

47th
ANNUAL REPORT
2009-2010



WINDSOR

WINDSOR MACHINES LIMITED

Board of Directors

Mr. P. C. Kundalia
Mr. K. C. Gupte
Mr. M. K. Arora

Auditors

Haribhakti & Co.
Chartered Accountants

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. Gandhinagar,
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

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47th Annual General Meeting

Date : 28th December, 2010

Day : Tuesday

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

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NOTICE

NOTICE is hereby given that the 47th 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 Tuesday the 28th December, 2010 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, 2010 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. P. C. Kundalia 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 : 13th November, 2010

P. C. KUNDALIA
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.
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 Saturday the 18th December, 2010 to Tuesday the 28th December, 2010 (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.

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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. P. C. Kundalia
Date of Birth	27.6.1946
Date of appointment	28.01.2008
Qualifications	M.A. in English Literature from Harvard University.
Experience in special functional areas	He is an industrialist having vast experience in business having promoted some companies internationally as well. With his appointment the Company would benefit through his extensive experience and expertise in business management.
Chairman/Director of other companies	<ul style="list-style-type: none"> – Maitry Exports Pvt. Ltd. – Edumatrix Services (I) Pvt. Ltd. – Empower Energy Pvt. Ltd. – Universal Insurance Brokers Services Pvt. Ltd. – Renaissance Equipments Pvt. Ltd. – Castle Equipments Pvt. Ltd. – Ghod Bunder Developers Pvt. 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 – Remuneration Committee - Member
No. of Shares of the Company.	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors present the 47th Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2010.

1. PERFORMANCE OF THE COMPANY

1.1 Results

(Rs. in lacs)		
Financial Highlights	Year ended 31.03.2010	Period ended 31.03.2009 (9 Months)
Sales, Income from operations and other income net of excise.	20,988.98	9,627.21
Profit / (Loss) before Interest & Depreciation	2,289.19	268.33
Less : Interest	768.95	530.81
Less : Depreciation	203.27	163.95
Profit / (Loss) before Extra Ordinary items and tax	1,316.97	(426.43)
Extra Ordinary Items (net)	–	304.87
Profit / (Loss) before Tax	1,316.97	(121.56)
Less : Provision for Taxation	0.75	0.50
Fringe benefit tax	–	13.79
Profit / (Loss) after Tax	1,316.22	(135.85)
Add/(Less) : Prior year's adjustments (net)	(24.36)	22.95
	1,291.86	(112.90)
Add : Balance brought forward from previous year	(15,580.96)	(15,468.06)
Balance carried to Balance Sheet	(14,289.10)	(15,580.96)

1.2 Dividend :

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

2. Operations :

Your Company has in the current year sold 520 machines to achieve the turnover of Rs. 206.57 crores as compared to 225 machines in the previous period (9 months) turnover of Rs.93.11 crores, an annualized growth of 66% despite all constraints faced by a Sick Industrial Company. 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 improved to Rs. 2289.19 lacs in the current year as against Rs. 268.33 lacs in the previous period.

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.

3. Domestic Sales & Export Business :

Exports during the year is Rs. 46.76 crores, as against previous period (9 months) exports

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of Rs. 23.50 crores thus an annualised increased of 49.24% and is 22.64% of total sales turnover. The increase in the turnover in the current year 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 :

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 and construction sectors. As regards Injection Moulding Machinery business, the demand is expected to grow particularly in view of the expected growth in the consumption of plastic products in the house hold and furniture segments. Further, Automobiles sector also is fuelling the increase in newer capacities.

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 31st March, 2010 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 profit of the Company for that 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 31st March, 2010 on '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 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.

10. Public Deposits

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

11. Personnel :

The Company's personnel strength has reduced from 523 to 519 at end of the year.

12. Directors :

Mr. R. R. Nagrajan, Executive Director of the Company has resigned with effect from 28th July, 2009. The Board conveys their good wishes in his new assignment.

As per the provisions of the Companies Act, 1956 Mr. P C Kundalia 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 clarifications with regard to Auditor's remarks are as below:

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.

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.

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 :

- 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.
- Information as per section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975, and forming part of the Directors' report for the year ended 31st March, 2010.

No.	Name	Designation	Total Remuneration (Rs.)	Qualifications	Age (Yr)	Experience (Yr)	Commencement of Employment	Last Employment held (Designation)
(A) Employed for full financial year and in receipt of remuneration at the rate which is aggregate is not less than Rs. 24,00,000 /- per annum.								
Nil								
(B) Employed for part of the year and in receipt of remuneration at the rate which is aggregate is not less than Rs. 2,00,000 /- per month.								
1	R. R. Nagrajan*	Executive Director	55,33,999	B.Tech, MBA (PGDM)	53	31	05.12.1996	Triveni Engineering & Industries Ltd. (DGM – Contracts & Customer Services)

* Mr. R R Nagrajan resigned with effect from 28th July, 2009.

Notes :

- Total remuneration comprises salary, allowance, leave travel allowance, ex-gratia, leave encashment, contribution to Provident Fund, superannuation fund and monetary value of other perquisites on the basis of Income Tax Act and Rules.
- The nature of employments is contractual.

16. Registration with BIFR :

As the accumulated losses at the end of the financial year ended 31st March, 2010 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 in 2006 is declared sick industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) act by the Board of Industrial and Financial Reconstruction (BIFR) under the said Act vide number 65/2006.

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. A Draft Rehabilitation Scheme (DRS) has been circulated by BIFR U/S 19 (2) read with Sec.19 (1) of the SICA and 1st April, 2009 is the "Appointed Date" for implementation of Scheme. The Scheme has been sanctioned by the said BIFR vide its Order dated 25-10-2010. However, the Company has decided to approach the BIFR bench with Miscellaneous Application for review of certain portions of the Rehabilitation Scheme and some of its terms and conditions. Pending outcome of the Company's application, the accounts and financial statements have been drawn without giving effect of the provisions of the scheme.

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: -

DGP Windsor Limited U.K.

VIP Industries Limited.

Vibhuti Investment Co. Limited

Ghodbunder Developers Private Limited.

Castle Equipments Private Limited.

Renaissance Equipments Private Limited.

DGP Securities Limited.

Alcon Finance & Investments Limited.

18. AGM Extension:

The Company has received approval from Registrar of Companies vide their letter dated 04.11.2010 extending the time for holding AGM of the Company for the year 2009-2010 till 31st December, 2010.

19. Acknowledgement :

The Directors thank the Company's customers, vendors, investors, business associates, stock exchanges and Government Authorities for their support to the Company.

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 : 13th November, 2010

P. C. KUNDALIA
Director

K C GUPTA
Director

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 :

Product development in injection moulding machinery to be more energy efficient than competition.

B. TECHNOLOGY ABSORPTION :

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 year the specific activities of interest are :

a) INJECTION MOULDING MACHINE DIVISION :

Development of Mark series range with High Energy Efficient Mark H from 100 T to 350 T Machines.

Development of Sprint series range with High Energy Efficient Sprint H from 450 T to 1300 T machines.

Development of Mark / Sprint series range with High Energy Efficient Mark H 100 T to 350 T Rpv & Sprint H 450 T to 850 T Rpv machines.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

Design and Development of PVC pipe line with dual down stream for achieving very high output on smaller sizes.

Design and Development of PE pipe extruder with 1000 kg/hr capacity.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

Design and development of MARK/ SPRINT series range with High Energy Efficient for PET Application.

Design and development of Toggle ARMOUR series Servo Variable extended up to 1300 T machines.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

Design and Development of cPVC pipe plant for hot and cold water plumbing application.

Design and Development of Planetary cutters model RS40PZ and RS25PZ with new technology from Austria.

Developments of 900kg/hr PVC pipe plant with dual line.

Developments of high output blown film line with full automation.

3. Technology Absorption, Adaptation and Innovation :

a. Efforts taken for technology absorption and innovation from

- National and International Exhibitions
- Collaborative relationship with technological partner suppliers.

b. Benefits derived as a result of the above efforts

- World class standard in product quality
- Better customer orientation

4. Expenditure on R&D

Rs. in lacs		
Particulars	2009-2010	2008-2009 (9 Months)
a. Capital Expenditure	–	–
b. Recurring Expenditure	87.23	66.62
Total	87.23	66.62

Total R & D Expenditure works out to 0.42% (previous year 0.72%) of the turnover (Net of Excise Duty) of the Company.

C. FOREIGN EXCHANGE EARNED AND USED.

Total foreign exchange used and earned during the year :

Amount (Rs. In Lacs)	
Used	1,194.32
Earned	4,620.76

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 13th November, 2010

P. C. KUNDALIA
Director

K C GUPTE
Director