

41st
ANNUAL REPORT
2003-2004



DGP WINDSOR

DGP WINDSOR INDIA LIMITED

DGP WINDSOR**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

Haribhakti & Co.
 Chartered Accountants
 Suresh Surana & Associates
 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.
 C-13, Pannalal Silk Mills Compound,
 L.B.S. Marg, Bhandup (W).
 Mumbai - 400 078.

CONTENTS	Page
Notice	1
Directors' Report	5
Management Discussion & Analysis Report	9
Auditors' Report & Annexure	12
Balance Sheet	16
Profit & Loss Account	17
Cash Flow Statement	18
Schedules & Notes on Account	19
Corporate Governance Report	37
Auditors' Certificate on Corporate Governance	44

Annual Report 2003-2004**41st Annual General Meeting**

Date : 27th December, 2004

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

Annual
 Report
 2003-2004

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

DGP WINDSOR

NOTICE

NOTICE is hereby given that the 41st 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 27th December, 2004 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, 2004 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. G. D. Medhe who retires at this meeting and being eligible offers himself for re-appointment.

SPECIAL BUSINESS :

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

“RESOLVED that M/s. Haribhakti & Co. Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and that the Board be and is hereby authorized to fix their remuneration”.

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

“RESOLVED that subject to the approval of the Central Government under Section 21 and other applicable provisions, if any, of the Companies Act, 1956, the name of the company be changed from DGP WINDSOR INDIA LIMITED to WINDSOR MACHINES LIMITED”.

“RESOLVED FURTHER that the name DGP WINDSOR INDIA LIMITED wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name WINDSOR MACHINES LIMITED.

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 Sections 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 re-appointment of Mr. R. R. Nagarjan as Executive Director of the Company for a further period of three years w.e.f. from 3.3.2004 on the terms and conditions including remuneration and perquisites as set out in the draft Agreement to be entered into between the Company and Mr. R. R. Nagarjan”.

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized 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”.

By Order of the Board of Directors

Registered Office :
Plot E-6, U2 Road,
Wagle Industrial Estate,
Thane - 400 604
Dated : 29th September, 2004

R. R. Nagarjan
Executive Director

*Annual
Report
2003-2004*

OGP WINDSOR**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No. 3**

M/s. Suresh Surana & Associates, Chartered Accountants, the Joint Auditors of the company retire at the ensuing Annual General Meeting and have expressed their inability to continue as Auditors and are as such not desirous of seeking re-appointment. M/s. Haribhakti & Co., Chartered Accountants, the other Joint Auditors, who are eligible under section 224(1)(b) of the Companies Act, 1956 have offered themselves for re-appointment and accordingly it is proposed to appoint them as Statutory Auditors of the company.

Item No. 4 :

In order to benefit from the brand equity of Windsor name and also to reflect more appropriately the nature of business the company is engaged in, it is proposed to change the name of the company to WINDSOR MACHINES LTD.

The proposed change in the name is subject to the approval of the Members and the Central Government. The name would be effective from the date of issuance of "Certificate of Change of Name" from the Registrar of Companies, Maharashtra.

None of the Directors is interested in the above business.

Item No. 5 :

Mr. R. R. Nagrajan was appointed as Executive Director of the company w.e.f. 3rd March, 1999, for a period of 5 years. His term of appointment expired on 2.3.2004. The Board of Directors in its meeting held on 30th April, 2004, has re-appointed Mr. R. R. Nagrajan as Executive Director of the Company for a further period of three years w.e.f. 3.3.2004 subject to the approval of the Members. Mr. R. R. Nagrajan's re-appointment is on the following remuneration.

Salary : Rs. 60,000/- per month in the scale of Rs. 60,000/- Rs. 1,00,000/-.

Increments within the salary scale will be decided by the Board of Directors from time to time as they may deem fit.

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.
- 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.

OGP WINDSOR

- 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

A draft copy of the Agreement to be executed by the Company with Mr. R. R. Nagrajan is open for inspection by the Members during the hours 10.00 a.m. to 12.00 noon on all working days of the Company at its Registered Office.

The Board of Directors recommend the resolution for your approval.

None of the Directors of the company other than Mr. R.R. Nagrajan are 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 : 29th September, 2004

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 Tuesday the 14th December, 2004 to Monday the 27th December, 2004 (both days inclusive).**

Annual
Report
2003-2004

DGP WINDSOR

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 24th December, 2004.
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. Members who have not yet encashed their dividend warrants for the years 1996-97 onwards are requested to make their claims to the company accordingly without any delay. It may be noted that the unclaimed dividend for the financial year 1996-97 is due for transfer to the Fund on 29th December, 2004.

DETAILS OF DIRECTORS SEEKING APPOINTMENT

(In Pursuance Of Clause 49 Of The Listing Agreement)

Name Of Director	Mr. G. D. Medhe
Date of Birth	13.5.1956
Date of appointment	20.12.2002
Qualifications	Diplomaholder in Plastics Engineering.
Experience in special functional areas	Has experience in Design & Manufacture of moulds for injection moulding machines and production of injection moulded goods.
Chairman/Director of other companies	Nil
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 - Member - Audit Committee - Member - Remuneration Committee - Member

Annual
Report
2003-2004

DIRECTORS' REPORT

Dear Members,

Your Directors present the 41st Annual Report of your Company and the audited accounts for the year ended 30th June, 2004.

1. PERFORMANCE OF THE COMPANY

1.1 RESULTS

(Rs. In lacs)

FINANCIAL HIGHLIGHTS	Year ended 30.06.2004	Year ended 30.06.2003
Sales, Income from operations and other income net of excise.	8205.80	9076.35
(Loss) before Interest & Depreciation	(528.15)	(400.19)
Less : Interest	1574.17	1093.39
Less : Depreciation	674.87	322.51
(Loss) before Tax	(2777.19)	(1816.09)
Less : Provision for Taxation	0.50	1.00
(Loss) after Tax	(2777.69)	(1817.09)
Add/(Less) : Prior year's adjustments (net)	42.75	27.92
	(2734.94)	(1789.17)
Add : i Transfer from Revaluation Reserve	1.48	1.48
ii Transfer from Debenture Redemption Reserve	—	—
iii Balance brought forward from previous year	(4690.56)	(2902.87)
Balance carried to Balance Sheet	(7424.02)	(4690.56)

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 and the stoppage of work at the Chhatral unit for a major part of the quarter ended 30th June, 2004 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 SALES & EXPORT BUSINESS

The stoppage of work at the Chhatral unit and the tight working capital position has affected the turnover of the injection moulding machinery business. This has particularly affected the exports thereby dropping the overall proportion of exports to total sales from 38% to 27%.

*Annual
Report
2003-2004*

OGP WINDSOR

However, the above factors have not diminished the customers' faith in the quality and efficiency of the machines manufactured by your company and the order book continues to be healthy. Further, the labour situation at the Chhatral unit has also been resolved and the unit is operational from 12th July, 2004 onwards. The export market has also been depressed on account of the unstable conditions prevailing in the African continent, particularly Nigeria, which is an important market for the company.

4. BUSINESS OUTLOOK

The company being a Sick Industrial Company has made a reference to the Board of Industrial and Financial Reconstruction (BIFR). The company envisages that in view of the reference made to the BIFR, a rehabilitation proposal under the aegis of the BIFR will be discussed and certain relief in terms of lower interest cost, restructuring of debts etc will be available to the company. The company expects to have a better outlook once the rehabilitation package is approved.

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, 2004 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, 2004 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 696 to 669 without hampering operational efficiency.

11. DIRECTORS

As per provisions of Companies Act, 1956 Mr. G. D. Medhe is liable to retire by rotation and offers himself for reappointment at the ensuing Annual General Meeting.

12. AUDITORS

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

13. AUDITORS' REMARKS

As regards the observations made by the auditors the explanations given in Notes to the Accounts are self explanatory and need no further comments except in case of item (ix) (a) of the annexure to the Auditors' Report in respect of which your Company is making arrangements for the necessary payments.

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 7 depositors for repayment of deposits amounting to Rs. 45,000/- as at 30th June, 2004.

15. REGISTRATION WITH BIFR :

As the accumulated losses at the end of the financial year ended 30th June, 2004 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). A reference has been made to the Board of Industrial and Financial Reconstruction (BIFR) as provided under the said Act and the company has been registered with BIFR.

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: 29th September, 2004

B. C. Dalal
Director

R. R. Nagrajan
Executive Director

*Annual
Report
2003-2004*

Q&P WINDSOR

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) Most of the machines made by us currently are with Variable Pump, resulting into reduction of Power Consumption at customers' end.

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 150T and 180T.
- 2) Completed development of Polo-smart series machines 150T and 250T.
- 3) Completed design and development of Polo-smart series machines for RPVC application.
- 4) Completed development of SPRINT -550T Hydro-mechanical machine.

b) EXTRUSION & BLOW MOULDING DIVISIONS:

- 1) 100 Ltr. Blow Moulding Machine Model KBM100.
- 2) High output Drip Irrigation Tubing Line Model LX75 LLTL.
- 3) New Design fully automatic winder for Film Plants.
- 4) Launching successfully 'Xtraflex' series of co-extrusion Film Plants.

2. R & D activity for the future includes :

a) INJECTION MOULDING DIVISION :

- 1) Development of SPRINT 650T Hydro-mechanical machine.
- 2) Design and Development of SPRINT-850T Hydro-mechanical machine.

b) EXTRUSION & BLOW MOULDING DIVISIONS:

- 1) High Output (550 Kg/hr. production) Rigid PVC Pipe Extruder Model KTS-550.
- 2) Low Cost Monolayer Film Plant Model KWAT - 750/40G.
- 3) Co-extrusion PE Pipe Plant for Water distribution.

3. Expenditure On R & D

	Rs. in lacs	
	2003-2004	2002-2003
a. Capital Expenditure	—	—
b. Recurring Expenditure	45.35	106.92
c. Total	45.35	106.92

Total R & D Expenditure works out to 0.55% (previous year 1.2%) 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 17 & 18.

Annual
Report
2003-2004