

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

CONTENTS	Page
Notice	1
Directors' Report.....	7
Corporate Governance Report.....	14
Auditors' Certificate on Corporate Governance	25
Management Discussion & Analysis Report.....	26
Auditors' Report & Annexure.....	29
Balance Sheet.....	34
Profit & Loss Account	35
Cash Flow Statement.....	36
Schedules & Notes on Account.....	37

Annual Report 2010-2011

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

ANNUAL REPORT
2010-2011

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



ANNUAL REPORT
2010-2011

**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.

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



WINDSOR

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	- 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.	Windsor Machines Limited. - Remuneration Committee – Member.
No. of Shares of the Company.	Nil

ANNUAL REPORT
2010-2011

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.

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

(Special Provisions) Act, 1985. The Hon'ble Bench of BIFR finally sanctioned the Scheme of Rehabilitation on 21st September, 2010. The following were the principal features of the Sanctioned Scheme.

- a) Reduction in the share capital by 60% whereby equity shares of Rs. 10/- each were reduced to equity shares of Rs. 4/- each.
- b) Additional Equity share capital to be preferentially allotted to the Promoters /Co-Promoters, after reduction as above, subject to approval of the members by way of a special resolution.

The Company's Board decided to implement the Sanctioned Scheme of the BIFR for rehabilitation of the Company at its Board Meeting held on 30th March 2011 and hence convened an extraordinary general meeting on 12th May 2011 in terms of the directions of the Hon'ble Bench of BIFR. The shareholders have now, inter alia, approved the following:-

1. Issue of 1,87,50,000 equity shares of Rs. 4/- each at par to Promoters/Co-Promoters on a preferential basis as per the Sanctioned Scheme.
2. Increase in authorised share capital from Rs. 20 crores to Rs. 40 crores including sub-division of equity shares from one equity share of Rs. 4 each to 2 equity shares of Rs. 2 each. The Board deemed fit to sub-divide the equity shares as the standard face value for listed companies is either Re. 1/- or Rs.2/-, Rs. 5/-, Rs. 10/-, etc.
3. Issue of 13,60,000 equity shares to advisors subject to approval of the Bench of BIFR/AAIFR for issue at par.

The Board shall fix in consultation with Stock Exchanges a Record Date for effecting reduction and sub-division of equity shares and shall complete the issue and allotment of new equity shares and listing thereof soon thereafter.

The Company has, on account of write-backs, reliefs and concessions, fresh issue of shares, etc., wiped out almost the whole of the accumulated losses and thus achieved a positive net worth. The Company is in the process of seeking de-registration as a sick industrial company with the Hon'ble Bench of BIFR.

6. SHIFTING OF REGISTERED OFFICE:

After closure of the year, the Company has shifted its registered office from Plot E-6, U2 Road, Wagle Industrial Estate, Thane - 400 604, to 102/103, Dev Milan, Next to Tip Top Plaza, L.B.S Road, Thane(W)-400 604.

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 31st March 2011.

12. DIRECTORS :

Mr. Kishore C. Gupte has been appointed as an Executive Director of the Company with effect from 1st April 2011 for a period of three years.

Mr. Jayant Thakur, Mr. Nirmal Gangwal and Mr. Pushp Raj Singhvi have been appointed as Additional Directors with effect from 30th March, 2011. They will hold office till the date of the ensuing Annual General Meeting. Notices in writing under section 257 of the Companies Act, 1956 have been received from few members of the company proposing their candidature.

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.

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.

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.

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

Mr. Arora is a qualified Company Secretary and Law Graduate. He has vast experience in Legal and Corporate matters and his re-appointment would benefit the Company through his extensive knowledge.

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' OBSERVATIONS:

The observations of the auditors in their report are explained in note no. 25 of notes to the accounts.

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. 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.

17. 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 bankers 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: 30th May, 2011

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 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 MARK/ SPRINT series range with High Energy Efficiency for PET Application.
- 2) Design and development of Toggle ARMOUR series Servo Variable extended up to 1300 T machines.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Design and Development of cPVC pipe plant for hot and cold water plumbing application.
- 2) Design and Development of Planetary cutters model RS40PZ and RS25PZ with new technology from Austria.
- 3) Developments of 900kg/hy PVC pipe plant with dual line.
- 4) Developments of high output blown film line with full automation.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

- 1) Design and development of High speed energy efficient PET preform production system with bottling solution.
- 2) Design and development of more Energy Efficient machines with design optimization to perform close to All Electric Machine performance.
- 3) Design and development of multi colour machine.

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.
- 4) Design and Development of Introduction of DRIP lines with foreign tie up.

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

Particulars	Rs. in lacs	
	2010-2011	2009-2010
a. Capital Expenditure	-	-
b. Recurring Expenditure	112.20	87.23
Total	112.20	87.23

Total R & D Expenditure works out to 0.45% (previous year 0.42%) 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	1834.02
Earned	4587.45

For and on behalf of the Board of Directors

Place: Mumbai
Date: 30th May, 2011

K. C. GUPTE
Executive Director

P.C. KUNDALIA
Director

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 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 present strength of the Board is six (6) Directors out of which five (5) are Non-Executive Directors and one (1) is an Executive Director. Out of six Directors, three are independent Directors and three are non-independent Directors.

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 2010-11, six (6) Board Meetings were held on (1) 12th May, 2010, (2) 13th August, 2010, (3) 20th October, 2010, (4) 13th November, 2010, (5) 14th February, 2011 and (6) 30th March, 2011.

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 directorships and Committee Memberships/Chairmanships		
			Board Meetings	Last AGM	@Directorships	#Committee Membership	Committee Chairmanship
Mr. K. C. Gupte	*Executive Director	500	6	Yes	—	—	—
Mr. P.C. Kundalia	Non-Executive Director	Nil	6	Yes	1	—	—
Mr. M. K. Arora	Ind. & Non-Executive Director	Nil	6	No	8	2	1
Mr. J. M. Thakur	**Non-Executive Director	Nil	1	No	—	—	—
Mr. N.D. Gangwal	**Ind. & Non-Executive Director	Nil	—	No	6	3	—
Mr. P.R. Singhvi	**Ind. & Non-Executive Director	Nil	—	No	1	—	—

* Mr. K.C. Gupte, erstwhile Non-executive Director of the Company, has been appointed as an Executive Director at the meeting of the Board of Directors of the Company held on 30th March, 2011 & members have accorded their consent to his appointment at the EGM held on 12th May, 2011.

** Mr. Jayant Thakur, Mr. N. D. Gangwal and Mr. P.R. Singhvi were appointed as additional non-executive Directors at the meeting of the Board of Directors of the Company held on 30th March, 2011.

@ 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.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly placed before the Board wherever applicable.

The Board periodically reviews the compliance reports of the laws applicable to the Company.

AUDIT COMMITTEE

Terms of reference :

The Audit Committee of the Board of Directors of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

Apart from all the matters provided in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 the Committee reviews reports of the Internal Auditors, meets Statutory Auditors periodically and discusses their findings, suggestions, internal control systems, scope of audit, observations of the auditors and reviews accounting policies followed by the Company. The Committee makes recommendation(s) to the Board on any matter relating to the financial management of the Company including Statutory and Internal Audit Reports. The Committee also recommends the appointment of the statutory auditors and fixation of their remuneration.

The Committee reviews with the management the quarterly, half yearly and annual financial statements before their submission to the Board. The minutes of the Audit Committee meetings are placed before and confirmed by the Board of Directors.

Composition and Attendance at meetings:

The Audit Committee comprises of three Directors –Mr. K. C. Gupte, Executive Director, Mr. M. K. Arora & Mr. N. D. Gangwal, Non-Executive Directors. All the members of the Audit Committee are financially literate and have relevant financial management expertise. The quorum for the Audit Committee Meetings is two members with at least two independent Directors present at the meeting.

During the year under review the committee has been reconstituted on 30th March, 2011 and thereby Mr. P.C. Kundalia has ceased to be committee member and Mr. N. D. Gangwal has been appointed as a member of the committee.

Mr. N. D. Gangwal, an Independent Director has been appointed as the Chairman of the Committee in place of Mr. K. C. Gupte. The Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the meeting. Ms. Priti Patel, Company Secretary has been appointed as the Secretary of the Committee on 14th February, 2011 in place of Mr. Anil Pareek. The Internal Audit reports to the Audit Committee with regard to the audit program, observations and recommendations in respect of different areas of operation of the Company.

The Audit Committee generally meets once in a quarter to inter-alia review the quarterly performance and the financial results.

The Audit Committee met five times during the year on 12th May, 2010, 13th August, 2010, 20th October, 2010, 13th November, 2010 and 14th February, 2011.

The details of the composition, categories and attendance during the year are as under:

Name of the Director	Position	No. of meetings held	No. of meetings attended
Mr. P.C. Kundalia (Ceased to be member w.e.f. 30th March,2011.)	Member	5	5
*Mr. K. C. Gupte (Ceased to be chairman w.e.f. 30th March, 2011.)	Chairman	5	5
Mr. M. K. Arora	Member	5	5

Mr. N.D. Gangwal (Appointed as member & Chairman w.e.f. 30th March, 2011.)	Chairman	—	—
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* Mr. K.C. Gupte, former Chairman of the Committee was present at the 47th Annual General Meeting of the Company held on Tuesday the 28th December, 2010 to answer the shareholders' queries.

The minutes of the Audit Committee meetings form part of the documents placed before the meetings of the Board of Directors. In addition, the Chairman of the Audit Committee appraises the Board members about the significant discussions at Audit Committee meetings.

REMUNERATION AND COMPENSATION COMMITTEE

Terms of reference:

The Remuneration and Compensation Committee of the Company, reviews, assesses and recommends the remuneration package of Executive Director, and recommends suitable revisions to the Board in accordance with the Companies Act, 1956. The remuneration of Executive Director is subject to the approval of the Board, the shareholders and the requirements of Schedule XIII to the Companies Act, 1956.

Composition and Attendance at Meetings:

The Remuneration and Compensation Committee comprises of three Non-Executive and Independent Directors. The members of the committee are Mr. M. K. Arora, Mr. N.D. Gangwal and Mr. P.R. Singhvi.

During the year under review the committee has been reconstituted on 30th March, 2011 and thereby Mr. P.C. Kundalia and Mr. K. C. Gupte have ceased to be committee member and Mr. N. D. Gangwal and Mr. P.R. Singhvi have been appointed as member(s) of the committee.

The Remuneration and Compensation Committee met two times during the year on 13th November, 2010 and 30th March, 2011.

The details of the composition, categories and attendance during the year are as under:

Name	Position	No. of meetings held	No. of meetings attended
Mr. K. C. Gupte (Ceased to be member w.e.f. 30th March, 2011.)	Member	2	2
Mr. P.C. Kundalia (Ceased to be member w.e.f. 30th March, 2011.)	Member	2	2
Mr. M.K. Arora	Member	2	2
Mr. N. D. Gangwal (Appointed as a member w.e.f. 30th March, 2011.)	Member	—	—
Mr. P.R. Singhvi (Appointed as a member w.e.f. 30th March, 2011.)	Member	—	—

Details in respect of Executive Director :

The Board of Directors at its meeting held on 30th March appointed Mr. K. C. Gupte as a Whole-Time Director designated as an Executive Director of the Company subject to consent of members of the Company and Central Government in respect of remuneration. No remuneration has been paid to an executive Director during the year as his appointment is effective from 1st April, 2011.

Service Contracts, Severance Fees and Notice Period:

The period of contract of the Whole-time Director designated as an Executive Director is of three years from 1st April, 2011 to 31st March, 2014. The Term shall be renewed for further periods on such terms as may be agreed between the Parties. Unless either Party gives written notice of expiration of this Agreement at the end of the said 3 years at least 45 days before the date of expiration of each term, this Agreement shall stand renewed.

The employment under the Agreement entered into may be prematurely terminated by the Board of Directors immediately upon written notice to the ED of a period of three months from the date of serving of such notice or without such notice period of three months by paying proportional remuneration for a period of three months.

The Company would pay remuneration by way of Basic Salary, perquisites, etc. to Executive Director w.e.f. 1st April, 2011. He is also entitled to Company's contribution towards Provident Fund and Superannuation or Annuity Fund. Leave accumulated but not availed during the tenure will be allowed to be encashed.

Salary shall initially consist of minimum remuneration per month as specified in the Service Agreement or such higher amount (not exceeding the maximum remuneration) as per the approval of the Central Government under section 269, 309 and other applicable provisions of the Companies Act, 1956 (the higher amount will be paid from the date as approved by the Central Government). In the event of loss or inadequacy of profit in any financial year, the amount of minimum Remuneration shall be paid.

The Company does not have any stock option scheme.

Details in respect of Non-Executive Director(s):

The details in respect of Non-Executive Director(s) are as follows:

Name of Non-Executive Director	Sitting fees Rs.	Number of Shares held	Total Rs.
*Mr. K. C. Gupte	98,000/-	500	98,000/-
Mr. P.C. Kundalia	98,000/-	Nil	98,000/-
Mr. M. K. Arora	98,000/-	Nil	98,000/-
Mr. J. M. Thakur	10,000/-		10,000/-
Mr. N.D. Gangwal	—		—
Mr. P.R. Singhvi	—		—

* Mr. K. C. Gupte has been appointed as an Executive Director at the meeting of the Board of Directors of the Company held on 30th March, 2011 subject to approval of members of the Company and Central Government and thereby ceased to be a non-executive Director.

The Non-Executive Directors are not paid any remuneration but are paid sitting fees of **Rs. 10,000/- (Rupees Ten Thousand Only) per meeting for attending meetings of the Board and its Committees (except in respect of the Investors' Grievances and Share Transfer Committee). The Company also reimburses out-of-pocket expenses to Directors for attending the aforesaid meetings.

** The sitting fees has been revised by the Board of Directors at its meeting held on 13th August, 2010 from Rs. 2,000/- (Rupees Two Thousand Only) to Rs. 10,000/- (Rupees Ten Thousand Only) for attending the meeting of the Board and its Committees.

Investors' Grievances & Share Transfer Committee

Terms of reference:

The terms of reference of the Investors' Grievances & Share Transfer Committee include approving applications for transfer of shares, redressing shareholder and investor complaints such as matters relating to transfer and transmission of shares, issue of duplicate share certificate, and non-receipt of balance sheet, non-receipt of dividends and to ensure expeditious share transfer process.

Link Intime India Pvt. Limited is the Registrar and Transfer Agent of the Company and the Committee oversees the performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Composition :

The Investors' Grievances and Share Transfer Committee comprises of Mr. K.C. Gupte, Mr. Mr. P.C. Kundalia and Mr. M. K. Arora. Ms. Priti Patel, Company Secretary, has been appointed as the Compliance Officer of the Company in place of Mr. Anil Pareek.

Share Transfer System and details of Investor Complaints

The Company has approximately 13,092 shareholders. During the year, the Company processed 105 share transfers comprising of 21,867 equity shares in number in physical form. The Company and the Share Transfer Agent received 13 complaints during the year, all of which have been attended to within a period of fifteen days from the date of receipt of the same.

The Investors' Grievances and Share Transfer Committee generally meets once in a fortnight and approves all matters related to shares vis-à-vis transfers, transmissions, dematerialisation and rematerialisation of shares etc. In case of shares held in physical form, all transfers are completed within 14 days from the date of receipt of complete documents. As at 31st March, 2011 there were no Equity Shares pending for transfer. Also there were no demat requests pending with the Company as at 31st March, 2011

GENERAL BODY MEETINGS:

Particulars of Annual General Meetings held during last three years:

AGM reference	Date	Venue	Time	No. of Special Resolutions passed
45th AGM (2007-2008)	17.12.2008	Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Ind. Estate, Thane-400 604	11:00 a.m.	Nil
46th AGM (2008-2009)	18.09.2009	Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Ind. Estate, Thane-400 604	11:00 a.m.	Nil
47th AGM (2009-2010)	28.12.2010	Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Indl. Estate, Thane-400 604	11:00 a.m.	Nil

No special resolutions were passed by Postal Ballot.

DISCLOSURES:

The Company has no material significant transactions with its related parties that may have a potential conflict with the interest of the Company.

Transactions with Related Parties:

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transaction	Transaction Value	Outstanding Amount carried in the Balance Sheet	
			31-03-2011	31-03-2010
a) Directors & Relatives				
i Mr. P.C. Kundalia (Director in M/s. Renaissance Equipments Pvt. Ltd.)	Sitting Fees	0.98	—	—
ii Mr. M. K. Arora (Director in M/s. Vibhuti Investments Co. Ltd.	Sitting Fees	0.98	—	—
b) Key Management Personnel				
Mr. K.C. Gupte (Executive Director w.e.f. 30th March, 2011)	Sitting Fees	0.98	—	—
c) Associates / Investing Parties :				
i. Renaissance Equipments Pvt. Ltd.	Unsecured loan repaid	696.84	175.09	871.93
	Interest on Loan	21.14		
	Interest paid	56.38	—	35.24
	Secured loan repaid	1,660.16		
	Loan convert in share	388.00		
	Loan waived off	5,033.96	820.86	7,902.98
	Interest on Loan	788.75		
ii. Vibhuti Investments Co. Ltd.	Interest paid	915.34	—	126.59
	Loan convert in share	362.00		
	Loan waived off	98.00	—	460.00
	Capital Advance	—	1,455.00	1,455.00

In the preparation of the financial statements, the Company follows Accounting Standards issued by the Institute of Chartered Accountants of India.

There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of the Company being subjected to penalties or strictures by the SEBI or Stock Exchanges or any other statutory authority does not arise.

The Company has laid down procedures to inform board members about the Risk management and minimization procedures. These procedures are periodically placed and are reviewed by the Board of Directors. The Company has formulated and is in the process of implementing a Risk Management Policy for Risk Assessment and Mitigation procedures.

During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/ or a preferential issue. However the Board of Directors has adopted the Rehabilitation Scheme Sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) dated 21st September, 2010, at its meeting dated 30th March, 2010. As per the directions of the BIFR order, the face value of its share capital has been reduced by 60% and the members have accorded their consent to issue and allot equity shares of Rs. 750 lacs on preferential

basis at par at duly convened EGM on 12th May, 2011. The said amount has been received and transferred to Share Suspense account.

The details in respect of Directors seeking re-appointment are provided as part of the Notice convening the forthcoming Annual General Meeting.

Means of Communication

Financial results are published in widely circulating national and local daily newspapers, such as 'The Free Press Journal' and 'The Navashakti'. These are not sent individually to the shareholders.

As per the requirement of Clause 51 of the Listing Agreement with the Stock Exchanges, all the data related to quarterly financial results, shareholding pattern etc. is provided on the SEBI's EDIFAR (Electronic Data Information Filing and Retrieval) website www.sebiedifar.nic.in within the timeframe prescribed in this regard.

The Company's results and official news releases are displayed on the Company's website www.windsormachines.com. There were no presentations made to the institutional investors or analysts during the year under review.

Management Discussion and Analysis forms part of the Annual Report.

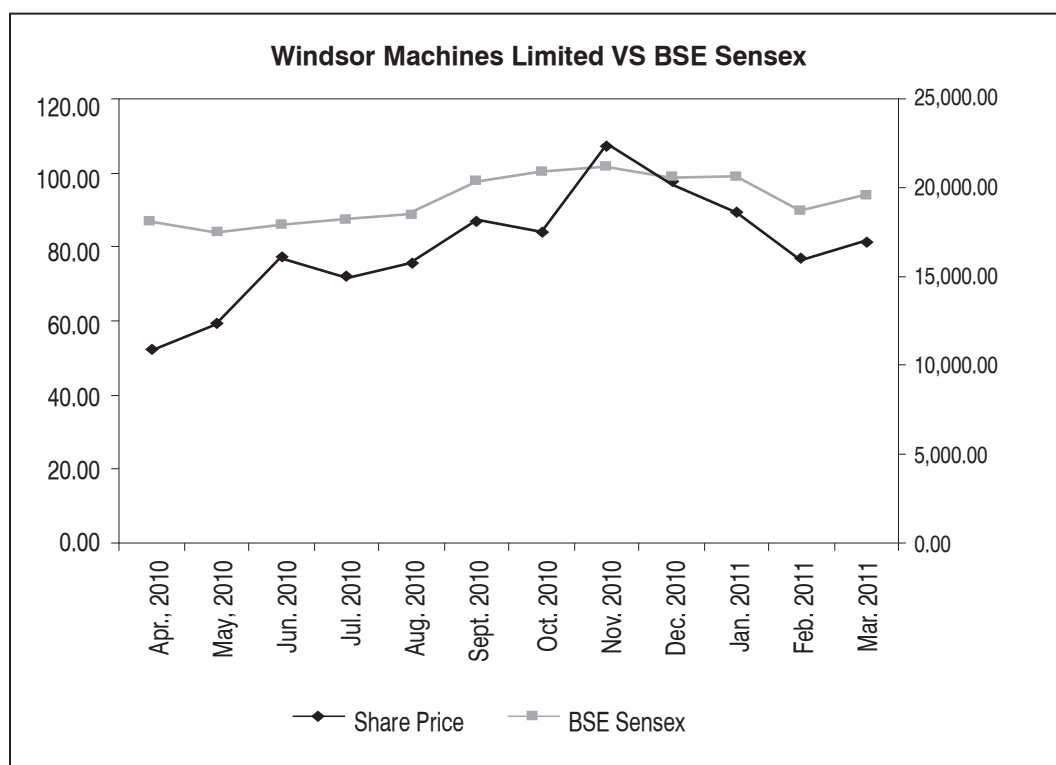
General Shareholder Information:

1. Annual General Meeting
 - Date and Time : 22nd July, 2011, 11:00 a.m.
 - Venue : Thane Small Scale Industries Association, TSSIA House, Plot no. P-26, Road No. 16-T Wagle Industrial Estate, THANE - 400 604
2. Tentative Financial Calendar : The financial year of the Company is for the period from 1st April to 31st March of the following year.
 - Publication of Audited Results : By 30th May of each year
 - First Quarter Results : By 14th August of each year
 - Second Quarter Results : By 14th November of each year
 - Third Quarter Results : By 14th February of each year
3. Date of Book Closure : Tuesday, 19th July, 2011, to Sunday, 31st July, 2011 (both days inclusive)
4. Dividend Payment Date (2010-11) : No dividend is proposed.
5. Listing on Stock Exchange :
 1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 023 (BSE).
 2. National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 (NSE).
6. Listing Fees : Listing fees of both the Stock Exchanges for the year 2011-12 have been paid.
7. Stock Code
 - BSE : 522029
 - NSE : WINDSOR
 - International Securities Identification Number (ISIN) : INE052A01013

8. The monthly High and Low of market price on the BSE and the stock performance during the last financial year was as under :

Period (Financial Year 2010-11)	High (Rs.)	Low (Rs.)	Sensex (High)
April 2010	52.00	41.00	18,047.86
May 2010	59.00	37.60	17,536.86
June, 2010	77.30	51.50	17,919.62
July 2010	71.45	60.15	18,237.56
Aug. 2010	75.50	57.50	18,475.27
Sept. 2010	87.25	56.60	20,267.98
Oct. 2010	83.90	75.15	20,854.55
Nov. 2010	107.35	77.00	21,108.64
Dec. 2010	97.30	73.00	20,552.03
Jan. 2011	89.40	67.00	20,664.80
Feb. 2011	76.45	50.50	18,690.97
March 2011	81.50	63.10	19,575.16

Stock performance – Windsor Machines Ltd. v/s BSE Sensex



9. Distribution Schedule and Shareholding Pattern as on 31st March, 2011.

DISTRIBUTION SCHEDULE			SHAREHOLDING PATTERN		
Category	No. of share holders	*No. of Shares	Category	No. of Shares	%
Upto 5,000	11,644	16,82,853	Promoters	55,30,854	42.43
5,001 to 10,000	686	5,74,066	Mutual Funds and UTI	8,733	0.07
10,001 to 20,000	287	4,51,748	Banks, Financial Institutions, Insurance Companies	39,901	0.31
20,001 to 30,000	146	3,67,912	Foreign Institutional Investors	4,900	0.04
30,001 to 40,000	70	2,54,314	Private Corporate Bodies	14,42,706	11.07
40,001 to 50,000	70	3,29,403	Indian Public	59,33,098	45.51
50,001 to 1,00,000	103	7,86,904	Non Resident Individuals/ Overseas Corporate Bodies	75,208	0.57
1,00,000 and above	86	85,88,700	Others – Directors & their Relatives	500	0.00
Total	13,092	1,30,35,900	Total	1,30,35,900	100.00

* As on the date the Shares of the Company are traded at the face value of Rs.10/- (Rupees Ten). However, after adoption of the Sanctioned Scheme of Rehabilitation by the Board of Directors at its duly convened meeting held on 30th March, 2011, the face value of equity share has been reduced by 60% and thereby the face value of equity share of Rs. 10/- (Rupees Ten Only) has reduced to Rs. 4/- (Rupees Four Only) each. The Company is in process to get the share listed at the reduced face value at the stock exchange(s) where the shares are listed. Further, the Company has also decided to sub-divide its shares whereby one share of Rs. 4/- is to be sub-divided into 2 equity shares of Rs. 2/- each fully paid up.

10. Registrar & Share Transfer Agents

Link Intime India Pvt.Ltd.,
Unit : Windsor Machines Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078,
Tel. : 022 - 25963838
Fax : 022 - 25962691

The Compliance Officer,
Windsor Machines Ltd.
102/103 Dev Milan,
Next to Tip Top Plaza,
L.B.S. Marg, Thane (W) 400 604
Tel. no. 022-25836592, 079-30262100,
079-25841111, 25841591-2-3
Fax no. 022-25836285, 079-25842145

11. Dematerialisation of shares and liquidity

: 66.37% of the paid-up capital of the company has been dematerialized as on 31st March, 2011. The equity shares of the Company are actively traded on the BSE and the NSE in dematerialized form.

12. Outstanding GDRs/ADRs/
Warrants or any convertible
instruments Nil
13. Plant Locations :
1. Windsor Machines Ltd.,
Plot E-6, U2 Road, Wagle Industrial Estate,
Thane- 400 604, Maharashtra
 2. Windsor Machines Ltd.,
Plot No. 6 & 7, G.I.D.C.
Chhatral-382 729, Tal. Kalol,
Dist. Gandhinagar, Gujarat.
 3. Windsor Machines Ltd.,
Plot No. 5402 & 5403, Phase IV, G.I.D.C.,
Vatva, Ahmedabad – 382 445, Gujarat.
14. Address for correspondence
- i. For any assistance regarding dematerialisation
of shares, share transfers, transmissions,
change of address, non-receipt of dividend or
any other query relating to shares, please write
to:

Link Intime India Pvt. Ltd.
Unit : Windsor Machines Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup, (W),
MUMBAI - 400 078
Tel. : 022-25963838 • Fax: 022 25962691
 - ii. For general correspondence:

The Compliance Officer,
Windsor Machines Ltd.,
102/103 Dev Milan,
Next to Tip Top Plaza
L B S Marg, Thane - 400 604
Tel. no. 022-25836592, 079-30262100,
079-25841111, 25841591-2-3
Fax no. 022-25836285, 079-25842145
Email : priti.patel@windsormachines.com
investors@windsormachines.com
15. Designated E-mail ID for registering
Complaints by the investors : investors@windsormachines.com

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS:

The extent of compliance in respect of non-mandatory requirements is as follows:

- i. **The Remuneration Committee:** Details are given under the relevant part of this report.
- ii. **Shareholder Rights:** Details of significant events, if any, are put up on the Company's website together with the financial results, the financial results are also available on the SEBI's website www.sebidifar.nic.in. Designated E-mail ID of the grievance redressal section exclusively for the purpose of registering complaints by the Investors is investors@windsormachines.com.
- iii. **Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them for orientation with the business of the Company.

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT

In accordance with sub-clause I(D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I confirm that the Board Members and the Senior Management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial year ended 31st March, 2011.

For **WINDSOR MACHINES LIMITED**

Place : Mumbai
Dated : 30th May, 2011

P. C. KUNDALIA
Director

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification (CERTIFICATION PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT)

C E R T I F I C A T E

We, P.C. Kundalia, Director and Anil Pareek, Chief Financial Officer of M/s. Windsor Machines Limited, have reviewed the financial statements, read with the cash flow statement of Windsor Machines Limited for the financial year ended March 31, 2011, and that to the best of my knowledge and belief certify that:

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - (ii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee.

For **WINDSOR MACHINES LIMITED**

Place : Mumbai
Dated : 30th May, 2011

P. C. KUNDALIA
Director

ANIL PAREEK
Chief Financial Officer

AUDITORS CERTIFICATE

To the Members of
Windsor Machines Limited

We have examined the compliance of conditions of Corporate Governance by Windsor Machines Limited for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause no 49 of the the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HARIBHAKTI & COMPANY**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
Membership No.41452

Place : Mumbai
Dated : 30th May, 2011



ANNUAL REPORT
2010-2011

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Development.

The industry for plastic processing machines has shown growth of 14% . The current scenario in the industry is one of caution and the overall growth rates achieved over last few years is unlikely to be maintained this financial year

Our Injection Moulding Division showed exemplary performance and a growth of about 35% is registered. Newly launched Models provided a competitive edge over competition. Technology transfer agreement with ITALTECH, Italy further reinforced the company's product profile and provided a boost to company's image in Injection Moulding Sector.

Our Extrusion Machinery Division's partnership with film technology collaborator M/s. Kuhne GmbH, Germany is further consolidated due to closer co-operation to launch Hybrid Lines with capability at par with European players to cater to unexplored market segments.

Renewed efforts in pipe technology area also added a competitive edge. Company enters into the league of suppliers offering large pipe size machines. A fresh identity / Logo and a detailed impressive website added to the image of our young and dynamic company.

B. Opportunities and threats:

Company identifies the various opportunities and is exploring to tap potential business by collaborating with reliable partners.

Injection Moulding Sector in automobile, telecom & agriculture continues to provide immense opportunities. Closer co-operation with collaborators offers an opportunity for buy-back of equipments for European Markets. Expanding horizons upto Latin America in pipes opens new avenues.

Ban on Gutka plastic packaging has given significant blow to Indian flexible packaging industry. Huge capacity created in pipe extrusion is discouraging & discourages new buyers. Impending threats of same Far-east companies setting up manufacturing facilities in India are a concern for Injection Moulding Machinery business.

Company is participating in various domestic and overseas exhibitions to tap new markets and increase our market share.

C. Product-wise performance :

Rs. Crores

Product	Net Sales	
	2010-2011	2009-2010
Injection Moulding Machines	137.54	100.31
Extrusion Machinery	113.03	106.26
TOTAL	250.57	206.57

D. Outlook :

As regards the Thane labour issues the High Court of Mumbai passed an order on 6th September, 2010 endorsing the Industrial Tribunal order dated 22nd September, 2005 and as per High Court order the Company had paid all the legal dues. The future prospects will be to a large extent dependent on the overall economic scenario. On its part the Company is taking necessary steps to ensure that its products are well accepted by the customers in terms of performance and price competitiveness.

E. Segment information for the year ended 31st March, 2011:

A. PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)		
Particulars	(Rs. in lacs)	
	Current Year	Previous Year
(i) Segment Revenue		
Extrusion Machinery Division	11,303.06	10,625.97
Injection Moulding Machinery	13,753.86	10,031.00
Total Segment Revenue	25,056.92	20,656.97
(ii) Segment Result		
Extrusion Machinery Division	2,412.85	1,495.81
Injection Moulding Machinery	2,025.15	620.19
Total Segment Results	4,438.00	2,116.00
Unallocated Corporate expenses net of		
Unallocated income	(23.21)	0.58
Profit / (Loss) before Interest, etc., Extra-ordinary items and taxation	4,414.79	2,116.58
Interest etc. paid-net	315.69	793.16
Profit / (Loss) before taxation and extra-ordinary items	4,099.10	1,323.42
Extra-ordinary items	8,135.96	–
Profit / (Loss) before taxation	12,235.06	1,323.42
Provision for taxation	(0.50)	(0.75)
Deferred tax assets (net)	1,814.93	–
Profit / (Loss) after taxation	14,049.49	1,322.67
(iii) Capital Employed		
(Segment Assets Less Segment Liabilities)		
Extrusion Machinery Division	1,136.97	622.97
Injection Moulding Machinery	(987.17)	(2,218.93)
Total capital employed in Segments	149.80	(1,595.96)
Unallocated Corporate assets less corporate liabilities	882.19	(9,345.50)
Total capital employed	1,031.99	(10,941.46)
(B) Secondary Segment Information (Geographical Segments)		
Segment Revenue		
Within India	20,259.76	15,981.16
Outside India	4,797.16	4,675.81
Total Revenue	25,056.92	20,656.97
Segment Assets		
Within India	8,399.72	6,429.69
Outside India	209.88	494.85
Total Assets	8,609.60	6,924.54
Capital Expenditure		
Within India	431.82	239.24
Outside India	–	–
Total Capital Expenditure	431.82	239.24

Notes :

The segment revenue and total assets include the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

F. Risks and concerns :

High interest cost and availability of funds for working capital is a major concern for your Company. The Global Economic recession, Technology obsolescence & growing competition specially from far east countries, anti-plastic campaign and Government Regulations are major risks for the Company which may adversely affect its business as well as margins in future.

G. Internal control systems and their adequacy :

The Company has a system of regular internal audit by an external entity having good standing and experience in the field of internal and management audit. All the factories of the Company and corporate accounts are covered by regular internal audit.

H. Financial performance vis-à-vis operational performance :

1. The Company on a continuous basis sets up policies to exercise cost control and cost reduction programme.
2. The Company has made operating profit of Rs. 40.99 crores during the year. Further, write back on implementation of Sanctioned Scheme of BIFR, and on account of excess provision of liabilities & interest have added to Rs. 81.36 crore to the bottom line. During the year, after recognizing the deferred Tax of Rs. 18.15 crore, the Company has achieved profit after tax of Rs. 140.49 crore.

I. Development in Human Resources/Industrial Relations front, including number of people.

Manufacturing activities in Thane factory continue to remain closed. The manufacturing activities at the Vatva and Chhatral factories have been in operation for the entire year. Human resources and industrial relations have been conducive and cordial for the entire period at the Vatva and Chhatral factories.

The employee strength of your Company has increased from 519 to 534 at the end of the year.

AUDITORS' REPORT

To,
The Members of
WINDSOR MACHINES LIMITED

We have audited the attached balance sheet of WINDSOR MACHINES LIMITED, as at 31st March 2011 and also the profit and loss account and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c. the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the balance sheet and profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of the written representation received from the directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us the said accounts, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



WINDSOR

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2011.
- ii. in the case of profit and loss account, of the profit for the year ended on that date and
- iii. In the case of the cash flows statement of the cash flows for the year ended on that date.

For **HARIBHAKTI & CO.**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
Membership No.41452

Mumbai,
Dated : 30th May, 2011

ANNUAL REPORT
2010-2011

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Windsor Machines Limited on the financial statements for the year ended 31st March, 2011]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in the case of Thane works where during the current year and previous year, the management could not access the detailed fixed assets records.
- (b) Fixed assets have not been physically verified by the management during the year. However according to the explanations given to us, there is regular programme of verification in a phased manner to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In absence of physical verification by the management, we are not in a position to report whether any material discrepancies exist or not.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
- (ii) (a) The inventory, except lying with third parties, has been physically verified by the management during the year. In respect of inventory lying with third parties, confirmations have been received in some cases only.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (b) The Company had taken loan from one Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 8774.91 lacs and the year-end balance of loans taken from such party was Rs.995.95 lacs.
- (c) In our opinion, the terms of these loans are, prima facie, not prejudicial to the interest of the Company:
- (d) The interest on above loan has been paid as per stipulation. There are no stipulations With regards to principal.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the Company.
- (v) There are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered in the register maintained under this section. Accordingly, clause (v) (b) of paragraph 4 of the Order is not applicable to the Company.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) According to the information and explanations given to us, Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. In lacs)	Period to which the amount relates (Asst. Year)	Forum where dispute is pending
Central Excise Act	Excise duty	16.51	1990-1991	High Court
Income Tax Act	Income Tax	0.12	1994-1995	High Court
Income Tax Act	Income Tax	14.33	1995-1996	High Court
Income Tax Act	Income Tax	36.07	1998-1999	Tribunal
Income Tax Act	Income Tax	6.91	2007-2008	CIT (Appeal)
Income Tax Act	Income Tax (Block assessment)	695.68	1988-1989 to 1997-1998	High Court

(x) The Company does not have accumulated losses at the end of financial year more than 50% of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.

(xii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xiii) The Company has not obtained any term loans.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xv) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xvi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(xvii) Clauses (xi), (xiii), (xiv), (xix) and (xx) of the Order are not reported upon as they are not applicable to the Company.

For **HARIBHAKTI & CO.**
Chartered Accountants
FRN No.103523W

Prashant Maharishi
Partner
Membership No.41452

Mumbai, Dated : 30th May, 2011

Balance Sheet

as at 31st March, 2011

	Schedule	As at 31.03.2011 (Rs. in lacs)	As at 31.03.2010 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share capital	A	521.44	1,303.59
Share suspense account	B	750.00	-
Reserves and surplus	C	-	2,044.05
		<u>1,271.44</u>	<u>3,347.64</u>
Loan Funds:			
Secured loans	D	820.86	8,029.57
Unsecured loans	E	175.09	1,331.93
		<u>995.95</u>	<u>9,361.50</u>
TOTAL		<u>2,267.39</u>	<u>12,709.14</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	F	6,725.60	7,113.57
Less : Depreciation		<u>5,273.25</u>	<u>5,803.36</u>
Net block		1,452.35	1,310.21
Investments	G	22.79	22.79
Deferred Tax Assets (Net)		1,814.93	-
Current Assets, Loans and Advances			
Inventories	H	5,262.18	2,834.32
Sundry debtors	I	871.58	1,183.99
Cash and bank balances	J	204.18	976.37
Other current assets	K	83.73	111.95
Loans and advances	L	<u>776.50</u>	<u>536.91</u>
		<u>7,198.17</u>	<u>5,643.54</u>
Less : Current Liabilities and Provisions			
Current liabilities	M	8,459.80	8,551.07
Provisions	N	<u>0.50</u>	<u>5.43</u>
		<u>8,460.30</u>	<u>8,556.50</u>
Net Current Assets		(1,262.13)	(2,912.96)
Profit and loss account (Debit balance)		<u>239.45</u>	<u>14,289.10</u>
TOTAL		<u>2,267.39</u>	<u>12,709.14</u>
Accounting policies and notes to accounts	V		

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
FRN No.: 103523W

Prashant Maharishi
Partner

Membership No.: 41452

Mumbai, Dated: 30th May, 2011

For and on behalf of the Board
K. C. Gupte Executive Director

P. C. Kundalia Director

Anil Pareek Chief Financial Officer

Priti Patel Company Secretary

Mumbai, Dated: 30th May, 2011

Profit and Loss Account

for the year ended 31st March, 2011

	Schedule	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
INCOME			
Income from operations	O	25,056.92	20,656.97
Other income	P	331.32	338.46
Increase/(Decrease) in stocks	Q	662.80	(32.45)
		<u>26,051.04</u>	<u>20,962.98</u>
EXPENDITURE			
Raw materials and components	R	16,522.80	14,638.41
Employees remuneration and benefits	S	2,387.48	1,890.86
Administrative and other expenses	T	2,505.93	2,113.86
Interest and Financial expenses (Refer note 6 (b) of Schedule 'V')	U	315.69	793.16
Depreciation (Refer note 8 of Schedule 'V')		220.04	203.27
		<u>21,951.94</u>	<u>19,639.56</u>
PROFIT / (LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAX		4,099.10	1,323.42
EXTRAORDINARY ITEMS			
(Refer notes 5, 6 (a) & 7 of Schedule 'V')			
Write back on account of BIFR Scheme		6,914.12	-
Write back on account of Excess provisions of liabilities		771.58	-
Excess provisions of interest (written off)/written back - net		450.26	-
		<u>8,135.96</u>	<u>-</u>
PROFIT / (LOSS) BEFORE TAX		12,235.06	1,323.42
Deferred Tax		1,814.93	-
Provision for wealth tax		(0.50)	(0.75)
		<u>14,049.49</u>	<u>1,322.67</u>
PROFIT / (LOSS) AFTER TAX		14,049.49	1,322.67
Prior year adjustments:			
Income tax /Wealth tax adjustments		0.16	(30.81)
Loss brought forward		(14,289.10)	(15,580.96)
		<u>(239.45)</u>	<u>(14,289.10)</u>
BALANCE CARRIED TO BALANCE SHEET			
Basic Earning Per Share (in Rupees) (Before extraordinary items)		45.36	10.15
Basic Earning Per Share (in Rupees) (including extraordinary items)		107.78	10.15
Diluted Earning Per Share (in Rupees) (Before extraordinary items)		18.60	10.15
Diluted Earning Per Share (in Rupees) (including extraordinary items)		44.20	10.15
Nominal value of equity share (in Rupees)		4.00	10.00
Accounting policies and notes to accounts	V		

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
FRN No.: 103523W

Prashant Maharishi
Partner

Membership No.: 41452

Mumbai, Dated: 30th May, 2011

For and on behalf of the Board
K. C. Gupte Executive Director

P.C. Kundalia Director

Anil Pareek Chief Financial Officer

Priti Patel Company Secretary

Mumbai, Dated: 30th May, 2011

ANNUAL REPORT
2010-2011

Cash Flow Statement for the year ended 31st March, 2011

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A. Cash flow from operating activities		
Net profit/ (loss) before tax	12,235.06	1,323.42
Adjustments for		
Depreciation	220.04	203.27
Dividend income	-	(0.71)
Interest charge (net)	315.69	793.16
Interest Received on IT refund / Sales Tax	-	-
(Profit)/loss on sale of fixed assets (net)	1.13	(1.32)
Exchange difference (Gain)/ Loss	7.04	22.57
Extraordinary Items (net)	(8,135.96)	-
	(7,592.06)	1,016.97
Operating profit before working capital changes	4,643.00	2,340.39
Changes in Trade and other receivables	66.93	(396.15)
Inventories	(2,416.86)	329.19
Trade payables	675.38	1,086.85
	(1,674.55)	1,019.89
	2,968.45	3,360.28
Direct taxes (paid)/received	(1.36)	18.84
Cash flow from operations	2,967.09	3,379.12
Prior year adjustments	0.16	(30.81)
Net cash flow from operating activities	2,967.25	3,348.31
B. Cash flow from investing activities		
Purchase of fixed assets	(431.82)	(239.24)
Sale of fixed assets	67.83	18.87
Loans given received back	(0.29)	0.08
Interest received	49.48	42.42
Dividend received	-	0.71
Net cash flow from investing activities	(314.80)	(177.16)
C. Cash flow from financing activities		
Borrowings (Net of repayments)	(3,082.19)	(1,812.53)
Interest paid	(342.45)	(849.40)
Net cash used in financing activities	(3,424.64)	(2,661.93)
Net cash generated (A+B+C)	(772.19)	509.22
Changes in cash and cash equivalents		
Cash and cash equivalents-opening balance	976.37	467.15
Cash and cash equivalents-closing balance	204.18	976.37
	(772.19)	509.22
Closing balance of cash and cash equivalents comprises of		
Cash and bank balances	204.18	976.37
Credit balance in current account	0.00	0.00
	204.18	976.37
Restricted cash and cash equivalents included in closing balance	64.85	50.96

Accounting policies and notes forming part of accounts are given in Schedule V

As per our report of even date attached

For HARIBHAKTI & CO.
Chartered Accountants
FRN No.: 103523W

Prashant Maharishi
Partner
Membership No.: 41452

Mumbai, Dated: 30th May, 2011

For and on behalf of the Board
K. C. Gupte Executive Director

P.C. Kundalia Director

Anil Pareek Chief Financial Officer

Priti Patel Company Secretary
Mumbai, Dated: 30th May, 2011

Schedules annexed to and forming part of the balance sheet as at 31st March, 2011

	As at 31.03.2011 (Rs. in lacs)	As at 31.03.2010 (Rs. in lacs)
SCHEDULE A		
SHARE CAPITAL:		
Authorised:		
5,00,00,000 equity shares of Rs. 4/- each	2,000.00	2,000.00
(Previous year 2,00,00,000 equity shares of Rs. 10/- each)		
Issued, subscribed and paid up:		
1,30,35,900 equity shares of Rs.4/- each fully paid up	521.44	1,303.59
(Previous year 1,30,35,900 equity shares of Rs.10/- each fully paid up)		
	521.44	1,303.59
Notes:		
1.	Of the above, 77,30,368.9/10 equity shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve and share premium account.	
2.	1,19,000 equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash.	
3.	As per Scheme sanctioned by BIFR dated 21-09-2010 the share capital has been reduced by 60% and authorised share capital of the Company consists of 5,00,00,000 equity shares of Rs. 4/- each aggregating to Rs. 20,00,00,000/-.	
4.	Consequent to the reduction as per Scheme, the paid up share capital consists of 1,30,35,900 equity shares of Rs.4/- each aggregating to Rs. 5,21,43,600/-.	
SCHEDULE B		
SHARE SUSPENSE ACCOUNT		
1,87,50,000 equity shares of Rs.4/- each pending final allotment	750.00	-
	750.00	-
(Refer Note 4(b) on Schedule 'V')		
SCHEDULE C		
RESERVES AND SURPLUS:		
CAPITAL RESERVE:		
As per last balance sheet	25.37	
Less: Transferred to restructuring account as per BIFR Scheme * (Refer note 5 (c) of Schedule 'V')	25.37	25.37
SHARE PREMIUM ACCOUNT :		
As per last balance sheet	2,017.95	
Less: Transferred to restructuring account as per BIFR Scheme * (Refer note 5 (c) of Schedule 'V')	2,017.95	2,017.95
REVALUATION RESERVE :		
As per last balance sheet	0.73	2.21
Less : Transferred to profit and loss account	0.73	1.48
(Refer note 8 of Schedule 'V')	-	0.73
	-	2,044.05

* The resulting balance in restructuring account has been transferred to profit & loss account.

	As at 31.03.2011 (Rs. in lacs)	As at 31.03.2010 (Rs. in lacs)
SCHEDULE D		
UNSECURED LOANS		
From a company	820.86	8,029.57
	820.86	8,029.57

Notes :

- i) Secured by mortgage on all immovable properties and hypothecation of all the movables in favour of the company (save and except book debts) both present and future.
- ii) Interest accrued and due Rs. Nil lacs (previous year Rs. 126.59 lacs)

SCHEDULE E		
UNSECURED LOANS		
Inter corporate loan	175.09	1,331.93
	175.09	1,331.93

SCHEDULE E										
FIXED ASSETS										
Description of Assets	GROSS BLOCK (as revalued or at cost)				DEPRECIATION				NET BLOCK	
	As at 01.04.10	Addi- tions	Deduc- tions	As at 31.03.11	Upto 31.03.10	For the year	Deduc- tions	Upto 31.03.11	As at 31.03.11	As at 31.03.10
Leasehold land	121.65	-	-	121.65	24.16	1.27	-	25.43	96.22	97.49
Buildings and roads on leasehold land	998.84	12.39	-	1,011.23	669.51	36.84		706.35	304.88	329.33
Office premises	59.76	-	15.00	44.76	35.32	2.39	9.19	28.52	16.24	24.44
Plant and machinery	4,002.68	93.10	270.14	3,825.64	3,645.90	58.27	256.86	3,447.31	378.33	356.78
Patterns and jigs	373.95	17.92	162.35	229.52	307.07	13.77	162.29	158.55	70.97	66.88
Computers	597.19	40.20	131.80	505.59	510.24	23.09	131.28	402.05	103.54	86.95
Electrical installation and air-conditioning plant	295.35	2.58	56.09	241.84	213.54	8.61	52.72	169.43	72.41	81.81
Drawing office equipments	5.38	-	0.36	5.02	5.09	0.04	0.36	4.77	0.25	0.29
Furniture, fixtures and office equipments	476.65	37.44	118.49	395.60	337.14	15.29	113.08	239.35	156.25	139.51
Vehicles	109.91	-	63.23	46.68	23.46	5.50	22.72	6.24	40.44	86.45
Intangible Assets Drawings and Technical know how)	72.21	228.19	2.33	298.07	31.93	55.65	2.33	85.25	212.82	40.28
TOTAL	7,113.57	431.82	819.79	6,725.60	5,803.36	220.72	750.83	5,273.25	1,452.35	1,310.21
PREVIOUS YEAR	6,988.14	239.24	113.81	7,113.57	5,694.87	204.75	96.26	5,803.36	1,310.21	1,293.27

Note :

Leasehold land and buildings and roads on leasehold land were revalued on 3rd January, 1976 and 31st December, 1981 at fair market value by an external valuer and the resultant increase of Rs. 20.33 lacs and Rs. 29.30 lacs respectively were credited to revaluation reserve account.

	As at 31.03.2011 (Rs. in lacs)	As at 31.03.2010 (Rs. in lacs)
--	--------------------------------------	--------------------------------------

SCHEDULE G
INVESTMENTS (LONG TERM)
Investment in shares
Quoted (Non-trade):

28,480 (previous year 28,480) Equity shares in Industrial Development Bank of India of Rs 10/- each	22.79	22.79
	<u>22.79</u>	<u>22.79</u>

Notes:

- All shares are fully paid-up unless otherwise stated.
- Aggregate market value of quoted investments Rs. 40.58 lacs (previous year Rs. 32.77 lacs).

SCHEDULE H
INVENTORIES :

(as taken, valued and certified by the management)

Loose tools	56.21	47.28
Raw materials and components	2,890.53	1,134.40
Work-in-progress	2,315.44	1,652.64
Finished goods	-	-
	<u>5,262.18</u>	<u>2,834.32</u>

SCHEDULE I
SUNDRY DEBTORS

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months:

Considered good	63.26	19.40
Considered doubtful	29.30	30.10
	<u>92.56</u>	<u>49.50</u>
Less : Provision for doubtful debts	29.30	30.10
	<u>63.26</u>	19.40

Other debts :

Considered good	808.32	1,164.59
	<u>871.58</u>	<u>1,183.99</u>

SCHEDULE J
CASH AND BANK BALANCES

Cash on hand	6.40	10.23
Bank balances with scheduled banks:		
a) In current accounts	132.76	415.05
b) In fixed deposit /margin money accounts	65.02	551.09
	<u>197.78</u>	<u>966.14</u>
	<u>204.18</u>	<u>976.37</u>

Notes:

- Amount in fixed deposit /margin money accounts includes Rs.64.85 lacs(previous year Rs. 50.96 lacs) pledged with bankers against bank guarantees and letters of credits issued by them.

	As at 31.03.2011 (Rs. in lacs)	As at 31.03.2010 (Rs. in lacs)
SCHEDULE K		
OTHER CURRENT ASSETS :		
Other interest receivable	1.48	26.23
Export entitlement	82.24	80.21
Technical know-how fees	0.01	0.01
Obsolete inventory (pending for disposal)	-	5.50
	<u>83.73</u>	<u>111.95</u>
SCHEDULE L		
LOANS AND ADVANCES:		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	707.13	456.89
Loan to employees (Interest free and below bank rate)	0.85	0.56
Balances with central excise	28.58	40.38
Advance tax payments and refund receivable (net of provisions)	39.94	39.08
	<u>776.50</u>	<u>536.91</u>
SCHEDULE M		
CURRENT LIABILITIES:		
Acceptances	779.27	154.09
Sundry creditors		
– Dues to Micro, Small & Medium Enterprises (Refer note 24 of Schedule 'V')	146.62	265.38
– Others	3,471.16	3,043.98
	<u>3,617.78</u>	<u>3,309.36</u>
Advance payments from customers	3,696.22	3,554.06
Other liabilities	366.53	1,533.56
	<u>8,459.80</u>	<u>8,551.07</u>
SCHEDULE N		
PROVISIONS:		
Provision for wealth tax	0.50	0.75
Retirement benefits	-	4.68
	<u>0.50</u>	<u>5.43</u>

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE O		
INCOME FROM OPERATIONS		
Sales including service charges (excluding sales tax and net of discounts)	27,129.05	22,020.78
Less : Excise duty	2,072.13	1,363.81
	<u>25,056.92</u>	<u>20,656.97</u>

SCHEDULE P
OTHER INCOME

Duty draw back on exports / DEPB	184.83	257.84
Profit on sale of fixed assets	-	1.32
Sundry balances written back	42.46	0.49
Dividend on long term investment	-	0.71
Excess provisions (written off)/written back - net	9.02	6.45
Miscellaneous receipts	95.01	71.65
	<u>331.32</u>	<u>338.46</u>

SCHEDULE Q
INCREASE/(DECREASE) IN STOCKS
Closing stock :

Work-in-progress	2,315.44	1,652.64
Finished goods	-	-
	<u>2,315.44</u>	<u>1,652.64</u>

Opening stock :

Work-in-progress	1,652.64	1,685.09
Finished goods	-	-
	<u>1,652.64</u>	<u>1,685.09</u>
	<u>662.80</u>	<u>(32.45)</u>

SCHEDULE R
RAW MATERIALS AND COMPONENTS

Opening stock	1,139.40	1,440.53
Purchases (including sub-contractors' processing charges Rs. 1,627.29 lacs, previous year Rs. 1,188.47 lacs)	18,273.93	14,337.28
	<u>19,413.33</u>	<u>15,777.81</u>
Less: Closing stock	2,890.53	1,139.40
	<u>16,522.80</u>	<u>14,638.41</u>

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
SCHEDULE S		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, bonus and allowances	2,049.41	1,636.24
Gratuity	76.88	45.24
Company's contribution to provident and other funds	126.73	93.17
Staff welfare expenses	134.46	116.21
	2,387.48	1,890.86

SCHEDULE T

ADMINISTRATIVE AND OTHER EXPENSES

Loose tools consumed	82.80	76.27
Light, power and fuel	146.83	145.12
Repairs and maintenance to:		
Plant and machinery	57.22	42.21
Buildings	80.98	83.12
Others	49.59	100.06
	187.79	225.39
Rent	34.50	34.13
Rates and taxes	24.54	23.51
Vehicle expenses	15.49	21.89
Travelling and conveyance	327.62	213.69
Postage, telegrams and telephones	56.14	43.18
Insurance	37.55	37.00
Printing and stationery	24.63	25.03
Legal and professional fees	339.44	191.15
Consumables	309.96	241.31
Packing, Carriage and freight outwards	326.86	291.05
Advertising	22.03	10.63
Exhibition expenses	117.47	16.15
Commission	141.37	209.31
Directors' sitting fees	3.04	0.60
Provision for doubtful debts	15.00	-
Exchange variation (net)	7.04	22.57
Miscellaneous expenses	277.42	244.99
Royalty	6.70	38.94
Loss on sale of fixed assets	1.13	-
R & D cess	0.58	1.95
	2,505.93	2,113.86

	Current Year (Rs. in lacs)		Previous Year (Rs. in lacs)	
SCHEDULE U				
INTEREST AND FINANCIAL EXPENSES				
Bank charges & commission	78.13		24.21	
Interest paid/payable				
On fixed loans	-	246.12		
On others	264.32	579.07		
	264.32	825.19		
Less : Interest Income				
On others [Tax deducted at source Rs. 0.86 lacs (previous year Rs. 10.98 lacs)]	26.76	237.56	56.24	768.95
		315.69		793.16

SCHEDULE V

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

a. System of accounting :

The financial statements are prepared under historical cost convention and on the accounting principle of going concern basis. The income and expenditure are generally accounted on accrual basis.

b. Fixed assets :

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses or at revalued amount, wherever revalued.

c. Depreciation :

- i. Depreciation on leasehold land has been provided at equal annual installments so as to write off the cost thereof completely two years before the termination date of the lease.
- ii. Depreciation on buildings and roads on leasehold land has been provided on straight line method at the rate of 4%.
- iii. Depreciation on office premises has been provided on straight line method at the rate of 4%.
- iv. On the other assets acquired up to 31.03.1994, depreciation has been provided on written down value method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956. However, in respect of fixed assets acquired up to 31.03.1993, where the original cost of asset did not exceed Rs. 5,000/- each, depreciation had not been provided at the rate of 100% but at the rate applicable to similar assets of a cost exceeding Rs. 5,000/-. On assets acquired on or after 01.04.1994, depreciation has been provided on straight line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956, except for technical know how which is depreciated over the period of the Technical know how agreement.

d. Investments :

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if, such a decline is other than temporary in the opinion of the Management.

e. Foreign currency transactions:

- i. In respect of exports and imports of goods, the transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing at the time of the transaction. Amount short or excess realised/incurred is transferred to exchange variation account.
- ii. Assets and liabilities related to foreign currency transactions other than for fixed assets remaining unsettled at the end of the year are translated at contract rate when covered by forward exchange contracts and at year-end rate in other cases. The gains and losses arising in foreign exchange other than those relating to fixed assets are recognised in the profit and loss account.

f. Inventories:

Inventories are valued at lower of cost or net realisable value, Cost of raw materials and components is arrived on a 'First-in-First-out' (FIFO) basis. Valuation of work-in-progress (including made in components) and finished goods is arrived at by using

the weighted average of the FIFO rates of raw materials and components and includes appropriate allocation of direct labour and works overheads.

g. Research and development:

Capital expenditure on Research and development is treated in the same manner as expenditure on fixed assets. The revenue expenditure on Research and development is written off in the year in which it is incurred.

h. Retirement benefits:

i. The Company has various schemes of retirement benefits, viz. Superannuation, Gratuity and Leave Encashment. Such liabilities of Vatva & Chhatral Works are administered by separate trusts formed for this purpose through the Group schemes of Life Insurance Corporation of India. In respect of other Works, such liabilities are provided for as per actuarial valuation or actual calculation on accrual basis.

ii. The company's contributions to provident fund are charged to the profit and loss account in the year of contribution.

i. Excise duty:

Excise duty payable in respect of finished goods and manufactured components is provided for in the books of Account.

j. Capital subsidy:

Amount received as capital subsidy from the Government for setting up an industrial undertaking in a backward area is credited to the capital reserve.

k. Revenue recognition:

i. Dividend is recognised in the profit and loss account when the right to receive the same is established.

ii. Service income is recognised on completion of services.

	As at 31.03.11 (Rs. in lacs)	As at 31.03.10 (Rs. in lacs)
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Nil	Nil
3. Contingent liabilities not provided for / commitments:		
i. Claims against the Company not acknowledged as debts	291.41	291.41
ii. Disputed income tax liability	753.11	746.20
iii. Disputed sales tax, excise & service tax liability	16.51	16.51
iv. Guarantee given by the Company on behalf of a body corporate to a financial institution.	120.00	120.00
v. In respect of bank guarantees	64.85	50.96
vi. In respect of claims of 33 workmen at Vatva works whose services were terminated by the Company. The Company's appeal is pending before Industrial Court / High Court. However company has agreed for 45 days retrenchment compensation in the court and same is also provided in the books.	Unascertained	Unascertained

4. In the hearing held on 29-06-2006, Board for Industrial and Financial Reconstruction (BIFR) had declared the Company as a sick industrial company based on its audited balance sheet as on 30-06-2003 u/s 3 (1) (o) of SICA ("Act") and appointed ICICI Bank as the Operating Agency (OA) u/s 17 (3) of the Act with direction to prepare a viability study report and revival scheme for the company. After various hearings to accommodate the views of concerned parties on the Draft Rehabilitation Scheme circulated by BIFR, the BIFR sanctioned the Scheme on 21st September, 2010 which was communicated to the Company by their letter dated 25th October, 2010. The following are the principal and important directions in the Scheme :

- a) Reduction in the share capital by 60% whereby the face value of equity share is reduced from Rs. 10/- each to Rs.4/- each.
- b) 1,87,50,000 Equity shares of Rs. 4/- each aggregating to Rs. 750 lacs to be allotted at par to the Promoters / Co-promoters / strategic investors / SPVs / associates etc. after reduction in the Share Capital by 60% as per (a) above. This shall be subject to minimum lock in period of three years and passing of a special resolution as per SEBI guidelines. As directed in BIFR Scheme, the members have accorded their consent by special resolution to issue and allot such equity shares at duly convened EGM on 12th May, 2011. The said amount has been received and transferred to Share Suspense account pending final allotment.
- c) Grant of concessions sought by the company from Central / State Governments, Tax Authorities, Company Law Board Authorities, Secured and Unsecured creditors etc., subject to approvals and/or compliance of prevailing Schemes/guidelines as applicable.

5. Brief particulars of the sanctioned scheme of rehabilitation in addition to the above are as below:

- a) The Cut-off date (COD) is 31-03-2009.
- b) Funds to be brought in by promoters / co-promoters / Strategic Investor / SPVs / associates etc. for one time settlement of the dues of Financial Institutions / Banks and for meeting working capital requirements.
- c) On the COD, the credit balances in the Capital Reserve Account and Share Premium Account shall be transferred to a new account called 'Restructuring Account' and the balance in such 'Restructuring Account', without any further approvals or compliances, shall be adjusted and set off against debit balance of profit and loss account.
- d) The Share Capital has been reduced by 60% and Authorised Share Capital of the company increased to 5,00,00,000 equity shares of Rs. 4/- each, aggregating to Rs. 20 Crores. At such EGM held as above, the authorized share capital was further increased to Rs. 40 Crores and it was decided to subdivide every equity share of Rs. 4/- each to 2 equity shares of Rs. 2/- each.
- e) Certain specific unsecured liabilities (including those which are under litigation / appeal shall on crystallisation after exercise of all the legal remedies available to the company), shall be paid only 15% on the principal amount, on interest free basis.

The Board of Directors, in their meeting held on 30th March, 2011 duly adopted the scheme as sanctioned by the BIFR. Accounting entries are passed in the books of Accounts for the quarter ended 31st March, 2011 to give effect to the directions given by the BIFR in the Sanctioned Scheme.

In respect of proposed issue of equity shares of Rs. 27.20 lacs at par to Brescon Corporate Advisors Limited , as approved in EGM of 12th May, 2011, such issue shall be made after approval of modification to the scheme by BIFR/ AAIFR as the case may be, which are being sought.

The aggregate amount of following reliefs, concessions and write backs of Rs 6,914.12 lacs has been adjusted and set off against debit balance of profit & loss account, as directed in Sanctioned Scheme,:

		(Rs. in lacs)
1. a)	Secured loans	- 3,277.80
	b) Unsecured loans	- 103.85
	c) Unsecured Creditors	- 52.61
	d) Interest accrued but not due	- 654.38
		<u>4,088.64</u>
2. a)	Reduction in Share Capital	- 782.15
	b) Reduction in Reserves & Surplus	- 2,043.33
		<u>2,825.48</u>
Total		<u>6,914.12</u>

Consequent to write back of loans/interest on account of settlement of dues of lenders under the Sanctioned Scheme, issue of further equity shares, profits of the Company in recent years and other factors, the net worth of the Company has turned positive during the year ended 31st March, 2011. Accordingly, the company shall take due steps to apply to the BIFR for deregistration as a sick industrial company under the Sick Industrial Companies (Special Provisions) Act, 1985.

6. a) The Scheme of Rehabilitation (Scheme) as sanctioned by the BIFR and adopted by Board of Directors on 30th March, 2011 has stipulated specific interest rates to be charged by the Lenders on approved balances as on cut-off date i.e. 31st March, 2009. Excess interest charged during 2009-10, is written back during 2010-11 amounting of Rs. 450.26 lacs shown as excess provisions written back in profit and loss account.
- b) The scheme of Rehabilitation (Scheme) as sanctioned by the BIFR and adopted by Board of Directors on 30th March, 2011, has stipulated specific interest rates to be charged by the Lenders on loans outstanding. Excess interest charged during first three quarters of the current year are written back in the last quarter i.e. quarter ending 31st March, 2011.
7. The High Court has passed an order dated 6th September'2010 confirming the Industrial Tribunal order dated 22nd September'2005 except payment of interest on legal dues. Consequently the Company has settled such liabilities on 5th October'2010 and the balance excess provision of Rs. 771.58 lacs has been written back during the year.
8. Depreciation provided for the period includes an additional charge on account of revaluation to the extent of Rs.0.73 lacs (previous year Rs.1.48 lacs) and a similar amount has been transferred to the 'depreciation' in the profit and loss account from the revaluation reserve account.
9. Bad debts of Rs. 15.80 lacs written off during the year have been adjusted against provision for doubtful debts made in earlier years.

		Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
10. a)	Managerial remuneration:		
	Salary & Ex-gratia	-	54.23
	Company's contribution to provident and other funds	-	1.08
	Value of perquisites.	-	0.03
		<u>-</u>	<u>55.34</u>
b)	Director's fees	<u>3.04</u>	<u>0.60</u>

11. Legal and professional fees include, Payments to Auditors for -

Statutory audit	6.25	4.50
Tax audit	1.50	1.25
	<u>7.75</u>	<u>5.75</u>

12. Detailed quantitative information in respect of sales, capacities, production, stocks and consumption of raw materials and components:

	Quantity (in nos.)	Value (including excise duty) (Rs. In lacs)
(a) Sales		
i. Plastic processing Machinery including extruders, injection and blow moulding machines	608 (520)	25,041.19 (20,426.93)
ii. Spare parts (including service charges Rs. 82.35 lacs, previous year Rs. 66.49 lacs)		2,087.86 (1,593.85)
		<u>27,129.05</u> <u>(22,020.78)</u>

(b) Capacities, production, purchases and stocks :

Class of goods	Installed Capacity Nos	Actual Production Nos
i) Plastic Processing	N.A.	608
machinery	(N.A.)	(520)

Notes :

- As the licensing capacity has been dispensed with by the Government of India, only the installed capacity and production have been given.
- The company manufactures various kind of plastic processing machines on make to order therefore Installed capacity is not applicable.

(c) Consumption of raw materials and components :

	Unit of Measurement	Current Year Quantity	Value Rs. In lacs	Previous Period Quantity	Value Rs. In lacs
1. Ferrous, non-ferrous, section rods, bars, plates etc.	Metric Tonnes	2726.79	2,053.77	1320.84	1,044.63
2. Castings, ferrous and non ferrous	Nos.	11648.70	2,022.28	12771.30	1,747.46
3. Tubes and pipes	Running Mtrs.	22860.65	45.18	15750.35	13.43
4. i. Electrical motors	Nos.	1604.00	423.09	1591.00	396.30
ii. Hydraulic motors	Nos.	679.00	290.53	478.00	129.23
iii. Electric switchgears and controls	Nos.	195003.00	1,689.88	47441.00	770.79
iv. Hydraulic pumps and valves	Nos.	14396.00	780.32	12352.60	562.88
v. Sub-contracted items	Lot		4,543.40		3,867.64
vi. Miscellaneous components Cables, hardwares, elbows etc.	Lot		4,674.35		6,106.05
TOTAL			16,522.80		14,638.41

	% of Total Consumption	Value Rs. in lacs	% of Total Consumption	Value Rs. in lacs
Of which				
1. Imported	9.23	1,524.60	7.54	1,103.84
2. Indigenous	90.77	14,998.20	92.46	13,534.57
	<u>100.00</u>	<u>16,522.80</u>	<u>100.00</u>	<u>14,638.41</u>
			Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)

13. C.I.F value of imports in respect of: Raw materials, components and finished goods	1,426.31	1,070.88
14. Earnings in foreign currency: FOB value of goods exported (including Rs. 695.99 lacs, previous year Rs. 1.01 lacs through merchant exporters)	4,587.45	4,613.84
Reimbursement of freight and insurance on exports	-	6.92
15. Expenditure in foreign currency: Subscription to periodicals etc.	0.49	0.11
Foreign travel	71.00	40.94
Technical know how fees	225.56	41.76
Royalty	33.10	NIL
Professional Consultancy fees	5.36	NIL
Bank charges	-	0.57
Commission	22.39	32.61
Advertisement	0.39	NIL
Freight/Others	49.42	7.45
16. Research and development expenditure: - Revenue expenditure charged to profit and loss account	112.20	87.23
17. Earning Per Share (EPS): The numerators and denominators used to calculate Basic and Diluted Earning Per Share.		

	2011	2010
Profit / (Loss) Attributable to the shareholders (Rs. lacs) (Before Extraordinary items)	5,913.53	1,322.67
Profit / (Loss) Attributable to the shareholders (Rs. lacs)	A 14,049.49	1,322.67
Number of Equity Shares outstanding during the year for basic and diluted EPS	B 13,035,900	13,035,900
Nominal value of Equity shares (Rs.)	4	10
Basic and diluted profit / (loss) per share (Rs.) (Before extraordinary items)	45.36	10.15
Basic and diluted profit / (loss) per share (Rs.) (Including extraordinary items)	107.78	10.15
Diluted profit / (loss) per share (Rs.) (Before extraordinary items)	18.60	10.15
Diluted profit / (loss) per share (Rs.) (Including extraordinary items)	44.20	10.15

18. Related Parties Disclosure:

(Rs. in Lacs)

Name of related party and Nature of relationship	Nature of Transaction	Transaction Value	Outstanding Amount carried in the Balance Sheet	
			31-03-2011	31-03-2010
a) Directors & Relatives				
i Mr. P.C. Kundalia (Director in M/s. Renaissance Equipments Pvt. Ltd.)	Sitting Fees	0.98	—	—
ii Mr. M. K. Arora (Director in M/s. Vibhuti Investments Co. Ltd.)	Sitting Fees	0.98	—	—
b) Key Management Personnel				
Mr. K.C. Gupte (Executive Director w.e.f. 30th March, 2011)	Sitting Fees	0.98	—	—
c) Associates / Investing Parties :				
i. Renaissance Equipments Pvt. Ltd.	Unsecured loan repaid	696.84	175.09	871.93
	Interest on Loan	21.14		
	Interest paid	56.38	—	35.24
	Secured loan repaid	1,660.16		
	Loan convert in share	388.00		
	Loan waived off	5,033.96	820.86	7,902.98
ii. Vibhuti Investments Co. Ltd.	Interest on Loan	788.75		
	Interest paid	915.34	—	126.59
	Loan convert in share	362.00		
	Loan waived off	98.00	—	460.00
	Capital Advance	—	1,455.00	1,455.00

19. Segment Information for the year ended 31st March, 2011

(A) PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
(i) Segment Revenue		
Extrusion Machinery Division	11,303.06	10,625.97
Injection Moulding Machinery	13,753.86	10,031.00
Total Segment Revenue	25,056.92	20,656.97
(ii) Segment Result		
Extrusion Machinery Division	2,412.85	1,495.81
Injection Moulding Machinery	2,025.15	620.19
Total Segment Results	4,438.00	2,116.00
Unallocated Corporate expenses net of unallocated income	(23.21)	0.58

Profit / (Loss) before Interest, etc., Extra-ordinary items and taxation	4,414.79	2,116.58
Interest etc. paid- net	315.69	793.16
Profit / (Loss) before taxation and extra-ordinary items	4,099.10	1,323.42
Extraordinary items	8,135.96	-
Net Profit / (Loss) before taxation	12,235.06	1,323.42
Deferred tax assets (net)	1,814.93	-
Provision for taxation	(0.5)	(0.75)
Net Profit / (Loss) after taxation	14,049.49	1,322.67

(iii) Capital Employed

(Segment Assets Less Segment Liabilities)

Extrusion Machinery Division	1,136.97	622.97
Injection Moulding Machinery	(987.17)	(2,218.93)
Total capital employed in Segments	149.8	(1,595.96)
Unallocated Corporate assets less corporate Liabilities	882.19	(9,345.50)
Total capital employed	1,031.99	(10,941.46)

(iv) SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

Segment Revenue

Within India	20,259.76	15,981.16
Outside India	4,797.16	4,675.81
Total Revenue	25,056.92	20,656.97

Segment Assets

Within India	8,399.72	6,429.69
Outside India	209.88	494.85
Total Assets	8,609.60	6,924.54

Capital Expenditure

Within India	431.82	239.24
Outside India	-	-
Total Capital Expenditure	431.82	239.24

Notes:

The segment revenue and total assets include the revenue and assets respectively, which are identifiable with each segment and amounts allocated to the segments on a reasonable basis.

20. Employees Benefits (Disclosure as per As 15 revised)

The disclosure required under Accounting Standard 15 "Employees Benefits" notified in the companies (Accounting Standards) Rules 2006, are given below:

a. Provident Fund – Defined Contribution Plan :-

Contributions to the Provident Fund are made to Provident Fund Organization and all employees are entitled to Provident Fund benefits. Amount debited to Profit and Loss account Rs. 97.56 Lacs during the year.

b. Gratuity & Leave Encashment– Defined Contribution Plan :-

The employees' gratuity fund and leave encashment scheme of EMD (Vatva Works) & IMM (Chhatral works) managed by Life Insurance Corporation of India is a defined benefit Plan. The present value of obligation is determined based on actuarial valuation, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Sr. No.	Particulars	EMD				IMM			
		Gratuity (Funded)		Leave Encashment (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
		31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10	31/03/11	31/03/10
1	Assumptions								
	Discount Rate	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
	Salary Escalation Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
2	Present value of obligations								
	Present value of obligations as at beginning of year	258.23	218.12	194.39	96.3	182.01	168.2	126.1	93.3
	Interest cost	26.62	21.51	20.93	16.32	19.25	10.94	13.08	6.19
	Current Service Cost	37.49	30.54	41.73	85.51	34.77	166.31	23.64	30.98
	Benefits Paid	4.98	12.1	25.63	25.83	8.11	11.67	61.2	17.08
	Actuarial (gain)/Loss on obligations	-	0.17	21.46	22.08	4.62	(151.78)	55.02	12.71
	Present value of obligations as at end of year	317.36	258.23	252.87	194.39	232.54	182.01	156.65	126.1
3	The fair value of plan assets								
	Fair value of plan assets at beginning of year	258.23	218.12	194.39	96.3	177.33	8.22	126.1	-
	Actual return on plan assets	26.62	21.51	20.93	16.32	19.25	10.94	13.08	6.19
	Contributions	37.49	30.54	41.73	85.51	39.45	166.31	23.64	124.27
	Benefits Paid	4.98	11.93	4.17	3.74	3.49	11.67	6.18	4.37
	Fair value of plan assets at the end of year	317.36	258.23	252.87	194.39	232.54	177.33	156.65	126.1
	Funded status	-	-	-	-	-	(4.68)	-	-
	Excess of Actual over estimated return on plan assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)									
4	Actuarial Gain/Loss recognized								
	Actuarial gain/(Loss) for the year - Obligation	-	(0.17)	(21.46)	(22.08)	(4.62)	151.78	(55.02)	(12.71)
	Actuarial (gain)/Loss for the year - plan assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (gain)/Loss for the year	-	0.17	21.46	22.08	4.62	(151.78)	55.02	12.71
	Actuarial (gain)/Loss recognized in the year	-	0.17	21.46	22.08	4.62	(151.78)	55.02	12.71
5	The amounts to be recognized in the balance sheet								
	Present value of obligations as at the end of year	317.36	258.23	252.87	194.39	232.54	182.01	156.65	126.1
	Fair value of plan assets as at the end of the year	317.36	258.23	252.87	194.39	232.54	177.33	156.65	126.1
	Funded status	-	-	-	-	-	(4.68)	-	-
	Net Asset/(liability) recognized in balance sheet	-	-	-	-	-	4.68	-	-
6	Expenses to be Recognised in statement of Profit & loss								
	Current Service cost	37.49	30.54	41.73	85.51	34.77	166.31	23.64	30.98
	Interest Cost	26.62	21.51	20.93	16.32	19.25	10.94	13.08	6.19
	Expected return on plan assets	26.62	21.51	20.93	16.32	19.25	10.94	13.08	6.19
	Net Actuarial (gain)/Loss recognised in the year	-	0.17	21.46	22.08	4.62	-151.78	55.02	12.71
	Expenses recognised in statement of Profit & loss	37.49	30.7	63.18	107.59	39.4	14.54	78.66	43.69
7	Percentage of each category of Plan Assets to total Fair Value of Plan Assets.								
	Administered by Life Insurance Corporation of India	100%	100%	100%	100%	100%	100%	100%	100%

21. Derivatives :

The year end foreign currency exposures that have not been hedged by a derivative instruments or otherwise are as under :

a. Amount Receivable in foreign Currency on account of the following :

(Rs. In lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
Export of Goods	209.88	494.85

b. Amount Payable in foreign Currency on account of the following :

(Rs. In lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
Import of Goods	3.01	—

22. The deferred tax asset (net), calculated in accordance with the Accounting Standard AS – 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, pertaining to period upto 31st March 2011 amounted to Rs.1,814.93 lacs.

With improved performance of the Company, net deferred tax assets have also been accounted for in the current year.

(Rs. in lacs)

Particulars	Deferred Tax Assets/(Liability) as at 01.04.2010	Current Year Credit / (Charge)	Deferred Tax Assets/(Liability) as at 31.03.2011
Deferred tax assets on account of:			
- Unabsorbed depreciation	-	1,126.99	1,126.99
- Unabsorbed business losses	-	579.12	579.12
- Long term capital loss	-	197.03	197.03
- Others	-	51.39	51.39
Total (A)	-	1,954.53	1,954.53
Deferred tax liabilities on account of:			
On account of difference in WDV of assets	-	(139.60)	(139.60)
Total (B)	-	(139.60)	(139.60)
Deferred Tax Assets / (Liabilities) (Net) Total (A-B)	-	1,814.93	1,814.93

23. Impairment of Assets

In respect of Vatva, Chhatral and Thane works based upon a report of a registered approved valuer, the assets of these works are not impaired. This being a technical matter, the Board has relied upon the technical experts' report.

24. In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) which came into force from 02nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the company, the disclosure pursuant to the said Act is under :

Sr. No.	Particulars	As at 31.03.2011	As at 31.03.2010
a)	Principal amount remaining unpaid at the end of the accounting year	146.62	135.51
b)	Interest accrued & due to suppliers on the above amount, unpaid	9.08	8.86
c)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed day during the year	-	-
d)	The amount of interest accrued and remaining unpaid at the end of financial year	24.22	18.73
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	15.14	9.87
f)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	-	-

25. With regard to Auditors' observations in their report, this is to clarify that Thane works was closed since 2002 due to adverse labour situation. During the year, it was accessed and on verification it was found that most of the records were destroyed due to floods in the year 2005. Management is in the process of building up these records. Adequate measures have been taken for the protection and maintenance of the assets and property.

The fixed assets of the Company will be physically verified during the current year as part of the policy of covering all the items over a period of three years.

26. Previous year's figures have been regrouped / recast wherever considered necessary.

27 The balance sheet abstract and Company's general business profile pursuant to Part IV of Schedule VI to the Companies Act, 1956 is given in Annexure 'A'

Signatures to Schedules 'A' to 'V'

As per our report of even date attached

For and on behalf of the Board

K. C. Gupte Executive Director

P.C. Kundalia Director

Anil Pareek Chief Financial Officer

Priti Patel Company Secretary

Mumbai, Dated: 30th May, 2011

ANNEXURE 'A'

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	:	0012642	State Code : 11
Balance Sheet Date	:	31/03/2011	

II. Capital raised during the year : (Amount in Rs. Thousands)

Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
Advance against share application money	:	Nil

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	:	226,739
Total Assets	:	226,739

Sources of Funds

Paid-up Capital	:	52,144
Share Suspense account	:	75,000
Reserves & Surplus	:	—
Secured Loans	:	82,086
Unsecured Loans	:	17,509

Application of Funds

Net Fixed Assets	:	145,235
Investments	:	2,279
Deferred tax assets (net)	:	181,493
Net Current Assets	:	(126,213)
Accumulated Losses	:	23,945

IV. Performance of Company : (Amount in Rs. Thousands)

Turnover	:	3,352,420
Total Expenditure	:	2,128,914
Profit / (loss) before tax	:	1,223,506
Profit / (loss) after tax	:	1,404,949
Earning/(loss) per share in Rs.	:	45.36
Dividend rate	:	Nil

V. Generic Names of Three Principal Products / Services of the Company : (As per monetary terms)

Item Code No. (ITC Code)	:	847710.00
Product Description	:	Injection Moulding Machines
Item Code No. (ITC Code)	:	847720.00
Product Description	:	Extrusion Line Machines
Item Code No. (ITC Code)	:	847730.00
Product Description	:	Blow Moulding Machines

For and on behalf of the Board

K. C. Gupte Executive Director

P.C. Kundalia Director

Anil Pareek Chief Financial Officer

Priti Patel Company Secretary

Mumbai, Dated: 30th May, 2011

ANNUAL REPORT
2010-2011

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WINDSOR

WINDSOR MACHINES LIMITED

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

ATTENDANCE SLIP

48th Annual General Meeting on Friday the 22nd July, 2011 at 11.00 a. m.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Attendance Slip on request.

NAME & ADDRESS OF THE SHAREHOLDER	L. F NO./DP ID No./Client ID No.

I hereby record my presence at the 48th Annual General Meeting of the Company at Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Road No. 16-T, Wagle Industrial Estate, Thane - 400 604 on Friday the 22nd day of July, 2011.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

If Shareholder, please sign here	If Proxy, please sign here

TEAR HERE

TEAR HERE



WINDSOR

WINDSOR MACHINES LIMITED

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

PROXY FORM

LF NO./DP ID No./Client ID No.	
--------------------------------	--

I / We

of being a member/members of WINDSOR MACHINES LIMITED

hereby appoint.....of

or failing him/her of.....

as my/our proxy to vote for me/us and on my/our behalf at the 48th Annual General Meeting of the Company to be held on Friday, the 22nd July, 2011 and at any adjournment thereof.

As witness my/our hand(s) this day of 2011.

Affix a
Re.1
Revenue
Stamp

(Signature of the Shareholder)

NOTE : The Proxy Form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Book - Post

If undelivered, please return to:

WINDSOR MACHINES LIMITED

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