

46th
ANNUAL REPORT
2008-2009

Report  junction.com

WINDSOR

WINDSOR MACHINES LIMITED

WINDSOR**Board of Directors**

Mr. R. R. Nagrajan Executive Director
 Mr. P. C. Kundalia
 Mr. K. C. Gupte
 Mr. M. K. Arora

Auditors

Haribhakti & Co.
 Chartered Accountants

Bankers

Canara Bank

Registered Office & Thane Factory

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

Vatva Factory

Plot 5402-5403, 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

102/103, Dev Milan,
 L.B.S. Marg,
 Thane (W) - 400 604

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W),
 Mumbai - 400 078.
 Tel. : 2596 3838
 Fax : 2596 2691

CONTENTS

Page

Notice	1
Directors' Report.....	3
Corporate Governance Report	9
Auditors' Certificate on Corporate Governance	19
Management Discussion & Analysis Report	20
Auditors' Report & Annexure	24
Balance Sheet	28
Profit & Loss Account	29
Cash Flow Statement	30
Schedules & Notes on Account.....	31

Annual Report 2008-2009

46th Annual General Meeting

Date : 18th September, 2009

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

ANNUAL REPORT
2008-2009

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

NOTICE

NOTICE is hereby given that the 46th 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 18th September, 2009 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit and Loss Account for the year (9 months) ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. K. Arora 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.

By Order of the Board of Directors

Registered Office :
Plot E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 29th June, 2009

P. C. KUNDALIA
Director

Report Junction.com

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.
3. **Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Tuesday the 08th September, 2009 to Friday the 18th September, 2009 (both days inclusive).**
4. Members desirous of obtaining any information in respect of Accounts and operations of the Company are requested to write to the Company at least one week before the meeting, to enable the Company to make available the required information at the meeting.
5. Members are requested to notify immediately any change in address to the Registrars at the following address :

M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078.
6. Consequent upon the amendment of Section 205A and the insertion of 205C by the Companies (Amendment) Act, 1999 the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the company shall be transferred to the Investor Education and Protection Fund (the Fund) set up by the Government of India and no payments can be made in respect of any such claims by the Fund.

ANNUAL REPORT
2008-2009

WINDSOR

7. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their own copies to the Meeting.
8. Details of Directors Seeking Appointment
(In Pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. M. K. Arora
Date of Birth	21.9.1943
Date of appointment	29.09.2007
Qualifications	M.Com. L.L.B. ACS, AICWA
Experience in special functional areas	Has vast experience in all facets of legal and corporate matters.
Chairman/Director of other companies	<ul style="list-style-type: none"> – Vibhuti Investments Co. Ltd. – DGP Capital Management Ltd. – DGP Enterprises Pvt. Ltd. – Priya Ltd. – Smart Manager Media Pvt. Ltd. – Trimurti Glass Containers Ltd. – Blow Plast Retail Ltd. – Alcon Finance & Investments Ltd.
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	Windsor Machines Ltd. <ul style="list-style-type: none"> – Audit Committee – Member – Investors' Grievances & Share Transfer Committee – Member Priya Ltd. <ul style="list-style-type: none"> – Audit Committee - Member
No. of Shares of the Company.	Nil

ANNUAL REPORT
2008-2009

DIRECTORS' REPORT

Dear Members,

Your Directors present the 46th Annual Report together with the audited accounts of the Company for the nine months ended 31st March, 2009.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

	(Rs. in lacs)	
FINANCIAL HIGHLIGHTS	Period ended 31.03.2009 (9 months)	Year ended 30.06.2008
Sales, Income from operations and other income net of excise.	9627.21	11424.89
Profit / (Loss) before Interest & Depreciation	268.33	699.27
Less : Interest	530.81	658.68
Less : Depreciation	163.95	214.45
(Loss) before Extra Ordinary items and tax	(426.43)	(173.86)
Extra Ordinary Items (net)	304.87	(35.81)
(Loss) before Tax	(121.56)	(209.67)
Less : Provision for Taxation	0.50	0.50
Fringe benefit tax	13.79	15.38
(Loss) after Tax	(135.85)	(225.55)
Add/(Less) : Prior year's adjustments (net)	22.95	(82.62)
	(112.90)	(308.17)
Add: Balance brought forward from previous year	(15468.06)	(15159.89)
Balance carried to Balance Sheet	(15580.96)	(15468.06)

1.2 DIVIDEND :

In view of the losses, your Directors do not recommend payment of any dividend for the period.

2. OPERATIONS :

Your Company has in the current period sold 225 machines to achieve the turnover of Rs. 93.11 crores as compared to 315 machines in the previous year to achieve a turnover of Rs.108.67 crores. Your Company has been able to continue its control on administrative costs, while the employee cost has increased due to market condition. The profit before interest and depreciation has decreased to Rs. 268.33 lacs in the current period as against Rs. 699.27 lacs in the previous year. After taking credit for extra ordinary items on account of waiver on one time settlement of debt with one of the bankers and after depreciation, interest and tax provision, the loss for the period is reduced to Rs.135.85 lacs compared to Rs.225.55 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 remain closed.

ANNUAL REPORT
2008-2009

WINDSOR**3. DOMESTIC SALES & EXPORT BUSINESS :**

The exports during the period have shown growth as US Dollar has become strong against Rupee. The increase in the turnover in the current period has been supported by the focused vendor management programme, which has helped in slightly easing the pressure on the tight working capital, and also through enhanced customer satisfaction. The market has well accepted the new range of machines from the extrusion and injection moulding machinery business of your Company on account of its efficiency and product quality.

4. BUSINESS OUTLOOK :

Appropriate steps are being taken to arrange adequate working capital. The market being supportive in terms of order book position, the outlook for the year seems to be better. The demand for Extrusion Machinery is expected to grow particularly in view of the expected growth in agriculture, telecom, construction sectors. As regards Injection Moulding Machinery business, efforts are being made to further increase your Company's market share.

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 period ended 31st March, 2009 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 period and of the loss of the Company for that period 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 period ending 31st March, 2009 on a 'going concern' basis.

6. CORPORATE GOVERNANCE :

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

7. INSURANCE :

All the assets of your Company including buildings, machineries, fixtures, other fixed assets, stocks - raw materials, WIP, finished goods, etc. have been adequately insured.

8. DEPOSITORY :

As the members are aware, your 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 (India) Ltd., (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the company's shares on either of the Depositories as aforesaid.

9. ENVIRONMENT PROTECTION :

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



ANNUAL REPORT
2008-2009

10. PUBLIC DEPOSITS :

During the period under review the Company has not accepted fixed deposits from the public.

11. PERSONNEL :

The Company's personnel strength has increased from 508 to 523 at end of the period.

12. DIRECTORS :

Mr. G. D. Medhe has resigned from the Board of Directors with effect from 21st August, 2008, The Board places on record its appreciation for the contribution made by Mr. G.D. Medhe during his tenure as a Director.

As per the provisions of the Companies Act, 1956 Mr. M K Arora is liable to retire by rotation and has expressed his willingness for re-appointment at the ensuing Annual General Meeting.

13. AUDITORS :

The Auditors M/s. Haribhakti & Co., Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible have expressed their willingness to continue, if so appointed.

14. AUDITORS' REMARKS :

The replies of Auditor's remarks are as below:

- a. The Company has already initiated various restructuring measures and some are still proposed to be initiated, therefore the Company would be able to continue its operations in the foreseeable future and as such these financial statements have been prepared on "going concern" basis.
- b. Although the management could not physically verify the fixed assets, at Thane plant adequate measures have been taken for the protection and maintenance of the assets and property.
- c. In regard to the full information with respect to the Thane works for the purpose of Accounting Standard – 28, the details were not available mainly on account of inaccessibility of records due to adverse labour situation.

15. 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 and hence the particulars as required under section 217(2A) of the Companies Act, 1956, have not been furnished.

16. REGISTRATION WITH BIFR :

As the accumulated losses at the end of the financial period ended 31st March, 2009 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 is declared sick by the Board of Industrial and Financial Reconstruction (BIFR) under the said Act.

BIFR appointed ICICI as the Operating Agency (OA). Since then a scheme for the rehabilitation of the Company has been submitted to BIFR through the OA seeking certain concessions and financial rearrangements. The Scheme is in the final stages of consideration of the BIFR.



WINDSOR**17. Group for the purposes of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.**

In pursuance to clause 3(1)(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969, the following lists of the Corporate entities are classified as group under the above said regulations: -

- 1) DGP Windsor Limited U.K.
- 2) VIP Industries Limited.
- 3) Vibhuti Investment Co. Limited
- 4) Ghodbunder Developers Private Limited.
- 5) Castle Equipments Private Limited.
- 6) Renaissance Equipments Private Limited.
- 7) DGP Securities Limited.
- 8) Alcon Finance & Investments Limited.

18. ACKNOWLEDGEMENT :

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 29th June, 2009

P. C. KUNDALIA
Director

K C GUPTE
Director

ANNUAL REPORT
2008-2009

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED TO BE DISCLOSED AS PER THE PROVISIONS OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

Measures taken :

- (1) Product development in injection moulding machinery to be more energy efficient than competition.

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 and Chhatral. During the period the specific activities of interest are :

a) INJECTION MOULDING MACHINE DIVISION :

- 1) Development of Armour series (50T to 350T) with Servo variable performance in Toggle machines.
- 2) Development of extending Sprint series range from 1300 Ton to 2000 Ton capacity Hydro mechanical machines.
- 3) Training of personnel at SUMITOMO, Japan for their All-Electric machines and after sales service agreement done with Sumitomo.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Design and Development of New series of IBC blown film lines under brand name REX and non-IBC blown film lines under brand name DUKE.
- 2) Design and Development of Energy efficient PVC twin screw extruders for 300 kg/hr. and 140 kg/hr.
- 3) Establishing a 2850 mm wide width plant for dedicated Stretch & Cling applications with four station winder.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

- 1) Design and development of MARK series range with High Energy Efficient in Hydro Mechanical machines.
- 2) Design and development of SPRINT series range with High Energy Efficient in Hydro Mechanical machines.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Design and Development of 750 kg/hr. output 3 layer blown film line.
- 2) Design and Development of Three-meter wide co-extrusion blown film line.
- 3) Planetary Cutters shall now be developed with new technology.
- 4) Developments of 900 kg/hr. PVC pipe plant with dual line.

3. Technology Absorption, Adaptation and Innovation :

- a) Efforts taken for technology absorption and innovation from
 - 1) National and International Exhibitions
 - 2) Collaborative relationship with technological partner suppliers.



WINDSOR

b) Benefits derived as a result of the above efforts

- 1) World class standard in product quality
- 2) Better customer orientation

4. Expenditure on R & D

	(Rs. in lacs)	
	2008-2009 (9 Months)	2007-2008
a. Capital Expenditure	—	—
b. Recurring Expenditure	66.62	82.45
c. Total	66.62	82.45

Total R & D Expenditure works out to 0.72% (previous year 0.76%) of the turnover (Net of Excise Duty) of the company.

C. FOREIGN EXCHANGE EARNED AND USED.

Total foreign exchange used and earned during the period :

	Amount (Rs. in lacs)
Used	665.32
Earned	2,437.79

ANNUAL REPORT
2008-2009

Report  junction.com

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 29th June, 2009

P. C. KUNDALIA
Director

K C GUPTE
Director