

37th
ANNUAL REPORT
1999-2000

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DGP WINDSOR

DGP WINDSOR INDIA LTD.

DGP WINDSOR**Board of Directors**

Mr. Dilip G. Piramal	Chairman
Mr. R. R. Nagrajan	Executive Director
Mr. V. A. Gore (Nominee of ICICI)	
Dr. (Mrs.) Gita D. Piramal	
Mr. C. U. Shah	
Mr. D. L. Shah	

Company Secretary

Ms. Dhanraj Kothari

Auditors

M/s Suresh Surana & Associates

M/s Haribhakti & Co.

Chartered Accountants

Bankers

Canara Bank

Corporation Bank

ANZ Grindlays Bank plc

State Bank of India

Registered Office & Thane Factory

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

Vatva Factory

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

Chhatral Factory

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

Corporate Office

Shah Industrial Estate, 'C' Building, 1st Floor,
Saki Vihar Road, Mumbai - 400 072.

Registrars & Transfer Agents

Intime Spectrum Registry Pvt. Ltd.
260, Shanti Industrial Estate,
Sarojini Naidu Road, Mulund (W),
Mumbai 400 080

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Annual Report 1999-2000**37th Annual General Meeting**

Date : 20th December, 2000

Day : Wednesday

Time : 11:30 a.m.

Place : Thane Manufacturers' Association Hall,
Plot No. 6, Main Road, Wagle Industrial
Estate, Thane - 400 604

Members are requested to bring their copies of Annual Report to the Annual General Meeting.

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of DGP WINDSOR INDIA LIMITED will be held at Thane Manufacturers' Association Hall, Plot No. 6, Main Road, Wagle Industrial Estate, Thane - 400 604 on Wednesday, the 20th day of December, 2000 at 11:30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 2000 and the Profit and Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. (Mrs.) Gita D. Piramal, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. C. U. Shah, who retires by rotation and being eligible, offers himself for reappointment.
4. 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 Board to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED that the sanction of the company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 for creation of mortgage and/or charge by the Board of Directors on the immovable properties of the Company, present and future, belonging to the Company's factories at Thane, Chhatral and Vatva situated in the State of Maharashtra and Gujarat, to secure a Rupee Term Loan of Rs.31 crores advanced by ICICI Ltd. to the company together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages and commitment charges AND the Board of Directors of the company be and is hereby authorised to finalise and execute with ICICI Ltd., the documents for creating aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to this resolution".

By Order of the Board of Directors

Registered Office :
E-6, U2 Road
Wagle Industrial Estate
Thane - 400 604
Dated : 31st October, 2000

Dilip G. Piramal
Chairman

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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 THE 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. **The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 11th December, 2000 to Wednesday the 20th December, 2000 (both days inclusive).**
4. Members having any questions on the statement of accounts and other details included in this annual report are advised to submit such queries in writing at the Registered Office of the Company so as to reach not later than 15th December, 2000.
5. The unclaimed dividends upto the Company's financial year 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies, Maharashtra, Mumbai.

As a result of the amendments introduced through sections 205 to 205C of the Companies Act, 1956 any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called "Investor Education and Protection Fund" to be set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1994-95 onwards will become transferable at the end of seven years respectively, to the said Investor Education and Protection Fund and no claims shall lie against the fund or the Company in respect of individual amounts thereafter. Shareholders are therefore requested to check up and send their claims, if any, for the relevant years from 1994-95 onwards before the respective amounts become due for transfer to the above fund.

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ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5 :**

The Company has obtained a Rupee Term Loan of Rs.31 crores from ICICI Ltd. As per the terms, this loan is required to be secured by way of mortgage and/or charge on the immovable properties of the company situated at Thane, Chhatral and Vatva. Approval of shareholders is required under Section 293(1)(a) of the Companies Act, 1956 for the creation of the said mortgage and/or charge.

The Directors recommend the resolution for the approval of the shareholders.

None of the Directors is in any way concerned or interested in the above resolution.

By Order of the Board of Directors

Registered Office :
E-6, U2 Road
Wagle Industrial Estate
Thane - 400 604
Dated : 31st October, 2000

Dilip G. Piramal
Chairman

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 37th Annual Report of your Company and the audited accounts for the year ended 30th June, 2000.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

(Rs. In lacs)

FINANCIAL HIGHLIGHTS	Year ended 30.06.2000	Year ended 30.06.1999
Sales, Income from operations and other income	13,579.02	11,523.31
Gross Profit/(Loss) before Interest & Depreciation	779.69	(480.03)
Less : Interest	1,320.08	1,216.46
Less : Depreciation	377.02	372.86
Profit/(Loss) before Tax	(917.41)	(2,069.35)
Less : Provision for Taxation	1.00	1.00
Profit/(Loss) after Tax	(918.41)	(2,070.35)
Add/(Less) : Prior year's adjustments (net)	(6.35)	(5.65)
	(924.76)	(2,076.00)
Add : i. Transfer from Property Revaluation Reserve	1.48	1.48
ii. Transfer from Investment Allowance Reserve	—	—
iii. Transfer from General Reserve	—	—
iv. Balance brought forward from previous year	—	99.98
v. Withdrawn from General Reserve	589.39	1,974.54
Balance carried to Balance Sheet	(333.89)	—

1.2 DIVIDEND

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

2. OPERATIONS

The investment climate in the country improved considerably during the year, as compared to the previous year. On account of severe competition from both foreign and domestic manufacturers, the prices continued to be under pressure. Despite this your company has achieved a turnover growth of 17% over the last year, by increasing volumes. In addition, your company has been able to achieve reduction in the expenses through tighter controls and as a result, Gross profit before interest and depreciation improved from (480.03 lacs) to Rs. 779.69 lacs. Consequently, the net losses of your company could be contained to Rs. 9.18 crores for the year.

3. DOMESTIC SALES

Your company has shown a growth of 16% over the last year. The growth has been

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driven largely by increased off-takes in white goods, furniture, pipes and packaging segments. The outstanding order book position indicates good growth prospects.

4. EXPORT BUSINESS

Your company has shown a growth of more than 20% on exports as compared to the previous year. The growth is particularly remarkable in injection moulding machines where the growth is over 80%. Your company's products are installed at 65 countries all over the world, and continue to explore new markets for increasing worldwide presence.

5. BUSINESS OUTLOOK

The company has launched new products in Injection and Extrusion machinery which are expected to contribute significantly to the business. Overhead expenditure reduction will continue to receive attention. New arrangements with Financial Institutions and Banks should result in better cash flow management. The order book position of approx. Rs. 60 crores in July, 2000 is quite encouraging. Efforts are also being made to reduce material costs through design changes and exploration of economical procurement sources. With all these, the company is expected to achieve a sales growth of 20% and also to complete a turn around during 2000-2001.

6. DEPOSITORY

As you are aware your Company's shares are eligible for dematerialisation since July, 1997 through National Securities Depository Ltd. (NSDL). During the year your Company has entered into an agreement with Central Depository Services (India) Ltd. (CDSL) making its shares eligible for demat also through CDSL. Shareholders now have the option/discretion to hold their demat shares through NSDL or CDSL.

Shareholders are advised that as per SEBI's notification your Company's equity shares will be traded only in demat form for all investors w.e.f. 26th June, 2000. The shareholders are requested to get their holdings dematerialised at the earliest.

7. LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Stock Exchange, Mumbai situated at Phiroze Jeeveebhoy Towers, Dalal Street, Mumbai - 400 001. and National Stock Exchange situated at Trade World, Kamala Mill Compound, 2nd floor, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. The Company has paid the listing fees for the period 1st April, 2000 to 31st March, 2001.

8. STATUS OF Y2K COMPLIANCE

The Y2K transmission was smooth and without any disruption to the Company's operations.

9. ENVIRONMENT PROTECTION

The Company has been complying with the requirements of the Pollution Control Regulations in the State of Gujarat and Maharashtra.

10. PERSONNEL

Industrial relations at all levels were satisfactory and cordial during the year under review.

11. DIRECTORS

Mr. C. U. Shah and Dr. (Mrs.) Gita D. Piramal retire by rotation and being eligible offer themselves for re-appointment.

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DGP WINDSOR**12. AUDITORS**

The Auditors M/s. Suresh Surana & Associates and M/s. Haribhakti & Co. retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed.

13. STATUTORY DISCLOSURES

- a. Particulars to be disclosed as per the provisions of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure, which forms part of the report.
- b. The information required under the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the accounts is being sent to all shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.
- c. The unsecured deposits from the public at the end of the year amounted to Rs. 10.17 lacs and 42 such deposits amounting to Rs. 2.68 lacs remain unclaimed on the due dates at the end of the year.

14. ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions, in particular ICICI Ltd. and to Banks, Government departments, Vendors, Customers for their assistance and co-operation during the year.

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

For and on behalf of the Board of Directors

Mumbai
Dated: 31st October, 2000

Dilip G. Pirmal
Chairman

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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 :**

- 1) Compressor load reduced by improved piping layout.
- 2) Replacement of existing lightings by energy efficient tube lights.
- 3) Modifications carried out to improve hydraulic circuit efficiency and reduce power consumption in products supplied.

B. TECHNOLOGY ABSORPTION

1. The Company has 3 R & D units at its factories in Thane, Vatva & Chhatral. They are approved by Department of Scientific and Industrial Research. During the year the specific activities of interest are;

a) INJECTION MOULDING MACHINE DIVISION :**Toggle type machine.**

- 1) Full-fledged Toggle machine (5 point toggle system) in the capacity of 180, 125 and 75 tonne machines have been designed, developed and validated. This newer range of machines known as "SUMO" have been successfully launched during Plastindia Exhibition. Development projects of SUMO was jointly taken with our collaborators SUMITOMO of Japan.
- 2) Design and Development of RAM type 650 tonne machine with newer hydraulics and electronics was also completed. This newer machine has given significant advantage in economy of energy, reduction in cycle time, as well as reduction in floor space.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) PET sheet plant model ESP - 700/75, first time in the country.
- 2) Twin Screw Extrusion KTS 350 for PVC pipe application introduced.
- 3) Silicon coated pipe plant for telecom ducting developed.

2. R & D activity for the future includes :**a) INJECTION MOULDING DIVISION :**

- 1) Development of SUMO series which started last year will be completed with adding three more models of 50 T, 260 T, and 350 T capacity. With the completion of SUMO series, we will be establishing position for Toggle range of machines.
- 2) Development of hydro-mechanical type machines in 450 - 850 T range.
Two more models in RAM type higher capacity tonnage i.e. 850 and 450 with newer hydraulics and electronics to be completed in the current year.
- 3) Redesigning of smaller capacity machine i.e. 80 to 350 tonne capacity with new hydraulic elements.

Upgradation of 30-350 T machines w.r.t. hydraulics and controls.

b) EXTRUSION & BLOW MOULDING DIVISIONS :

- 1) Multi layer blown film plant IBC upto 430 kg/hr output.

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- 2) High output tape plant with 350 kg/hr.
- 3) Thermoforming machines for polypropylene applications.
- 4) Upgradation of blow moulding machines by incorporating latest electronics control, hydraulic system and automation.

3. Expenditure on R & D

	Rs. in lacs	Rs. in lacs
a. Capital Expenditure	0.22	—
b. Recurring Expenditure	78.56	(105.24)
c. Total	78.78	(105.24)

Total R & D Expenditure works out to 0.60% (1.03%) of the total turnover (Net of Excise Duty) of the company. Previous year's figures are given in brackets.

C. FOREIGN EXCHANGE EARNED AND USED

Details of foreign exchange earning and expenditure of the Company have been given in notes to the accounts, (refer Schedule 'V') points 14 & 15.

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