

**43rd**  
**ANNUAL REPORT**  
**2005-2006**

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**WINDSOR**

**WINDSOR MACHINES LIMITED**

**WINDSOR****Board of Directors**

Mr. Bhupen C. Dalal  
 Mr. K. C. Gupte Additional Director  
 Mr. Ramen Ray Mandal Nominee Director  
 Mr. G. D. Medhe  
 Mr. R. R. Nagrajan Executive Director  
 Mr. Alok M. Tibrewala

**Auditors**

Haribhakti & Co.  
 Chartered Accountants

**Bankers**

Canara Bank  
 Corporation Bank  
 State Bank of India

**Registered Office & Thane Factory**

Plot E-6, U2 Road,  
 Wagle Industrial Estate,  
 Thane - 400 604

**Vatva Factory**

Plot 5403, Phase IV, GIDC, Vatva  
 Ahmedabad-382 445

**Chhatral Factory**

Plot No.6 & 7, GIDC Indl. Estate,  
 Chhatral Tal. Kalol, Dist. Mehsana,  
 Gujarat-382 729

**Corporate Office**

'C' Building, 1st Floor,  
 Shah Industrial Estate,  
 Saki Vihar Road,  
 Mumbai - 400 072

**Registrar & Transfer Agents**

Intime Spectrum Registry Ltd.  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (W),  
 Mumbai - 400 078.

<b>CONTENTS .....</b>	<b>Page</b>
Notice .....	1
Directors' Report .....	4
Corporate Governance Report .....	9
Auditors' Certificate on Corporate Governance .....	17
Management Discussion & Analysis Report .....	18
Auditors' Report & Annexure .....	22
Balance Sheet .....	26
Profit & Loss Account .....	27
Cash Flow Statement .....	28
Schedules & Notes on Account .....	29

**Annual Report 2005-2006****43rd Annual General Meeting**

Date : 22nd December, 2006

Day : Friday

Time : 11.00 a.m.

Place : Thane Small Scale Industries  
 Association, TSSIA House,  
 Plot No. P-26, Road No. 16-T,  
 Wagle Industrial Estate,  
 Thane - 400 604

Members are requested to bring their copies of Annual Report to the Annual General Meeting.

# NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of WINDSOR MACHINES LIMITED will be held at the Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Industrial Estate, Thane - 400 604, on Friday the 22nd December, 2006 at 11:00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 2006 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Alok M. Tibrewala who retires at this meeting, and being eligible, offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Audit Committee of the Board to fix their remuneration.

## SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Ramen Ray Mandal, who was appointed as a Nominee Director of the Company by the Board of Directors at their meeting held on 25<sup>th</sup> April 2006, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom a notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. Ramen Ray Mandal as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to determination by retirement of Directors by rotation."

5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. K. C. Gupte, who was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 28<sup>th</sup> July 2006, and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. K. C. Gupte as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

By Order of the Board of Directors

Registered Office :  
Plot E-6, U2 Road,  
Wagle Industrial Estate,  
Thane - 400 604  
Dated : 27th October, 2006

**R. R. Nagrajan**  
Executive Director

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the company not later than 48 hours before the meeting.

*Annual  
Report  
2005-2006*

**WINDSOA**

3. **The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 11th December, 2006 to Friday the 22nd December, 2006 (both days inclusive).**
4. Members having any questions on the statement of accounts and other details included in this annual report are advised to submit such queries in writing at the Registered Office of the Company so as to reach not later than 16th December, 2006.
5. Members are requested to notify immediately any change in address to the Registrars at the following address :  
  
M/s. Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
6. The unclaimed dividends upto the Company's financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

Consequent upon the amendment of Section 205A and the introduction of 205C by the Companies (Amendment) Act, 1999 the amount for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the company has been transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and accordingly no payments can be made in respect of any such claims by the Fund.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM NO. 4**

Mr. Ramen Ray Mandal was appointed as a Nominee Director on behalf of ICICI Bank Limited with effect from 25<sup>th</sup> April, 2006, and accordingly, in terms of the provisions of the Articles of Association and Section 260 of the Companies Act, 1956, holds office only upto the date of the forthcoming Annual General Meeting.

Mr. Ramen Ray Mandal is an alumni of the Indian Institute of Technology and the Indian Institute of Management, Kolkata and has experience in varied areas of management and hence his appointment would benefit the Company through his extensive knowledge.

Your Directors recommend the resolution set out in the Notice for your approval.

Notice pursuant to Section 257 of the Companies Act, 1956, has been received from a Member, signifying his intention to propose the appointment of Mr. Ramen Ray Mandal. This may also be treated as individual notice to the Members of his candidature, pursuant to Section 257 (1A) of the Companies Act, 1956.

None of the Directors are concerned or interested in the proposal except Mr. Ramen Ray Mandal.

**ITEM NO. 5**

Mr. K. C. Gupte was appointed as an Additional Director of the Company with effect from 28<sup>th</sup> July, 2006, and accordingly, in terms of the provisions of the Articles of Association and Section 260 of the Companies Act, 1956, holds office only upto the date of the forthcoming Annual General Meeting.

Mr. Gupte is a qualified Cost and Works Accountant with a Diploma in Management Accounting from the Mumbai University. Mr. Gupte has varied experience in general corporate management particularly in different areas of finance and his appointment would benefit the Company through his extensive knowledge of close to three decades.

*Annual  
Report  
2005-2006*

Your Directors recommend the resolution set out in the Notice for your approval.

Notice pursuant to Section 257 of the Companies Act, 1956, has been received from a Member; signifying his intention to propose the appointment of Mr. K. C. Gupte. This may also be treated as individual notice to the Members of his candidature, pursuant to Section 257 (1A) of the Companies Act, 1956.

None of the Directors are concerned or interested in the proposal except Mr. K. C. Gupte.

By Order of the Board of Directors

Registered Office :  
Plot E-6, U2 Road,  
Wagle Industrial Estate,  
Thane - 400 604  
Dated : 27th October, 2006

**R. R. Nagrajan**  
Executive Director

**Details of Directors Seeking Appointment**  
(In Pursuance of Clause 49 of The Listing Agreement)

Name of Director	Mr. Alok M. Tibrewala	Mr. Ramen Ray Mandal	Mr. K.C. Gupte
Date of Birth	7.1.1963	02.12.1968	30.09.1951
Date of appointment	25.8.2003	25.04.2006	28.07.2006
Qualifications	Chemical Engineer	B.Tech (Elect. & Electronics), IMM Kolkata	B.Com. AICWA. DMA
Experience in special functional areas	Experience in Sales & Marketing	Has gained experience in different facets of corporate finance and banking.	General corporate management particularly in Finance.
Chairman/Director of other companies	Nil	Nil	1. Kiddy Plast Ltd. 2. DGP Enterprises Pvt. Ltd. 3. Aristocrat Luggage Ltd. 4. DGP Securities Ltd.
Chairman/Member of Committees of the Board of Companies of which he or she is a Director	Nil	Nil	<b>Audit Committee</b> Aristocrat Luggage Ltd. DGP Securities Ltd.  <b>Investor Grievance Committee</b> DGP Securities Ltd.

*Annual  
Report  
2005-2006*

**WINDSOR**

# DIRECTORS' REPORT

Dear Members,

Your Directors present the 43rd Annual Report of your Company and the audited accounts for the year ended 30th June, 2006.

## 1. PERFORMANCE OF THE COMPANY

### 1.1 RESULTS

(Rs. In lacs)

<b>FINANCIAL HIGHLIGHTS</b>	<b>Year ended 30.06.2006</b>	<b>Year ended 30.06.2005</b>
Sales, Income from operations and other income net of excise	<b>10280.38</b>	10947.72
Profit / (Loss) before Interest & Depreciation	<b>273.01</b>	152.40
<b>Less</b> : Interest	<b>674.50</b>	1821.07
<b>Less</b> : Depreciation	<b>222.56</b>	311.92
(Loss) before Extra Ordinary items and tax	<b>(624.05)</b>	(1980.59)
Extra Ordinary Items (net)	<b>(2033.27)</b>	46.75
(Loss) before Tax	<b>(2657.32)</b>	(1933.84)
<b>Less</b> : Provision for Taxation	<b>0.50</b>	0.50
Fringe benefit tax	<b>27.15</b>	—
(Loss) after Tax	<b>(2684.97)</b>	(1934.34)
<b>Add/(Less)</b> : Prior year's adjustments (net)	<b>65.01</b>	2.80
	<b>(2619.96)</b>	(1931.54)
<b>Add</b> : Balance brought forward from previous year	<b>(9355.56)</b>	(7424.02)
Balance carried to Balance Sheet	<b>(11975.52)</b>	(9355.56)

### 1.2 DIVIDEND :

In view of the accumulated losses, your Directors do not recommend any dividend for the current year.

## 2. OPERATIONS :

The investment climate in the country has improved during the year, as compared to the previous year. Your Company has been able to realize marginally better prices on its machines in the current year. Your Company has in the current year sold 318 machines to achieve a turnover of Rs. 100.01 crores as compared to 351 machines in the previous year to achieve a turnover of Rs.101.21 crores. Despite this your company is facing tremendous pressure on the contributions due to increase in the input cost of materials, being primarily steel. Your company has been able to continue its control on the employee costs and administrative costs. The profit before interest and depreciation improved to Rs. 273.01 lacs in the current year as against Rs. 152.40 lacs in the previous year.

Detailed analysis of the operations of the company are available in the 'Management Discussion and Analysis' forming part of the Annual Report. The operations of the Thane unit of the company continue to be closed.

## 3. DOMESTIC SALES & EXPORT BUSINESS :

The Extrusion machinery business of your Company has picked up in the current year also. The turnover of the extrusion machinery business has grown by over 10% in relation to the previous year. The turnover in the injection moulding machinery has shown a fall of 15% in spite of the products being well accepted in the market by your customers. The fall in the

Annual  
Report  
2005-2006



turnover of the injection moulding machines is primarily due to the tight working capital position experienced by the business. The important thing however is that contribution margins have been improved due to superior product performance in comparison to competition from cheap imports from other Asian economies like China and Taiwan. The turnover in the injection moulding machinery business is expected to increase in the current year as the Company is focusing on vendor management programme and enhancing its delivery performance. Export turnover in the current year has reduced by 4% in comparison to the previous year again primarily due to constraints of working capital. However, the customers' faith in the quality and efficiency of the machines manufactured by your Company continue to grow and the order book from export markets continues to be healthy. We therefore feel that the export market, which has shown marginal fall will also revive and show satisfactory growth in the coming year.

#### 4. BUSINESS OUTLOOK :

The Company had through its lenders approached the Corporate Debt Restructuring (CDR) Cell during the year for restructuring its debt, which has been exceptionally high in relation to the volume of business. The CDR cell through its Empowered Group approved a debt-restructuring scheme for the Company.

The Company also being a Sick Industrial Company had made a reference to the Board of Industrial and Financial Reconstruction (BIFR) and has been declared sick as per the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company envisages that in view of the declaration of sickness made by the BIFR, a rehabilitation proposal under the aegis of the BIFR and on the lines of the debt restructuring scheme already approved by CDR Cell will be discussed and additional relief etc. will be available to the Company. The Company expects to have a better outlook once the rehabilitation package is also approved. The working capital constraints that principally caused the injection moulding machinery business to drop this year would be adequately addressed through these measures.

#### 5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. that in the preparation of the annual accounts for the financial year ended 30th June, 2006 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors have prepared the accounts for the financial year ending 30th June, 2006 on a 'going concern' basis.

#### 6. CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis, Report on Corporate Governance and the Auditors' Certificate regarding compliance of requirements of Corporate Governance, are provided as part of the Annual Report.

#### 7. INSURANCE :

All the assets of your Company including Plant and Machinery, Buildings, Equipments, raw materials, work-in-progress, finished goods, etc. have been adequately insured.

#### 8. DEPOSITORY :

The Company's shares are tradable compulsorily in electronic form and your company has established connectivity with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd., (CDSL).

*Annual  
Report  
2005-2006*

**WINDSOR****9. ENVIRONMENT PROTECTION :**

The Company has been complying with the requirements of the Pollution Control Regulations in the state of Gujarat.

**10. DIRECTORS :**

Mr. Alok Tibrewala is to retire by rotation and being eligible offers himself for re-appointment.

Mr. Ramen Ray Mandal has been appointed as a Nominee Director with effect from 25<sup>th</sup> April, 2006, will hold office till the ensuing Annual General Meeting. Notice in writing under section 257 of the Companies Act, 1956 has been received from member proposing his candidature.

Mr. K. C. Gupte has been appointed as an Additional Director with effect from 28<sup>th</sup> July, 2006, will hold office till the ensuing Annual General Meeting. Notice in writing under section 257 of the Companies Act, 1956 has been received from member proposing his candidature.

**11. AUDITORS :**

The Auditors M/s Haribhakti & Co. retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed. As required under the provisions of Section 224 of the Companies Act, 1956, the Company has obtained a written certificate from the Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section. A proposal seeking their re-appointment is provided as part of the Notice of the ensuing Annual General Meeting.

**12. AUDITORS' REMARKS :**

As regards the observations made by the auditors the explanations given in Notes to the Accounts are self explanatory and need no further comments except in case of item (ix) (a) of the annexure to the Auditors' Report in respect of which your Company is making arrangements for the necessary payments.

**13. STATUTORY DISCLOSURES :**

- a. Particulars to be disclosed as per the provisions of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure, which forms part of the report.
- b. The Company has no employee drawing Rs.24,00,000/- p.a. or more during the year or part thereof and hence there are no particulars to be furnished under Section 217(2A) of the Companies Act, 1956.
- c. The Company has not received instructions from two depositors for repayment of deposits amounting to Rs.15,000/- as at 30th June, 2006.

**14. REGISTRATION WITH BIFR :**

As the accumulated losses at the end of the financial year ended 30<sup>th</sup> June, 2006, continue to exceed the entire net worth, your company is a Sick Industrial Company as per provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). A reference had been made and the Company has been declared a Sick Industrial Company by the Board of Industrial and Financial Reconstruction (BIFR) as provided under the SICA.

**15. ACKNOWLEDGEMENT :**

Your Directors record their gratitude to the Financial Institutions, to the Banks, CDR Cell, the BIFR, Government departments, Vendors, Customers for their assistance and co-operation during the year.

Your Directors also wish to place on record their appreciation of the services of the employees of the Company.

For and on behalf of the Board of Directors

Mumbai  
Dated : 27th October, 2006

**B. C. Dalal**  
Director

**R. R. Nagrajan**  
Executive Director

*Annual  
Report  
2005-2006*



## ANNEXURE TO THE DIRECTORS' REPORT

DISCLOSURES OF PARTICULARS WITH REQUEST TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### A. CONSERVATION OF ENERGY :

#### Measures taken :

- (1) Most of the machines made by us currently are with Variable Pump, resulting into reduction of Power Consumption at customers' end.

### B. TECHNOLOGY ABSORPTION :

1. The company has approval from the Department of Scientific and Industrial Research for its R & D units at its factories in Vatva, Chhatral and Thane. During the year the specific activities of interest are :

#### a) INJECTION MOULDING MACHINE DIVISION :

- 1) Completed design and development of SPRINT 850T Hydro mechanical machines and high speed toggle "CASTLE" machine
- 2) Design of MARK 180T Hydro mechanical machine.

#### b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) KTS 700 PVC Pipe Plant.
- 2) Tie bar less Blow Moulding Machine DG 1000/H2
- 3) 1800 mm Three layer plant with oscillating nip.
- 4) 5 Layer Blown Film Line for manufacturing of Barrier Films for packaging.

### 2. R & D activity for the future includes :

#### a) INJECTION MOULDING DIVISION :

- 1) Design and Development of MARK RANGER 180T Hydro-mechanical double shot machine.
- 2) Development of MARK 180T Hydro-mechanical machine.
- 3) Design and development of double shoot toggle type machine – SUMO PRINCE 180T

#### b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) 800 kg/hr film output design by collaborator's support.
- 2) Quadruple Co-extrusion Die head suitable for 800 kg/hr output.
- 3) Large diameter HDPE Pipe Model.

*Annual  
Report  
2005-2006*

**WINDSOR****3. Expenditure On R & D**

Rs. in lacs

	2005-2006	2004-2005
a. Capital Expenditure	—	—
b. Recurring Expenditure	55.18	61.54
c. Total	55.18	61.54

Total R & D Expenditure works out to 0.55% (previous year 0.61%) of the turnover (Net of Excise Duty) of the company.

**C. FOREIGN EXCHANGE EARNED AND USED.**

Details of foreign exchange earning and expenditure of the Company have been given in point no. 12 and 13 of Schedule 'V' to the Notes to Accounts.

Annual  
Report  
2005-2006

