39th

ANNUAL REPORT

2001-2002

DGP WINDSOR

DGP WINDSOR INDIA LIMITED

Board of Directors
Mr. Dilip G. Piramal — Chairman
Mr. R. R. Nagrajan — Executive Director
Dr. (Mrs.) Gita D. Piramal
Mr. Mujib Mundewadi
(Nominee of ICICI)
Mr. D. L. Shah

Auditors
Suresh Surana & Associates
Chartered Accountants

Haribhakti & Co.
Chartered Accountants

Bankers
Canara Bank
Corporation Bank
Standard Chartered 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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39th Annual General Meeting

Date : 20th December, 2002

Day : Friday

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.

NOTICE

NOTICE is hereby given that the 39th 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 Friday the 20th December, 2002 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, 2002 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 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 :

4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

   "RESOLVED that the retiring Jt. Auditors of the company M/s. Suresh Surana & Associates, Chartered Accountants (Proprietorship) be not and are hereby not re-appointed and in their stead M/s. Suresh Surana & Associates, Chartered Accountants (Partnership Firm) be and are hereby appointed as Jt. Auditors of the company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors."
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

   "RESOLVED that the deletion of item no. 15 captioned as 'Provisions of SICA' from the Directors' Report dated 29.9.2001 for the year ended 30th June, 2001 be and is hereby approved."

By Order of the Board of Directors

Registered Office :
E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 30th September, 2002

DILIP G. PIRAMAL,
Chairman

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4 :

M/s. Suresh Surana & Associates, Chartered Accountants (Proprietorship) the Joint Auditors of the company retire at the ensuing Annual General Meeting and have expressed their unwillingness to continue as Auditors. It is proposed to appoint M/s. Suresh Surana & Associates, Chartered Accountants (Partnership Firm) who have offered themselves and are eligible under section 224(1)(b) of the Companies Act, 1956 for appointment as Joint Statutory Auditors of the company.

The Board of Directors recommend this resolution for your approval.

None of the Directors are interested or concerned in the aforesaid resolution.

ITEM NO. 5 :

In the Directors' Report dated 29.9.2001 for the year ended 30th June, 2001 under item 15 captioned as 'Provisions of SICA' it was stated that the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) have become applicable. This item was included by inadvertence due to an error in calculations. Company has been advised by the solicitors that the accumulated losses at the end of financial year 2000-2001 have not resulted in the erosion of 50% or more of company's peak net worth during the last four financial years and that the provisions of Section 23 of SICA were not applicable and therefore item no. 15 of the aforesaid Director's Report needs to be deleted.

In view of the legal opinion, Company had informed the shareholders by letter dated 28.1.2002 about the aforesaid addendum/corrigendum to the Directors' Report for the year ended 30th June, 2001.

This resolution is placed for approval of the shareholders to regularize the aforesaid inadvertence/ error in the Directors' Report dated 29.9.2001.

None of the Directors are interested or concerned in the aforesaid resolution.

By Order of the Board of Directors

Registered Office :
E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 30th September, 2002

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 9th December, 2002 to Friday the 20th December, 2002 (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 14th December, 2002.
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 seven years from the date of such transfer shall be transferred by the Company to a fund called "Investor Education and Protection Fund" set up by the Central Government. Accordingly, the unpaid/unclaimed dividends for the years 1995-96 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 1995-96 onwards before the respective amounts become due for transfer to the above fund.

DETAILS OF DIRECTORS RETIRING BY ROTATION & SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name Of Director	Dr. (Mrs.) Gita D. Piramal
Date of Birth	4.9.1954
Date of appointment	2.4.1994
Qualifications	M.A. (History). Ph.D (Business History)
Experience in special functional areas	Author & Business Historian
Chairman/Director of other companies	Blow Plast Limited
	V.I.P. Industries Limited
	Gazelle Travels Pvt. Ltd.
	Prism Management Consultancy Pvt. Ltd.
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	**DGP Windsor India Ltd.,** - Investors' Grievances & Share Transfer Committee. - Audit Committee - Remuneration Committee **Blow Plast Ltd.,** - Banking Commmittee - Investors' Grievances & Share Transfer Committee **V.I.P. Industries Ltd.** - Banking Committee - Investors' Grievances & Share Transfer Committee

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DIRECTORS' REPORT

Dear Members,

Your Directors present the 39th Annual Report of your Company and the audited accounts for the year ended 30th June, 2002.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

(Rs. In lacs)

FINANCIAL HIGHLIGHTS	Year ended 30.06.2002	Year ended 30.06.2001
Sales, Income from operations and other income net of excise.	**10,195.61**	13,988.54
Gross Profit/(Loss) before Interest & Depreciation	**(1,426.20)**	678.81
Less : Interest	**616.26**	613.61
Less : Depreciation	**365.56**	369.67
Profit/(Loss) before Tax	**(2,408.02)**	(304.47)
Less : Provision for Taxation	**1.00**	1.00
Profit/(Loss) after Tax	**(2,409.02)**	(305.47)
Add/(Less) : Prior year's adjustments (net)	**17.74**	49.81
	(2,391.28)	(255.66)
Add: i. Transfer from Revaluation Reserve	**1.48**	1.48
ii Transfer from Debenture Redemption Reserve	**60.00**	15.00
iii Balance brought forward from previous year	**(573.07)**	(333.89)
Balance carried to Balance Sheet	**(2,902.87)**	(573.07)

1.2 DIVIDEND

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

2. OPERATIONS

The sales during the fourth quarter were severely affected on account of the unexpected disturbances in Gujarat where two of our factories are located. Your company therefore could achieve a turnover of Rs. 98.73 crores only. The selling prices continued to be under pressure. In addition some redundant material worth Rs.5 crores have also been written off. Despite significant efforts to reduce the cost of employees and administration the company has made a loss of Rs.24.09 crores for the year.

3. DOMESTIC & EXPORT SALES

While domestic sales were low the exports continued to be at the same level as last year. The export business could have been better but for the above mentioned disturbances.

4. BUSINESS OUTLOOK

The company has a strong order book position of more than Rs.50 crores currently. Efforts are being made to reduce material cost and overhead expenses.

5. **DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement 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, 2002 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, 2002 on a '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 -WIP, raw materials, 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 and Maharashtra.

10. **PERSONNEL**

The Company has restructured the personnel resulting in reducing the strength from 905 to 765 without hampering operational efficiency.

11. **DIRECTORS**

Dr. (Mrs.) Gita D. Piramal retires by rotation and being eligible offers herself for re-appointment.

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.

Suresh Surana & Associates, Chartered Accountants (Proprietorship), the joint auditors of the company, retire at the ensuing Annual General Meeting and have expressed their unwillingness to continue as auditors. The Board of Directors recommend M/s. Suresh Surana & Associates, Chartered Accountants (Partnership firm) who have offered themselves and are eligible u/s 224(1)(B) of the Companies Act, 1956 for appointment.

13. **AUDITORS' REMARKS**

The observations made by the Auditors with reference to Notes to the Accounts for the year under report are self explanatory & need no further comments from the directors.

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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 Company has no employee drawing Rs. 24,00,000/- p.a. or more during the year and hence the particulars as required under section 217 (2-A) of the Companies Act, 1956 have not been furnished.

c. The company has not received instructions from 24 depositors for repayment of deposits amounting to Rs.1.65 lacs as at 30th June, 2002.

15. ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions, 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: 30th September, 2002

Dilip G. Piramal
Chairman

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) Bigger air compressor usage reduced by providing small portable compressor in the factory shop.

(2) Energy consumption reduced by provision of new capacitor banks in electrical circuit.

(3) Provided water cooling tower for heat treatment shop. This helped to reduce the working of water pump which was running continuously and thus helped reduce the power and water bill.

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 75T machine in Sumo Smart series and 80T – Polo Smart series.

   2) Completed design & development of 'POLO' series machines, 80T – 250T.

   3) Design and development of 'POLO' machines for two colour application started.

   4) Design & development of 50T and 100T to 350T started.

   5) Design and development of "POLO SMART" series 130T to 350T started.

   6) Completed design and development of 'POLO-R' range 80T – 350T machines for RPVC application.

   b) EXTRUSION & BLOW MOULDING DIVISIONS:

   1) Blow Moulding Machines Model KBM20 & KBM100.

   2) Sheet Plant and Forming Machine for Polypropylene.

   3) Twin Die concept for RPVC Pipes.

2. R & D activity for the future includes :

   a) INJECTION MOULDING DIVISION :

   1) Development of two component application machines POLO 80T to 350T.

   2) Development of Hydromechanical machine sprint 450.

   b) EXTRUSION & BLOW MOULDING DIVISIONS:

   1) Compounding Extruder model KCE40 for speciality applications.

   2) Low cost IBC Blown Film Co-extrusion Machine Model TFK 1600 IBC.

   3) 5 Ltr. Two station Blow Moulding Machine Model DIGIBLO-5/2S.

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3. Expenditure on R & D

Rs. in lacs

	2001-2002	2000-2001
a. Capital Expenditure	—	—
b. Recurring Expenditure	135.39	152.67
c. Total	135.39	152.67

Total R & D Expenditure works out to 1.37% (previous year 1.21%) 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 accounts, (Refer Schedule 'V') points 14 & 15.