

40th
ANNUAL REPORT
2002-2003

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DGP WINDSOR

DGP WINDSOR INDIA LIMITED

Board of Directors

Mr. Bhupen C. Dalal
 Mr. R. R. Nagrajan Executive Director
 Mr. G. D. Medhe
 Mr. Mujib Mundewadi
 (Nominee of ICICI)
 Mr. Alok M. Tibrewala

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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Annual Report 2002-2003**40th Annual General Meeting**

Date : 29th December, 2003

Day : Monday

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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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 40th Annual General Meeting of the Members of DGP WINDSOR INDIA LIMITED will be held at Thane Small Scale Industries Association, TSSIA House, Plot No. P-26, Road No. 16-T, Wagle Industrial Estate, Thane - 400 604, on Monday the 29th December, 2003 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 2003 and the Profit and Loss Account for the year ended on that date, the Reports of the Directors and Auditors thereon.
2. 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 :

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.
"RESOLVED that Mr. Bhupen C. Dalal be and is hereby appointed as a Director of the company".
4. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.
"RESOLVED that Mr. G. D. Medhe be and is hereby appointed as a Director of the company".
5. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution.
"RESOLVED that Mr. Alok M. Tibrewala be and is hereby appointed as a Director of the company".
6. To consider and if thought fit to pass with or without modifications, the following resolution as a Special Resolution :
"RESOLVED that pursuant to section 31 and all other applicable provisions, if any, of the Companies Act, 1956 Article 117(a) of the Articles of Association of the Company be replaced as follows :
Article 117(a) :
Until otherwise determined by the company in a General Meeting and subject to the provisions of section 252 of the Act, the number of directors shall not be less than 3 nor more than 14 excluding any Alternate Director".

By Order of the Board of Directors

Registered Office :
E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 30th September, 2003

R. R. Nagrajan
Executive Director

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ANNEXURE TO NOTICE

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

ITEM NO. 3 :

Mr. Bhupen C. Dalal was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 20th December, 2002 under section 260 of the Companies Act, 1956 and holds office only upto the date of this meeting. The company has received notices in writing under section 257 of the Companies Act, 1956 from certain shareholders intimating their intention to propose Mr. Bhupen C. Dalal as a candidate for the office of Director. Mr. Bhupen C. Dalal is 62 years of age. He has graduated in Commerce from Sydenham College of Commerce and Economics in 1962. After having worked with a London Stock Broker he returned to India to become a Stock Broker and joined the family firm of M/s. Champaklal Devidas. He is a business man with over 41 years of experience and has served the BOARDS of many well known Public Corporations. He has experience of having personally acquired a few companies for a turnaround. He has also been active in Mergers and Acquisition activity during his career.

The Board of Directors recommend this resolution for your approval.

None of the Directors other than Mr. Bhupen C. Dalal are in any way concerned or interested in the above resolution.

DGP WINDSOR**ITEM NO. 4**

Mr. Ghanashyam D Medhe was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 20th December, 2002 under section 260 of the Companies Act, 1956 and holds office only upto the date of this meeting. The company has received notices in writing under section 257 of the Companies Act, 1956 from certain shareholders intimating their intention to propose Mr. Ghanashyam D. Medhe as a candidate for the office of Director. Mr. Ghanashyam D. Medhe is 47 years of age and is a Diplomaholder in Plastics Engineering. He has over 25 years of experience in the design and manufacture of moulds for injection moulding and in the production of injection moulded goods.

The Board of Directors recommend this resolution for your approval.

None of the Directors other than Mr. Ghanashyam D. Medhe are in any way concerned or interested in the above resolution.

ITEM NO. 5

Mr. Alok M. Tibrewala was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 25th August, 2003 under section 260 of the Companies Act, 1956 and holds office only upto the date of this meeting. The company has received notices in writing under section 257 of the Companies Act, 1956 from certain shareholders intimating their intention to propose Mr. Alok M. Tibrewala as a candidate for the office of Director. Mr. Alok M. Tibrewala is 40 years of age and is a chemical engineer. He has over 19 years experience in sales and marketing.

The Board of Directors recommend this resolution for your approval.

None of the Directors other than Mr. Alok M. Tibrewala are in any way concerned or interested in the above resolution.

ITEM NO. 6

Article 117(a) of the Articles of Association of the Company fixes the minimum number of directors as five. For administrative convenience it is proposed to fix the minimum number of directors as three.

The Directors recommend the resolution for approval of the shareholders.

A copy of the existing Articles of Association of the Company incorporating the amendments is available for inspection of the Members at the Registered Office of the Company during the hours of 10.00 a.m. to 12.00 noon on all working days upto the date of the Annual General Meeting of the company.

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 : 30th September, 2003

R. R. NAGRAJAN,
Executive Director

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 15th December, 2003 to Monday the 29th December, 2003 (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 26th December, 2003.
5. Members are requested to notify immediately any change in address to the Registrars at the following address :

M/s. Intime Spectrum Registry Ltd.

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

6. 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 and no payments shall be made in respect of any such claims by the Fund. Accordingly, the unpaid/unclaimed dividends for the years 1994-95 and interim dividend 1995-1996 have been transferred to the said Investor Education and Protection Fund. Members who have not yet encashed their dividend warrants for the years 1995-96 (final) onwards are requested to make their claims to the company accordingly without any delay. It may be noted that the unclaimed (final) dividend for the financial year 1995-96 is due for transfer to the Fund on 23rd January, 2004.

DETAILS OF DIRECTORS SEEKING APPOINTMENT

(In Pursuance Of Clause 49 Of The Listing Agreement)

Name Of Director	Mr. Bhupen C. Dalal	Mr. G. D. Medhe	Mr. Alok M. Tibrewala
Date of Birth	18.11.1941	13.5.1956	7.1.1963
Date of appointment	20.12.2002	20.12.2002	25.8.2003
Qualifications	B.Com.	Diplomaholder in Plastics Engineering.	Chemical Engineer
Experience in special functional areas	Well versed in the field of finance and has participated in Mergers and Acquisitions.	Has experience in Design and Manufacture of moulds for injection moulding machines & production of injection moulded goods.	Experience in Sales & Marketing
Chairman/Director of other companies	Blow Plast Limited Nildeep Investment Co. Pvt. Ltd.	Nil	Nil
Chairman/Member of Committees of the Board of Companies of which he or she is a Director.	DGP Windsor India Ltd., - Committee - Member - Investors' Grievances & Share Transfer Committee. - Member - Audit Committee - Member - Remuneration Committee - Member Blow Plast Ltd., - Banking Committee - Chairman - Remuneration Committee - Chairman	DGP Windsor India Ltd., - Investors' Grievances & Share Transfer Committee - Member - Audit Committee - Member - Remuneration Committee-Member	Nil

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DIRECTORS' REPORT

Dear Members,

Your Directors present the 40th Annual Report of your Company and the audited accounts for the year ended 30th June, 2003.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

(Rs. In lacs)

FINANCIAL HIGHLIGHTS	Year ended 30.06.2003	Year ended 30.06.2002
Sales, Income from operations and other income net of excise.	9,076.35	10,195.61
(Loss) before Interest & Depreciation	(400.19)	(1,426.20)
Less : Interest	1,093.39	616.26
Less : Depreciation	322.51	365.56
(Loss) before Tax	(1,816.09)	(2,408.02)
Less : Provision for Taxation	1.00	1.00
(Loss) after Tax	(1,817.09)	(2,409.02)
Add/(Less) : Prior year's adjustments (net)	27.92	17.74
	(1,789.17)	(2,391.28)
Add : i Transfer from Revaluation Reserve	1.48	1.48
ii Transfer from Debenture Redemption Reserve	—	60.00
iii Balance brought forward from previous year	(2,902.87)	(573.07)
Balance carried to Balance Sheet	(4,690.56)	(2,902.87)

1.2 DIVIDEND

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

2. OPERATIONS

The paucity of working capital has affected the operations resulting into reduced turnover. The selling price continued to be under pressure and the increase in the input cost of steel has further restricted the contribution. A significant reduction in employee cost and administrative cost has been achieved.

Detailed analysis of the operations of the company are available in the 'Management Discussion and Analysis' forming part of the Annual Report. The operations at Thane have come to a standstill.

3. DOMESTIC & EXPORT SALES

The overall proportion of exports to total sales has dropped from 45% to 38%. While the exports of extrusion machines have gone up substantially, the exports of injection moulding machines have gone down considerably mainly on account of unstable political conditions prevailing in the African continent, particularly Nigeria.

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4. BUSINESS OUTLOOK

Appropriate steps are being taken to arrange adequate working capital. The market being supportive in terms of order book position, the outlook for the year seems to be better once the liquidity issue is resolved.

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 30th June, 2003 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 loss 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, 2003 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 - 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 and Maharashtra.

10. PERSONNEL

The Company has restructured the personnel resulting in reducing the strength from 765 to 696 without hampering operational efficiency.

11. DIRECTORS

Mr. Dilip G. Piramal and Dr. (Mrs.) Gita D. Piramal, have resigned from the Board w.e.f. 20.12.2002 and Mr. D.L. Shah has resigned from the Board w.e.f. 25.8.2003. The Directors place on record their appreciation of the services rendered by them.

Mr. Bhupen C. Dalal and Mr. G. D. Medhe have been appointed as Additional Directors w.e.f. 20.12.2002. Mr. Alok Tibrewala has been appointed Additional Director w.e.f. 25.8.2003. They hold office till the date of ensuing Annual General Meeting. Notices in writing under section 257 of the Companies Act, 1956 have been received from few Members of the company proposing their candidature.

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None of the Directors are liable to retire by rotation.

12. AUDITORS

As regards 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. AUDITORS' REMARKS

As regards the observations made by the auditors, the explanations given in the Notes to the Accounts are self explanatory and need no further comments.

14. 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(2A) of the Companies Act, 1956, have not been furnished.
- c. The company has not received instructions from 34 depositors for repayment of deposits amounting to Rs.2.20 lacs as at 30th June, 2003.

15. PROVISIONS OF SICA :

As the accumulated losses at the end of the financial year ended 30th June, 2003 have exceeded the entire net worth, your company has become a sick industrial company as per provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Accordingly a reference will be made to the Board of Industrial and Financial Reconstruction (BIFR) as provided under the said Act.

16. ACKNOWLEDGEMENT

Your Directors record their gratitude to the Financial Institutions 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: 30th September, 2003

R. R. Nagrajan
Executive Director

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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) With increased reliability the testing time of machines is reduced substantially leading to reduction in power consumption.
- (2) Nitriding furnace utilisation has increased by proper planning between the two manufacturing units leading to reduced power consumption per tonne of load.

B. TECHNOLOGY ABSORPTION

1. The company has three R & D units at its factories in Vatva, Chhatral and at Thane. 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 Sumo Smart series machines 50T, 100T, 125T, 260T and 350T.
- 2) Completed design & development of "POLO SMART" series machines 130T, 180T and 350T.
- 3) Completed design and development of 'POLO' machines for two colour application.
- 4) Completed development of "POLO 130T machine for Two Component application.
- 5) Completed development of SPRINT – 450T Hydromechanical machine.

b) EXTRUSION & BLOW MOULDING DIVISIONS:

- 1) Blow Moulding Machine Model Digiblo 5-2S – a 5000 cc double station machine.
- 2) Monolayer Blown Film Plant Model KWAT750/37G.
- 3) Co-extrusion Blown Film Plant with IBC Model TFK1600 IBC.
- 4) Compounding extruder model KCE40.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

- 1) Development of SPRINT 550T and 650T Hydromechanical machine.
- 2) Development of POLO SMART series machines for two colour application.
- 3) Development of POLO SMART series machines for RPVC application.
- 4) Development of SUMO SMART series machines – 150T & 180T.
- 5) Development of POLO SMART series machines 150T and 250T.

b) EXTRUSION & BLOW MOULDING DIVISIONS:

- 1) Development of new Automatic Winder of 1600 mm size received from the collaborator.
- 2) Development of wide width polypropylene Blown Film Plant Model PP-1100.
- 3) Development of Co-extrusion Blown Film Plants "Xtraflex" series.

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Rs. in lacs

	2002-2003	2001-2002
a. Capital Expenditure	—	—
b. Recurring Expenditure	106.92	135.39
c. Total	106.92	135.39

Total R & D Expenditure works out to 1.2% (previous year 1.37%) 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 13 & 14.

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