

48th
ANNUAL REPORT
2010-2011



WINDSOR

WINDSOR MACHINES LIMITED

Board of Directors
 Mr. K. C. Gupte - Executive Director
 Mr. P.C. Kundalia
 Mr. M. K. Arora
 Mr. Jayant Thakur
 Mr. Nirmal Gangwal
 Mr. Pushp Raj Singhvi

Auditors
 Haribhakti & Co.
 Chartered Accountants

Registered Office
 102/103, Dev Milan Co. Op. Housing
 Society, Next to Tip Top Plaza,
 L B S Road, Thane(w) – 400604

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

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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48th Annual General Meeting

Date : 22nd July, 2011

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

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NOTICE

NOTICE is hereby given that the 48th 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 July, 2011 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, 2011 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. M. K. Arora who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and 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. Jayant Thakur, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th March, 2011, and who holds office upto the date of ensuing 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. Jayant Thakur as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable for retirement 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. Nirmal Gangwal, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th March, 2011, and who holds office up to the date of ensuing 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. Nirmal Gangwal as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable for retirement by rotation.”

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

“RESOLVED THAT Mr. Pushp Raj Singhvi, who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 30th March, 2011, and who holds office up to the date of ensuing 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. Pushp Raj Singhvi as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable for retirement by rotation.”

By Order of the Board of Directors,

Registered Office :
102/103, Devmilan Co. Op. Housing Society,
Next to Tip Top Plaza,
L B S Road,
Thane(w) – 400604
Date : 30th May, 2011.

Priti Patel
Company Secretary



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**EXPLANATORY STATEMENT
PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

ITEM NO. 4

Mr. Jayant Thakur was appointed as an Additional Director of the Company with effect from 30th March, 2011, 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. Jayant Thakur is 45 years old. He is a qualified Chartered Accountant and practicing in Mumbai since 17 years. He has wide experience in the field of securities and corporate law, tax etc. and his appointment would benefit the Company through his knowledge and experience.

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. Jayant Thakur. 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. Jayant Thakur.

ITEM NO. 5

Mr. Nirmal Gangwal was appointed as an Additional Director of the Company with effect from 30th March, 2011, 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. Nirmal Gangwal has been a pioneer in India in developing Professional Liabilities Management services in India. Over the last 2 decades he has introduced several new and innovative financial solutions, which have now become standard industry practices. He is a qualified Chartered Accountant, Company Secretary and Law Graduate.

With his appointment, the Company would benefit through his experience and expertise in these fields. His passion for resolution in financial adversity, extensive knowledge with ability to think as partnering-entrepreneur, works in interest of all stake holders. He has advised more than 100 Corporates during their challenging and good times across more than 20 industries.

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. Nirmal Gangwal. 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. Nirmal Gangwal.

ITEM NO. 6

Mr. Pushp Raj Singhvi was appointed as an Additional Director of the Company with effect from 30th March, 2011, 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. Pushp Raj Singhvi is a Commerce and Law Graduate. He has very deep rooted professional interest in the polymer industry. In the entire polymer Industry in India, he is amongst a very few professionals having in-depth knowledge and association of over 40 years in all functional areas of marketing including field sales, Product Management, Regional Sales, Application Development, Product Development, Distribution and Logistics, Perspective Planning and many more. With his appointment the Company would benefit through his knowledge, experience and expertise.

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. Pushp Raj Singhvi. 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. Pushp Raj Singhvi.

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the businesses under Item Nos. 4 to 6 of the accompanying Notice and the details in respect of the Directors proposed to be re-appointed at the Annual General Meeting to be provided under Clause 49 of the Listing Agreement with Stock Exchange(s) where the shares of the Company are listed.
2. 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.
3. 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.
4. **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 19th July, 2011 to Sunday the 31st July, 2011 (both days inclusive).**
5. 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.
6. 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.
7. 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.
8. 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.



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Details of the Directors seeking appointment:

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	He has vast experience in all the 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 & Investment Co. Ltd. - Kiddy Plast Ltd. - Kemp And Company Limited
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	<p>Windsor Machines Ltd.</p> <ul style="list-style-type: none"> - Audit Committee – Member - Remuneration Committee – Member - Investor Grievance Committee – Member <p>Priya Ltd.</p> <ul style="list-style-type: none"> - Audit Committee – Member
No. of Shares of the Company.	Nil

Name of Director	Mr. Jayant Thakur
Date of Birth	19.6.1965
Date of appointment	30.03.2011
Qualifications	B.Com, FCA.
Experience in special functional areas	He is a qualified Chartered Accountant and practicing in Mumbai since 17 years. He has wide experience in the field of securities and corporate laws, tax etc.
Chairman/Director of other companies	<ul style="list-style-type: none"> - Edumatrix Services (India) Private Limited - Renaissance Equipments Private Limited - Ghodbunder Developers Private Limited - Castle Equipments Private Limited - Jayaraghavi Farms And Orchards Private Limited - Eveready Farms And Orchards Private Limited.
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	Nil
No. of Shares of the Company.	Nil

Name of Director	Mr. Nirmal Gangwal
Date of Birth	18.9.1956
Date of appointment	30.03.2011
Qualifications	ACA, CS & LLB.
Experience in special functional areas	<p>Mr. Nirmal Gangwal has been a pioneer in India in developing Professional Liabilities Management services in India. Over the last 2 decades he has introduced several new and innovative financial solutions, which have now become standard industry practices. He is a qualified Chartered Accountant, Company Secretary and Law Graduate.</p> <p>With his appointment, the Company would benefit through his experience and expertise in these fields. His passion for resolution in financial adversity, extensive knowledge with ability to think as partnering-entrepreneur, works in interest of all stake holders. He has advised more than 100 Corporates during their challenging and good times across more than 20 industries.</p>
Chairman/Director of other companies	<ul style="list-style-type: none"> - Brescon Corporate Advisors Ltd. - Welspun Corp Ltd - Welspun Projects Ltd. - Remi Metals Gujarat Ltd. - V.I.P Industries Ltd. - Cognizant Finance Pvt. Ltd. - Trinity Credit Management Services Pvt. Ltd. - I Tenable India Ltd. - Brescon Fund Advisors Pvt. Ltd. - Brescon Financial Advisors LLP
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	<p>Brescon Corporate Advisors Ltd.</p> <ul style="list-style-type: none"> - Investor Grievance Committee – Member - Share Transfer Committee – Member - Remuneration Committee – Member - Finance Committee – Member <p>Welspun Projects Ltd.</p> <ul style="list-style-type: none"> - Audit Committee – Member - Remuneration Committee – Member <p>Remi Metals Gujarat Ltd.</p> <ul style="list-style-type: none"> - Remuneration Committee – Member <p>V.I.P Industries Ltd.</p> <ul style="list-style-type: none"> - Finance Committee – Member <p>Windsor Machines Ltd.</p> <ul style="list-style-type: none"> - Audit Committee – Chairman - Remuneration Committee – Chairman
No. of Shares of the Company.	Nil

Name of Director	Mr. Pushp Raj Singhvi
Date of Birth	01.01.1944
Date of appointment	30.03.2011
Qualifications	B.Com, L.L.B
Experience in special functional areas	He is Bachelor of Commerce and Law Graduate. He has very deep rooted professional interest in the polymer industry. In the entire polymer Industry in India, he is amongst a very few professionals having in-depth knowledge and association of over 40 years in all functional areas of marketing including field sales, Product Management, Regional Sales, Application Development, Product Development, Distribution and Logistics, Perspective Planning and many more.
Chairman/Director of other companies	<ul style="list-style-type: none"> - Borouge (India) Private Limited - Polyset Plastics Private Limited - Plasti Blends India Ltd.
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	<p>Windsor Machines Limited.</p> <ul style="list-style-type: none"> - Remuneration Committee – Member.
No. of Shares of the Company.	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors present the 48th Annual Report together with the audited accounts of the Company for the financial year ended 31st March, 2011.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

	(Rs. in lacs)	
FINANCIAL HIGHLIGHTS	Year ended 31.03.2011	Year ended 31.03.2010
Sales, Income from operations and other income net of excise.	25388.24	20995.43
Profit / (Loss) before Interest & Depreciation	4634.83	2319.85
Less : Interest and Financial expenses	315.69	793.16
Less : Depreciation	220.04	203.27
Profit / (Loss) before Extra Ordinary items and tax	4099.10	1323.42
Extra Ordinary Items (net)	8135.96	–
Profit / (Loss) before Tax	12235.06	1323.42
Add/(Less) : Deferred Tax	1814.93	
Provision for Taxation	(0.50)	(0.75)
Profit / (Loss) after Tax	14049.49	1322.67
Add/(Less) : Prior year's adjustments (net)	0.16	(30.81)
	14049.65	1291.86
Add : Balance brought forward from previous year	(14289.10)	(15580.96)
Balance carried to Balance Sheet	(239.45)	(14289.10)

1.2 DIVIDEND :

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

2. OPERATIONS :

Your directors are pleased to announce an annual 21% increase in the turnover of the Company. In terms of volumes, the Company has sold 608 machines to achieve a turnover of Rs. 250.57 crores as compared to 520 machines in the previous year with a turnover of Rs.206.57 crores . The raw material costs have gone down as a percentage of sales by almost 500 basis points reflecting economies of scale in purchases and better terms of purchase. The employee costs as a percentage of sales have gone up by 38 basis points reflecting impact of increase in salaries, wages and incentives in line with inflationary trends. The profit before interest and depreciation has improved to Rs. 4634.83 lacs in the current year as against Rs. 2319.85 lacs in the previous year. The interest and finance charges have shown remarkable reduction in view of repayment of most of the loans and better cash flow management. Depreciation has more or less remained constant.

The extraordinary items consist of Rs. 81.35 crores in the aggregate of which about 55% is on account of sacrifices of secured lenders, 35% is from capital and reserves write back and the balance is from others.

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The Company has created a deferred tax asset of Rs. 18.15 crores to reflect the virtual certainty for tax set off available against future profits. In view of Sanctioned Scheme reliefs and the cash profits made by the Company in last few quarters, the accumulated debit balance in the profit and loss account has been reduced to only Rs. 2.39 crores.

Your Directors are confident of continuing the profitable working in the current year also although there seems to be challenges for the industry in view of its cyclical nature. The operations of the Thane unit of the Company continue to remain closed.

Detailed analysis of the operations of the Company are available in the 'Management Discussion and Analysis' forming part of the Annual Report.

The domestic business has shown a stellar 27% increase in turnover over last year's level at Rs. 202.59 crores (previous year Rs. 159.81 crores). 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 businesses of your Company on account of its efficiency and product quality.

Whereas the exports growth has been sluggish at 3% at Rs. 47.97 crores (previous year Rs. 46.76 crores). Market was competitive due to increased competition from other players which restricted the growth in export business.

3. BUSINESS OUTLOOK :

The market does not look very supportive due to sluggish order book position. The recent ban on plastic gutka packaging has given a big blow to the Packaging Industry, which may adversely affect company's sales in the near future especially for extrusion division. At the same time, Pipe Industry is also experiencing a sluggish demand which is due to huge number of machines being added in past couple of years. However, the Company is trying to open new avenues by special focus on Export Markets & Injection Moulding Machines. Further, because of the virtual debt-free current position of the Company, it is in a better position to meet the challenges before it.

4. 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, 2011 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, 2011 on 'going concern' basis.

5. RECENT DEVELOPMENTS

The Company was declared a sick company by the BIFR on 29th June 2006 and appointed ICICI Bank as the operating agency (OA) under 17 (3) of the Sick Industrial Companies