

38th
ANNUAL REPORT
2000-2001

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DGP WINDSOR

DGP WINDSOR INDIA LIMITED

DBP 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

Auditors

Suresh Surana & Associates
 Chartered Accountants
 Haribhakti & Co.
 Chartered Accountants

Bankers

Canara Bank
 Corporation Bank
 Standard Chartered Grindlays Bank
 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

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

Registrar & Transfer Agents

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

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38th Annual General Meeting

Date : 10th December, 2001

Day : Monday

Time : 12.00 noon

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 38th 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 Monday the 10th day of December, 2001 at 12:00 noon to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 2001 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 Mr Dilip G. Piramal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. D. L. 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 pursuant to the provisions of Sec. 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Company be and is hereby accorded to the revision in the remuneration of Mr. R. R. Nagrajan, Executive Director; for the remaining tenure of his appointment, as set out in the draft agreement placed before this meeting, to be entered into between the Company and Mr. R.R. Nagrajan”.

“FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to the resolution”.

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By Order of the Board of Directors

Registered Office :
E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 29th September, 2001

DILIP G. PIRAMAL,
Chairman

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 3rd December, 2001 to Monday the 10th December, 2001 (both days inclusive).**

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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 3rd December, 2001.
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.

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

The Board of Directors in its meeting held on 29th June, 2001 has revised w.e.f. 1st July, 2000 terms of remuneration of Mr. R.R. Nagrajan, for the remaining tenure of his appointment upto 2nd March, 2004 subject to approval of the members to be obtained at the next General Meeting and subject to the approval of Central Government, if required in pursuance of the provisions of section 198, 269 and 309 read with Schedule XIII and all other applicable provisions of the Act.

Salary : Rs. 60,000 per month.

Educational Allowance : Rs. 500/- per month.

Special Allowance : Rs.15,000/- per month.

Commission : Such amount by way of commission, as may be determined by the Board for each financial year upto maximum 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956 and subject to the overall ceilings stipulated in sections 198 and 309 of the Act.

Perquisites :

- i) Housing – furnished residential accommodation or House Rent Allowance of Rs.18,500 per month.
- ii) Medical Reimbursement - reimbursement of expenses at actuals for self and family, subject to maximum of Rs.15,000/- per annum
- iii) Leave Travel Concession - for self and family once in a year, expenses of which not exceeding Rs.60,000/- per annum.
- iv) Gas, Electricity, Water at actuals.
- v) Club fees - fees for a maximum of 2 clubs excluding admission and life membership fees.
- vi) Personal Accident Insurance - as per company policy.
- vii) Provident Fund - as per rules of the company.
- viii) Superannuation Fund - as per rules of the company.
- ix) Gratuity - as per rules of the company.

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- x) Earned/Privilege leave - on full pay and allowances, as per rules of the company, not exceeding 30 days for every completed year of service.
- xi) Encashment of leave accumulated but not availed at the end of tenure of office, in accordance with the rules of the company.
- xii) Car and telephone – provision of car for use on company's business and telephone at residence. However, personal long distance calls on telephone and use of car for private purpose shall be billed by the company and recovered.

The aggregate monetary value of the above perquisites shall not exceed annual salary. For the purpose of such limits following perquisites shall not be included :

- i. Company's contribution to Provident fund, Superannuation Fund, gratuity or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act;
- ii. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service;
- iii. Encashment of leave at the end of tenure
- iv. Use of car on company's business and telephone at residence including payment of local calls and long distance official calls;

The perquisites shall be valued as per Income-tax rules where applicable and in the absence of any rule shall be valued at actual cost.

Sitting Fees : The Executive Director shall not be paid any sitting fees for attending the Board/Committee meetings.

General : The Executive Director shall be eligible for financial assistance for housing etc. as per the rules of the company.

The Executive Director shall be subject to other service conditions, rules and regulations of the company.

MINIMUM REMUNERATION

In the event of absence or inadequacy of profits of the Company in any financial year, Mr. R. R. Nagrajan shall be entitled to receive such minimum remuneration as is permissible under section II of part II of Schedule XIII of the Companies Act, 1956.

MEMORANDUM OF INTEREST

None of the Directors of the Company other than Mr. R. R. Nagrajan is concerned or interested in the aforesaid resolution.

This should also be treated as Notice under section 302 of the Companies Act, 1956 in respect of revision in the terms of appointment of Mr. R.R. Nagrajan w.e.f. 1st July, 2000.

The Board of Directors, recommend the resolution for your approval.

By Order of the Board of Directors

Registered Office :
E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 29th September, 2001

DILIP G. PIRAMAL,
Chairman

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 38th Annual Report of your Company and the audited accounts for the year ended 30th June, 2001.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

(Rs. In lacs)

FINANCIAL HIGHLIGHTS	Year ended 30.06.2001	Year ended 30.06.2000
Sales, Income from operations and other income	13,988.54	13,579.02
Gross Profit/(Loss) before Interest & Depreciation	678.81	779.69
Less : Interest	613.61	1,320.08
Less : Depreciation	369.67	377.02
Profit / (Loss) before Tax	(304.47)	(917.41)
Less : Provision for Taxation	1.00	1.00
Profit/(Loss) after Tax	(305.47)	(918.41)
Add/(Less) : Prior year's adjustments (net)	49.81	(6.35)
	(255.66)	(924.76)
Add: i. Transfer from Revaluation Reserve	1.48	1.48
ii. Transfer from Debenture Redemption Reserve	15.00	—
iii. Balance brought forward from previous year	(333.89)	—
iv. Withdrawn from General Reserve	—	589.39
Balance carried to Balance Sheet	(573.07)	(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 did not show any improvement during the 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 8% 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 the net losses of your Company could be contained to Rs. 305.47 lacs for the year.

3. DOMESTIC SALES

Domestic sales were down by 12% due to economic slow down in the country. However, the order booking activity has since picked up and the future trend also looks positive.

4. EXPORT BUSINESS

Your Company has shown a growth of more than 50% on exports as compared to the previous year. The growth is particularly impressive in injection moulding machines where the growth is over 70%. Your Company's products are installed at 65 countries all over the world and your Company continues to explore new markets for increasing worldwide presence.

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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.5068 lacs in September, 2001 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 healthy sales growth and also to complete a turn around during 2001-2002

6. 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 30th June, 2001 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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 30th June, 2001 on a 'going concern' basis.

7. CORPORATE GOVERNANCE

Securities & Exchange Board of India (SEBI) has recently introduced a Code of Corporate Governance and made certain provisions mandatory for the listed companies through the route of the Listing Agreement. Your Company is required to comply with the mandatory provisions within the financial year 2001-2002, but not later than 31st March, 2002. We have initiated measures to ensure that we are fully compliant by the end of the financial year. Your Company is committed to observe the best practices in the area of Corporate Governance and is conscious of its role towards various constituents of growth.

8. INSURANCE

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

9. LISTING OF EQUITY SHARES

The Company's equity shares are listed on the Stock Exchange, Mumbai situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and National Stock Exchange situated at Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. The Company has paid the listing fees for the period 1st April, 2001 to 31st March, 2002.

10. DEMATERIALISATION

Effective 26th June, 2000 the equity shares of your Company have been compulsorily traded in dematerialised form. As on 11th September, 2001 a total of 48,39,352 equity shares representing 37.13% of the Equity Share Capital have been dematerialised and about 3,854 shareholders are holding shares in dematerialised form.

11. ENVIRONMENT PROTECTION

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

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OGP WINDSOR**12. PERSONNEL**

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

13. DIRECTORS

Mr. Dilip G. Piramal and Mr. D. L. Shah retire by rotation and being eligible offer themselves for re-appointment.

14. 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.

15. PROVISIONS OF SICA

The provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) will be applicable to the Company, since more than 50% of the peak net worth had been eroded as on 30th June, 2001.

Directors have reviewed the situation and are of the opinion that in view of the product improvements and penetration into new market segments/areas in domestic as well as export markets and with the measures undertaken by the Company in exercising strict cost control, it is possible to overcome the situation. An Extraordinary General Meeting of the members of the Company will be convened for consideration of the causes for erosion of the net worth and measures to overcome the situation, as prescribed by the said Act.

16. 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 at the Registered Office of the Company.
- c. The company has not received instructions from 31 depositors for repayment of deposits amounting to Rs.2.24 lacs as at 30th June, 2001. Since then one deposit totalling Rs. 15,000/- has been repaid.

17. 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: 29th September, 2001

Dilip G. Piramal
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) New machines are made with improved hydraulic circuit which reduces wastage and gives lower power consumption to machines.
- (2) Replacement of Copper choke by Electronic Ballast to reduce lighting load.
- (3) Implementation of convenient air distribution system to reduce 500 cfm compressor which consumed 125 HP load to 45 HP.
- (4) Replacement of 8HP pump at Furnace by 3HP pump for cooling of 'O' ring.

B. TECHNOLOGY ABSORPTION

1. The company has three 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

- 1) Completed the development of 50T machines in Sumo series.
- 2) Completed the design and development of new series of RAM type High Tonnage Machines, SPM 450 - 850. This has better hydraulic and electrical controls.
- 3) Design and Development of new series of machines 'POLO' started. Completed the Development of POLO-350.

b) EXTRUSION & BLOW MOULDING DIVISIONS

- 1) High output Blown Film Plant for milk film – Capacity 430 Kg/hr.
- 2) Latest Generation Tape Plant with capacity 350 Kg/hr.
- 3) High output Blow Moulding Machine Model DIGIBLO 1-2/S.
- 4) Compounding line for engineering plastics.

2. R & D activity for the future includes

a) INJECTION MOULDING DIVISION

- 1) Development of other models in POLO 80 – 250 series.
- 2) Design and Development of Hydro Mechanical Machines 450T – 850T.
- 3) Dedicated machines for RPVC application POLO – R Range 80 – 350 T.

b) EXTRUSION & BLOW MOULDING DIVISIONS

- 1) Sheet forming machine for polypropylene articles.
- 2) High capacity Blow Moulding Machine for 100 litres containers.
- 3) Twin die concept for RPVC pipes for almost doubling the output.
- 4) Compounding extruder model KCE40 for masterbatches and speciality applications.

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DGP WINDSOR**3. Expenditure on R & D**

	Rs. in lacs	
	2000-2001	1999-2000
a. Capital Expenditure	—	0.22
b. Recurring Expenditure	152.67	78.56
c. Total	152.67	78.78

Total R & D Expenditure works out to 1.21% (previous year 0.60%) of the turnover (Net of Excise Duty) of the company.

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 15 & 16.

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