

49th
ANNUAL REPORT
2011-2012



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

Company Secretary

Ms. Priti Patel

Auditors

Haribhakti & Co.
Chartered Accountants

Banker

YES Bank Ltd.

Registered Office

102/103, Dev Milan Co. Op. Housing
Society, Next to Tip Top Plaza,
L B S Road, Thane(w) - 400 604.

Corporate Office

Plot 5402-5403, Phase IV, GIDC,
Vatva, Ahmedabad-382 445.

Plant Location

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

Vatva :
Plot 5402-5403, Phase IV, GIDC,
Vatva, Ahmedabad-382 445.

Chhatral :
Plot No.6 & 7, GIDC Ind. 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. : 022 2594 6970
Fax : 022 2594 6969
Email : rnt.helpdesk@linkintime.co.in

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49th Annual General Meeting

Date : September 27, 2012

Day : Thursday

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.

NOTICE

NOTICE is hereby given that the 49th 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, Road No. 16-T, Wagle Industrial Estate, Thane – 400 604 on Thursday, September 27, 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss 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 by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jayant Thakur who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.

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) – 400 604
Date : August 13, 2012

Priti Patel
Company Secretary

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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 Thursday, September 20, 2012 to Thursday, September 27, 2012 (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.
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.

Details of the Directors seeking re-appointment:

Name of Director(s)	Mr. P. C. Kundalia	Mr. Jayant Thakur
Date of Birth	June 27, 1946	June 19, 1965
Date of appointment	January 28, 2008	March 30, 2011
Qualifications	M.A. in English Literature from Harvard University.	B.Com, FCA.
Experience in special functional areas	He is an industrialist having vast experience in business, have promoted some companies internationally as well. With his appointment the Company would benefit through his extensive experience and expertise in business management.	He is a qualified Chartered Accountant and practicing in Mumbai since 18 years. He has wide experience in the field of securities and corporate laws, tax etc.
Chairman/Director of other Companies	- Universal Insurance Brokers Services Pvt. Ltd.	- 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.	Windsor Machines Ltd. - Investor Grievance Committee - Member	Nil
No. of Shares of the Company.	Nil	Nil

DIRECTORS' REPORT

Dear Members,

Your Directors present the 49th Annual Report together with the audited accounts of the Company for the financial year ended March 31, 2012.

1. PERFORMANCE OF THE COMPANY :

1.1 RESULTS

(₹ In lacs)

FINANCIAL HIGHLIGHTS	2011-12	2010-11
Sales, Income from operations and other income net of excise.	23365.79	25408.12
Profit / (Loss) before Interest & Depreciation	2043.33	4583.62
Less : Interest and Financial expenses	282.22	264.32
Less : Depreciation	216.92	220.04
Profit / (Loss) before Extra Ordinary items and tax	1544.19	4099.26
Extra Ordinary Items (net)	-	8135.96
Profit / (Loss) before Tax	1544.19	12235.22
Add/(Less) : Deferred Tax	(400.78)	1814.93
Provision for Taxation	-	(0.50)
Profit / (Loss) after Tax	1143.41	14049.65
Add : Balance brought forward from previous year	(239.45)	(14289.10)
Balance carried to Balance Sheet	903.96	(239.45)

1.2 DIVIDEND :

In order to conserve the resources, your Directors do not recommend payment of any dividend for the year.

2. OPERATIONS:

During the year under review, your Company has sold 489 machines to achieve turnover of ₹ 219.35 crores as compared to 608 machines in the previous year with a turnover of ₹ 250.57 crores. During the year, sales and profit of the Company have been affected by adverse market condition. Secured borrowing has increased the finance cost and inflationary trend in salaries and wages has resulted in higher employee costs as compared to the previous year. During the year your Company has extended its customer base by launching machines for special applications and concentrated in launching new product range. Coming out of BIFR has erased the status of the Company of being branded as a "Sick Unit".

Your Directors are confident of continuing the profitable working in the current year also although there are challenges for the industry in view of its cyclical nature. The operations of the Thane unit of the Company continue to remain closed. Further details are given in management discussions and analysis report, which forms part of this report.

3. BUSINESS OUTLOOK :

The current market scenario is challenging. Ban on plastic gutka packaging has adversely affected sales of extrusion division. During the year increase in cost of raw materials, higher interest rates etc. have affected the financial performance of your Company. Scarcity of power in some parts of the country forced customers to defer their expansion plans and new project investments which ultimately resulted in lower orders and delays in lifting of finished machines.

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However your Company's endeavor is to increase its product range, expand customer base, reduce product costs and improve quality of the offerings. Management of your Company is optimistic and prepares itself to face the challenges of the future.

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 March 31, 2012 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 March 31, 2012 on 'going concern' basis.

5. CAPITAL RESTRUCTURING & ALLOTMENT OF SHARES :

During the year under review, the Company has revised its capital structure as directed by the BIFR vide its order dated September 21, 2010 and subsequent orders thereafter.

As per above mentioned BIFR order(s), the Company has reduced the face value of its equity shares from ₹ 10/- (Rupees Ten Only) each to ₹ 4/- (Rupees Four Only) each, allotted total 3,88,60,000 (Three Crores Eighty Eight Lacs Sixty Thousand) equity shares of ₹ 2/- (Rupees Two only) each (after sub-division as explained below), at par, on preferential basis.

As per Special Resolution(s) passed at the Extra-Ordinary General Meeting of the members of the Company held on May 12, 2011, the Company has increased its authorised share capital up to ₹ 40 crores and subdivided one equity share of face value of ₹ 4/- (Rupees Four Only) each into two equity shares of ₹ 2/- (Rupees Two Only) each and new ISIN No. INE052A01021 was allotted by the Depositories for fully paid equity shares of ₹ 2/- each.

6. DISCHARGED THE COMPANY FROM THE PURVIEW OF THE SICA:

During the year under review, honorable bench of BIFR has observed the substantial implementation of the Sanctioned Scheme of BIFR and achievement of positive Net Worth by the Company, hence vide its order dated August 16, 2011 the BIFR has discharged the Company from the status of a "Sick Industrial Company" under section 3(1)(O) of the SICA.

7. 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.

8. 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.

9. 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.

10. ENVIRONMENT PROTECTION :

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

11. PUBLIC DEPOSITS :

The Company, during the year under review, has not accepted nor renewed any deposits from public, under the Companies (Acceptance of Deposits) Rules, 1975. The Company had no unclaimed/overdue deposits as on March 31, 2012.

12. DIRECTORS :

During the year under review, Mr. Santosh Datta was appointed as a Nominee/Special Director on Board of the Company vide BIFR Appointment order dated May 25, 2011 and ceased to be Nominee/Special Director vide BIFR order dated August 16, 2011 following de-registration of the Company from BIFR as a sick company.

As per the provisions of the Companies Act, 1956, Mr. P. C. Kundalia and Mr. J. M. Thakur, Directors of the Company are liable to retire by rotation and being eligible, offer themselves 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. COST AUDIT:

M/s. Dalwadi & Associates, Cost Accountants, have been appointed to conduct cost audit for the year ended March 31, 2013.

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. As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217(2A) is not required.

16. ACKNOWLEDGEMENT :

The Directors wish to place on record their appreciation of wholehearted support received from all stakeholders, customers and the various departments of Central and State Governments, financial institutions and banker(s) of the Company. The Directors also wish to place on record their sense of appreciation for devoted services of all the employees of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 13, 2012

K. C. Gupte
Executive Director

P. C. Kundalia
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 division 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 year the specific activities of interest are :

a) INJECTION MOULDING MACHINE DIVISION :

- 1) Design and Development of High speed energy efficient PET perform production system with bottling solution. Armour-220T PET is successfully displayed in PlastIndia Exhibition.
- 2) Design and Development of more Energy Efficient machines with design optimization. Armour-450T machine with servo package is displayed in Plast India Exhibition
- 3) Design and Development of multi colour machines – Sprint-250T, Sprint-350T & Sprint-450T three colour machines.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Design and Development of 630 mm HDPE pipe line to replace ductile iron pipes.
- 2) Design and Development of High output, latest generating PE extruders with technology from Europe.
- 3) Design and Development of HYBRID blown film plant for very high outputs on smaller dies.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

- 1) Design and Development of more Energy Efficient machines with design optimization – Armour higher tonnage machine upto 900T & Two colour machine upto 900T.
- 2) Design and Development of segment specific machine like Automobile, PET, Irrigation, CPVC, Packaging Industries.
- 3) Design and Development of further models of Sprint & Armour series for multi colour machine.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Design and Development of DRIP lines with foreign tie up.
- 2) Design and Development of Gap Winder 507.
- 3) Design and Development of Seven Layer Blown Film line.

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

₹ in lacs

Particulars	2011-12	2010-11
a. Capital Expenditure	-	-
b. Recurring Expenditure	55.88	112.20
Total	55.88	112.20

Total R & D Expenditure works out to 0.25 % (previous year 0.45%) 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 (₹ In Lacs)

Used	1,290.65
Earned	4,805.40

For and on behalf of the Board of Directors

Place : Mumbai
Date : August 13, 2012

K. C. Gupte
Executive Director

P. C. Kundalia
Director

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CORPORATE GOVERNANCE REPORT

ANNEXURE TO DIRECTORS' REPORT

COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavors continuously to implement the code of Corporate Governance in its true spirit. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance shareholders' value without compromising in any way in complying with the laws, rules and regulations.

The Board of Directors acknowledges that it has a fiduciary relationship and a corresponding duty towards the stakeholders to ensure that their rights are protected. Through the Governance mechanism in the Company, the Board along with its Committees endeavors to strike a right balance with its various stakeholders.

BOARD OF DIRECTORS

Composition of the Board:

The Board of Directors of your Company consists of 6 (six) Directors as on March 31, 2012, out of which five are Non-executive Directors, three of which are Independent Directors in terms of Clause 49(I)(A) of the Listing Agreement.

None of the Directors of the Board is a member of more than ten Committees and Chairman of more than five Committees across all companies in which they are Directors.

During the financial year 2011-12, five (5) Board Meetings were held on (1) May 30, 2011, (2) June 18, 2011, (3) August 12, 2011, (4) November 10, 2011, and (5) February 10, 2012.

The details of the Directors on the Board of the Company during the year are given below:

Name of Director	Category	No. of shares held	Attendance Particulars		*No. of Outside Director ships	No. of Outside Committee positions held	
			Board Meetings	Last AGM		**Mem-ber	Chair-man
Mr. K. C. Gupte	Executive Director	1,000	5	Yes	-	-	-
Mr. P.C. Kundalia	Non-Executive Director	Nil	5	Yes	-	-	-
Mr. M. K. Arora	Ind. & Non-Exe. Director	Nil	5	No	8	1	-
Mr. J. M. Thakur	Non-Executive Director	Nil	5	Yes	-	-	-
Mr. N.D. Gangwal	Ind. & Non-Exe. Director	Nil	3	No	6	1	-
Mr. P. R. Singhvi	Ind. & Non-Exe. Director	Nil	5	No	1	1	-
#Mr. Santosh Datta	Nominee/ Special Director	Nil	1	Yes	-	-	-

* Excludes Directorship in Private Limited companies and companies registered under Section 25 of the Companies Act, 1956.

** Only membership of Audit Committee and Shareholder's/Investors' Grievances Committee are considered.

Mr. Santosh Datta has been appointed as a Nominee Director/Special Director w.e.f. May 25, 2011 by the Board for Industrial and Financial Reconstruction (BIFR) vide its appointment order dated May 25, 2011 and ceased to be Director vide BIFR order dated August 16, 2011.