

WENDT GRINDING TECHNOLOGIES LIMITED

WENDT GRINDING TECHNOLOGIES LIMITED

DIRECTORS REPORT

The Directors are pleased to present the 6th Annual Report and Audited Accounts for the year ended March 31st 2011.

Key Financial Summary -:

(THB in Million)

	31.03.2011	31.03.2010
Sales	69.3	45.45
Other Income	0.55	0.04
Profit before tax	24.4	11.7
Provision for current tax	7.3	3.5
Profit after tax	17.1	8.2
Earnings per share-Bhat	1.66	0.8

Business Operations-:

Your Company continues to perform well with consistent growth on sustainable basis and has achieved a sales growth of 54% over last year. Your Company achieved this growth within limited market size coupled with economic & political challenges in Thailand, resulting in business drop with few customers. However, this was well compensated by our focused effort on widening our customer base & our product basket.

Your Company achieved highest ever growth of 106% both in PAT & EPS. This was achieved through various Business Process Improvements, increased product basket de-risking the business and enhanced understanding of market/region with a clear focus on high contribution products with effective supply chain management.

Your Company continues to strive hard with a clear focus on the business with industries like Glass, Automobile, Steel, Auto parts, Wood, Furniture and construction industry. At the same time, has planned to increase the product basket to existing customers from above industries to optimize efforts/opportunity available and improve net realization.

Continuing our approach to identify & develop various distributors/channel partners to address above industries have yielded highest ever 65% growth in trading business. Now your Company is embarking on building and nurturing business partners and customers to build this business with a long term prospective.

Your Company ensured leadership position for re profiling business in Thailand market & continues to explore opportunities to extend re-profiling business to other neighbouring countries. Further, working towards becoming a preferred Supplier, your Company is also attaining the leadership position in field of grinding.

WENDT GRINDING TECHNOLOGIES LIMITED

Your Company also participated in 2 exhibitions in Thailand & 1 in Vietnam with a clear focus on brand building & increasing market reach. Your Company has also developed local advertising materials, conducted technical seminars and organized sales meets to build product awareness, customer trust & brand image.

During the year, your Company has received "ISO9001-2008" certificate which is valid till 2013 with strong recommendation from "TUV NORD"

DIVIDEND-:

Your Company could achieve another important milestone and have declared and paid dividend of 20% during the financial year in review.

HUMAN RESOURCE -:

Your Company focused on its Employee motivation & Total involvement, through series of training programs and brain storming sessions. This was done to build a cohesive, lean and effective team. Multi skilling of employees was promoted and encouraged to enhance individual as well as organizational value. Your Company continues to focus on recruiting personnel with relevant adequate talent & positive attitude and focus on developing required skills with proper job orientation, on job training programmes.

During the year Company have maintained modest strength of 11 employees and plans to increase strength marginally to meet next year business plan & future growth .

DIRECTORS -:

As per law and Company's Articles of Association one third of the Directors will retire by rotation at every Annual General Meeting. During the sixth Annual General meeting Mr. M Nachiappan will retire by rotation and Mr JH Sastry will be appointed as new Director. The Board wishes to thank Mr M Nachiappan for the valuable and outstanding contribution made by him during his tenure as Director and also welcome Mr J H Sastry for joining the Board as the new Director of the Company.

AUDITORS -:

Mr. Varanon Trathong was appointed as the Auditor of your Company and shall retire at the conclusion of the Annual General Meeting. Since he is eligible for re-appointment, he offers himself for reappointment.

ACKNOWLEDGMENT -:

The Board of Directors record their appreciation for the excellent work done by the WGTL team and for the support ,co-operation and guidance extended by Wendt India Ltd, its parent Company. The Board of Directors would also like to thank the Government Departments , IEAT , United Overseas Bank (formerly Bank of Asia) M/s Deloitte Touche Tohmatsu Jaiyos Co., Ltd, Customers , Suppliers and Employees for the Continued Support and Co-operation.

Bangkok
9th April 11



RAJESH KHANNA
AUTHORISED DIRECTOR

REPORT OF INDEPENDENT AUDITOR

To Shareholders of Wendt Grinding Technologies Limited

I have audited the accompanying balance sheets of Wendt Grinding Technologies Limited as at March 31, 2011 and 2010, and the related statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wendt Grinding Technologies Limited as at March 31, 2011 and 2010, and the results of its operations, changes in shareholders equity and its cash flows for the years then ended in accordance with generally accepted accounting principles.



Varanon Trathong
Certified Public Accountant (Thailand)
Registration No. 6886

Bangkok, Thailand

April 9, 2011

WENDT GRINDING TECHNOLOGIES LIMITED**BALANCE SHEETS****AS AT MARCH 31, 2011 AND 2010**

	Note	31.03.2011 Baht	31.03.2010 Baht	31.03.2011 Rs.	31.03.2010 Rs.
ASSETS					
Current assets					
Cash and cash equivalent	4	31,243,744.21	9,691,226.67	45,834,572.76	14,217,029.52
Current investment	5	6,255,146.68	6,182,655.89	9,176,300.18	9,069,956.19
Trade accounts and notes receivable		6,338,360.60	6,612,418.00	9,298,375.00	9,700,417.21
Inventory - net	6	5,547,329.85	5,621,796.70	8,137,932.89	8,247,175.76
Other current assets	7	186,131.62	207,732.72	273,055.09	304,743.90
Total current assets		49,570,712.96	28,315,829.98	72,720,235.91	41,539,322.58
Non - current assets					
Property plant and equipment - net	8	19,436,684.61	22,011,430.64	28,513,616.32	32,290,768.75
Other asset	9	100,000.00	100,000.00	146,700.00	146,700.00
Total non - current assets		19,536,684.61	22,111,430.64	28,660,316.32	32,437,468.75
Total assets		69,107,397.57	50,427,260.62	101,380,552.24	73,976,791.33
LIABILITIES AND SHAREHOLDERS' EQUITY					
LIABILITIES					
Current liabilities					
Trade accounts payable - related companies		5,799,997.28	6,257,718.27	8,508,596.01	9,180,072.70
Trade accounts payable - other		941,373.18	906,078.38	1,380,994.46	1,329,216.98
Accrued dividend	16	5,119,934.52	-	7,510,943.94	-
Accrued expenses	10	750,565.02	532,566.58	1,101,078.88	781,275.17
Current portion of long - term debt	11	-	30,437.20	-	44,651.37
Other current liabilities	12	494,885.12	276,616.63	725,996.47	405,796.60
Income tax payable	14 & 15	3,490,875.62	1,890,359.10	5,121,114.53	2,773,156.80
Total current liabilities		16,597,630.74	9,893,776.16	24,348,724.30	14,514,169.63
Total liabilities		16,597,630.74	9,893,776.16	24,348,724.30	14,514,169.63
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
10,300,000 ordinary shares of Baht 10 each		103,000,000.00	103,000,000.00	151,101,000.00	151,101,000.00
Issued and 25% paid - up					
10,300,000 ordinary shares of Baht 10 each		25,750,000.00	25,750,000.00	37,775,250.00	37,775,250.00
Retained earnings					
Appropriated					
Legal reserve	17	1,300,000.00	586,379.06	1,907,100.00	860,218.08
Unappropriated					
Total shareholders' equity		52,509,766.83	40,533,484.46	77,031,827.94	59,462,621.70
Total liabilities and shareholders' equity		69,107,397.57	50,427,260.62	101,380,552.24	73,976,791.33

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

(Notes to financial statements are part of these financial statements)

WENDT GRINDING TECHNOLOGIES LIMITED**STATEMENT OF INCOME****FOR THE YEARS ENDED MARCH 31, 2011 AND 2010**

	Note	31.03.2011	31.03.2010	31.03.2011	31.03.2010
		Baht	Baht	Rs.	Rs.
REVENUES					
Sales		42,262,942.43	25,704,106.35	61,999,736.54	37,707,924.02
Services income		27,044,538.90	19,388,112.45	39,674,338.57	28,442,360.96
Other income	18	544,986.86	406,578.34	799,495.72	596,450.42
Total revenues		<u>69,852,468.19</u>	<u>45,498,797.14</u>	<u>102,473,570.83</u>	<u>66,746,735.40</u>
EXPENSES					
Raw materials cost		28,231,948.62	19,040,931.34	41,416,268.63	27,933,046.28
Cost of services		2,878,338.34	2,536,621.82	4,222,522.34	3,721,224.21
Other cost	23	2,095,889.68	1,364,963.91	3,074,670.16	2,002,402.06
Selling and administrative expenses		12,082,407.00	10,715,488.23	17,724,891.07	15,719,621.23
Total expenses	19	<u>45,288,583.64</u>	<u>33,658,005.30</u>	<u>66,438,352.20</u>	<u>49,376,293.78</u>
Profit before finance costs and income tax		24,563,884.55	11,840,791.84	36,035,218.63	17,370,441.63
Finance costs		137,006.20	102,659.95	200,988.10	150,602.15
Profit before income tax		24,426,878.35	11,738,131.89	35,834,230.54	17,219,839.48
Income tax	14 & 15	7,330,661.46	3,532,228.69	10,754,080.36	5,181,779.49
Net profit		<u>17,096,216.89</u>	<u>8,205,903.20</u>	<u>25,080,150.18</u>	<u>12,038,059.99</u>
Basic earnings per share	3	1.66	0.80	2.43	1.17

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

(Notes to financial statements are part of these financial statements)

WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	Baht	Baht	Rs.	Rs.
Cash flows from operating activities				
Net profit	17,096,216.89	8,205,903.20	25,080,150.18	12,038,059.99
Adjustment to reconcile net profit to net cash provided by (used in) operating activities				
Depreciation	2,966,771.25	2,749,089.61	4,352,253.42	4,032,914.46
Unrealized (gain) loss on exchange rate	(55,124.65)	(76,948.30)	(80867.86)	(112883.16)
Net profit from operating before changes of operating assets and liabilities	20,007,863.49	10,878,044.51	29,351,535.74	15,958,091.30
Operating assets (increase) decrease				
Trade accounts and notes receivable	274,057.40	(1,260,070.80)	402,042.21	- 1,848,523.86
Inventory	74,466.85	(2,207,504.97)	109,242.87	- 3,238,409.79
Other current assets	21,601.10	14,220.29	31,688.81	20,861.17
Operating liabilities increase (decrease)				
Trade accounts payable - related companies	(427,515.04)	1,931,821.51	627,164.56	2,833,982.16
Trade accounts payable - other	60,213.50	410,515.77	88,333.20	602,226.63
Accrued dividend	5,119,934.52	-	7,510,943.94	-
Accrued expense	217,998.44	163,533.85	319,803.71	239,904.16
Other current liabilities	218,268.49	(266,907.18)	320,199.87	(391552.83)
Income tax payable	1,600,516.52	754,389.13	2,347,957.73	1,106,688.85
Net cash provided by operating activities	27,167,405.27	10,418,042.11	39,854,583.53	15,283,267.78
Cash flows from investing activities				
Invest in current investment	(72,490.79)	(45,597.46)	(106343.99)	(66891.47)
Increase in property, plant and equipment	(448,045.89)	(1,778,756.84)	(657283.32)	(2609436.28)
Decrease in property, plant and equipment	56,020.67	14,213.66	82,182.32	20,851.44
Net cash used in investing activities	(464,516.01)	(1,810,140.64)	(681,444.99)	(2,655,476.32)
Cash flows from financing activities				
Dividend paid	(5,119,934.52)	(5,150,000.00)	(7510943.94)	(7555050.00)
Financial lease payment	(30,437.20)	(121,750.08)	(44651.37)	(178607.37)
Net cash provided by financing activities	(5,150,371.72)	(5,271,750.08)	(7,555,595.31)	(7,733,657.37)
Net increase (decrease) in cash and cash equivalent	21,552,517.54	3,336,151.39	31,617,543.23	4,894,134.09
Cash and cash equivalent at the beginning of the period	9,691,226.67	6,355,075.28	14217029.52	9322895.44
Cash and cash equivalent at the ended of the period	31,243,744.21	9,691,226.67	45,834,572.76	14,217,029.52
Cash paid during the period				
Interest expense	4,297.33	15,938.28	6304.18	23381.46
Income tax	5,370,144.94	2,777,839.56	7878002.63	4075090.63

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

(Notes to financial statements are part of these financial statements)

WENDT GRINDING TECHNOLOGIES LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	<i>Issued and 25%paid up</i>			<i>Retained earnings</i>			<i>Total</i>	<i>Issued and 25%paid up</i>			<i>Retained earnings</i>			<i>Total</i>	
	<i>Share Capital</i>		<i>Legal reserve</i>	<i>Unappropriated</i>	<i>Legal reserve</i>	<i>Unappropriated</i>		<i>Share Capital</i>		<i>Legal reserve</i>	<i>Unappropriated</i>	<i>Legal reserve</i>	<i>Unappropriated</i>		<i>Total</i>
	<i>Baht</i>	<i>Baht</i>						<i>Baht</i>	<i>Baht</i>						
Opening balance April 1, 2009	25,750,000.00	-	11,727,581.26	37,477,581.26	37,775,250.00	-	17,204,361.71	54,979,611.71							
Dividend paid (Note 16)	-	-	(5,150,000.00)	(5,150,000.00)	-	-	(7555050.00)	(7,555,050.00)							
Legal reserve (Note 17)	-	586,379.06	(586,379.06)	-	-	860,218.08	(860218.08)	-							
Net profit	-	-	8,205,903.20	8,205,903.20	-	-	12,038,059.99	12,038,059.99							
Closing balance as of March 31, 2010	25,750,000.00	586,379.06	14,197,105.40	40,533,484.46	37,775,250.00	860,218.08	20,827,153.62	59,462,621.70							
Dividend paid (Note 16)	-	-	(5,119,934.52)	(5,119,934.52)	-	-	(7510943.94)	(7,510,943.94)							
Legal reserve (Note 17)	-	713,620.94	(713,620.94)	-	-	1,046,881.92	(1046881.92)	-							
Net profit	-	-	17,096,216.89	17,096,216.89	-	-	25,080,150.18	25,080,150.18							
Closing balance as of March 31, 2011	25,750,000.00	1,300,000.00	25,459,766.83	52,509,766.83	37,775,250.00	1,907,100.00	37,349,477.94	77,031,827.94							

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

(Notes to financial statements are part of these financial statements)

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

NOTE 1 GENERAL INFORMATION

WENDT GRINDING TECHNOLOGIES LTD. was established and registered with the Ministry of Commerce on July 19, 2005 with registration number 0105548094407. Its registered office is at 109/21 Moo 4 Eastern Seaboard Industrial Estate Tambol Pluakdaeng, Ampur Pluakdaeng, Rayong, Thailand. The principle business of the Company is to provide services and merchandise in manufacturing business.

NOTE 2 BASIS OF FINANCIAL STATEMENT PREPARATION

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards (TAS) issued under the Accounting Profession Act B.E. 2547 including interpretation and accounting treatment guidance announced by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King except for accounting standards in accordance with the announcement of Federation of Accounting Professions No.21/2550 dated July 20, 2007 "Accounting Standards with Exemption of Enforcement on Non-Public Companies" Those are :

- TAS 14 Segment report (formerly TAS 24)
- TAS 24 Related Party Disclosure (revised 2007) (formerly TAS 47)
- TAS 27 Consolidated Financial Statements and Separate Financial Statements (revised 2007) (formerly TAS 44)
- TAS 28 Interests in Join Ventures (revised 2007) (formerly TAS 45)
- TAS 31 Accounting for Investment in associates (revised 2007) (formerly TAS 46)
- TAS 32 Financial Instrument: Disclosure and Presentation (revised 2007) (formerly TAS 48)
- TAS 36 Impairment of assets (revised 2007) (formerly TAS 36)

The Financial statements have been prepared in accordance with the announcement by the Department of Business Development relating to the requirement of minimum line items in the financial statements B.E. 2552 date January 30, 2009 pursuant to the third paragraph of section 11 of the Accounting Act B.E. 2543. This announcement is effective for the accounting period beginning on or after January 1, 2009.

For convenience of the readers, an English translation of financial statements have been prepared from the Thai language statutory financial statements which is issued for domestic financial reporting purposes.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Recognition of revenues and expenses
Revenues and expenses are recognized on accrual basis.
2. Cash and cash equivalent

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

Cash and cash equivalent include cash deposits in type of saving, current and not exceeding three - month fixed deposit with no guarantee obligation.

3. Current investment

Current investments are investment in time deposit, fund or other investment which due starting from 3 months and not exceeding 12 months with no guarantee obligation.

4. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost computed on weighted average basis includes freight, fees and duties

5. Depreciation

Depreciation is computed by straight - line method to write off the cost of each assets to value over its estimated useful life as follows:

Building	20 years
Machine, Equipment and Tools	5 years
Furniture and fixture	5 years
Vehicle	5 years

6. Foreign currencies

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the balance sheet date denominated in foreign currencies are translated into Thai Baht at the exchange rate at balance sheet date. Gain and loss resulting from settlement are recognized in the statement of income when incurred.

7. Use of estimate

The preparation of the financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the amounts of revenues and expenses in the reported periods. Actual results may differ from those estimates.

8. Basic earning (loss) per share

Basic earning (loss) per share is computed by dividing net profit (loss) for the year by the number of shares outstanding at the end of year.

NOTE 4 CASH AND CASH EQUIVALENT comprise

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Cash on hand	25706.50	58483.00	37711.44	85794.56
Cash at bank	31218037.71	9632743.67	45796861.32	14131234.96
Total	31243744.21	9691226.67	45834572.76	14217029.52

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 5 CURRENT INVESTMENT comprise:

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Investment	6000000.00	6000000.00	8802000.00	8802000.00
Interest Earned	255146.68	182655.89	374300.18	267956.19
Total	6255146.68	6182655.89	9176300.18	9069956.19

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

In January 8, 2008 the Company invests in "UOB Protect 3M2 Fund" from UOB Asset Management in the amount of Baht 3 million (Rs.4.401 million) due in 3 months the latest interest at 1.15 % per annum.

In September 4, 2008 the Company invests in "UOB Sure Daily Open-ended Fund" from UOB Asset Management in the amount of Baht 3 million (Rs.4.401 million) due in 3 months the latest interest at 1.27 % per annum.

NOTE 6 INVENTORY comprise:

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Trading product	2881265.96	3570678.01	4226817.16	5238184.64
Goods in transit	2235813.40	1707481.27	3279938.26	2504875.02
Supplies	430250.49	343637.42	631177.47	504116.10
Total	5547329.85	5621796.70	8137932.89	8247175.76

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 7 OTHER CURRENT ASSETS comprise :

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Advance payment	12182.00	29116.50	17870.99	42713.91
Deposits	40000.00	40000.00	58680.00	58680.00
Prepaid expenses	124224.26	128458.52	182236.99	188448.65
Unrealised input VAT	9725.36	10157.70	14267.10	14901.35
Total	186131.62	207732.72	273055.09	304743.90

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 8 PROPERTY PLANT AND EQUIPMENT - NET comprise:

Baht

At cost 2011	As at 31.03.10	Increase	Disposal	As at 31.03.11
Land	5341850.00	-	-	5341850.00
Building and improvement	14946700.00	135000.00	-	15081700.00
Machine	7553676.92	-	-	7553676.92
Office equipment	1352531.74	313045.89	85070.87	1580506.76
Tools	241169.92	-	-	241169.92
Vehicle	2024253.08	-	-	2024253.08
Total	31460181.66	448045.89	85070.87	31823156.68

Accumulated depreciation				
Building and improvement	3326400.60	748296.75	-	4074697.35
Machine	4132950.40	1482917.58	-	5615867.98
Office equipment	661479.83	285920.38	29050.20	918350.01
Tools	154256.32	45062.46	-	199318.78
Vehicle	1173663.87	404574.08	-	1578237.95
Total	9448751.02	2966771.25	29050.20	12386472.07
Property plant and equipment - net	22011430.64			19436684.61
Depreciation for the year	2749089.61			2966771.25

Rs.

At cost 2011	As at 31.03.10	Increase	Disposal	As at 31.03.11
Land	7836493.95	-	-	7836493.95
Building and improvement	21926808.90	198045.00	-	22124853.90
Machine	11081244.04	-	-	11081244.04
Office equipment	1984164.06	459238.32	124798.97	2318603.42
Tools	353796.27	-	-	353796.27
Vehicle	2969579.27	-	-	2969579.27
Total	46152086.50	657283.32	124798.97	46684570.85

Accumulated depreciation				
Building and improvement	4879829.68	1097751.33	-	5977581.01
Machine	6063038.24	2175440.09	-	8238478.33
Office equipment	970390.91	419445.20	29050.20	1347219.46
Tools	226294.02	66106.63	-	292400.65
Vehicle	1721764.90	593510.18	-	2315275.07
Total	13861317.75	4352253.42	29050.20	18170954.53
Property plant and equipment - net	32290768.75			28513616.32
Depreciation for the year	4032914.46			4352253.42

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

NOTE 9 OTHER ASSET comprise:

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Deposit to Thai Government (Use of electricity)	100000.00	100000.00	146700.00	146700.00
Total	100000.00	100000.00	146700.00	146700.00

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 10 ACCRUED EXPENSES comprise :

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Bonus	461783.33	300000.00	677436.15	440100.00
Training	108408.60	-	159035.42	-
Commission	21887.04	10377.68	32108.29	15224.06
Travelling expense	26255.70	88304.90	38517.11	129543.29
Electricity and telephone	29764.85	36194.50	43665.03	53097.33
Social Security Fund	14390.00	12098.00	21110.13	17747.77
Others	88075.50	85591.50	129206.76	125562.73
Total	750565.02	532566.58	1101078.88	781275.17

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 11 FINANCIAL LEASE CONTRACTS PAYABLE – NET comprise:

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Financial lease contracts payable	-	34701.00	-	50906.37
Less: Future interest in the financial lease contracts	-	4263.80	-	6254.99
Total	-	30437.20	-	44651.37
Less: Current portion of financial lease contracts payable	-	30437.20	-	44651.37
Net	-	-	-	-

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 12 OTHER CURRENT LIABILITIES comprise:

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Output VAT suspense	225792.63	148636.95	331237.79	218050.41
VAT payable	192864.25	59694.64	282931.85	87572.04

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

Withholding taxes payable	76228.24	68285.04	111826.83	100174.15
Total	494885.12	276616.63	725996.47	405796.60

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 13 EXCHANGE RATE

Rate by Bank of Thailand as at March 31	2011	2010
Average selling rate USD: THB	30.43	32.53
Average selling rate EUR: THB	43.17	43.74

NOTE 14 INCOME TAX CALCULATION

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Profit before tax	24426878.35	11738131.89	35834230.54	17219839.48
Add back - Unclaimed expenses	16934.86	42863.74	24843.43	62881.10
Less: Training	(8275.00)	(6900.00)	12139.42	10122.30
Profit for taxation	24435538.21	11774095.63	35846934.55	17272598.29
Income Tax30%	7330661.46	3532228.69	10754080.36	5181779.48

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 15 INCOME TAX PAYABLE

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Income tax	7330661.46	3532228.69	10534160.52	5075812.63
Less: Half year income tax	(3045571.78)	(1097758.15)	4376486.65	1577478.46
Less: Prepaid income tax	(794214.06)	(544111.44)	1141285.60	781888.14
Income tax payable	3490875.62	1890359.10	5121114.53	2773156.80

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 16 DIVIDEND

In accordance with the minutes of the Board of Director Meeting No.1/2011 held on March 15, 2011, the board approved interim dividend payment at 37% of net profit from the period from April 1, 2010 to December 31, 2010 in the amount of Baht 5,119,934.52 (Rs.7,510,943.94).

In accordance with the minutes of the Board of Director Meeting No.1/2009 held on December 15, 2009, the Board approved dividend payment on retained earnings for the year ended March 31,

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

2009 of Baht 0.50 per share totaling Baht 5,150,000/- (Rs.7,555,050/-) and were paid to shareholders on December 23, 2009.

NOTE 17 LEGAL RESERVE

In accordance with the provisions of the Civil and Commercial Code of Thailand, the Company has to set aside as a legal reserve at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of authorized capital. The reserve is not available for dividend distribution.

NOTE 18 OTHER INCOME

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Gain on exchange rate	351804.80	317164.54	516097.64	465280.38
Interest income	141301.88	85371.74	207289.85	125240.34
Sales scrap	51880.18	4042.06	76108.22	5929.70
Total	<u>544986.86</u>	<u>406578.34</u>	<u>799495.72</u>	<u>596450.42</u>

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 19 EXPENSES BY NATURE

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Changes in inventory of finished goods (Note 20)	689412.05	(1634778.69)	1011367.48	2398220.34
Changes in inventory of supplies (Note 21)	(86613.07)	222609.99	127061.37	326568.86
Purchase finished goods and supplies	28835176.80	21575425.80	42301204.37	31651149.65
Employee benefit expenses (Note 22)	6448645.86	5932070.01	9460163.48	8702346.70
Depreciation (Note 5)	2966771.25	2749089.61	4352253.42	4032914.46
Management fee (Note 23)	2095889.68	1364963.91	3074670.16	2002402.06
Advertising promotion	796665.58	740058.22	1168708.41	1085665.41
Repair and maintenance	424836.84	234384.25	623235.64	343841.69
Others	3117798.65	2474182.20	4573810.62	3629625.29
Total	<u>45288583.64</u>	<u>33658005.30</u>	<u>66438352.20</u>	<u>49376293.78</u>

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 20 CHANGES IN INVENTORY OF FINISHED GOODS

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Finished goods at the beginning of the year	3570678.01	1935899.32	5238184.64	2839964.30
Less: Finished goods at the ended of the year	<u>2881265.96</u>	<u>3570678.01</u>	<u>4226817.16</u>	<u>5238184.64</u>
Total	<u>689412.05</u>	<u>(1634778.69)</u>	<u>1011367.48</u>	<u>2398220.33</u>

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

WENDT GRINDING TECHNOLOGIES LIMITED

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

NOTE 21 CHANGES IN INVENTORY OF SUPPLIES

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Supplies at the beginning of the year	343637.42	566247.41	504116.09	830684.95
Less: Supplies at the ended of the year	430250.49	343637.42	631177.46	504116.09
Total	(86613.07)	222609.99	127061.37	326568.85

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 22 EMPLOYEE BENEFIT EXPENSES

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Salary and allowance	5179955.50	5048943.17	7598994.72	7406799.63
Bonus	546412.86	374916.67	801587.66	550002.75
Staff welfare	639050.50	441297.17	937487.08	647382.94
Social Security Fund	83227.00	66913.00	122094.00	98161.37
Total	6448645.86	5932070.01	9460163.48	8702346.70

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 23 OTHER COST

	2011 Baht	2010 Baht	2011 Rs.	2010 Rs.
Management fee	2095889.68	1364963.91	3074670.16	2002402.05
Total	2095889.68	1364963.91	3074670.16	2002402.05

The Indian Rupee equivalent to the figures given in foreign currency have been converted at 1 Baht = INR 1.467

NOTE 24 RECLASSIFICATION

Certain items in the financial statements for the period ended March 31, 2010 have been reclassified for comparative purposes and to coincide with the classification presented in the financial statements for the year ended March 31, 2011.

NOTE 25 APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized director of the Company.