refer note (i) and (ii) below)	102.33	-	114.47	-
(h) Others	32.81	-	27.85	-
Unsecured, considered doubtful				
(a) Other loans and advances	35.86	-	35.78	-
Less: Provisions for doubtful loans and advances	(35.86)	-	(35.78)	-
TOTAL	588.71	266.16	596.08	58.44

Notes:-

(i) : Contract assets include Rs. NIL (March 31, 2019 : Rs. 12.19 lakhs) due from related parties.

(ii) : Movement of Contract assets:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	114.47	-
Obligation fulfilled during the year	(114.47)	-
Obligation to be fulfilled	102.33	114.47
Balance at end of the year	102.33	114.47

Note 7 - Income tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Income tax assets - non current		
Advance income tax paid (net)	343.32	274.67
Total	343.32	274.67
Income tax liabilities - current		
Provision for income tax (net)	58.16	58.91
Total	58.16	58.91

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 8 - Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	1,048.14	1,112.83
(b) Work-in-progress	1,030.80	794.85
(c) Finished goods	269.09	86.56
(d) Stock-in-trade	204.80	244.11
(e) Stores and spares	233.46	237.30
Total	2,786.29	2,475.65
Included above, goods-in-transit:		
(i) Raw materials	105.30	42.22
(ii) Stock-in-trade	-	49.94
Total goods-in-transit	105.30	92.16

Notes:

- The method of valuation of inventories are stated in Note: 2.18.
- 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, 2020 amounted to Rs. 98.72 lakhs (March 31, 2019: Rs. 107.06 lakhs). The inventory balance pertaining to the holding Company is Rs. 2,612.25 lakhs (March 31, 2019 : Rs 2,271.75 lakhs) and related provision is Rs. 98.16 lakhs (March 31, 2019 : Rs. 104.50 lakhs).
- 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.
- 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.

Covid-19 evaluation

Based on the current orders in hand, the expected demand for group's products and the historical/expected gross margins, the group is of the view that there is no significant negative impact due to the COVID 19 pandemic on the carrying value of the inventory. In the case of Inventory of the Company, Management has performed the year-end 'wall to wall' inventory verification and again at a date subsequent to the year end in the presence of a firm of chartered accountants appointed by the Company to obtain comfort over the existence and condition of inventories as at March 31, 2020 including roll-back procedures etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

SI No	Particulars	As at March 31, 2020		As at March 31, 2019	
		Units (Nos)	Amount	Units (Nos)	Amount
A	Designated as Fair Value Through Profit and Loss				
	Quoted Investments				
	Investments in Mutual Funds				
1	ICICI Prudential Ultra Short Term Fund - Growth	12,53,512	255.29	15,63,904	295.27
2	ICICI Prudential Money Market Fund - Direct Plan - Growth	18,222	50.89	19,496	50.72
3	ICICI Prudential Savings Fund -Growth	-	-	20,983	75.27
4	ICICI Prudential Corporate Bond Fund- Growth	18,93,954	394.43	-	-
5	Aditya Birla Sun Life Savings Fund -Daily Dividend Regular Plan Reinvestment	-	-	1,33,507	133.88
6	Aditya Birla Sun Life Money Manager Fund - Growth Regular Plan	20,832	56.07	44,001	110.12
7	Aditya Birla Sun Life Liquid Fund -Growth Regular Plan	15,427	49.02	-	-
8	Aditya Birla Sun Life Low Duration Fund -Growth Regular Plan	20,759	100.41	80,492	361.62
9	Aditya Birla Sun Life Savings Fund - Growth -Regular Plan	40,183	159.74	-	-
10	Aditya Birla SunLife OvernightFund-Growth-Regular Plan	24,248	261.45	-	-
11	Reliance Money Market Fund - Direct Growth Plan Growth Option	-	-	4,002	113.64
12	Reliance Liquid Fund - Daily Dividend Option Dividend Reinvestment	-	-	5,530	84.58
13	Reliance Liquid Fund - Direct Plan Daily Dividend Option - Reinvest	-	-	13,178	201.53
14	Nippon Money Market Fund - Direct Growth Plan - Growth Option	-	-	-	-
15	Nippon India Liquid Fund Growth Plan - Growth Option	1,912	58.37	-	-
16	Nippon India Floating Rate Fund - Growth Plan - Growth Option	2,495	120.33	-	-
17	Nippon India Money Market Fund - Growth Plan- Growth Option	12,85,184	408.38	-	-
18	TATA Short Term Bond Fund Regular Plan A - Growth	1,677	50.85	-	-
19	TATA Short Term Bond Fund Direct Plan - Growth	2,95,555	104.55	2,95,555	95.96
20	Baroda Pioneer Credit Risk Fund (Credit Opp.Fund till 05.06.2018)-Plan A Monthly Dividend-Reinvestment	1,86,618	69.80	1,86,618	63.49
21	Baroda Ultra Short Duration Fund-Direct Plan Daily Dividend Reinvestment	-	-	10,51,635	110.84
22	DSP Liquidity Fund - Direct Plan - Daily Dividend -Reinvest	4,75,461	103.02	4,885	49.00
23	DSP Low Duration Fund - Regular Plan - Growth	10,30,334	151.07	5,034	50.39
24	Franklin India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend	-	-	36,96,533	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	-	-	7,18,671	188.79
27	Indiabulls Liquid Fund - Existing Plan Daily Dividend - Reinvestment	-	-	21	0.21
28	SBI Liquid Fund - Direct- Daily Dividend	6,109	159.01	2,126	21.33
29	SBI Magnum Low Duration Fund-Regular Growth	-	-	-	-
30	Invesco Money Market Fund -Growth	9,976	278.32	1,880	40.14
31	HDFC Ultra Short Term Fund - Regular Growth	18,86,770	211.42	-	-
32	HDFC Ultra Short Term Fund - Regular Growth	-	-	-	-
33	HDFC Ultra Short Term Fund - Regular Daily Dividend Reinvestment	-	-	21,93,113	220.41
34	HDFC Money Market Fund -Regular Plan-Daily Dividend Reinvestment	-	-	6,677	71.02
35	L&T Ultra Short Term Fund Direct Plan - Growth	1,52,334	50.92	-	-
36	UOB Asset Management - Sure Daily	16,90,855	504.51	16,90,855	470.35
37	TOTAL INVESTMENTS CARRIED AT FVTP		3,597.85		3,636.30
	Other disclosures				
	Aggregate cost of quoted investments	-	3,495.73	-	3,525.99
	Aggregate market value of quoted investments	-	3,597.85	-	3,636.30
	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 10 - Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables from		
(a) Related parties	395.91	352.77
(b) Others	2,239.60	2,737.87
	2,635.51	3,090.64
Less: Allowance for doubtful receivables (expected credit loss allowance)	50.90	44.12
Total	2,584.61	3,046.52

Note 10(a) - Break-up of security details

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,635.51	3,090.64
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	2,635.51	3,090.64
Less: Allowance for doubtful receivables (expected credit loss allowance)	50.90	44.12
TOTAL	2,584.61	3,046.52

Notes:

- Credit risk is managed at the operational segment level. The credit limit and credit period are fixed for each customer after evaluating the financial position, past performance, business opportunities, credit references etc. The credit limit and the credit period are reviewed regularly at periodical intervals.
- The group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix which takes into account the historical credit loss experience adjusted for forward looking information. (refer note 29.3.2).
- Some trade receivables may be past due over 365 days without being impaired considering the certainty of realisation.

Covid-19 evaluation

Management believes that the COVID-19 pandemic situation would not materially affect recovery of trade receivables, as significant receivables are due from large corporates and few government entities and further the customer profile has not changed. However, the measures taken by the government to contain the spread of the pandemic might result in some of the collections being delayed.

Note 11A - Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Balances with banks in current accounts	1,341.79	1,090.91
(b) Deposits with maturity of less than three months	19.87	1.40
(c) Cash in hand	2.20	0.95
Total	1,363.86	1,093.26

Note 11B - Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Deposits with maturity of more than three months and less than one year	34.77	18.47
(b) Earmarked balances in dividend accounts	786.40	668.11
Total	821.17	686.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 12 - Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Security deposits	17.23	12.82
(b) Employee advances	63.27	67.63
(c) Receivables from related parties	12.86	39.11
(d) Rent receivable from related party	5.18	3.46
(e) Interest receivable	3.99	-
TOTAL	102.53	123.02

Note - 13: Equity share capital

(Rs. in Lakhs, except for number of shares)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised:		
3,000,000 (March 31, 2019: 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, 2019: 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, 2020		As at March 31, 2019	
	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, 2020		As at March 31, 2019	
	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

The Company has communicated the requirement to the promoters for initiating measures to comply with the minimum public shareholding requirement in due course.

(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, 2020	As at March 31, 2019
A. Reserves and Surplus		
General reserve	6,484.06	6,390.66
Statutory reserve	45.73	45.73
Retained earnings	6,623.66	6,143.27
B. Items of Other Comprehensive Income		
Foreign currency Translation Reserve	414.20	246.08
Total	13,567.65	12,825.74

14.1 General Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	6,390.66	6,255.66
Transfer from retained earnings	93.40	135.00
Balance as at the year end	6,484.06	6,390.66

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, 2020	As at March 31, 2019
Balance at the beginning of the year	45.73	45.42
Transfer from retained earnings	-	0.31
Balance as at the year end	45.73	45.73

This represents appropriation of profit by the group.

14.3 Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	6,143.27	5,530.19
Profit for the year	1,002.53	1,541.34
Other comprehensive income arising from remeasurement of defined benefit obligation, net of tax	(95.50)	(87.16)
Payment of final dividend for the preceding financial year	(300.00)	(300.00)
Dividend tax on final dividend for the preceding financial year	(33.24)	(61.67)
Payment of interim dividend for the current year	-	(300.00)
Dividend tax on interim dividend for the current year	-	(44.12)
Transfer to general reserve	(93.40)	(135.00)
Transfer to statutory reserve	-	(0.31)
Balance as at the year end	6,623.66	6,143.27

Retained earnings comprise of the group's undistributed earnings after taxes.

14.4 Foreign Currency Translation Reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	246.08	131.21
Transfer	168.12	114.87
Balance as at the year end	414.20	246.08

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 distributed to equity shareholders during the year ended March 31, 2020 and March 31, 2019 was Rs. 15 and Rs. 30 respectively.

The Board of Directors of the holding company at its meeting held on April 25, 2019 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 22, 2019, this has resulted in a cash outflow of Rs. 333.24 lakhs, inclusive of dividend distribution tax of Rs. 33.24 lakhs. Further, the Board of Directors at its meeting held on May 28, 2020 have recommended a final dividend of 250% (Rs. 25/- per equity share of face value of Rs.10/- each) which is subject to approval of shareholders.

Note 15 - Deferred tax liabilities

Particulars	March 31, 2020			
	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 and other intangible assets	395.99	(97.52)	-	298.47
Net gain on fair value of mutual funds	25.13	(8.03)	-	17.10
	421.12	(105.55)	-	315.57
Tax effect of items constituting deferred tax assets				
Employee benefits	(90.14)	(12.29)	(18.00)	(120.43)
Allowance for doubtful trade receivables	(12.85)	0.50	-	(12.35)
Tax on unrealised profit on stock	(5.33)	0.85	-	(4.48)
Others	(10.18)	1.38	-	(8.80)
	(118.50)	(9.56)	(18.00)	(146.06)
Total	302.62	(115.11)	(18.00)	169.51

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 and other intangible assets	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)
Allowance 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 16 - Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Trade payables to		
- Micro and small enterprises	82.44	172.71
- Related parties (refer Note 33)	390.29	450.17
- Others	1,708.84	1,819.61
Total	2,181.57	2,442.49

Note 17 - Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Unclaimed and Unpaid dividends [refer note (l) below]	786.40	668.11
(b) Deposit from related party	10.00	10.00
(c) Creditors for capital supplies/services	95.08	344.04
(d) Retention money	13.79	4.56
(e) Due to employees	213.21	230.15
(f) Others	12.54	12.74
Total	1,131.02	1,269.60

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 18 - Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Provision for employee benefits		
- Compensated absences (refer note 32)	355.34	264.91
- Gratuity (refer note 32)	123.17	44.66
- Other employee obligations	1.71	0.24
Total	480.22	309.81

Note 19 - Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers [refer note (i) and (ii) below]	397.96	485.42
(b) Statutory dues payable (other than income taxes)	77.27	71.82
(c) Others	15.90	12.62
Total	491.13	569.86

Notes:

- (i): Advances received from customers includes Rs. 36.90 lakhs (March 31, 2019 : Rs. NIL) due to related parties.
(ii): Movement of Advances received from customers:

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	485.42	140.23
Amounts received during the year	293.86	466.19
Amounts adjusted during the year	(381.32)	(121.00)
Balance at end of the year	397.96	485.42

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 20 - Revenue from operations

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Revenue from contract with customers		
(a) Sale of products [refer note (i) and (iii) below]	13,153.49	15,135.50
(b) Sale of services [refer note (ii) and (iii) below]	909.94	1,042.33
Other operating income [refer note (iv) below]	259.74	277.38
Total	14,323.17	16,455.21

Note 20(i) - Details of sale of products

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Manufactured products	10,590.45	12,133.88
Traded products	2,563.04	3,001.62
Total - sale of products	13,153.49	15,135.50

Note 20(ii) - Details of sale of services

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Machining charges	774.31	865.16
Others	135.63	177.17
Total - sale of services	909.94	1,042.33

Note 20 (iii) - Other disclosures required under Ind AS 115

- (a) All the revenue contracts are for periods of one year or less or are billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisfied contracts is not disclosed.
(b) Refer note 30 for disclosure of disaggregated revenue.
(c) Reconciliation of revenue recognised with contract price

Particulars	March 31, 2020	March 31, 2019
Contract price	14,063.43	16,177.83
Adjustment towards variable consideration	-	-
Revenue from sale of products and services	14,063.43	16,177.83

Note 20(iv) - Details of other operating income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Sale of scrap	58.92	79.94
Service charges	51.17	34.26
Commission	18.79	29.18
Export incentives (refer note v below)	130.86	134.00
Total - Other Operating Income	259.74	277.38

Note 20(v) - Government grants

Exports incentives represents grants in the nature of licenses under Merchandise export from India scheme (MEIS) and duty drawback.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 21 - Other income

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Interest income on deposits	12.01	10.64
(b) Dividend income		
- Dividend income from current investments - mutual funds	13.13	75.58
(c) Rental income	17.57	16.24
(d) Net gain on sale of current investments	155.03	7.90
(e) Net gain arising on financial assets designated as at fair value through profit or loss	-	47.36
(f) Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	10.44	-
(g) Net foreign exchange differences	84.19	34.57
(h) Allowance for doubtful trade receivables no longer required, written back	17.11	6.27
(i) Provisions and liabilities no longer required, written back	20.03	23.93
(j) Miscellaneous income [refer note (i) below]	155.62	19.84
Total	485.13	242.33

Note: (i) : includes proceeds of insurance claim of Rs. 145.48 lakhs (March 31, 2019 : NIL)

Note 22 - Cost of materials consumed

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Opening stock	1,112.83	892.46
Add: Purchases	3,997.82	4,464.14
	5,110.65	5,356.60
Less: Closing stock [refer note 8 (a)]	1,048.14	1,112.83
Cost of materials consumed	4,062.51	4,243.77

Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Opening 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
Closing stock		
Work - in - progress	1,030.80	794.85
Finished goods	269.09	86.56
Stock-in- trade	204.80	244.11
	1,504.69	1,125.52
Net (increase) / decrease	(379.17)	(83.43)

Note 24 Employee benefits expense

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Salaries, wages and bonus	2,786.83	2,568.85
(b) Contribution to provident and other funds	212.34	187.35
(c) Staff welfare expenses	347.86	350.73
Total	3,347.03	3,106.93

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 25 Finance costs

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Interest expense	2.91	0.50
Total	2.91	0.50

Note 26 Depreciation and amortisation expense

Particulars	Year ended	
	March 31, 2020	March 31, 2019
(a) Depreciation of property, plant and equipment (refer note 3)	886.84	950.11
(b) Amortisation of intangible assets (refer note 5)	62.43	77.82
Total	949.27	1,027.93

Note 27 - Other Expenses

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Stores and spares consumed	682.62	908.82
Contract labour	69.41	88.52
Repairs and maintenance		
- Buildings	114.51	118.73
- Machinery	174.26	171.10
- Others	24.10	32.14
Power and fuel charges	322.29	334.04
Freight outward and packing charges (net)	262.43	307.51
Rental charges	28.28	38.72
Processing charges	694.61	754.96
Directors' sitting fees	7.80	8.50
Commission to non-whole time independent directors *	14.00	12.00
Rates and taxes	66.21	76.33
Contribution to research institution (refer Note 37)	2.00	2.00
Expenditure on corporate social responsibility (refer note 37)	32.50	29.70
Insurance charges	47.66	25.01
Selling commission	100.12	34.17
Bad trade receivables written off	6.98	57.40
Less:- Transferred from provision	3.68	21.16
Allowance for doubtful trade receivables (refer note 29.3.2)	27.45	30.18
Auditors remuneration		
As auditors		
Statutory Audit	15.53	13.97
Tax Audit	1.00	1.00
Reimbursement of expenses	4.34	3.92
Bank charges	85.79	42.06
Service fee	166.75	194.14
Professional expenses	135.43	221.40
EDP Charges	134.12	120.24
Advertisement and sales promotion expenses	323.73	420.78
Travelling and conveyance expenses	371.58	503.02
Communication expenses	34.79	35.40
Loss on sale / disposal of fixed assets (net)	-	16.68
Net loss arising on financial assets designated as fair value through profit or loss	12.83	-
Miscellaneous expenses	279.47	319.11
Total	4,238.91	4,900.39

* will be paid subject to the approval of shareholders in the ensuing Annual General Meeting.

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, 2020	Year ended March 31, 2019
Current tax		
In respect of the current year	466.52	677.18
In respect of the Prior year	7.27	55.86
	473.79	733.04
Deferred tax		
In respect of the current year	(115.11)	(81.75)
	(115.11)	(81.75)
Total	358.68	651.29

(b) Numerical Reconciliation between average effective tax rate and applicable tax rate :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	1,361.21	2,192.63
Income Tax using the Company's domestic Tax rate of 25.17% (March 31, 2019 - 29.12%)	342.59	638.49
Effect of income that is exempt from tax	-	(15.50)
Effect of expenses that are not deductible in determining taxable profit	9.19	8.65
Effect of concessions (Research and development)	-	(25.60)
Effect of dividend income from foreign subsidiaries	49.92	30.24
Effect of different overseas tax rates	(18.11)	(43.26)
Effect of changes in deferred tax rates	(41.79)	-
Others	9.61	2.41
	351.41	595.43
Adjustment recognised in the current year in relation to current tax of previous years	7.27	55.86
Income tax recognised in statement of profit and Loss	358.68	651.29

Notes:

- The Group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognized Provision for Income Tax for the year ended March 31, 2020 and re-measured its Deferred Tax Liability basis the rate prescribed in the said section. The full impact of this change has been recognized in the statement of Profit and Loss for the year ended March 31, 2020.
- The tax impact for deferred tax purposes for the Company has been arrived by applying a tax rate of 25.17% (March 31, 2019 : 29.12%) being the prevailing tax rate applicable for the company for the financial year ending March 31, 2021 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

29.2 Categories of financial instruments

The carrying value and fair value of financial instruments by categories as of March 31, 2020 and March 31, 2019 were as follows:

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial Assets				
Measured at fair- value through profit and loss (FVTPL)				
Investments	3,597.85	3,636.30	3,597.85	3,636.30
Measured at amortised cost				
- Trade receivables	2,584.61	3,046.52	2,584.61	3,046.52
- Contract assets	102.33	114.47	102.33	114.47
- Cash and cash equivalents	1,363.86	1,093.26	1,363.86	1,093.26
- Other bank balances	821.17	686.58	821.17	686.58
- Other financial assets	102.53	123.02	102.53	123.02
Total financial assets	8,572.35	8,700.15	8,572.35	8,700.15
Financial Liabilities				
Measured at amortised cost				
- Trade payables	2,181.57	2,442.49	2,181.57	2,442.49
- Other financial liabilities	1,131.02	1,269.60	1,131.02	1,269.60
Total financial liabilities	3,312.59	3,712.09	3,312.59	3,712.09

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:

- 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, 2020 and March 31, 2019.

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, 2020					
- Investment in mutual funds	9	3,597.85	3,597.85	-	-
As at March 31, 2019					
- Investment in mutual funds	9	3,636.30	3,636.30	-	-

Covid-19 evaluation

Investments in mutual funds measured at fair value as at March 31, 2020 is Rs. 3,597.85 lakhs. The fair valuation of investments in mutual funds has been classified as Level 1. The fair value of these investments is marked to an active market. Management does not expect any material volatility on account of COVID-19 pandemic situation considering the investments are in debt based mutual funds.

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, 2020 and March 31, 2019.

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, 2020					
Financial assets measured at amortized cost:					
- Trade receivables	10	2,584.61	-	-	2,584.61
- Contract assets	6	102.33	-	-	102.33
- Cash and cash equivalents	11A	1,363.86	-	-	1,363.86
- Other bank balances	11B	821.17	-	-	821.17
- Other financial assets	12	102.53	-	-	102.53
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,181.57	-	-	2,181.57
- Other financial liabilities	17	1,131.02	-	-	1,131.02
As at March 31, 2019					
Financial assets measured at amortized cost:					
- Trade receivables	10	3,046.52	-	-	3,046.52
- Contract assets	6	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	16	2,442.49	-	-	2,442.49
- Other financial liabilities	17	1,269.60	-	-	1,269.60

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

29.3 Financial Risk management objectives and policies

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 a 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, 2020				March 31, 2019			
	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	-	-	5.89	448.20	-	-	6.99	489.76
USD	-	25.95	-	60.16	-	58.70	-	128.32
USD	0.19	-	-	3.80	0.58	-	-	10.66
EUR	-	-	1.80	152.10	-	-	2.78	220.43
EUR	-	1.67	-	3.87	-	12.51	-	27.35
GBP	-	-	0.39	36.46	-	-	0.11	9.89
CHF	-	-	0.06	4.45	-	-	0.03	2.06
Trade and other receivables								
USD	-	-	7.95	595.92	-	-	7.00	478.76
EUR	-	-	2.20	180.72	-	-	2.63	200.49
GBP	-	-	0.37	33.92	-	-	0.65	58.17

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, 2020	March 31, 2019
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%	0.00%
INR/CHF - Decrease by 1%	0.00%	0.00%

Covid-19 evaluation

Financial assets of Rs. 4,974.51 lakhs as at March 31, 2020 carried at amortised cost (excluding Rs. 3,597.85 lakhs being investments in mutual funds which are carried at fair value through profit and loss) significantly includes trade receivables, cash and cash equivalents, bank deposits, security deposits, receivable from related parties and employee advances where the management has assessed the counterparty credit risk. Trade receivables as at March 31, 2020 amounting to Rs. 2,584.61 lakhs constitutes a significant part of the financial assets carried at amortised cost. Management has estimated and recognised life-time expected credit losses on trade receivables in accordance with Ind AS 109. Management's estimate of the expected credit losses is based on historical pattern of credit loss and likelihood of increased credit risk. Management believes that the COVID-19 pandemic situation would not materially affect recovery of trade receivables, as significant receivables are due from large corporates and few government entities and further the customer profile has not changed. However, the measures taken by the government to contain the spread of the pandemic might result in some of the collections being delayed. Other financial assets carried at amortised cost or at fair value significantly includes balances with reputed banks. Based on the information available, management does not expect any increase in credit risk and consequential risk of non-recoverability due to uncertainties arising out of COVID-19.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

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.

Details of loss allowance

Particulars	As at March 31, 2020		As at March 31, 2019	
	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)	Gross carrying amount (Rs. in lakhs)	Expected Credit Loss (%)
Within the credit period	1,482	1	1,952	0
1-30 days past due	467	2	519	2
31-60 days past due	202	3	180	2
61-90 days past due	140	4	95	3
More than 90 days past due	345	5	345	7

Reconciliation of loss allowance

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	44.12	41.14
Amounts recognised in the year	27.45	30.18
Amounts written off during the year	(3.68)	(21.16)
Amounts recovered during the year	(17.11)	(6.27)
Exchange difference on opening provision	0.12	0.23
Balance at end of the year	50.90	44.12

Sensitivity analysis of loss allowance

Particulars	Impact on profit before tax	
	As at March 31, 2020	As at March 31, 2019
Increase in loss allowance + 1%	26.36	27.81
Decrease in loss allowance - 1%	(26.36)	(17.09)

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

The following table presents the maturity period of all financial liabilities as at March 31, 2020 and March 31, 2019.

Particulars	Note	Contractual cash flows			
		Carrying amount	Less than 1 year	1 - 2 years	More than 2 years
As at March 31, 2020					
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,181.57	2,181.57	-	-
- Other Financial Liabilities	17	1,131.02	1,131.02	-	-
As at March 31, 2019					
Financial liabilities measured at amortized cost:					
- Trade payables	16	2,442.49	2,442.49	-	-
- Other Financial Liabilities	17	1,269.60	1,269.60	-	-

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, 2020	Year ended March 31, 2019
1. Segment Revenue		
a) Super Abrasives	8,809.97	11,118.47
b) Machines, Accessories and Components	3,606.12	3,214.16
c) Others	1,647.34	1,845.20
Total	14,063.43	16,177.83
Less:- Inter Segment Revenue	-	-
Revenues	14,063.43	16,177.83
2. Segment Results		
a) Super Abrasives	1,021.57	1,928.29
b) Machines, Accessories and Components	425.64	480.97
c) Others	388.53	401.09
Total	1,835.74	2,810.35
Less: (i) Finance costs	2.91	0.50
(ii) Other Un-allocable expenditure net of un-allocable income of Rs.744.87 lakhs (March 31, 2019 : Rs. 519.71 lakhs)	471.62	617.22
(iii) Tax expense	358.68	651.29
Profit for the year	1,002.53	1,541.34

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

30.3 Revenue by Geographical market

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	8,033.20	9,733.07
Outside India	6,030.23	6,444.76
Total Revenues	14,063.43	16,177.83

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, 2020	March 31, 2019
a) Super Abrasives	3,999.50	4,131.87
b) Machines, Accessories and Components	1,371.40	1,389.76
Total segment assets	5,370.90	5,521.63
Unallocated assets	12,908.36	12,457.40
Total assets as per Balance sheet	18,279.26	17,979.03

30.5 Non current assets by geographical market other than financial assets and income tax assets

Particulars	March 31, 2020	March 31, 2019
India	5,791.50	5,744.36
Outside India	299.42	302.60
Total non current assets	6,090.92	6,046.96

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, 2020 and March 31, 2019.

Note 31 - Leases

As a Lessee

The Group has entered into operating lease arrangements for leased accommodation which is for a period of 12 months. The lease is cancellable at the option of the lessee.

This lease is a short term lease and does not include any variable payment terms.

Impact due to Adoption of Ind AS 116 on the financial statements

Only leasing arrangement that the Group has entered into is in respect of a leased accommodation which is for a period of 12 months. The Group has elected to apply the practical expedient available in Ind AS 116 to not apply the requirements of the standard to short-term leases (i.e. leases which are for a period of 12 months or less). Accordingly, no right-of-use asset or a lease liability have been recognised by the Group upon transition to Ind AS 116. The adoption of Ind AS 116, did not have any material impact on the balance sheet as at March 31, 2020 and statement of profit and loss and statement of cash flows for the year ended March 31, 2020.

Disclosures under Ind AS 17 for the previous year

Particulars	March 31, 2020	March 31, 2019
Lease rentals recognised in the Statement of Profit and Loss (Refer Note 27)	-	38.72

Disclosure relating to Ind AS 116

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2020
Lease rentals recognised in the Statement of Profit and Loss (Refer Note 27)	28.28

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

As a Lessor

The Company has entered into operating lease arrangements and leased out a portion of its factory building to a related party, which is for a period of less than 12 months.

This lease is a short term lease and does not include any variable payment terms.

Amounts recognised in the Statement of Profit and Loss:

The statement of profit or loss shows the following amount related to leases:

Particulars	March 31, 2020	March 31, 2019
Lease rental income recognised in the Statement of Profit and Loss (Refer Note 21)	17.57	16.24

Details of factory building (out of this, leased out a portion) are as given below:

Particulars	March 31, 2020	March 31, 2019
Gross carrying amount	1,699.74	1,664.10
Less: Accumulated depreciation	573.36	516.61
Net carrying amount	1,126.38	1,147.49

The depreciation recognized in respect of the factory building for the year is Rs. 56.75 lakhs (March 31, 2019 : Rs. 54.55 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 as and when 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.

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 expectancy 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

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, 2020 and March 31, 2019:

(a) Change in defined benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation at beginning of period	599.95	414.90
Service cost		
a) Current service cost	47.33	42.11
b) Past service cost	-	-
Interest expenses	42.35	30.67
Benefits Paid	(66.10)	(11.85)
Remeasurements		
a) Effect of changes in demographic assumptions	-	(3.32)
b) Effect of change in financial assumptions	168.49	58.58
c) Effect of experience adjustments	(43.63)	68.86
Defined benefit obligation at end of period	748.39	599.95

(b) Change in fair value of plan assets

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at beginning of period	555.29	491.26
Interest Income	44.09	39.25
Contributions	94.70	35.48
Benefits Paid	(66.10)	(11.85)
Remeasurements		
a) Return on plan assets (excluding interest income)	(2.76)	1.15
Fair value of plan assets at end of period	625.22	555.29

(c) Amounts recognized in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Defined benefit obligation	748.39	599.95
Fair value of plan assets	(625.22)	(555.29)
Funded status	123.17	44.66
Effect of asset ceiling	-	-
Net defined benefit liability / (asset)*	123.17	44.66

* Included under provision for employee benefits in Note 18 - "Provisions"

(d) Amounts recognized in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service Cost	47.33	42.10
Net interest cost	(1.74)	(8.57)
Net Gratuity Cost in the consolidated statement of profit and loss*	45.59	33.53

* Included under contribution to provident and other funds in Note 24 - "Employee benefits expense"

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

(e) Amounts recognized in the Other Comprehensive Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement of the net defined benefit liability / (asset)		
Actuarial (gains) / losses	124.86	124.12
(Return) / Loss on plan assets excluding amounts included in the net interest on the defined benefit liability / (asset)	2.76	(1.15)
	127.62	122.97

(f) Composition of plan assets

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fund with an Insurance Company	625.22	555.29

(g) Significant actuarial assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	6.04%	7.47%
Salary escalation rate	10.00%	9.00%
Attrition Rate	7.00%	7.00%
Retirement Age	58 years	58 years
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) 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.

(h) Sensitivity analysis - DBO end of Period

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate +100 basis points	698.17	568.00
Discount rate -100 basis points	806.05	636.05
Salary Increase Rate +1%	799.66	632.28
Salary Increase Rate -1%	702.65	570.78
Attrition Rate +1%	735.14	596.83
Attrition Rate -1%	763.44	603.38

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

(i) Expected cash flows for following year

Particulars	As at March 31, 2020	As at March 31, 2019
Expected employer contributions /Addl. Provision next year	139.74	157.07
Expected total benefit payments		
Year 1	43.55	156.45
Year 2	89.28	41.45
Year 3	42.10	73.61
Year 4	43.67	37.11
Year 5	49.46	35.78
Next 5 years	204.50	176.30

The weighted average duration of the defined benefit obligation is 9 years (March 31, 2019: 10 years)

The Company expects to make a contribution of Rs. 50 lakhs (as at March 31, 2019: Rs.45 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, 2020	As at March 31, 2019
Charge / (credit) in the Statement of Profit and Loss	132.78	99.24
Liability as at the year end	355.34	264.91

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. 198.50 lakhs (March 31, 2019 : Rs. 145.20 lakhs).

(b) Actuarial Assumptions

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	6.04% p.a.	7.47% p.a.
Salary Escalation Rate	10.00% p.a.	9.00% p.a.

C. Defined Contribution Plans

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers' Contribution to Provident Fund *	70.52	61.34
Employers' Contribution to Superannuation Fund *	32.29	31.23
Employers' Contribution to Employee's Pension Scheme 1995 *	63.94	61.25
Employers' Contribution to Employee's State Insurance #	13.09	17.59
Employers' Contribution to Social security Fund #	2.51	3.34

* 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

- Carborundum Universal Limited
 - Cumi America Inc
 - Cumi (Australia) Pty Ltd
 - Cumi Abrasives & Ceramics Company Ltd
 - Net Access India Ltd
 - Sterling Abrasives Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

(b) Wendt GmbH Germany

- Winterthur Technologie France
- Winterthur Technology Iberica
- 3M Wixom USA
- 3M UK Winterthur Technology
- AO 3M Russia
- 3M Automotive Industries Victoria
- 3M Australia
- 3M Svenska AB

ii) Company in which KMP / Director is a director

- Pragati Transmission P Ltd
- Tespa Tools Pvt Ltd
- Tespa India Private Limited
- Tespa Calibration Service
- Micromatic Machine Tools Private 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

2) Transaction with related parties during the year ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Joint venturers and their subsidiaries		Company in which KMP/Director is a Director		Key Management Personnel and their relatives		Total	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Purchases of goods								
Wendt GmbH	104.62	242.22	-	-	-	-	104.62	242.22
Altifort Boart SPRL	-	98.90	-	-	-	-	-	98.90
Carborundum Universal Limited	636.79	814.17	-	-	-	-	636.79	814.17
Cumi America Inc	46.60	-	-	-	-	-	46.60	-
Micromatic Machine Tools Private Limited	-	-	2.18	-	-	-	2.18	-
Tespa Tools Pvt Ltd	-	-	1.49	2.54	-	-	1.49	2.54
Tespa India Private Limited	-	-	0.21	-	-	-	0.21	-
Tespa Calibration Service	-	-	0.03	-	-	-	0.03	-
Sterling Abrasives Limited	13.16	21.81	-	-	-	-	13.16	21.81
Net Access India Limited	17.81	20.21	-	-	-	-	17.81	20.21
Sale of Goods and Services								
Wendt GmbH	224.08	399.25	-	-	-	-	224.08	399.25
Carborundum Universal Limited	192.50	304.08	-	-	-	-	192.50	304.08
Cumi America Inc	437.64	274.16	-	-	-	-	437.64	274.16
CUMI (Australia) Pty Ltd	1.17	2.23	-	-	-	-	1.17	2.23
Cumi Abrasives & Ceramics Company Ltd	172.47	144.33	-	-	-	-	172.47	144.33
Winterthur Technologie France	23.63	34.92	-	-	-	-	23.63	34.92
Wendt Boart SA	-	25.59	-	-	-	-	-	25.59
3M Automotive Industries Victoria	-	4.93	-	-	-	-	-	4.93
Winterthur Technology Iberica	81.21	167.38	-	-	-	-	81.21	167.38
3M Wixom USA	31.25	75.03	-	-	-	-	31.25	75.03
3M UK Winterthur Technology	228.61	164.42	-	-	-	-	228.61	164.42
AO 3M Russia	0.14	1.53	-	-	-	-	0.14	1.53
Altifort Boart SPRL	-	31.67	-	-	-	-	-	31.67
3M Svenska AB	2.15	1.39	-	-	-	-	2.15	1.39
3M Australia	2.26	0.33	-	-	-	-	2.26	0.33
Sterling Abrasives Limited	0.09	-	-	-	-	-	0.09	-
Pragati Transmission P Ltd	-	-	0.39	0.47	-	-	0.39	0.47
Sansera Engineering Limited	-	-	-	46.41	-	-	-	46.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	Joint venturers and their subsidiaries		Company in which KMP/Director is a Director		Key Management Personnel and their relatives		Total	
	19-20	18-19	19-20	18-19	19-20	18-19	19-20	18-19
Payment of Rent								
Rajesh Khanna	-	-	-	-	9.44	9.03	9.44	9.03
Preethi Khanna	-	-	-	-	9.44	9.02	9.44	9.02
Payment of Managerial Remuneration								
Rajesh Khanna (refer note (c) below)	-	-	-	-	142.90	131.48	142.90	131.48
Payment of Service Fee & Commission								
Carborundum Universal Limited	166.75	194.14	-	-	-	-	166.75	194.14
Payment of Dividend								
Carborundum Universal Limited	119.61	239.22	-	-	-	-	119.61	239.22
Wendt GmbH Germany *	119.61	239.22	-	-	-	-	119.61	239.22
Service Charges, Commission & Rent receipts								
Wendt GmbH	18.79	22.92	-	-	-	-	18.79	22.92
Carborundum Universal Limited	17.57	16.24	-	-	-	-	17.57	16.24
Reimbursement of Expenses Paid								
Carborundum Universal Limited	74.76	80.43	-	-	-	-	74.76	80.43
Cumi America Inc	7.36	33.88	-	-	-	-	7.36	33.88
Reimbursement of Expenses Received								
Carborundum Universal Limited	24.13	88.16	-	-	-	-	24.13	88.16

3) The details of amounts due to or due from related parties as at March 31, 2020 and March 31, 2019 are as follows:

Particulars	Joint venturers and their subsidiaries		Company in which KMP/Director is a Director		Key Management Personnel and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Amount due From								
Wendt GmbH	28.91	58.65	-	-	-	-	28.91	58.65
Carborundum Universal Limited	71.51	79.29	-	-	-	-	71.51	79.29
Cumi America Inc	157.61	107.43	-	-	-	-	157.61	107.43
CUMI (Australia) Pty Ltd	-	0.36	-	-	-	-	-	0.36
Cumi Abrasives & Ceramics Company Ltd	122.40	84.50	-	-	-	-	122.40	84.50
Winterthur Technologie France	1.18	1.01	-	-	-	-	1.18	1.01
Winterthur Technology Iberica	21.05	39.82	-	-	-	-	21.05	39.82
3M Wixom USA	5.77	21.06	-	-	-	-	5.77	21.06
3M UK Winterthur Technology	5.52	8.87	-	-	-	-	5.52	8.87
AO 3M Russia	-	0.14	-	-	-	-	-	0.14
Altifort Boart SPRL	-	6.39	-	-	-	-	-	6.39
3M Australia	2.06	-	-	-	-	-	2.06	-
Pragati Transmission P Ltd.	-	-	0.09	-	-	-	0.09	-
Amount due to								
Wendt GmbH	32.33	88.42	-	-	-	-	32.33	88.42
Carborundum Universal Limited	396.70	328.47	-	-	-	-	396.70	328.47
Cumi America Inc	-	2.54	-	-	-	-	-	2.54
Micromatic Machine Tools Private Limited	-	-	0.37	-	-	-	0.37	-
Altifort Boart SPRL	-	27.71	-	-	-	-	-	27.71
Rajesh Khanna	-	-	-	-	-	0.71	-	0.71
Preethi Khanna	-	-	-	-	-	0.71	-	0.71
Sterling Abrasives Limited	1.89	3.79	-	-	-	-	1.89	3.79
Net Access India Limited	5.90	7.82	-	-	-	-	5.90	7.82

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

4) The details of compensation to key management personnel are as follows:

Particulars	19-20	18-19
Short term benefits	110.25	100.11
Post-Employment Benefits	15.70	14.00
Other benefits	16.95	17.37

- 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 for FY 2018-19 and FY 2019-20 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, with the approval of the shareholders at the 37th Annual General Meeting held on July 22, 2019.

* Amount for both the years lying in unclaimed / unpaid dividend account

Note 34 - Earning per share (EPS)

(Rs. in lakhs except number of shares)

Particulars	March 31, 2020	March 31, 2019
(a) Profit for the year	1,002.53	1,541.34
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	50.13	77.07

Note 35 - Contingent liability and commitments to the extent not provided for:

35.1 Commitments

Particulars	March 31, 2020	March 31, 2019
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. 206.59 lakhs; March 31, 2019 : Rs. 1.01 lakhs)	1,396.53	1,210.72
b) Other Commitments	-	-

35.2 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 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. 34.50 lakhs (March 31, 2019: Rs. 31.70 lakhs)
- (b) Amount spent by the company during the year on :- Rs. 34.50 lakhs (March 31, 2019: Rs. 31.70 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 2019-20	2.00	32.50	34.50
- in 2018-19	3.35	28.35	31.70

* includes Contribution to research institution of Rs. 2 lakhs (March 31, 2019: Rs. 2 lakhs)

Note 38 - Note on COVID -19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 and has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Trade receivables, Inventory and Investments as at the balance sheet date, and has concluded that there are no material adjustments required in the Consolidated financial statements. Given the uncertainty because of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of these financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Note 39

Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

2019-20								
Name of the entity	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)
I. Parent								
Wendt (India) Limited	86.92%	11,966.38	93.16%	933.95	(131.51%)	(95.50)	77.98%	838.45
II. Subsidiaries								
a) Foreign								
1. Wendt Grinding Technologies Ltd	14.27%	1,964.42	40.35%	404.48	-	-	37.62%	404.48
2. Wendt Middle East FZE	1.77%	243.35	(2.58%)	(25.88)	-	-	(2.41%)	(25.88)
Inter-Company Elimination and Consolidation Adjustments	(2.96%)	(406.50)	(30.93%)	(310.02)	231.51%	168.12	(13.19%)	(141.90)
Total	100.00%	13,767.65	100.00%	1,002.53	100.00%	72.62	100.00%	1,075.15

2018-19								
Name of the entity	Net assets i.e. total asset minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)	As % of Consolidated Profit	Amount (Rs. in lakhs)
I. Parent								
Wendt (India) Limited	87.99%	11,461.17	87.37%	1,346.61	(314.54%)	(87.16)	80.27%	1,259.45
II. Subsidiaries								
a) Foreign								
1. Wendt Grinding Technologies Ltd	13.38%	1,742.24	25.06%	386.26	-	-	24.62%	386.26
2. Wendt Middle East FZE	1.84%	239.39	0.20%	3.11	-	-	0.20%	3.11
Inter-Company Elimination and Consolidation Adjustments	(3.21%)	(417.06)	(12.63%)	(194.64)	414.54%	114.87	(5.09%)	(79.77)
Total	100.00%	13,025.74	100.00%	1,541.34	100.00%	27.71	100.00%	1,569.05

Note 40 - Approval of consolidated financial statements

The Consolidated financial statements were approved for issue by the board of directors on May 28, 2020.

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

MOHAN DANIVAS S A
Partner
Membership Number : 209136
Place: Bangalore
Date: May 28, 2020

For and on behalf of the Board of Directors

SHRINIVAS G SHIRGURKAR Chairman
ANANTHASESHAN Director

RAJESH KHANNA Executive Director & CEO
MUKESH KUMAR HAMIRWASIA Chief Financial Officer

Place: Bangalore
Date: May 28, 2020
T A JANANI
Company Secretary

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(Rs. in Lakhs)

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	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
Share capital	597.06	562.86	245.96	219.25
Reserves and surplus	1,406.19	1,203.48	(3.83)	21.09
Total liabilities *	2,263.01	2,041.24	248.56	269.34
Total assets**	1,758.50	1,570.89	248.56	269.34
Details of current and non-current investments (except investment in subsidiary)	504.51	470.35	-	-
Turnover	2,336.96	2,422.71	150.66	454.89
Profit before taxation	507.61	485.21	(25.88)	3.11
Provision for taxation	103.13	98.95	-	-
Profit after taxation	404.48	386.26	(25.88)	3.11
Proposed dividend (including dividend tax)	-	-	-	-
% of Shareholding	100	100	100	100

* Total Liabilities include : Share capital of subsidiary + Non current liabilities + current liabilities

** 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)	
	31-3-2020	31-3-2019	31-3-2020	31-3-2019
THB (WGTL)	2.319	2.186	2.288	2.152
AED (WME)	20.496	18.270	19.267	18.911

Notes:

- 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.
- 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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We participated in CUFEST 2019 and Won the following awards



ASSOCHAM Award for Excellence



CII Innovation Award 2019

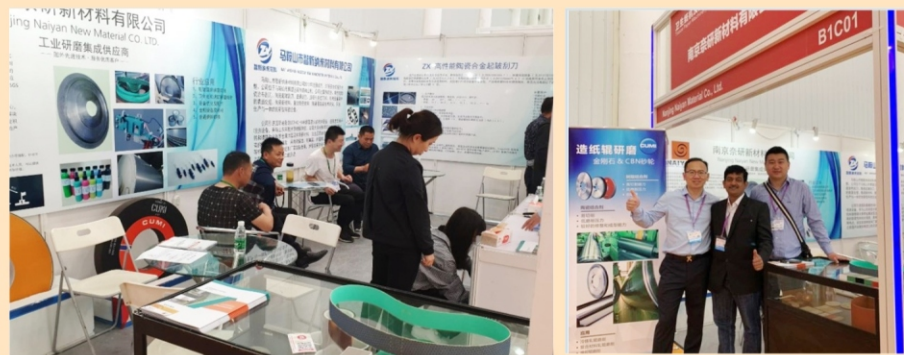
Excellence Awards NCQC - Varanasi 2019



Exhibitions



CIMT Beijing



Paper Exhibition Wuhan, China



MSV Brono Czech Republic



Mactech Cairo EGYPT



INTEC Exhibition Coimbatore



Engimach Exhibition Gandhinagar



Inhouse Seminar Sansera Bangalore



Workshop for Sri Varu Team Wendt



Seminar Nachi Technology, Jaipur

Events



CCSD inauguration



Pongal Celebration



Republic Day Celebration



World Environment Day Celebrations



Christmas Celebration



Energy Hour Celebration