

47th
ANNUAL REPORT
2009-2010



WINDSOR

WINDSOR MACHINES LIMITED

Board of Directors

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

Auditors

Haribhakti & Co.
Chartered Accountants

Registered Office & Thane Factory

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

Vatva Factory

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

Chhatral Factory

Plot No.6 & 7, GIDC Indl. Estate,
Chhatral Tal. Kalol, Dist. Gandhinagar,
Gujarat-382 729

Corporate Office

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

Registrar & Transfer Agents

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

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Annual Report 2009-2010

47th Annual General Meeting

Date : 28th December, 2010

Day : Tuesday

Time : 11.00 a.m.

Place : Thane Small Scale Industries
Association, TSSIA House,
Plot No. P-26, Road No. 16-T,
Wagle Industrial Estate,
Thane - 400 604

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NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of the Members of WINDSOR MACHINES LIMITED will be held at the Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Industrial Estate, Thane – 400 604, on Tuesday the 28th December, 2010 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. C. Kundalia who retires at this meeting, and being eligible, offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Audit Committee of the Board to fix their remuneration.

By Order of the Board of Directors

Registered Office :
Plot E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 13th November, 2010

P. C. KUNDALIA
Director



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NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the company not later than 48 hours before the meeting.
3. **Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 18th December, 2010 to Tuesday the 28th December, 2010 (both days inclusive).**
4. Members desirous of obtaining any information in respect of Accounts and operations of the Company are requested to write to the Company at least one week before the meeting, to enable the Company to make available the required information at the meeting.
5. Members are requested to notify immediately any change in address to the Registrars at the following address :

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

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

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

DIRECTORS' REPORT

Dear Members,

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

1. PERFORMANCE OF THE COMPANY

1.1 Results

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

1.2 Dividend :

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

2. Operations :

Your Company has in the current year sold 520 machines to achieve the turnover of Rs. 206.57 crores as compared to 225 machines in the previous period (9 months) turnover of Rs.93.11 crores, an annualized growth of 66% despite all constraints faced by a Sick Industrial Company. Your Company has been able to continue its control on administrative costs, while the employee cost has increased due to market condition. The profit before interest and depreciation has improved to Rs. 2289.19 lacs in the current year as against Rs. 268.33 lacs in the previous period.

Detailed analysis of the operations of the Company are available in the 'Management Discussion and Analysis' forming part of the Annual Report. The operations of the Thane unit of the Company continue to remain closed.

3. Domestic Sales & Export Business :

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

of Rs. 23.50 crores thus an annualised increase of 49.24% and is 22.64% of total sales turnover. The increase in the turnover in the current year has been supported by the focused vendor management programme, which has helped in slightly easing the pressure on the tight working capital, and also through enhanced customer satisfaction. The market has well accepted the new range of machines from the extrusion and injection moulding machinery business of your Company on account of its efficiency and product quality.

4. Business Outlook :

The market being supportive in terms of order book position, the outlook for the year seems to be better. The demand for Extrusion Machinery is expected to grow particularly in view of the expected growth in agriculture, telecom and construction sectors. As regards Injection Moulding Machinery business, the demand is expected to grow particularly in view of the expected growth in the consumption of plastic products in the house hold and furniture segments. Further, Automobiles sector also is fuelling the increase in newer capacities.

5. Directors' Responsibility Statement :

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed :

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year under review;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the accounts for the financial year ending 31st March, 2010 on 'going concern' basis.

6. Corporate Governance :

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

7. Insurance :

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

8. Depository :

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd., (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid.

9. Environment Protection :

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

10. Public Deposits

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

11. Personnel :

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

12. Directors :

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

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

13. Auditors :

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

14. Auditors' Remarks :

The clarifications with regard to Auditor's remarks are as below:

The Company has already initiated various restructuring measures and some are still proposed to be initiated, therefore the Company would be able to continue its operations in the foreseeable future and as such these financial statements have been prepared on "going concern" basis.

Although the management could not physically verify the fixed assets, at Thane plant adequate measures have been taken for the protection and maintenance of the assets and property.

In regard to the full information with respect to the Thane works for the purpose of Accounting Standard – 28, the details were not available mainly on account of inaccessibility of records due to adverse labour situation.

15. Statutory Disclosures :

- Particulars to be disclosed as per the provisions of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure, which forms part of the report.
- Information as per section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975, and forming part of the Directors' report for the year ended 31st March, 2010.

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

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

Notes :

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

16. Registration with BIFR :

As the accumulated losses at the end of the financial year ended 31st March, 2010 continue to exceed the entire net worth, your Company is a sick industrial Company as per provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). A reference had been made and the Company in 2006 is declared sick industrial Company under the provisions of the Sick Industrial Companies (Special Provisions) act by the Board of Industrial and Financial Reconstruction (BIFR) under the said Act vide number 65/2006.

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

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

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

DGP Windsor Limited U.K.

VIP Industries Limited.

Vibhuti Investment Co. Limited

Ghodbunder Developers Private Limited.

Castle Equipments Private Limited.

Renaissance Equipments Private Limited.

DGP Securities Limited.

Alcon Finance & Investments Limited.

18. AGM Extension:

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

19. Acknowledgement :

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

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

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 13th November, 2010

P. C. KUNDALIA
Director

K C GUPTA
Director

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY :

Measures taken :

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

B. TECHNOLOGY ABSORPTION :

The Company has approval from the Department of Scientific and Industrial Research for its R & D units at its factories in Vatva and Chhatral. During the year the specific activities of interest are :

a) INJECTION MOULDING MACHINE DIVISION :

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

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

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

b) EXTRUSION & BLOW MOULDING DIVISIONS :

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

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

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

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

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

b) EXTRUSION & BLOW MOULDING DIVISIONS :

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

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

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

Developments of high output blown film line with full automation.

3. Technology Absorption, Adaptation and Innovation :

a. Efforts taken for technology absorption and innovation from

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

- b. Benefits derived as a result of the above efforts
- World class standard in product quality
 - Better customer orientation

4. Expenditure on R&D

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

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

C. FOREIGN EXCHANGE EARNED AND USED.

Total foreign exchange used and earned during the year :

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

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 13th November, 2010

P. C. KUNDALIA
Director

K C GUPTA
Director

CORPORATE GOVERNANCE REPORT

ANNEXURE TO DIRECTORS' REPORT

COMPANY'S PHILOSOPHY

The Company is committed to adopt the best Corporate Governance practices and endeavours 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 three (3) Directors all three being Non-Executive Directors. Company is in the process of filling in the position of Executive Director which fell vacant upon resignation of the earlier incumbent.

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 2009-10, five (5) Board Meetings were held on the following dates with the time gap between two consecutive meetings being not more than three months:

1. 28th May, 2009
2. 29th June, 2009
3. 31st July, 2009
4. 30th October, 2009
5. 29th January, 2010

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. P. C. Kundalia	Ind. & Non-Executive Director	Nil	5	No	6	2	—
Mr. R. R. Nagrajan#	Executive Director	Nil	4	Yes	—	1	—
Mr. K. C. Gupte	Ind. & Non-Executive Director	500	5	Yes	6	2	2
Mr. M. K. Arora	Ind. & Non-Executive Director	Nil	5	No	8	—	—

* Excludes directorship in private limited companies and companies registered under Section 25 of the Companies Act, 1956.

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

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

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 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 Non-Executive Directors, all of whom 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.

Mr. K.C. Gupte, Independent Director is the Chairman of the Committee. The Executive Director, the Chief Financial Officer, Internal Auditors and Statutory Auditors are invitees to the meeting. Mr. Anil Pareek, Chief Financial Officer is the Secretary of the Committee. The Internal Audit function 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 28th May, 2009, 29th June, 2009, 31st July, 2009, 30th October, 2009 and 29th January, 2010

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	Member	5	5
Mr. K. C. Gupte*	Chairman	5	5
Mr. M. K. Arora	Member	5	5

* Mr. K. C. Gupte, Chairman of the Committee was present at the 46th Annual General Meeting of the Company held on Friday the 18th September, 2009 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. Company is in the process of filling up the position of Executive Director which fell vacant upon resignation of the earlier incumbent.

Composition and Attendance at Meetings:

The Remuneration and Compensation Committee comprises of three members, all of whom are Non-Executive Directors.

The Remuneration and Compensation Committee did not meet during the year.

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	Member	—	—
Mr. P. C. Kundalia	Member	—	—
Mr. M. K. Arora	Member	—	—

Details in respect of Executive Director

Details of remuneration paid to the Executive Director during the year are as follows:

Name of Executive Director	Gross remuneration Rs.	Commission Rs.	Total Rs.
Mr. R. R. Nagrajan*	55,33,999	—	55,33,999

* Resigned wef 28.07.2009

Gross remuneration includes salary, ex-gratia, leave encashment, contribution to Provident Fund, Superannuation Fund and perquisites.

The Company does not have any stock option scheme.

Service Contracts, Severance Fees and Notice Period:

At present the Company does not have an Executive Director:

Company is in the process of filling in the position of Executive Director which fell vacant upon resignation of the earlier incumbent.

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. P. C. Kundalia	20,000/-	Nil	20,000/-
Mr. K. C. Gupte	20,000/-	500	20,000/-
Mr. M. K. Arora	20,000/-	Nil	20,000/-

The Non-Executive Directors are not paid any remuneration but are paid sitting fees of Rs,2000/- per meeting for attending meetings of the Board or 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.

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 and Mr. M. K. Arora. Mr. Anil Pareek, Chief Financial Officer, is the Compliance Officer of the Company.

Share Transfer System and details of Investor Complaints

The Company has approximately 12,253 shareholders. During the year, the Company processed 159 share transfers comprising of 17,096 equity shares in number in physical form. The Company and the Share Transfer Agent received 9 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, 2010 there were no Equity Shares pending for transfer. Also there were no demat requests pending with the Company as at 31st March, 2010

General Body Meetings:

Particulars of Annual General Meetings held during last three years:

AGM reference	Date	Venue	Time	No. of Special Resolutions passed
44th AGM (2006-2007)	28.12.2007	Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Indl. Estate, Thane-400 604	11:00 a.m.	Nil
45th AGM (2007-2008)	17.12.2008	Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Wagle Indl. 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 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.

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.

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.sebidifar.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 : 28th December, 2010, 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

- Publication of Audited Results : By 31st May of each year
- First Quarter Results : By 31st July of each year
- Second Quarter Results : By 31st October of each year
- Third Quarter Results : By 31st January of each year

3. Date of Book Closure

: Saturday, 18th December, 2010 to Tuesday, 28th December, 2010 (both days inclusive)

4. Dividend Payment Date (2009-10)

: 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 2010-11 have been paid.

7. Stock Code

BSE : 522029

NSE : WINDSOR

International Securities Identification Number (ISIN) : INE052A01013

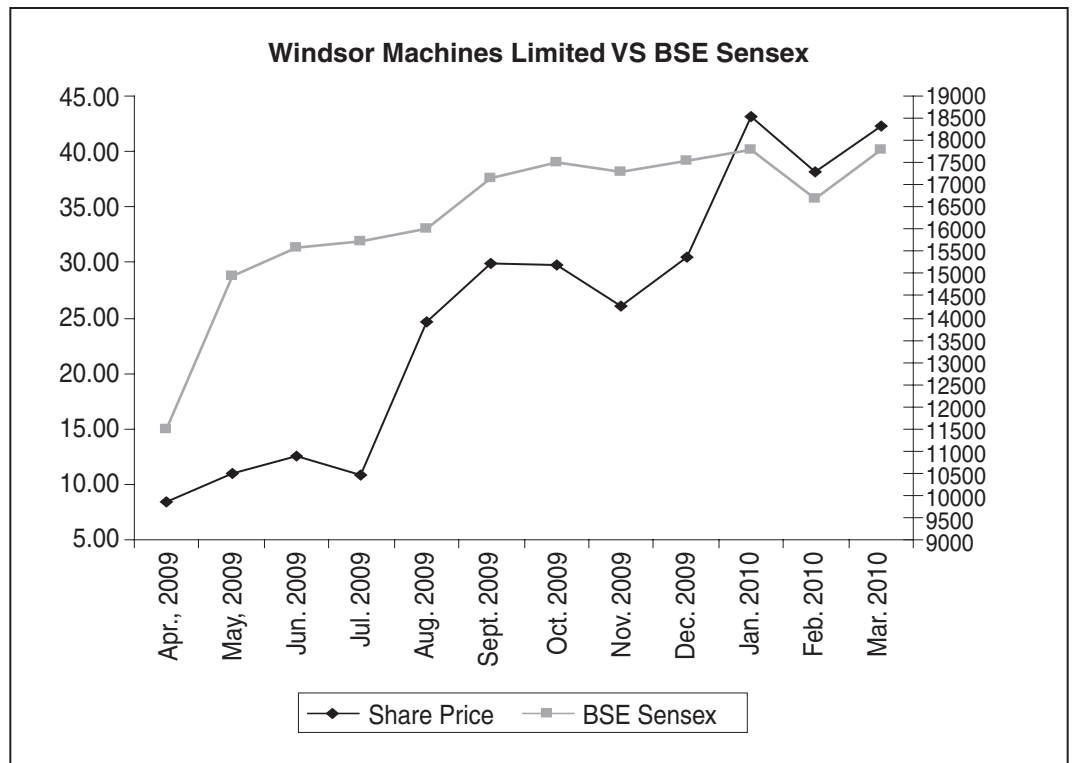


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8. The monthly High and Low of market price on the BSE and the stock performance during the last financial year was as under :

Period (Financial Year 2009-10)	High (Rs.)	Low (Rs.)	Sensex (High)
April 2009	8.39	6.52	11,492.10
May 2009	11.02	6.67	14,930.54
June, 2009	12.61	8.50	15,600.30
July 2009	10.84	8.00	15,732.81
Aug. 2009	24.65	9.36	16,002.46
Sept. 2009	29.85	21.05	17,142.52
Oct. 2009	29.70	21.25	17,493.17
Nov. 2009	26.00	19.20	17,290.48
Dec. 2009	30.55	21.60	17,530.94
Jan. 2010	43.10	28.05	17,790.33
Feb. 2010	38.15	32.00	16,669.25
March 2010	42.25	34.85	17,793.01

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



9. Distribution Schedule and Shareholding Pattern as on 31st March, 2010.

DISTRIBUTION SCHEDULE			SHAREHOLDING PATTERN		
Category	No. of share holders	No. of Shares	Category	No. of Shares	%
Upto 5,000	2,995	61,863	Promoters	55,30,854	42.43
5,001 to 10,000	3,045	2,68,421	Mutual Funds and UTI	8,733	0.07
10,001 to 20,000	2,088	3,33,056	Banks, Financial Institutions, Insurance Companies	45,401	0.35
20,001 to 30,000	1,049	2,79,862	Foreign Institutional Investors	5,400	0.04
30,001 to 40,000	1,016	3,62,552	Private Corporate Bodies	14,93,493	11.46
40,001 to 50,000	618	3,05,218	Indian Public	58,88,009	44.82
50,001 to 1,00,000	673	5,68,774	Non Resident Individuals/ Overseas Corporate Bodies	63,510	0.41
1,00,000 and above	769	1,08,56,154	Others – Directors & their Relatives	500	0.00
Total	11,761	1,30,35,900	Total	1,30,35,900	100.00

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. : 022-25836592 • Fax : 022-25836285

11. Dematerialisation of shares and liquidity

: 65.85% of the paid-up capital of the company has been dematerialized as on 31st March, 2010. 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. 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. The Compliance Officer,
Windsor Machines Ltd.,
102/103 Dev Milan,
Next to Tip Top Plaza
L B S Marg, Thane - 400 604
Tel. : 022-25836592
Fax : 022-25836285
Email : anil.pareek@windsormachines.com
15. Designated E-mail ID for registering : www.windsor-imm.com
Complaints by the investors

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 www.windsor-imm.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, 2010.

For **WINDSOR MACHINES LIMITED**

Place : Mumbai
Dated : 13th November, 2010

P. C. KUNDALIA
Director

CERTIFICATION PURSUANT TO CLAUSE 49 OF LISTING AGREEMENT



To
The Board of Directors of
Windsor Machines Limited

Dear Sirs,

Sub: Certificate

(issued in accordance with the provisions of clause 49 of the listing agreement)

We, P.C. Kundalia, Director and Anil Pareek, Chief Financial Officer of Windsor Machines Limited, to the best of our knowledge and belief, certify that:

We have reviewed the financial statements, read with the cash flow statement of Windsor Machines Limited for the year ended March 31, 2010 and that to the best of my knowledge and belief, we state 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. I 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 : 13th November, 2010

P. C. KUNDALIA
Director

ANIL PAREEK
Chief Financial Officer

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ANNEXURE TO DIRECTORS' REPORT

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Windsor Machines Limited

We have examined the compliance of the conditions of Corporate Governance by **Windsor Machines Limited**, for the year ended on 31st March, 2010, 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 a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 the 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 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Investors' Grievances and Share Transfer Committee.

We further state that such compliance is neither an assurance as to 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

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Dated : 13th November, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

A. Industry Structure and Development.

The Industry for Plastic Processing Machinery in India has shown a growth of 12%.

Our Company is engaged in manufacturing of Plastic Extrusion Machinery, Injection Moulding & Blow Moulding Machinery.

In the field of Extrusion Machines 2009-2010 has continued to be a good year. During this year newly launched models have given an edge in the competitive market and our Company has ended with an excellent market share. Our strength in film plant is our technology from Germany which has been absorbed with license from Kuhne.

In Injection Moulding Machinery the increased demand for bigger machines continued from the moulded luggage, furniture and white goods industry. The Company will be launching energy efficient machines in the coming year which is expected to give tremendous turn over growth.

The developments in the industry are marked by manufacturing of more sophisticated machines this year also and emphasis on aesthetics and energy conservation.

B. Opportunities and threats:

The application of plastics is increasing manifold to include various packaging, pipe fittings, white goods, automobile etc. In Injection moulding, the market generally for the consumption of plastic products in the house hold and furniture segments are fuelling the increase in newer capacities. Further, anti dumping duty on Chinese machines will augment the business for Indian manufacturers. In Extrusion Machinery also the demand is growing particularly due to Government's thrust on agriculture, telecom, construction etc.

Indian Plastic manufacturers have shown their competency to manufacture goods of Global acceptance thereby increasing the need to expand capacities. This has resulted in high demand for the Plastic Processing Machinery. The Company's focused action on manufacturing will enable it to further increase its market share.

The products of your Company have also been well accepted by the customers due to its performance and energy conservation capabilities. Your Company has taken appropriate steps to incorporate new technology in the machines giving edge over competition in terms of lower operating costs.

Due to continued focus in Exports, we expect significant market share in overseas markets in coming years.

This year, your Company participated in RIYADH Exhibition and made an outstanding impression and has received tremendous enquiries from prospective customers.

C. Product-wise performance :

Rs. Crores

Product	Net Sales	
	2009-2010	2008-2009 (9 Months)
Injection Moulding Machines	100.31	37.44
Extrusion Machinery	106.26	55.67
TOTAL	206.57	93.11

Previous period's figures are not comparable with the current year's figures, as previous period is of 9 months, due to change of accounting year.

D. Outlook :

As regards to Thane labour issues the High Court of Mumbai passed an order on 06th 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, 2010:

A. Primary Segment Information (Business Segments)			
Particulars		(Rs. in lacs)	
		Current Year	Previous Period
(i) Segment Revenue			
Extrusion Machinery Division		10,625.97	5,567.37
Injection Moulding Machinery		10,031.00	3,743.79
Total Segment Revenue		20,656.97	9,311.16
(ii) Segment Result			
Extrusion Machinery Division		1,478.69	382.94
Injection Moulding Machinery		606.65	(182.77)
Total Segment Results		2,085.34	200.17
Unallocated Corporate expenses net of			
Unallocated income		0.58	(96.79)
Profit / (Loss) before Interest, etc., Extra-ordinary items and taxation		2,085.92	103.38
Interest etc. paid-net		768.95	530.81
Profit / (Loss) before taxation and extra-ordinary items		1,316.97	(427.43)
Extra-ordinary items		-	305.87
Profit / (Loss) before taxation		1,316.97	(121.56)
Provision for taxation & Fringe benefit tax		0.75	14.29
Profit / (Loss) after taxation		1,316.22	(135.85)
(iii) Capital Employed			
(Segment Assets Less Segment Liabilities)			
Extrusion Machinery Division		622.97	1,387.66
Injection Moulding Machinery		(2,218.93)	(3,974.96)
Total capital employed in Segments		(1,595.96)	(2,587.30)
Unallocated Corporate assets less corporate liabilities		(9,345.50)	(9,644.55)
Total capital employed		(10,941.46)	(12,231.85)
(B) Secondary Segment Information (Geographical Segments)			
Segment Revenue			
Within India		15,981.16	6,960.73
Outside India		4,675.81	2,350.43
Total Revenue		20,656.97	9,311.16
Segment Assets			
Within India		6,429.69	6,183.51
Outside India		494.85	163.24
Total Assets		6,924.54	6,346.75
Capital Expenditure			
Within India		239.24	135.59
Outside India		-	-
Total Capital Expenditure		239.24	135.59

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. 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 (31-03-2010)
Key Management Personnel :			
Mr. R. R. Nagrajan (Executive Director)	Remuneration	55.34	—
Directors & Relatives :			
Mr. P. C. Kundalia (Director in M/s. Renaissance Equipments Pvt. Ltd. & also Director in Maitry Exports Pvt. Ltd.)	Sitting Fees	0.20	—
a) Associates / Investing Parties:			
Renaissance Equipments Pvt. Ltd.	Loan obtained	2,171.61	
	Loan repaid	2,042.34	871.93
	Interest on Loan	105.98	
	Interest paid	141.14	35.24
	Loan Assigned	5,172.48	7,902.98
	Interest on Loan	308.50	
	Interest paid	311.52	126.59
Maitry Exports Pvt. Ltd.	Market research		
	Consultancy fees	60.00	—

G. Risks and concerns :

High interest cost and availability of funds for working capital is a major concern for your Company. The Company has also been registered and declared Sick by the Board for Industrial and Financial Reconstruction. The Global Economic recession, Technology obsolescence & growing competition are major risks for the Company which may adversely affect its business as well as margins in future.

H. 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.

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

1. Previous period's figures are not comparable with the current year's figures, as previous period is of 9 months only, due to change of accounting year.
2. The Company on a continuous basis sets up policies to exercise cost control and cost reduction programme.
3. The Company has made a profit of Rs. 13.16 crores during the year

J. 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 reduced from 523 to 519 at 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 2010, 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 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 by the companies (Auditor's Report Amendment) order 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks, as we considered appropriate, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in 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 except as mentioned in note 5 (b) and (c) of Schedule 'U';
 - 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 comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company, except that as explained in Note 20 of Schedule 'U' the assets at Thane unit have not been subjected to Impairment of Assets. This is not in conformity with Accounting Standard (AS) 28 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.
 - e. On the basis of representation received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31st March, 2010 from being appointed as a director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Attention is invited to Note 4 regarding appropriateness of going concern assumption used for preparing these accounts, though the net worth of the Company is fully eroded and the Company is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act,

1985 (SICA). The accounts have been drawn under going concern assumption as the management expects that the restructuring measures would enable the company to turn around. Further, as explained in Note 5 (b) and (c) regarding inaccessibility of accounting and related records of the Thane Works due to adverse labour situation, leading to non-verification of fixed assets having net block as at 31st March, 2010 of Rs. 137.12 lacs. Further, balance of creditors for Thane works are subject to confirmations and reconciliation and consequent adjustments, if any;

- g. In our opinion and to the best of our information and according to the explanations given to us the said accounts, subject to our observations in paragraphs 2(a), 2(d) and 2(f) above and the consequential effect thereon on the profit for the year and on the relevant assets and liabilities, and read together with other notes thereon in Schedule 'U', 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:
- i. in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - ii. in the case of profit and loss account, of the profit for the year ended on that date.
 - iii. In the case of the cash flows statement for the cash flows for the year ended on that date.

For **HARIBHAKTI & CO.**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Dated : 13th November, 2010



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ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE

- (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 period, the management could not access the detailed fixed assets records for reasons mentioned in note 5(b).
- (b) All fixed assets have not been physically verified by the management during the year, but there is a 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, and no material discrepancies were noticed on such verification, except in regard to the fixed assets at Thane Works, which could not be physically verified by the management during the current year and previous period for reasons mentioned in note 5(b).
- (c) During the year, there was no substantial disposal of fixed assets.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. As regards materials lying with third parties, letters for confirmations have been sent to all the parties. However, confirmations have been received in some cases.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956;
- (b) According to the information and explanations given to us, the details of secured or unsecured loan taken from companies covered in the register maintained under section 301 of the Companies Act, 1956 are as under:
- | Particulars | No. of Parties | Amount (Rs. in lacs) |
|------------------------|----------------|----------------------|
| Opening Balance | 1 | 3,473.16 |
| Taken during the year | 1 | 7,344.09 |
| Repaid during the year | 1 | 2,042.34 |
| Closing Balance | 1 | 8,774.91 |
- There were no other loans, secured or unsecured, taken from firms or any other party;
- (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, for the purchases of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) According to the information and explanations given to us, there are no transactions during the year that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(a) and (b) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (vi) The Company has not accepted any deposit from the public attracting provisions of section 58 A and section 58 AA or any other relevant provisions of the Act. Hence compliance of Section 58 AA or obtaining any order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal does not arise.

(vii) 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, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956 in respect of any of the activities.

(ix) (a) The Company has generally been regular in depositing undisputed dues, including provident fund, employees' state insurance, income tax, service tax, sales-tax, excise duty, cess and other statutory dues applicable to it with the appropriate authorities. The dues of the company in respect of investor protection and education fund, wealth tax and custom duty have been paid without delay.

According to the information and explanations given to us, no undisputed statutory amounts were in arrears, as at 31st March, 2010 for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of dispute except for details of dues given as follows:

Name of the Statute	Nature of Dues	Amount (Rs. In lacs)	Forum where dispute is pending
Central Excise Act	Excise duty	16.51	High Court

(x) *The company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.*

(xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions and banks during the year.

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

(xiii) According to the information and explanations given to us, the Company has granted guarantee to a financial institution for a loan obtained by the exclusive supplier to the company, the terms of which are not prejudicial to the interest of the company.

(xiv) According to the information and explanations given to us, and in our opinion, the terms loans were applied for the purpose for which these were obtained.

(xv) According to the information and explanations given to us and on 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.

(xvi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

For **HARIBHAKTI & CO.**
Chartered Accountants

Chetan Desai
Partner
Membership No. 17000

Place : Mumbai
Dated : 13th November, 2010

Balance Sheet

as at 31st March, 2010

	Schedule	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds:			
Share capital	A	1,303.59	1,303.59
Reserves and surplus	B	2,044.05	2,045.53
		3,347.64	3,349.12
Loan Funds:			
Secured loans	C	8,029.57	9,316.99
Unsecured loans	D	1,331.93	1,202.66
		9,361.50	10,519.65
TOTAL		12,709.14	13,868.77
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	E	7,113.57	6,988.14
Less : Depreciation		5,803.36	5,694.87
Net block		1,310.21	1,293.27
Investments	F	22.79	22.79
Current Assets, Loans and Advances			
Inventories	G	2,834.32	3,168.51
Sundry debtors	H	1,183.99	747.00
Cash and bank balances	I	976.37	467.15
Other current assets	J	111.95	93.13
Loans and advances	K	536.91	619.99
		5,643.54	5,095.78
Less : Current Liabilities and Provisions			
Current liabilities	L	8,551.07	7,909.80
Provisions	M	5.43	214.23
		8,556.50	8,124.03
Net Current Assets		(2,912.96)	(3,028.25)
Profit and loss account (Debit balance)		14,289.10	15,580.96
TOTAL		12,709.14	13,868.77
Accounting policies and notes to accounts	U		

As per our report of even date attached

For HARIBHAKTI & CO.

Chartered Accountants

Chetan Desai

Partner

Membership No.: 17000

Mumbai, Dated : 13th November, 2010

For and on behalf of the Board

P. C. Kundalia Director

K. C. Gupte Director

Anil Pareek Chief Financial Officer

Mumbai, Dated : 13th November, 2010

Profit and Loss Account

for the year ended 31st March, 2010

	Schedule	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
INCOME			
Income from operations	N	20,656.97	9,311.16
Other income	O	332.01	316.05
Increase/(Decrease) in stocks	P	(32.45)	396.94
		<u>20,956.53</u>	<u>10,024.15</u>
EXPENDITURE			
Raw materials and components	Q	14,638.41	6,896.44
Employees remuneration and benefits	R	1,890.86	1,253.42
Administrative and other expenses	S	2,138.07	1,606.96
Interest	T	768.95	530.81
Depreciation (Refer note 6 of Schedule 'U')		203.27	163.95
		<u>19,639.56</u>	<u>10,451.58</u>
PROFIT / (LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAX		1,316.97	(427.43)
EXTRAORDINARY ITEMS			
Write back on account of Debt Restructuring		—	305.87
PROFIT / (LOSS) BEFORE TAX		1,316.97	(121.56)
Provision for wealth tax		0.75	0.50
Fringe Benefit Tax		—	13.79
PROFIT / (LOSS) AFTER TAX		1,316.22	(135.85)
Prior year adjustments:			
Income tax /Wealth tax adjustments		(30.81)	(0.05)
Excess provisions written off/(written back) - net		6.45	23.00
Loss brought forward		(15,580.96)	(15,468.06)
BALANCE CARRIED TO BALANCE SHEET		(14,289.10)	(15,580.96)
Basic and diluted profit / (loss) per share (in Rupees)		10.10	(1.04)
Nominal value of equity share (in Rupees)		10.00	10.00
Accounting policies and notes to accounts	U		

As per our report of even date attached

For HARIBHAKTI & CO.

Chartered Accountants

Chetan Desai

Partner

Membership No.: 17000

Mumbai, Dated : 13th November, 2010

For and on behalf of the Board

P. C. Kundalia Director

K. C. Gupte Director

Anil Pareek Chief Financial Officer

Mumbai, Dated : 13th November, 2010

ANNUAL REPORT
2009-2010

Cash Flow Statement for the year ended 31st March, 2010

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
A. Cash flow from operating activities		
Net profit/ (loss) before tax	1,316.97	(121.56)
Adjustments for		
Depreciation	203.27	163.95
Dividend income	(0.71)	(0.57)
Interest charge (net)	768.95	530.81
Interest Received on IT refund / Sales Tax	-	(20.16)
(Profit)/loss on sale of fixed assets (net)	(1.32)	2.08
Exchange difference (Gain)/ Loss	22.57	(68.37)
	<u>992.76</u>	<u>607.74</u>
Operating profit before working capital changes	2,309.73	486.18
Changes in Trade and other receivables	(396.15)	190.99
Inventories	329.19	(300.64)
Trade payables	1,086.85	162.64
	<u>1,019.89</u>	<u>52.99</u>
	3,329.62	539.17
Direct taxes (paid)/received	18.84	(19.12)
Cash flow from operations	3,348.46	520.05
Prior year adjustments	(24.36)	22.95
Net cash flow from operating activities	3,324.10	543.00
B. Cash flow from investing activities		
Purchase of fixed assets	(239.24)	(135.59)
Sale of fixed assets	18.87	4.91
Loans given received back	0.08	1.40
Interest received on IT refund / Sales Tax	-	20.16
Interest received	42.42	3.67
Dividend received	0.71	0.57
	<u>(177.16)</u>	<u>(104.88)</u>
Net cash flow from investing activities	(177.16)	(104.88)
C. Cash flow from financing activities		
Borrowings (Net of repayments)	(1,812.53)	(108.94)
Interest paid	(825.19)	(315.32)
	<u>(2,637.72)</u>	<u>(424.26)</u>
Net cash used in financing activities	(2,637.72)	(424.26)
Net cash generated (A+B+C)	509.22	13.86
Changes in cash and cash equivalents		
Cash and cash equivalents-opening balance	467.15	453.29
Cash and cash equivalents-closing balance	976.37	467.15
	<u>509.22</u>	<u>13.86</u>
Closing balance of cash and cash equivalents comprises of Cash and bank balances	976.37	467.15
Credit balance in current account	-	-
	<u>976.37</u>	<u>467.15</u>
Restricted cash and cash equivalents included in closing balance	50.96	147.30
Accounting policies and notes forming part of accounts are given in Schedule U		

As per our report of even date attached

For HARIBHAKTI & CO.

Chartered Accountants

Chetan Desai

Partner

Membership No.: 17000

Mumbai, Dated : 13th November, 2010

For and on behalf of the Board

P. C. Kundalia Director

K. C. Gupte Director

Anil Pareek Chief Financial Officer

Mumbai, Dated : 13th November, 2010

Schedules

Schedules annexed to and forming part of the balance sheet as at 31st March, 2010

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SCHEDULE A		
SHARE CAPITAL:		
Authorised:		
2,00,00,000 equity shares of Rs. 10/- each	<u>2,000.00</u>	<u>2,000.00</u>
Issued, subscribed and paid up:		
1,30,35,900 equity shares of Rs.10/- each fully paid up	<u>1,303.59</u>	<u>1,303.59</u>
	<u>1,303.59</u>	<u>1,303.59</u>

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.

SCHEDULE B

RESERVES AND SURPLUS:

CAPITAL RESERVE:

As per last balance sheet 25.37 25.37

SHARE PREMIUM ACCOUNT :

As per last balance sheet 2,017.95 2,017.95

REVALUATION RESERVE :

As per last balance sheet	2.21	3.32	
Less : Transferred to profit and loss account	<u>1.48</u>	<u>1.11</u>	
(Refer note 6 of Schedule 'U')	<u>0.73</u>		<u>2.21</u>
	<u>2,044.05</u>		<u>2,045.53</u>

SCHEDULE C

SECURED LOANS :

From Financial Institution

Rupee term loan - 4,937.34

FROM BANKS :

Cash credit and demand loan - 1,519.54

OTHER LOANS

Rupee term loan - From a company 8,029.57 2,860.11
(Refer note 7 of Schedule 'U')

8,029.57 9,316.99

Notes :

1. OTHER LOANS :

- i) Secured by first 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, subject to prior charges created on stock-in-trade in favour of the Company's bankers for securing the working capital requirements and specific items of movable asset purchased/ to be purchased under hire purchase scheme / instalment payment facility.
 - ii) Interest accrued and due Rs. 126.59 lacs (previous period Rs. 129.61 lacs)
 - iii) Interest accrued but not due of Rs. 654.38 lacs is merged with other loan.
2. Debentures were fully repaid during the year 2001-02 which were secured by the Company's certain movable/ immovable properties situated at Chhatral and Thane factories on pari passu basis with other lenders. The charge so created is yet to be released.

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SCHEDULE D		
UNSECURED LOANS		
Inter corporate loan	1,331.93	1,202.66
	<u>1,331.93</u>	<u>1,202.66</u>

SCHEDULE E
FIXED ASSETS

Description of Assets	GROSS BLOCK (as revalued or at cost)				DEPRECIATION				NET BLOCK	
	As at 01.04.09	Addi- tions	Deduc- tions	As at 31.03.10	Upto 31.03.09	For the year	Deduc- tions	Upto 31.03.10	As at 31.03.10	As at 31.03.09
Leasehold land	121.65	-	-	121.65	22.89	1.27	-	24.16	97.49	98.76
Buildings and roads on leasehold land	982.16	16.68	-	998.84	629.95	39.56	-	669.51	329.33	352.21
Office premises	59.76	-	-	59.76	32.93	2.39	-	35.32	24.44	26.83
Plant and machinery	3,945.14	57.54	-	4,002.68	3,559.11	86.79	-	3,645.90	356.78	386.03
Patterns and jigs	371.51	2.44	-	373.95	294.83	12.24	-	307.07	66.88	76.68
Computers	640.92	48.12	91.85	597.19	582.59	19.15	91.50	510.24	86.95	58.33
Electrical installation and air-conditioning plant	288.35	8.05	1.05	295.35	205.91	8.66	1.03	213.54	81.81	82.44
Drawing office equipments	5.38	-	-	5.38	5.04	0.05	-	5.09	0.29	0.34
Furniture, fixtures and office equipments	437.69	39.84	0.88	476.65	321.78	15.46	0.10	337.14	139.51	115.91
Vehicles	103.05	26.89	20.03	109.91	18.08	9.01	3.63	23.46	86.45	84.97
Intangible Assets (Drawings and Technical know how)	32.53	39.68	-	72.21	21.76	10.17	-	31.93	40.28	10.77
TOTAL	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
PREVIOUS YEAR	6,878.47	135.59	25.92	6,988.14	5,548.74	165.06	18.93	5,694.87	1,293.27	1,329.73

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.

SCHEDULE F

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:

1. All shares are fully paid-up unless otherwise stated.
2. Aggregate market value of quoted investments Rs. 32.77 lacs (previous period Rs. 12.94 lacs).

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
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SCHEDULE G
INVENTORIES :

(as valued and certified by a director)

Loose tools	47.28	42.89
Raw materials and components	1,134.40	1,440.53
Work-in-progress	1,652.64	1,685.09
Finished goods	-	-
	<u>2,834.32</u>	<u>3,168.51</u>

SCHEDULE H
SUNDRY DEBTORS

(Unsecured, considered good unless otherwise stated)

Debts outstanding for a period exceeding six months:

Considered good	19.40	21.38
Considered doubtful	30.10	30.10
	<u>49.50</u>	51.48
Less : Provision for doubtful debts	<u>30.10</u>	30.10
	19.40	21.38
Other debts :		
Considered good	1,164.59	725.62
	<u>1,183.99</u>	<u>747.00</u>

SCHEDULE I
CASH AND BANK BALANCES

Cash on hand	10.23	7.65
Bank balances with scheduled banks:		
a) In current accounts	415.05	287.07
b) In fixed deposit /margin money accounts	551.09	172.43
	<u>966.14</u>	459.50
	<u>976.37</u>	<u>467.15</u>

Notes:

1. Amount in fixed deposit margin money accounts includes Rs.50.96 lacs(previous period Rs. 147.30 lacs) pledged with bankers against bank guarantees and letters of credits issued by them.
2. The balance fixed deposit is a creation of temporary fund available from operations.

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SCHEDULE J		
OTHER CURRENT ASSETS :		
Other interest receivable	26.23	4.75
Export entitlement	80.21	87.87
Technical know-how fees	0.01	0.01
Obsolete inventory (pending for disposal)	5.50	0.50
	<u>111.95</u>	<u>93.13</u>

SCHEDULE K

LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

Advances recoverable in cash or kind or for value to be received	456.89	531.08
Loan to employees (Interest free and below bank rate)	0.56	0.64
Balances with central excise	40.38	29.60
Advance tax payments and refund receivable (net of provisions)	39.08	58.67
	<u>536.91</u>	<u>619.99</u>

SCHEDULE L

CURRENT LIABILITIES:

Acceptances	154.09	155.64
Sundry creditors		
– Dues to Micro, Small & Medium Enterprises (Refer note 21 of Schedule 'U')	265.38	80.51
– Others	3,043.98	2,430.86
	<u>3,309.36</u>	2,511.37
Advance payments from customers	3,554.06	2,868.34
Other liabilities	1,533.56	1,720.07
Interest accrued but not due	–	654.38
	<u>8,551.07</u>	<u>7,909.80</u>

SCHEDULE M

PROVISIONS:

Provision for wealth tax	0.75	0.50
Retirement benefits	4.68	213.73
	<u>5.43</u>	<u>214.23</u>

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
SCHEDULE N		
INCOME FROM OPERATIONS		
Sales including service charges (excluding sales tax and net of discounts)	22,020.78	10,149.82
Less : Excise duty	1,363.81	838.66
	<u>20,656.97</u>	<u>9,311.16</u>

SCHEDULE O
OTHER INCOME

Duty draw back on exports / DEPB	257.84	111.35
Profit on sale of fixed assets	1.32	-
Interest received on Sales tax / Income tax Refund	-	20.16
Sundry balances written back	0.49	57.32
Dividend on long term investment	0.71	0.57
Exchange variation (net)	-	68.37
Miscellaneous receipts	71.65	58.28
	<u>332.01</u>	<u>316.05</u>

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

Work-in-progress	1,652.64	1,685.09
Finished goods	-	-
	<u>1,652.64</u>	<u>1,685.09</u>

Opening stock :

Work-in-progress	1,685.09	1,288.15
Finished goods	-	-
	<u>1,685.09</u>	<u>1,288.15</u>
	<u>(32.45)</u>	<u>396.94</u>

SCHEDULE Q
RAW MATERIALS AND COMPONENTS

Opening stock	1,440.53	1,534.29
Purchases (including sub-contractors' processing charges Rs. 412.19 lacs, previous period Rs. 442.96 lacs)	14,337.28	6,801.68
	<u>15,777.81</u>	<u>8,335.97</u>
Less: Closing stock	1,139.40	1,439.53
(After written off obsolete inventory of Rs. 195.18 lacs) (Refer note 5 (a) of Schedule 'U')	<u>14,638.41</u>	<u>6,896.44</u>

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
SCHEDULE R		
EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, bonus and allowances	1,636.24	1,057.38
Gratuity	45.24	36.78
Company's contribution to provident and other funds	93.17	64.89
Staff welfare expenses	116.21	94.37
	<u>1,890.86</u>	<u>1,253.42</u>

SCHEDULE S

ADMINISTRATIVE AND OTHER EXPENSES

Loose tools consumed	76.27	37.88
Light, power and fuel	145.12	97.86
Repairs and maintenance to:		
Plant and machinery	42.21	48.23
Buildings	83.12	28.21
Others	100.06	43.79
	<u>225.39</u>	120.23
Rent	34.13	30.75
Rates and taxes	23.51	10.47
Vehicle expenses	21.89	20.07
Bank charges and commission	24.21	26.34
Travelling and conveyance	213.69	180.47
Postage, telegrams and telephones	43.18	37.05
Insurance	37.00	25.01
Printing and stationery	25.03	15.48
Legal and professional fees	191.15	60.87
Consumables	241.31	172.83
Packing, Carriage and freight outwards	291.05	148.24
Advertising	10.63	18.33
Exhibition expenses	16.15	178.91
Commission	209.31	68.29
Sales tax	-	111.08
Directors' sitting fees	0.60	0.48
Bad debts	-	0.42
Exchange variation (net)	22.57	-
Miscellaneous expenses	244.99	227.55
Royalty	38.94	16.27
Loss on sale of fixed assets	-	2.08
R & D cess	1.95	-
	<u>2,138.07</u>	<u>1,606.96</u>

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
SCHEDULE T		
INTEREST		
Interest paid/payable		
On fixed loans	246.12	211.65
On others	579.07	332.46
	825.19	544.11
Less : Interest Income		
On others [Tax deducted at source Rs. 10.98 lacs (previous period Rs. 4.83 lacs)]	56.24	13.30
	768.95	530.81

SCHEDULE U

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. Depreciation on leased assets have been provided so as to match the WDV of these assets on the expiry of lease period with the security deposit (residual value) received from the lessees.
- v. 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 31.03.10 (Rs. in lacs)	As at 31.03.09 (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	746.20	746.20
iii. Disputed sales tax, excise & service tax liability	16.51	17.95
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	50.96	30.93
vi. In respect of letters of credit opened by banks on behalf of the Company	Nil	189.47
vii. 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. The net worth of the company is fully eroded and is a sick industrial company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 (SICA). The company has been declared sick by the Board of Industrial and Financial Reconstruction (BIFR). However, in view of various restructuring measures already initiated and proposed to be initiated by the management, the management of the company believes that it would be able to continue its operations in the foreseeable future and as such these financial statements have been prepared on going concern basis. A Draft Rehabilitation Scheme (DRS) has been circulated by BIFR U/S 19 (2) read with Sec.19 (1) of the SICA and 1st April, 2009 is the "Appointed Date" for implementation of Scheme. The Scheme has been sanctioned by the said BIFR vide its Order dated 25-10-2010. However, the Company has decided to approach the BIFR bench with Miscellaneous Application for review of certain portions of the Rehabilitation Scheme and some of its terms and conditions. Pending outcome of the Company's application, the accounts and financial statements have been drawn without giving effect of the provisions of the scheme.
5.
 - a) During the year, as per the physical verification of inventory conducted, the management has identified obsolete / non moving inventory having an aggregate book value of Rs. 195.18 lacs, pending disposal of such items their estimated realisable value of Rs. 5.00 lacs has been shown as part of Other Current assets and the balance value of Rs. 190.18 lacs has been written off during the year.
 - b) From the year 2002-03, the Company has stopped operations at its Thane Works due to adverse labour situation, and as a result it could not access many of its accounting and related records of the Works. Consequently, the fixed assets lying at Thane Works, having a net block as at 31st March, 2010 of Rs 137.12 lacs, (as at 31st March, 2009 of Rs. 166.12 lacs) could not be verified by the management during the previous period and current year.
 - c) With respect to Thane Works, balance of creditors are subject to confirmations, Reconciliation and consequent adjustments, if any.
6. Depreciation provided for the period includes an additional charge on account of revaluation to the extent of Rs.1.48 lacs (previous period Rs.1.11 lacs) and a similar amount has been transferred to the 'depreciation' in the profit and loss account from the revaluation reserve account.
7. In terms of arrangement between Renaissance Equipments Pvt. Ltd. (REPL) and ARCIL & Canara Bank, all secured and unsecured loans of the company have been assigned by ARCIL & Canara Bank to REPL during the period from 2007-08 to 2009-10. Relevant documents in respect to such assignment are under preparation.

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
8. a) Managerial remuneration:		
Salary & Ex-gratia	54.23	12.06
Company's contribution to provident and other funds	1.08	2.43
Value of perquisites.	0.03	0.11
	55.34	14.60
b) Director's fees	0.60	0.48
9. Legal and professional fees include, Payments to Auditors for:		
Statutory audit	4.50	4.25
Tax audit	1.25	1.25
	5.75	5.50

10. 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	520 (225)	20,426.93 (9,159.49)
ii. Spare parts (including service charges Rs. 66.49 lacs, previous period Rs. 49.79 lacs)		1,593.85 (990.33)
		22,020.78 (10,149.82)

(b) Capacities, production, purchases and stocks :

Class of goods	Installed Capacity Nos.	Actual Production Nos.
i) Plastic Processing machinery	N.A. (N.A.)	520 (225)

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	1320.84	1,044.63	511.70	427.45
2. Castings, ferrous and non ferrous	Nos.	12771.30	1,747.46	4836.00	588.07
3. Tubes and pipes	Running Mtrs.	15750.35	13.43	9436.77	12.65
4. i. Electrical motors	Nos.	1591.00	396.30	988.00	262.51
ii. Hydraulic motors	Nos.	478.00	129.23	183.00	53.20
iii. Electric switchgears and controls	Nos.	47441.00	770.79	24291.00	341.94
iv. Hydraulic pumps and valves	Nos.	12352.60	562.88	5198.00	261.78
v. Sub-contracted items	Lot		3,867.64		1,852.33
vi. Miscellaneous components Cables, hardwares, elbows etc.	Lot		6,106.05		3,096.51
TOTAL			14,638.41		6,896.44

	% of Total Consumption	Value Rs. in lacs	% of Total Consumption	Value Rs. in lacs
Of which				
1. Imported	7.54	1,103.84	9.18	632.89
2. Indigenous	92.46	13,534.57	90.82	6,263.55
	100.00	14,638.41	100.00	6,896.44

	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
11. C.I.F. value of imports in respect of: Raw materials, components and finished goods	1,070.88	583.61
12. Earnings in foreign currency: FOB value of goods exported (including Rs. 247.96 lacs, previous period Rs. 1.01 lacs through merchant exporters)	4,613.84	2,349.42
Reimbursement of freight and insurance on exports	6.92	88.37
13. Expenditure in foreign currency: Subscription to periodicals etc.	0.11	NIL
Foreign travel	40.94	18.68
Technical know how fees	41.76	NIL
Royalty	NIL	16.63
Bank charges	0.57	0.56
Commission	32.61	43.83
Advertisement	NIL	NIL
Freight/Others	7.45	2.01
14. Research and development expenditure: – Revenue expenditure charged to profit and loss account	87.23	66.62
15. Earning Per Share (EPS): The numerators and denominators used to calculate Basic and Diluted Earning Per Share.		
	2010	2009
Profit / (Loss) Attributable to the shareholders (Rs. lacs)	A 1,316.22	(135.85)
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.)	10	10
Basic and diluted profit / (loss) per share (Rs.)	10.10	(1.04)

16. 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 (31-03-2010)
a) Key Management Personnel			
Mr. R. R. Nagrajan (Executive Director)	Remuneration	55.34	—
b) Directors & Relatives :			
Mr. P. C. Kundalia (Director in M/s. Renaissance Equipments Pvt. Ltd. & also Director in Maitry Exports Pvt.Ltd.)	Sitting Fees	0.20	—
c) Associates / Investing Parties :			
Renaissance Equipments Pvt. Ltd.	Loan obtained	2,171.61	
	Loan repaid	2,042.34	871.93
	Interest on Loan	105.98	
	Interest paid	141.14	35.24
	Loan Assigned	5,172.48	7,902.98
	Interest on Loan	308.50	
	Interest paid	311.52	126.59
Maitry Exports Pvt Ltd.	Market research Consultancy fees	60.00	—

17. Segment Information for the year ended 31st March, 2010
(A) PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

Particulars	Current Year (Rs. in lacs)	Previous Period (Rs. in lacs)
(i) Segment Revenue		
Extrusion Machinery Division	10,625.97	5,567.37
Injection Moulding Machinery	10,031.00	3,743.79
Total Segment Revenue	<u>20,656.97</u>	<u>9,311.16</u>
(ii) Segment Result		
Extrusion Machinery Division	1,478.69	382.94
Injection Moulding Machinery	606.65	(182.77)
Total Segment Results	2,085.34	200.17
Unallocated Corporate expenses net of unallocated income	0.58	(96.79)
Profit / (Loss) before Interest, etc., Extra-ordinary items and taxation	2,085.92	103.38
Interest etc. paid- net	768.95	530.81
Profit / (Loss) before taxation and extra-ordinary items	1,316.97	(427.43)
Extraordinary items	-	305.87
Net Profit / (Loss) before taxation	1,316.97	(121.56)
Provision for taxation & Fringe benefit tax	0.75	14.29
Net Profit / (Loss) after taxation	<u>1,316.22</u>	<u>(135.85)</u>
(iii) Capital Employed		
(Segment Assets Less Segment Liabilities)		
Extrusion Machinery Division	622.97	1,387.66
Injection Moulding Machinery	(2,218.93)	(3,974.96)
Total capital employed in Segments	<u>(1,595.96)</u>	<u>(2,587.30)</u>
Unallocated Corporate assets less corporate liabilities	(9,345.50)	(9,644.55)
Total capital employed	<u>(10,941.46)</u>	<u>(12,231.85)</u>
(iv) Secondary Segment Information (Geographical Segments)		
Segment Revenue		
Within India	15,981.16	6,960.73
Outside India	4,675.81	2,350.43
Total Revenue	<u>20,656.97</u>	<u>9,311.16</u>
Segment Assets		
Within India	6,429.69	6,183.51
Outside India	494.85	163.24
Total Assets	<u>6,924.54</u>	<u>6,346.75</u>
Capital Expenditure		
Within India	239.24	135.59
Outside India	-	-
Total Capital Expenditure	<u>239.24</u>	<u>135.59</u>

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.

18. 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. 80.75 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.

(Rs. in lacs)

Sr. No.	Particulars	EMD				IMM			
		Gratuity (Funded)		Leave Encashment (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
		31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09	31/03/10	31/03/09
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	218.12	201.97	96.30	97.27	168.20	159.98	93.30	84.63
	Interest cost	21.51	16.28	16.32	6.92	10.94	-	6.19	5.08
	Current Service Cost	30.54	-	85.51	-	166.31	13.21	30.98	16.46
	Benefits Paid	12.10	10.71	25.83	52.91	11.67	17.98	17.08	14.15
	Actuarial (gain)/Loss on obligations	0.17	10.58	22.08	45.03	(151.78)	12.99	12.71	1.28
	Present value of obligations as at end of year	258.23	218.12	194.39	96.30	182.01	168.20	126.10	93.30
3	The fair value of plan assets								
	Fair value of plan assets at beginning of year	218.12	212.54	96.30	97.27	8.22	-	-	-
	Actual return on plan assets	21.51	16.28	16.32	6.92	10.94	-	6.19	-
	Contributions	30.54	-	85.51	-	166.31	13.21	124.27	14.15
	Benefits Paid	11.93	10.71	3.74	7.88	11.67	17.98	4.37	14.15
	Fair value of plan assets at the end of year	258.23	218.12	194.39	96.30	177.33	8.22	126.10	-
	Funded status	-	-	-	-	(4.68)	(159.98)	-	(93.30)
	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)	(10.58)	(22.08)	(45.03)	151.78	(12.99)	(12.71)	(1.28)
	Actuarial (gain)/Loss for the year - plan assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (gain)/Loss for the year	0.17	10.58	22.08	45.03	(151.78)	12.99	12.71	1.28
	Actuarial (gain)/Loss recognized in the year	0.17	10.58	22.08	45.03	(151.78)	12.99	12.71	1.28
5	The amounts to be recognized in the balance sheet								
	Present value of obligations as at the end of year	258.23	218.12	194.39	96.30	182.01	168.20	126.10	93.30
	Fair value of plan assets as at the end of the year	258.23	218.12	194.39	96.30	177.33	8.22	126.10	-
	Funded status	-	-	-	-	(4.68)	(159.98)	-	(93.30)
	Net Asset/(liability) recognized in balance sheet	-	-	-	-	4.68	159.98	-	93.30

Sr. No.	Particulars	EMD				IMM			
		Gratuity (Funded)		Leave Encashment (Funded)		Gratuity (Funded)		Leave Encashment (Funded)	
		31/03/10	31/03/09	31/03/10	31/3/09	31/03/10	31/03/09	31/03/10	31/03/09
6	Expenses to be Recognised in statement of Profit & loss								
	Current Service cost	30.54	–	85.51	–	166.31	13.21	30.98	16.46
	Interest Cost	21.51	16.28	16.32	6.92	10.94	–	6.19	5.08
	Expected return on plan assets	21.51	16.28	16.32	6.92	10.94	–	6.19	–
	Net Actuarial (gain)/Loss recognised in the year	0.17	10.58	22.08	45.03	(151.78)	12.99	12.71	1.28
	Expenses recognised in statement of Profit & loss	30.70	10.58	107.59	45.03	14.54	26.20	43.69	22.82

19. 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 2010 amounted to Rs.3,531.36 lacs.

Further, the deferred tax asset (net) arising during the year amounted to Rs. 33.40 lacs (Previous period Rs. 1,621.26 lacs). Considering the Accounting standard and as a prudent policy, the management has decided not to recognise these deferred tax assets.

(Rs. in lacs)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred tax assets on account of:		
– Unabsorbed depreciation	1,153.20	1,101.05
– Unabsorbed business losses	2,210.21	2,193.89
– Long term capital loss	201.61	201.61
– Others	47.56	181.36
Total (A)	3,612.58	3,677.91
Deferred tax liabilities on account of:		
On account of difference in WDV of assets	81.22	113.15
Total (B)	81.22	113.15
Deferred Tax Assets / (Liabilities) (Net)		
Total (A-B)	3,531.36	3,564.76

20. Impairment of Assets

In respect of Vatva and Chhatral works based upon a report of a registered approved valuer, the assets of these works are not impaired. This being a technical matter, have been relied upon by the auditor. As regards Thane Works, it has not been possible for the management to obtain such reports for reasons mentioned in note 5 (b) and hence it has not been possible to establish that any impairment of assets has taken place or not.

21. 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 :

(Rs. in lacs)

Sr. No.	Particulars	As at 31.03.2010	As at 31.03.2009
a)	Principal amount remaining unpaid at the end of the accounting year	135.51	46.94
b)	Interest accrued & due to suppliers on the above amount, unpaid	8.86	4.17
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	18.73	5.80
e)	Interest due and payable towards suppliers under MSMED Act for payments already made	9.87	1.63
f)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	-	-

As the Company is yet to appoint a Company Secretary under Section 383A of the Companies Act, 1956 the accounts have not been signed by a Company Secretary.

Previous Period's figures have been regrouped / recast wherever considered necessary. Previous Period's figures are not comparable with the current year's figures, as previous period is of nine months only, due to change of accounting year from 01st July to 30th June to 01st April to 31st March of the following year.

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 'U'

As per our report of even date attached

For and on behalf of the Board

P. C. Kundalia Director

K. C. Gupte Director

Anil Pareek Chief Financial Officer

Place : Mumbai

Dated : 13th November, 2010

ANNEXURE 'A'

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	:	0012642	State Code : 11
Balance Sheet Date	:	31/03/2010	

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	:	1,270,914
Total Assets	:	1,270,914

Sources of Funds

Paid-up Capital	:	130,359
Reserves & Surplus	:	204,405
Secured Loans	:	802,957
Unsecured Loans	:	133,193

Application of Funds

Net Fixed Assets	:	131,021
Investments	:	2,279
Net Current Assets	:	(291,296)
Accumulated Losses	:	1,428,910

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

Turnover	:	2,098,898
Total Expenditure	:	1,967,201
Profit / (loss) before tax	:	131,697
Profit / (loss) after tax	:	131,622
Earning/(loss) per share in Rs.	:	10.10
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

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WINDSOR MACHINES LIMITED

Registered Office : E-6, U2 Road, Wagle Industrial Estate, Thane - 400 604

ATTENDANCE SLIP

47th Annual General Meeting on Tuesday the 28th December, 2010 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 47th 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 Tuesday the 28th day of December, 2010.

SIGNATURE OF THE SHAREHOLDER OR THE PROXY ATTENDING THE MEETING

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

TEAR HERE



WINDSOR MACHINES LIMITED

Registered Office : E-6, U2 Road, Wagle Industrial Estate, Thane - 400 604

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 47th Annual General Meeting of the Company to be held on Tuesday, the 28th December, 2010 and at any adjournment thereof.

As witness my/our hand(s) this..... day of2010.

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.

TEAR HERE

Book - Post

If undelivered, please return to:

WINDSOR MACHINES LIMITED
Corporate Office : 102/103, Dev Milan, L.B.S. Marg,
Thane (W) - 400 604