

# 26<sup>th</sup> Annual Report 2010-11

---



---

**MACHINO**  
PLASTICS LIMITED





# Corporate Information

<b>Board of Directors</b>	<b>Content</b>	<b>Page No.</b>
M D Jindal Sanjiivv Jindall Masayuki Kamiya <i>(Representative of Suzuki Motor Corporation, Japan)</i> A K Tomer <i>(Representative of Maruti Suzuki India Ltd)</i> R Krishnan R L Gaggar G C Dwivedi S. Balasubramanian	Chairman Managing Director Director Director Director Additional Director Additional Director	Corporate Information 1 From the Chairman's Desk 2 Notice 4-9 Directors' Report 10-13
<b>Bankers</b>		
State Bank of India, Industrial Finance Branch, New Delhi The Bank of Tokyo-Mitsubishi UFJ Limited, New Delhi Allahabad Bank, Parliament Street, New Delhi Axis Bank, Sector 14, Gurgaon Branch	Management Analysis & Discussion Report Corporate Governance Report Auditors' Report	14-16 17-31 32-35
<b>Auditors</b>		
Goel Garg & Co. Chartered Accountants, New Delhi	Balance Sheet Profit and Loss Account	36 37
<b>General Manager (F) &amp; Company Secretary</b>		
Surya Kant Agrawal	Cash Flow Statement Schedules to Accounts Notes to Accounts Balance Sheet Abstract	38 39-45 46-54 55
<b>Registered Office</b>		
Plot No. 3, Maruti Joint Venture Complex, Udyog Vihar Phase-IV, Gugaon-122015 (Haryana) Ph: 0124-2341218, 2340806, 2346094, 2347601 Fax: 0124-2340692 Email: admin@machino.com		
<b>Share Transfer Agent (For Demat &amp; Physical Purpose)</b>		
Alankit Assignments Limited 2E/21, Jhandewalan Extension, New Delhi-110 055 Ph: 011-42541234 Fax: 011-23552001 Email: alankit@alankit.com		

**26th Annual General Meeting on Friday the 29th July, 2011, at 10.30 a.m. at GIA House, Mehrauli Road, Gurgaon-122001 (Haryana)**

**The Annual Report can be accessed at [www.machino.com](http://www.machino.com)**

## From the Chairman's Desk

25 years of Journey

My Dear Fellow Shareholders,

I am writing you this communication to mark the completion of 25 years of journey of your company Machino Plastics Limited on 2nd April 2011. Some of the early events the company has travelled, which I wish to record and express my gratitude to the people who supported are:-



- a. Company got incorporated on 2nd April 1986 and certificate of commencement of business issued on 29th April 1986
- b. Company was incorporated to achieve objectives of joint venture agreement entered on 14th May 1987 amongst Maruti Udyog Limited ( now Maruti Suzuki India Limited ) , Suzuki Motor Corporation , Japan and Jindal's. Company continue to flourish with full support of its partners and agreement subsists till date .
- c. Maruti Udyog Limited , allotted on 10.11.1986 land admeasuring 7800 sq meters on 33 years lease in their premises for factory building at Gurgaon.
- d. Company set up an injection moulding plant at Maruti Joint Venture Complex with two large size injection moulding machines of 1300 ton and 2200 tons from JSW .
- e. Plant was inaugurated by Shri J Vengala Rao, the then Hon'ble Union Minister of Industries on 28.11.1987 and plant started commercial production in January 1988. Mr. Krishnamurthy , then Chairman of Maruti Udyog Limited and Mr. R C Bhargava played a pivotal role in setting up of the factory of the company. Company was set up to cater to Bumper, Instrument Panel and Grills requirements of Maruti Udyog Limited. Later on many valuable contributions were made by various MUL officials like Mr. S Maitra, Dr. K Kumar and Mr. G C Dwivedi, to name a few.
- f. The project was well supported by The Bank of Tokyo Limited for working capital and the financial institution consortium led by IFCI for term lending.
- g. Company issued shares to the public in 1989 and company's shares got listed on Delhi, Bombay and Calcutta stock exchanges, making wider public participation possible.
- h. Company declared dividend for the year 1990-91 and has kept an unbroken record of dividend payment since then.
- i. Mr. O Suzuki, then President , Suzuki Motor Corporation was kind enough to personally visit company's plant at Gurgaon in 2000, emphasizing need for modernization and expansion.
- j. Your company issued bonus shares in the ratio of 1:1 in the year 2002-03 to reward the shareholders beside regular dividends.



- k. Company expanded the capacities regularly for meeting ever increasing requirements of MUL. 1st such expansion took place in 1990 when company added one more UBE 1600 ton machine. Thereafter company kept on adding capacities by adding injection moulding machines at its Gurgaon Plant. Now company has 10 large size injection moulding machines in Gurgaon Plant and largest being of 3150 Ton clamping force.
- l. Company set up a compounding unit in 1995-96 for its captive consumption of raw material which was hived off to a separate company.
- m. In another major expansion company set up a new plant on 4 acre free hold land from HSIIDC in Manesar in 2008-09. This plant of the company has 24 injection moulding machines of wide range of sizes from 120 tons to 2500 tons.
- n. Company was started with an installed capacity of 1500 tons in 1987 which now is about 15000 tons. 7 more injection moulding machines of different sizes have been ordered for Manesar plant of your company.
- o. On quality front company obtained prestigious certifications for ISO 14001, OHSAS 18001, TS 16948
- p. The company is expected to cross turnover of Rs.200 crore in 2011-12 grown from the turnover of Rs.2.5 crore for the first operating year of January- June 1988.
- q. This journey was not possible without the continuous efforts of Dr. Sanjiiv Jindal, the Managing Director.
- r. As the time passed, the company is now supported by Mr. Aditya Jindal, Vice President, who is very actively involved with the management of the affairs of the company.



In the end, I am wishing you and your families a happy time ahead and the management good luck for the challenging times ahead.

Murli Dhar Jindal  
Chairman

## Notice of Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the members of M/s Machino Plastics Limited will be held on Friday, the 29th July, 2011, at 10.30 a.m. at GIA House, IDC, Mehrauli Road, Gurgaon (Haryana), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date and report of auditors and directors thereon.
2. To declare a dividend on equity shares.
3. To appoint the auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and authorize the Board to fix their remuneration.
4. i) To appoint a director in place of Mr. M D Jindal who retires by rotation and being eligible offers himself for re-appointment  
ii) To appoint a director in place of Mr. A K Tomer who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED THAT** Mr. G C Dwivedi who was appointed as an additional director and who holds office upto the date of this Annual General Meeting, pursuant section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956, be and is hereby

appointed as a director of the company, liable to retire by rotation”

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Mr. S. Balasubramanian who was appointed as an additional director and who holds office upto the date of this Annual General Meeting, pursuant section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under section 257 of the Companies Act, 1956, be and is hereby appointed as a director of the company, liable to retire by rotation.”

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the borrowing power of the Company be and is hereby increased from Rs. 100 Crore to Rs. 200 Crore.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded in favour of the Board of Directors to borrow moneys from time to time upto the limit not exceeding Rs. 200 Crore (Rupees Two Hundred Crores Only) notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) exceed the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.



**RESOLVED FURTHER THAT** Dr. Sanjiivv Jindall, Managing Director of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, desirable and / or expedient to give effect to the above resolution.”

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to provisions of section 293(1)(e) of the Companies Act, 1956 and other applicable provisions, if any, the board of directors of the company be and is hereby authorized to contribute in a financial year to charitable and other funds or general charities or other purposes not directly relating to the business of the company or the welfare of its employees to the extent of Rs. 50,00,000 or 5% of net profit as determined in accordance with the provisions of the Companies Act, 1956, whichever is higher.”

9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 314 of the Companies Act, 1956 and subject to approval of the Central Government, if applicable, and other applicable provisions, consent of the company be and is hereby accorded to appoint for any number of years M/s Goel Garg & Co., to hold an office or place of profit as the auditors of the Company at a remuneration not exceeding Rs. 2,50,000/- per month or Rs. 30,00,000/- per annum or as may be prescribed by Companies Act, 1956 and other applicable laws from time to time and approved by the Board”

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and subject to approval of the Central Government, if required and other applicable provisions, consent of the company be and is hereby accorded to increase the remuneration of Mr. Aditya Jindal son of Dr. Sanjiivv Jindall, Managing director of the Company from Rs. 49,500/- to such an amount as the Board of Directors may decide subject to maximum of Rs. 2,50,000 or such other amount as may be revised by Central Government from time to time.”

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 314(1B) of the Companies Act, 1956 and subject to approval of the Central Government, if required and other applicable provisions, consent of the company be and is hereby accorded to appoint Mrs. Sarita Jindal, wife of Mr. Sanjiivv Jindall, Managing Director of the Company to hold an office or place of profit as an Executive Director of the Company not being a member of Board of the Company, at a monthly remuneration of Rs. 49, 500/- or such other amount as may be revised by Central Government from time to time and approved by the Board from the date of her appointment in the Company.

By order of the Board of Directors

Sd/-  
Sanjiivv Jindall  
(Managing Director)

### NOTES

1. A MEMBER IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL IN THE MEETING INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER.

THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the company on all working days, during regular business hours and shall also be available at the meeting.
6. The register of members and share transfer books of the company will remain closed from 27th July, 2011 to 29th July, 2011, both days inclusive for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
7. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company's Registrar and Share Transfer agent, M/s Alankit Assignments Limited, under the signature of the Sole/First Joint Holder, the following information to be incorporated on dividend warrants:
  - I. Name of the Sole/First joint holder and the Folio Number.
  - II. Particulars of Bank Account, viz:  
Name of Bank

Name of the Branch

Complete address of the Bank with PIN Code Number

Account type, whether Saving Account (SA) or Current Account (CA)

Bank account Number

8. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the company will not entertain any direct request from such members for any deletion of or change in such bank account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
9. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the company has provided a facility to the members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent, M/s Alankit Assignments Limited.
10. All unclaimed dividend declared up to the financial year ended March 31, 2003 have been transferred to the General Revenue Account of the Central Government as required under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978. Members who have not so far claimed or collected their dividend declared up to the aforesaid financial year are requested to claim such dividend from Registrar of Companies, NCT of Delhi & Haryana, 4th Floor, IFCI Tower, Nehru Place, New Delhi-110 019.  
  
Dividend for the financial year ended March 31, 2004 and thereafter, which remain unpaid or unclaimed for a period of seven years from the date they became due for payment will be





transferred by company to Investor Education & Protection Fund. Members who have not so far encashed dividend warrant(s) for aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the company/Registrar immediately.

11. Members are requested to notify immediately any change in their address along with PIN code numbers to the company or the share transfer agent of the company (M/s Alankit Assignments Limited, 2E/21, Jhandewalan Extension, New Delhi-110055).
12. Individual shareholders can take the facility of nomination. For further detail in this regard shareholders may contact Share Transfer Agent of the company.
13. The shares of the company are transacted in compulsory dematerialize form. Shareholders are requested to convert their shares in Demat format at the earliest possible.
14. Members are requested to quote their Demat account / folio no. in all correspondence with the company.
15. MCA (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allows service of documents to shareholders through electronic mode. Thus companies can now send various documents i.e. Notices convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report etc. to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Members who wish to have Annual Report and other notices, communication in electronic mode may register their e-mail addresses with Alankit Assignments Ltd., Registrar and Transfer Agent of the Company at [alankit@alankit.com](mailto:alankit@alankit.com) or with Machino Plastics Ltd. at [sec.legal@machino.com](mailto:sec.legal@machino.com), giving their consent to accept delivery in electronic form as above.

The Annual Report and other communication sent electronically will be displayed on Company's website [www.machino.com](http://www.machino.com) and will also be available for inspection at the registered office of the company during the office hours.

**Pursuant to Section 173(2) of the Companies Act, 1956.**

#### **Explanatory Statement to item No. 5**

Mr. G C Dwivedi was appointed as an additional Director of the Company by the Board of Directors of the Company in its meeting held on 15th February, 2011. According to the provisions of Section 260 of the Companies Act, 1956, he holds the office up till the date of ensuing Annual General Meeting.

The Company has received a notice in writing from member under section 257 of the Companies Act, 1956, signifying his intention to propose the name of Mr. G C Dwivedi as a candidate for the office of director.

Mr. G C Dwivedi is a B.E. (Mechanical Engineering) from Moti Lal Nehru Regional Engineering College, Allahabad University.

He carries with him a long and vast experience of about 33 years in the field of engineering and management.

He served as:

- General Manager (Marketing & Sales)-Strategic Advisor with Maruti Suzuki Ltd.
- General Manager (New Business Division)-Pre owned cars and Leasing and Fleet Management-Insurance etc. with Maruti Udyog Limited
- General Manager (Spare parts & Accessories Division)-head of Profit Center with Maruti Udyog Limited.
- Worked in Vendor Development/ Materials Management/ Production, Planning and Control Management with Maruti Udyog Limited
- Worked with BPCL/ NTPC in the field of Project Management/ Project Engineering.

None of the Directors except Mr. G. C. Dwivedi himself is interested in the resolution.

Shareholders are requested to pass the resolution.

#### **Explanatory Statement to item No. 6**

Mr. S. Balasubramanian was appointed as an additional Director of the Company by the Board of Directors of the Company in its meeting held on 28th May, 2011. According to the provisions of Section 260 of the Companies Act, 1956, he holds the office up till the date of ensuing Annual General Meeting.

The Company has received a notice in writing from member under section 257 of the Companies Act, 1956, signifying his intention to propose the name of

Mr. S. Balasubramanian as a candidate for the office of director.

Mr. S. Balasubramanian is a L.L.B from Delhi University and associate member of The Institute of Chartered Accountants of India, The Institute of Company Secretaries of India and The Institute of Cost and Works Accountants of India. He is a Post Graduate in Management Accountancy of the Institute of Chartered Accountant of India and a Post Graduate Diploma holder in Project Management from University of Bradford (UK).

Mr. S. Balasubramanian is a member of Delhi High Court Bar Council. He has over 18 years of experience in the Company Law Board as a member, the Vice President including 12 years as Chairman. He was the Director in charge of Public Grievances & Pension at Department of Post. At Indian Telephone Industries, Bangalore, he served as Chief Finance Manager in charge of entire corporate finance. At Department of Post, Ministry of Communication, he served in various capacities in Gujarat, Tamil Nadu & Maharashtra Circles and at New Delhi.

### **Explanatory Statement to item No. 7**

Presently the Board of Directors of the Company has been authorized to borrow upto an amount of Rs 100 crores (Rupees One hundred crores only). Since the Company has plans and is going for the implementation of the various expansion projects and considering increase in operations, it is envisaged that the Company may need to borrow the amount which may exceed the above said limit of Rs. 100 crores. It is, therefore, proposed to increase the borrowing power of the Company upto Rs 200 crores (Rupees Two Hundred crores only). Under Section 293(1)(d) of the Companies Act, 1956 for borrowings of more than paid up capital and free reserves, the approval of shareholders is required. Hence, the Board recommends the resolution for your approval.

None of Directors is personally interested in the resolution.

### **Explanatory Statement to item No. 8**

At the Annual General Meeting of the company held on 11th August 2000, a resolution was passed by the share holders authorizing the Board of Directors of the company to contribute to charitable and other funds or general charities or other purposes not directly relating to the business of the company or the welfare of its employees from time to time in each financial year to the extent of Rs. 15,00,000/- or 5% of its net profit,

as determined in accordance with the provisions of Companies act, 1956, whichever is greater.

Company intends to increase limit to Rs. 50,00,000/-.

Thus the consent of the members under section 293(1)(e) of the Companies act, 1956 and other applicable provisions, if any, of the Companies act, 1956 is sought to enable the Board of Directors to donate money in excess of the prescribed limit.

### **Explanatory Statement to item No. 9**

The auditors have informed that one of their partners is a relative of Mr. M D Jindall, Chairman of the Company. It is proposed to appoint M/s Goel Garg & Co. from time to time as the auditors of the Company at remuneration as decided by the Board of Directors. The Board of Director is also being authorized to fix the remuneration from time to time subject to maximum of Rs. 2, 50,000/- per month or Rs. 30,00,000 lacs per annum.

The shareholders are requested to pass the resolution.

Except Dr. Sanjiivv Jindall and Mr. M D Jindal no other director is interested in the resolution.

### **Explanatory Statement to item No. 10**

It is proposed to increase the remuneration of Mr. Aditya Jindal, son of Dr. Sanjiivv Jindall, Managing Director of the Company Rs. 49,500/- to such an amount as the Board of Directors decide subject to maximum of Rs. 2,50,000 or such other amount as may be revised by Central Government from time to time.

The shareholders are requested to pass the resolution

Except Dr. Sanjiivv Jindall and Mr. M D Jindal no other director is interested in the resolution

### **Explanatory Statement to item No. 11**

The Board in its meeting dated 01.11.2010 has designated Mrs. Sarita Jindal wife of Dr. Sanjiivv Jindall as an Executive Director of the Company at remuneration of Rs 49,500/- per month. The Board of Director is being authorized to increase the remuneration from time to time subject to maximum of Rs. 2,50,000/- per month.

The shareholders are requested to pass the resolution.

Except Dr. Sanjiivv Jindall and Mr. M D Jindal no other director is interested in the resolution.



**Information to Shareholders in pursuance of Clause 49 (IV) (G) of Listing Agreement with reference appointment/reappointment of directors (item no. 4(i), 4(ii) & 5)**

<b>Director</b>	<b>Brief Resume</b>	<b>Hold Directorship in other Co's</b>	<b>Membership in Committee</b>	<b>Shares held</b>
Mr. M D Jindal	Mr. M D Jindal is an industrialist with rich experience of over 60 years in Automobile industry. He is a Graduate in Economics & Engineer with Specialization in Automobile Industry from England. He is founder of the Company.	Machino Finance Private Limited Machino Motors Private Limited Rajiv Export Industries Private Limited Machino Transport Private Limited Machino Polymers Limited Machino Techno Sales Limited Machino Auto Comp Limited	Machino Polymers Ltd	1,42,687
Mr. A K Tomer	Mr. A K Tomer is B. Tech, Mechanical Engineer. He is over 25 years of vast and varied experience in the field of quality assurance in Automobile Industry.	None	None	NIL
Mr. G C Dwivedi	Mr. G C Dwivedi is a B.E. (Mechanical Engineering) from Moti Lal Nehru Regional Engineering College, Allahabad University. He carries with him a long and vast experience of about 33 years into the field of management.	None	None	NIL
Mr. S. Balasubramanian	Mr. S. Balasubramanian is a L.L.B from Delhi University and associate member of ICAI, ICSI & ICWAI. Mr. S. Balasubramanian is a member of Delhi High Court Bar Council. He has over 18 years of experience in the Company Law Board as a member, the Vice President including 12 years as Chairman.	Jaypee Infratec Ltd GVK Power & Infrastructure Ltd Emami Paper Mills Ltd. Gontermann-Peipers (India) Ltd. Crest Animation Studios Ltd.	None	NIL

## Directors' Report

The Members,

Your directors have pleasure in presenting the 26th Annual Report together with audited statement of accounts for the financial year ended 31st March, 2011.

### OPERATION REVIEW:

India's domestic passenger vehicle industry reported a 29% growth in sales in 2010-11 riding on the government's stimulus packages that perked demand, making it the second fastest growing market in the world after China. A variety of factors, including the stimulus package, lower interest rates, and new model launches, helped the industry register the growth.

Car market leader Maruti Suzuki India Ltd. sold in domestic market a total of 11,32,739 vehicles in 2010-11. The total sales numbers in 2010-11 mark a growth of 30% over preceding financial year. Maruti Suzuki's domestic sale in 2009-10 was 8,70,790 vehicles.

### FINANCIAL REVIEW:

<b>Financial Performance</b>	<b>(Rs. In Lacs) 2010-11</b>	<b>(Rs. In Lacs) 2009-10</b>
Income from operation (net of excise)	15905.71	12344.39
Other Income	122.18	104.28
Profit (before financial charges, depreciation and tax)	2853.45	2739.89
Financial charges	470.74	454.28
Depreciation	1153.50	1200.22
Profit before tax	1229.21	1085.37
Provision for tax (after adjustment of deferred tax)	405.41	371.94
Profit after tax	823.80	713.43

The turnover of the company has increased by 28.85% approx. i.e. from Rs. 12344.39 Lacs in 2009-10 to Rs. 15905.71 Lacs in current year. PAT has increased by 15.47% from Rs. 713.43 lacs to Rs. 823.79Lacs.

### DIVIDEND:

Your directors recommend a dividend of 25% (i.e. Rs. 2.50 per equity shares of Rs. 10/- each) for the financial year 2010-11.

The dividend income is tax free in the hands of shareholders.

### DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance with Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000, the directors of your company subject to notes appended to accounts and auditors' report, confirm:



- That in preparation of annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed and that there are no material departures.
- That such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give & fair view of the state of affairs of the company at the end of the financial year as at 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.
- That proper and sufficient care has been taken 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.
- That the annual accounts have been prepared on a going concern basis.

#### **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. M D Jindal and Mr. A K Tomer retire by rotation and being eligible offer themselves for reappointment.

During the year Mr. G C Dwivedi and Mr. R. Krishnan were appointed as additional directors.

#### **LISTING:**

The Equity Shares of the company are listed at Bombay Stock Exchange. The company has paid listing fees to the stock exchange for the year 2010-11.

#### **AUDITORS:**

M/s Goel Garg & Company, Chartered Accountants, the statutory auditors of the company retire at the

conclusion of ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment.

#### **AUDITORS' REPORT:**

The observation of the auditors is self explanatory and/ or is suitably explained in the notes to the accounts.

#### **CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Corporate Governance and Management Analysis & Discussion Report have been included in this annual report as a separate section (forming part of Directors' Report) along with the Auditors' Certificate.

#### **DEPOSITS**

Your company has not accepted any deposit u/s 58A of the Companies Act, 1956 & rules made thereunder.

#### **PARTICULARS OF EMPLOYEES**

Details of employee of the company as specified by section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 are annexed hereto as Annexure-II and form part of the report.

#### **ADDITIONAL INFORMATION**

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is furnished hereunder:

#### **A. CONSERVATION OF ENERGY**

Continuous overhauling of equipments and awareness amongst employees has helped to avoid wastage of energy. New investments have been made to monitor consumption of energy at various levels.

## MACHINO PLASTICS LIMITED

---

Series of steps have been taken to identify areas of excess consumption of power and checks have been strengthened at these points.

Data regarding energy consumed is given hereunder:

Power & Fuel Consumption	2010-11	2009-10
1. Electricity		
(a) Purchase units	1, 04,96,647	87, 55,659
Total Cost (Rs. In lacs)	806.39	622.51
Rate per units	7.68	7.10
(b) Own Generation – D.G. Set		
Units generated	10,64,666	13, 74,740
Fuel Cost (Rs. In Lacs)	130.38	161.99
Fuel cost per unit	12.25	11.78
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other / Internal generation	NIL	NIL

### B. TECHNOLOGY ABSORPTION

A statement giving details of technology absorption in accordance with the above Rules is annexed hereto as Annexure I and forms part of the Report.

### C. FOREIGN EXCHANGE EARNING & OUTGO

	Rs. In Lacs
Total foreign exchange earning	NIL
Total foreign exchange outgo	3302.47

### D. ENVIRONMENT

The Company is not involved in any type of activity hazardous to environment and does not discharge any trade effluents (solid, liquid or gaseous) causing pollutions. As an environment conscious responsible corporate citizen, your company has implemented GSCM (Green Supply Chain Management) standards and is ISO14001 certified holder. The company has also achieved ISO18001-OHSAS certification for occupational health and safety.

### ACKNOWLEDGEMENTS

Your Directors take this opportunity to gratefully acknowledge the valuable co-operation and assistance extended by Maruti Suzuki India Ltd., Suzuki Motors Corporation, Japan, Government of India, Government of Haryana and the Company's bankers for their continued support and guidance. Your directors also wish to place on record their sincere appreciation of the dedication and efforts shown by all employees of the company and are thankful to the shareholders for their continued patronage, trust and confidence in the company.

For and on behalf of the Board of Directors

Place : Gurgaon                      Sd/-                      Sd/-  
Date : 28.05.2011                      Director                      Director



## ANNEXURE-I

### Form 'B'-Technology Absorption

1.	Specific areas in which R&D carried out by the company	None
2.	Benefits derived as a result of above R&D	NA
3.	Future plan of action	None
4.	Expenditure on R&D (Rs. In Lacs)	a. Capital NIL b. Recurring NIL c. Total NIL d. Total R & D expenditure as % of total turnover NIL

## ANNEXURE-II

### Particulars of Employees

S. No.	Name	Age (yrs.)	Designation	Remuneration	Qualification	Total experience	Date of commencement of employment	Last employment held designation/ period
1.	Dr. Sanjiv Jindal	53	Managing Director	60,00,000	B. Com. MBA PhD.	23	01-07-1987	–

## MANAGEMENT ANALYSIS & DISCUSSION REPORT

### Industry Structure & Development

Your Company is mainly engaged in the manufacture of large size injection moulded automotive components i.e. bumpers, instruments panels, grills etc. as original equipments and for spare parts market primarily for Maruti Suzuki India Limited (MSIL). The company also manufactures various automotive small components for others.

Your company can be classified as the automotive components manufacturer in view of the application of product made. From manufacturing process involved it may be classified as a plastic part manufacturer. Your company has 34 nos. injection moulding machines, sizes ranging from 100 Ton to 3150 Ton clamping force. Your company has been dealing in bulky plastic automotive components which can be supplied by setting production facility next door to automobile industries. For supplying such components to customer other than MSIL, it has set up additional facility.

The automotive sector is witnessing highest ever growth in volumes. This is reflected in all segments- Two wheeler, Cars and Commercial vehicles. Most of the vehicle manufactures are ramping up their capacities to cater to the growing appetite for automobiles in Indian market and export requirements.

### Opportunities & Threats

Growing market of India has already attracted all major automotive companies to start operation here. India is expected to be one of major auto hub in the world map soon.

The principal customer of the company is Maruti Suzuki India Limited (MSIL) and growth of the company currently depends mainly on the growth of MSIL.

MSIL further consolidated its position as leader in Indian car market and has closed the financial year 2010-2011 with domestic sale of 1132739 units, the highest ever since the company began operations. Maruti's domestic sale in 2010-11 represents a growth of 30% over 2009-10.

Your company is positively working towards (i) expanding its operation to non-maruti and (ii) manufacturing of smaller components during 2011-12

The small to large size of machine range helps your company to cater to all types of customer's part sizes. Moreover, the machines are versatile to process virtually all types of polymers and can make not only automotive but also other plastic goods by changing moulds. Thus, your company has immense capability to keep pace with the growing and diverse requirement of MSIL as well it has the possibilities for other business besides automotives.

### Segment-wise or Product-wise Performance

Currently your company is trying to diversify its product and range of industry it caters to. Your company now also has capabilities in moulding smaller and intricate functional and aesthetic parts in automotive and other industries.

### Outlook

The growth expected in the domestic automobile industry will give a fillip to the auto component sector. The Indian automobile industry offers great potential considering the low penetration along with rising income levels and a rapidly growing middle class. These factors will witness a boost in demand for vehicles passenger cars and two wheelers.

The Indian auto component industry is poised for robust growth during the next couple of years.





There is a perceptive exuberance in the industry, and growth estimates indicate a booming industry. Going by current trends in production and exports of auto components, a significant growth of the domestic component industry is imperative.

With the automobiles industry fast growing in terms of volume and as well as number of players, your company foresee a bright future at least for next 3-4 years. To cater to the growing needs, the company has already placed order for 7 new machines. Your company has received several proposals from OEM/Tier-1 vendor to set up exclusive plant for them. All these opportunities are being actively examined.

The Manesar Plant of the company is now the focus area for all future growth of the company.

### **Risks & Concerns**

Though India rides on some inherent strength, following risk factors exist which the auto component manufacturers may have to counter with:

- A global and/or economic slowdown can derail the prospects of the industry.
- Volatility in the prices of material and other inputs could erode the industry's cost competitiveness. Furthermore OEMs reduction in prices every year.
- Intense competition from counterparts add further pressure on margin of manufacturers.

The overall trend is encouraging, but remaining competitive in this changing scenario will be the toughest challenge. The combination of low manufacturing costs along with quality systems would give an edge to companies in terms of pricing and quality. Expansion and diversification will help break into new markets. It would be imperative for these companies, which are largely based on traditional management practices, to imbibe technology in a big way. The SMEs can exploit these opportunities

through joint ventures, collaboration and technical tie-ups. Knowledge, specialization, innovation and networking will determine the success of the SMEs in this globally competitive environment.

Your company is power, manpower and capital intensive business unit. Power is supplied by Maruti from its power plant run on gas and DHBVN Ltd and DG Set. The increase in per unit cost of power supply will materially affect the cost of production. State supplied power is in-adequate quantity and quality of power is poor. Further under-utilization of plant due to demand slow down will hit the bottom line as the fixed cost is very high.

### **Financial Performance**

Your company has registered all round phenomenal growth for the year 2010-2011. The turnover has increased by 28.85% while PAT has increased by 15.47%. The turnover of the company has reached to Rs. 15905.71 lacs as against Rs. 12344.39 lacs in last year. The total profit before tax of Rs. 1229.21 lacs as against Rs. 1085.37 lacs in previous year.

The directors have recommended a dividend of Rs.2.50 per share subject to approval of shareholders.

### **Internal Control System**

Your company has adequate internal control systems commensurate with its size and operations, although not documented. The company regularly gets its accounts audited from the internal auditor.

### **Human Resources/Industrial Resources**

The company during the previous year continued its record of good industrial relations with its employees. During the year various initiatives had been taken to improve the performance and productivity levels in various departments of the company. The company has its own in-house technical centre in the plant to train the new recruits before their placement that helps in optimum utilization of resources as well as

maintaining quality standards. It also indulges into and implements various HR initiatives and activities including employee welfare, special rewards, performance review system and various employee motivation activities.

The company has already undertaken KAIZEN with an aim to become a world class company. A separate KAIZEN team which was created within the organisation to monitor and achieve the target is giving an advantage to the company by increasing the

efficiency of different departments. Your company has already adopted the suggestions scheme in the company which is increasing the employee's participation in managing the company.

### Cautionary Statement

Management Discussion and Analysis Report may be "forward securities laws and regulations. Actual result may differ materially from those expressed or implied depending upon global and Indian regulations, tax regimes, and economic



# Corporate Governance Report

In terms of clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance is as reported below:

## Company philosophy on Corporate Governance

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investors' confidence and commitment to the company.

The company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

## Corporate Governance Monitoring and Review Process at Machino:

Machino continuously reviews its policies and practices of corporate governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavours to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders.

## Board of Directors

### (I) Composition of Board

The board of Directors of your company has a combination of executive, non-executive and independent directors. The Board comprises of eight directors headed by a non-executive chairman. One half of the Board comprises independent directors who do not have any pecuniary relationship and transactions with the company, promoter or management which may affect the judgment of any independent director. The Board of Directors approves and reviews strategy and oversees the actions and results of management to ensure that the long term objectives of maximizing profit and enhancing shareholder value are achieved.

Name	Category	Designation	Directorship held in other public limited companies	No. of Chairmanships/Memberships of Board Committees			Remarks
				Chairmanship	Membership	Total	
Mr. MD Jindal	Promoter Director	Non-Executive Chairman	3	--	2	2	
Dr. Sanjiivv Jindall	Promoter Director	Managing Director	2	2	--	--	
Mr. R L Gaggar	Independent/ Non-executive Director	Director	11	--	6	6	
Mr. Masayuki Kamiya	Non-executive Director-Nominee of Suzuki Corporation, Japan	Director	--	--	--	--	
Mr. A K Tomer	Non-Executive Director-Nominee of Maruti Suzuki India Limited	Director	--	--	--	--	

Mr. R. Krishnan	Independent/ Non-executive Director	Director	2	--	--	--	
Mr. G C Dwivedi	Independent/ Non-executive Director	Director	--	--	--	--	Appointed as an additional director w.e.f. 15.02.2011
Mr. S. Balasubramanian	Independent/ Non-executive Director	Director	5	--	--	--	Appointed as an additional director w.e.f. 28.05.2011

- None of the Directors are related to each other except Dr. Sanjiivv Jindall, who is son of Mr. M D Jindal.
- “Independent Directors” means a director who, apart from receiving Director’s remuneration, does not have any other material pecuniary relationship with the company, its promoters, its management or its subsidiaries, which in the opinion of the Board may affect the independence of judgment of Directors.
- None of the Directors is a member of more than ten Board levels committees, or a Chairman of more than five such committees as required under clause 49 of the Listing Agreement.
- Mr. G. C. Dwivedi and Mr. R. Krishnan have been appointed in the Board of the company during the financial year.

**(II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES**

**A. Institutionalized decision making process**

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprise of the overall performance of the Company.

The Board of Director is the apex body constituted by the shareholders entrusted with the overall management of the company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the shareholders is being served. The managing director is assisted by senior managerial personnel.

The following sub-sections deal with the practice of these guidelines at Machino Plastics Limited.

**B. Scheduling and selection of Agenda items for Board Meetings**

- (i) Minimum four Board Meetings are held every year. Apart from the above, additional Board Meetings are convened by giving appropriate notice to address the specific needs of the company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.



- (ii) The meetings are usually held at the Company's Registered Office at Plot No. 3 Maruti Joint Venture Complex, Udyog Vihar, Phase-IV, Gurgaon (Haryana)-122015.
- (iii) All divisions/departments of the company are advised to schedule their work plan well in advance, particularly with regard to matters requiring discussion / approval / decision of the Board / Committee Meetings. All such matters are communicated to the company secretary in advance so that the same could be included in the Agenda for the Board / Committee Meetings.

#### **Information required to be placed before the Board:**

The board has unfettered and complete access to any information within the company. Among others, the board information regularly supplied to the board includes:

- Annual operating plans and budgets and any updates.
- Capital budget of any updates.
- Quarterly audited results of the company.
- Minutes of meetings of board, audit committee and other committees of board.
- Information on recruitment and removal of senior officers just below the board level.
- Declaration of dividend.
- Materially important litigation, show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movements.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delay in share transfer.
- Risk assessment & minimization procedures.

#### **C. Board Material distributed in advance**

Agenda and notes on agenda are circulated to the Directors, in advance. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

**D. Recording Minutes of Proceedings at Board and Committee meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/ committee for their comments.

**E. Post Meeting Follow-up Mechanism**

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the departments/divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

F. The company secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure compliance with all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under.

**(III) Number of Board Meetings**

During the last financial year, five board meetings were held during the year. The company has held at least one board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:-

S. No.	Date	Board strength	No. of Directors present
1.	17.05.2010	6	5
2.	13.08.2010	6	5
3.	01.11.2010	6	6
4.	22.11.2010	6	4
5.	15.02.2011	7	6

**Directors' attendance record**

Name	Position	Attendance at Board Meeting		Attendance at Last AGM
		No. of meetings held	No. of meetings attended	
Mr. M D Jindal	Promoter/non-executive chairman	5	4	YES
Dr. Sanjivv Jindall	Promoter/Managing Director	5	5	YES
Mr. R L Gaggar	Independent/Non-executive Director	5	5	YES
Mr. Masayuki Kamiya	Non-executive Director/nominee of Suzuki Motors Corporation	5	1	YES
Mr. A K Tomer	Non-executive Director/nominee of Maruti Suzuki India Ltd.	5	5	YES
Mr. G C Dwivedi	Independent/Non-executive Director	1	1	NO
Mr. R Krishnan	Independent Director/ Non-executive Director	5	5	YES



## Directors' Interest in the Company

Director	Relationship with other directors	Business relationship with the company, if any	Loans and advances received from the company	Remuneration paid during 2010-11 (all figures in Rupees)			
				Sitting Fees	Salary & Perks	Commission	Total
Mr. M D Jindal	Father of Dr. Sanjiivv Jindal	#	--	84,000	--	1,00,000	1,84,000
Dr. Sanjiivv Jindal	Son of Mr. M D Jindal	##	--	--	60,00,000	--	60,00,000
Mr. R L Gaggar	--	--	--	91,000	--	1,00,000	1,91,000
Mr. R. Krishnan	--	--	--	91,000	--	87,397	1,78,397
Mr. A K Tomer	--	Representative of Maruti Suzuki India Ltd.	--	--	--	--	--
Mr. Masayuki Kamiya	--	Representative of Suzuki Motors Corporation	--	--	--	--	--
Mr. G C Dwivedi	--	--	--	21,000	--	12,329	33,329
Mr. S. Natarajan	--	--	--	--	--	86,027 (for the period 2009-10)	86027

# Chairman & Managing Director and a shareholder in Machino Polymers Ltd (formally known as Machino Basell India Limited), key raw material supplier of the company.

Lease of house/ office property i.e. A-10, New Friends Colony, New Delhi by Mrs. Kamla Jindal, his wife @ Rs. 27,500/- p.m.

Mrs. Sarita Jindal, daughter-in-law employed in the company on a monthly remuneration of Rs. 49,500/-.

Mr. Aditya Jindal, grandson employed in the company on a monthly remuneration of Rs. 49,500/-.

Ms. Simta Jindal, grand-daughter employed in the company on a monthly remuneration of Rs 25,000/-.

## Director and shareholder in Machino Polymers Ltd (formally known as Machino Basell India Ltd), key raw material supplier of the company. Director and shareholder in Grandmaastters Mold Ltd. a spare part/moulds suppliers of the company.

Lease of house/office property i.e. A-10, New friends colony, New Delhi by Mrs. Kamla Jindal, his mother @ Rs. 27,500/-p.m.

Mrs. Sarita Jindal, wife employed in the company on a monthly remuneration of Rs. 49,500/-.

Mr. Aditya Jindal, son employed in the company on a monthly remuneration of Rs. 49,500/-

Ms. Simta Jindal, daughter employed in the company on a monthly remuneration of Rs. 25,000/-.

\*Last Annual General Meeting (AGM) was held on 16th July, 2010 at the GIA House, Gurgaon.

## MACHINO PLASTICS LIMITED

Details of Related Party transaction are as follows:

Name of Related Party	Nature of transaction	Current year amount (Rs.)	Previous year Amount (Rs.)
<b>Receipt</b>			
Maruti Suzuki India Limited	Sale of goods	1,26,42,10,853	1,022,185,645
Maruti Suzuki India Limited	Tooling loan	NIL	40,798,421
Machino Polymers Limited	Car loan	5,65,968	565,968
Machino Autocomp Pvt. Limited	Job work	NIL	958,162
Machino Polymers Limited	Sale of shares	4,36,40,000	NIL
Machino Finance Pvt Limited	Sale of shares	1,83,28,800	17,456,000
Mr. M D Jindal	Sale of shares	1,30,92,000	28,366,000
Mrs. Kamla Jindal	Sale of shares	NIL	24,002,000
Machino Transport Pvt. Ltd.	Sale of shares	NIL	15,274,000
Machino Autocomp Pvt Ltd.	Sale of Shares	1,96,38,000	NIL
<b>Payment</b>			
Machino Polymers Limited	Purchase of Raw material	46,54,01,313	448,051,897
Maruti Suzuki India Limited	Purchase of Moulds	NIL	22,691,021
Maruti Suzuki India Limited	Interest paid	NIL	8,550,601
Maruti Suzuki India Limited	Tooling loan	NIL	57,036,915
Grandmaastters Mold Limited	Purchase of moulds & conversion charges	73,36,597	4,061,938
Mrs. Kamla Jindal	Rent	3,30,000	330,000
Mr. M D Jindal	Sitting fees	84,000	75,000
Mr. M D Jindal	Commission	1,00,000	100,000
Dr. Sanjiivv Jindall	Remuneration	60,00,000	3,600,000
Mrs. Sarita Jindal	Salary	4,45,000	440,234
Mr. Aditya Jindal	Salary	5,41,263	280,648
Ms. Simta Jindal	Salary	3,24,003	29,770
<b>Outstanding balance as on 31st March 2011</b>			
Grandmaastters Mold Limited	Payable/(Receivable)	(14,96,377)	(847,097)
Maruti Suzuki India Limited	Receivable	5,17,17,212	73,087,469
Maruti Suzuki India Limited	Tooling advance	NIL	73,953,809
Maruti Suzuki India Limited	Car loan	1,06,268	407,902
Machino Polymers Limited	Payable/(Receivable)	4,95,69,239	92,949,020
Machino Autocomp Pvt Ltd.	(Receivable)	NIL	(883,162)
Guarantees Given		NIL	NIL





#### (IV) BOARD COMMITTEES

Committees appointed by the Board focus on specific areas, and take decisions within the authority delegated to them by the Board. The committees also make specific recommendations to the Board on various matters from time to time. All decisions and recommendations of the committees are placed before the board for information or approval. Company has three committees:

- Audit committee
- Shareholders, Grievances Committee.
- Share Transfer Committee

##### A. Audit Committee

The Audit Committee was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The committee comprises of four directors including one promoter non-executive and three independent directors. The composition of committee is as under:

Director	Executive/ Non-executive/ Independent	Position	Remarks
Mr. R L Gaggar	Independent	Chairman	--
Mr. M D Jindal	Non - Executive, Promoter	Member	--
Mr. R Krishnan	Independent	Member	--
Mr. G C Dwivedi	Independent	Member	Appointed as an Additional Director w.e.f. 15.02.2010

The Audit committee assists the board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirements. The committee's purpose is to oversee the accounting and financial reporting process of the company, the audit of the company's financial statements, the appointment, independence and performance of internal auditors and the company's risk management policies.

During the year under review, Mr. G C Dwivedi has been appointed in the Board of the company.

Terms of reference of the Audit Committee inter alia includes:

##### (i) Review of the following information:

- a) Any change in Accounting policies and practices;
- b) Major accounting entries involving estimates based on exercise of judgment by management;
- c) Significant adjustments made in the financial statements arising out of audit findings;
- d) Going concern assumption;
- e) Compliance with the listing and other legal requirements concerning financial statements;
- f) Reviewing with the management performance of statutory auditors
- g) To look into the reasons for substantial defaults in the payment to the shareholders (in case of payment of declared dividends) and creditors;
- h) the functioning of whistle blowing mechanism;

## MACHINO PLASTICS LIMITED

- i) reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- j) Management discussion and analysis of financial results of operations;
- k) Discussion with internal auditors, any significant findings and follow up there on;
- l) Management letters/letters of internal control weakness issued by the statutory auditors.

### (ii) Disclosure of the following information:

- a) Related party transaction:
  - Identification of related parties as per AS-18
  - Statement in summary form of transactions with related parties in the ordinary course of business
  - Statement of material individual transactions with related parties which are not on arm's length basis.
- b) Compliances with Accounting Standards, and if in preparation of financial statements, a treatment different from that prescribed in an accounting standard has been followed, management explanation for the same;
- c) Audit query/report for the quarter;
- d) Quarterly financial statements before submission to the board for approval.

### (iii) Meetings:

The audit committee met 4 times in the year. The details of the attendance of members of the committee are as follows:

Meeting held on	Chairman present	No. of Members present
17.05.2010	Yes	3
13.08.2010	Yes	3
01.11.2010	Yes	3
15.02.2011	Yes	4

Executives of Accounts, Finance, Secretarial and Management Departments and representatives of the Statutory and Internal Auditors were invited to attend the Audit Committees. The Chairman of the Audit Committee was not present at the last Annual General Meeting.

Attendance of each Member at the Audit Committee meetings held during the year:

Name of the Committee Member	No. of meetings held	No. of meetings attended	Remarks
Mr. R L Gaggr	4	4	--
Mr. M D Jindal	4	4	--
Mr. R Krishnan	4	4	--
Mr. G C Dwivedi	1	1	Appointed as an additional director w.e.f. 15.02.2011



## B. SHAREHOLDER'S GRIEVANCE COMMITTEE

### (i) Composition:

Director	Executive/Non Executive/ Independent	Position	Remarks
Mr. R L Gaggar	Independent	Chairman	--
Mr. M D Jindal	Non-Executive	Member	--
Mr. R Krishnan	Independent	Member	--
Mr. G C Dwivedi	Independent	Member	Appointed as an additional director w.e.f. 15.02.2011

### (ii) Terms of reference:

The committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of securities of the Company. The committee also looks into redressal of shareholders complaints related to transfer of shares, non-receipts of balance sheet, non-receipt of declared dividend etc. The committee oversees performance of the Registrar and Transfer Agents of the company, and recommend measures for overall improvement in the quality of investor services. The committee also monitors implementation and compliance of the Company's Code of conduct for prohibition of Insider trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992. The board has delegated the power for approving transfer of securities to the Managing Director or the Company Secretary. To expedite the process of Share Transfers, the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agent who will attend to the Share Transfer formalities once in fortnight.

### Meetings:

The Shareholder's grievances committee met four times in last year. The details of the attendance of members of the committee are follows:

Meeting held on	Chairman Present	No. of Members Present
17.05.2010	Yes	3
13.08.2010	Yes	3
01.11.2010	Yes	3
15.02.2011	Yes	4

Attendance of each Member at the SGC meetings held during the year:

Name of the Committee Member	No. of Meetings held	No. of meetings attended
Mr. R L Gaggar	4	4
Mr. M D Jindal	4	4
Mr. R Krishnan	4	4
Mr. G C Dwivedi	1	1

### Compliance Officer:

The compliance officer for this committee, at present, is Mr. Surya Kant Agrawal, Company Secretary.

**C. ANNUAL GENERAL MEETINGS**

Details of last 3 Annual General Meetings

Year	Location	Date	Time
2009-2010	GIA House, IDC, Mehrauli Road, Gurgaon	16.07.2010	11.00 a.m.
2008-2009	GIA House, IDC, Mehrauli Road, Gurgaon	23.09.2009	11.00 a.m.
2007-2008	GIA House, IDC, Mehrauli Road, Gurgaon	18.07.2008	11.00 a.m.

Note: No postal ballots were used / invited for voting at these meetings.

**D. DISCLOSURES**

- The disclosures on material transactions with the promoters, directors or the management, their subsidiaries and relatives etc. is made in Directors' Interest Statement.

**E. MEANS OF COMMUNICATION**

The quarterly & half yearly results are not being sent separately to each household of shareholders. All financial results of your company are forthwith communicated to the Stock Exchange, namely Bombay Stock Exchange, where the securities of the company are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are usually published in Business Standard (English) and Parivartan Bharti (hindi).

These results as well as latest information and official news have also been posted on the company's website, i.e. [www.machino.com](http://www.machino.com).

Financial results and shareholding pattern of the company are also available on [www.bseindia.com](http://www.bseindia.com).

**F. GENERAL SHAREHOLDERS' INFORMATION**

- ❖ **Date of book closure/record date** : 27th July, 2011 to 29th July, 2011
- ❖ **Date and venue of AGM**
  - Date : July 29th, 2011
  - Day : Friday
  - Time : 10.30 a.m.
  - Venue of AGM : GIA House, IDC, Mehrauli Road, Gurgaon (Haryana)
- ❖ **Dividend declared** : Rs. 2.50 per share
- ❖ **Financial Calendar (tentative and subject to change)**
  - Financial reporting for the first quarter ending June 30, 2011 July, 2011
  - Financial reporting for the second quarter ending Sept 30, 2011 Oct, 2011
  - Financial reporting for the third quarter ending Dec 31, 2011 Jan, 2012
  - Financial reporting for the fourth quarter ending Mar 31, 2012 May, 2012
  - Annual General Meeting for the year ending Mar 31, 2012 July, 2012
- ❖ **Listing on Stock Exchange**

The shares of your company are listed on the following Stock Exchange:  
The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001
- ❖ **Stock Codes**
  - The Stock Exchange, Mumbai : 523248
  - ISIN No. for NSDL and CDSL : INE082B01018

The listing fees for the financial year 2010-11 have been paid to the Stock Exchange, Mumbai.



#### ❖ Stock market data\*

The monthly high and low prices and volume during the financial year 2010-2011

Month	High Price	Low Price	No. of Shares	Total turnover (Rs.)
Apr 10	78.00	64.10	3,40,141	2,43,54,801
May 10	75.00	60.90	68,807	48,46,879
June 10	80.00	63.25	60,920	44,22,876
Jul 10	85.85	73.00	2,29,687	1,82,31,528
Aug 10	95.00	78.90	2,26,155	1,98,45,281
Sep 10	95.00	81.30	2,73,727	2,42,13,211
Oct 10	91.80	78.10	1,86,011	1,57,41,088
Nov 10	86.40	60.00	95,401	71,54,033
Dec 10	76.50	65.05	36,005	25,41,787
Jan 11	74.60	60.05	30,367	21,34,932
Feb 11	73.80	56.30	16,434	10,41,907
Mar 11	73.00	56.25	22,655	13,43,674

\*bseindia.com

#### ❖ Share transfer procedure

Share transfer requests received by the company or its Registrar & Share Transfer Agent are registered within a period of 15 days from date of receipt, if the documents are in order in all respect. The Share Transfer Committee normally meets twice a month.

#### ❖ Distribution of shareholding as on 31st March, 2011

No. of equity shares held	Folio		Shares	
	Numbers	%	Numbers	%
1-100	1599	39.443	99134	1.615
101-500	2102	51.85	524828	8.552
501-1000	208	5.131	155785	2.539
1001-5000	107	2.639	220848	3.599
5001—10000	9	0.222	58601	0.955
10001-20000	10	0.247	149632	2.438
20001-30000	3	0.074	73907	1.204
30001-40000	0	0	0	0
40001-50000	0	0	0	0
50001-100000	5	0.123	384954	6.273
100001-500000	8	0.197	1996161	32.528
500001-above	3	0.074	2472950	40.297

## MACHINO PLASTICS LIMITED

### Pattern of shareholding by ownership as on 31st March, 2011

Category	Shareholding	
	Number of Shares held	Shareholding %
<b>Promoters' Holding</b>		
Promoters		
- Indian Promoters	2,283,557	58.674
- Foreign Promotes	941,700	15.345
Persons acting in concert	–	–
<b>Sub-Total (A)</b>	<b>4,542,406</b>	<b>74.019</b>
<b>Non-promoters Holding</b>		
Institutional Investors	–	–
Mutual Funds and UTI, Banks, Financial institution, Insurance Companies (Central/State Govt. Institutions/ non-government institutions)	1,500	0.024
FIs	–	–
<b>Sub Total (B)</b>	<b>1,500</b>	<b>0.024</b>
<b>Others</b>		
Corporate Bodies	104,705	1.706
Indian Public (including NSDL & CDSL)	1,480,158	24.119
NRIs/OCBS	8,031	0.131
Trust & Clearing Members	–	–
<b>Sub-Total (C)</b>	<b>1,592,894</b>	<b>25.956</b>
<b>Grand Total (A+B+C)</b>	<b>6,136,800</b>	<b>100.00</b>

❖ **As at 31.03.2011:**

Shares held in Physical form : 2564487 shares

Shares held in Dematerialized form : 3572313 shares

❖ **Shareholding of Promoters/Directors, their relatives, associate companies & officers of the Company pursuant to SEBI Regularization:**

Name	Relation	No. of Shares	% to total
Maruti Suzuki India Limited	Promoter	941700	15.345%
Suzuki Motor Corporation	Promoter	941700	15.345%
Jindals, Relatives & Associate Companies	Promoter	2659006	43.32%

❖ **Outstanding GDR/ADR/Warrants or any convertible instrument**

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2011.

❖ **Share Transfer Agent**

“Alankit Assignments Limited”  
RTA Division-Machino Plastics Limited  
2E/21, Jhandewalan Extn.  
New Delhi-110 055.  
Ph. No. 011-51540060-64  
alankit@alankit.com



❖ **Investors' correspondence may be addressed to:**

Company Secretary  
Machino Plastics Limited  
3, Maruti Joint Venture Complex,  
Udyog Vihar Phase-IV, Gurgaon-122015  
Tel: 0124-2341218, 2340806 Fax: 0124-2340692  
Email: admin@machino.com

Or

“Alankit Assignments Limited”  
RTA Division-Machino Plastics Ltd.  
2E/21, Jhandewalan Extn,  
New Delhi-110 055  
Ph. No. 51540060-64”  
Email: alankit@alankit.com

❖ **Unclaimed Dividends**

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividends upto the financial year 2002-03 have been transferred to the General Revenue Account of the Central Government.

The unclaimed dividends for the financial year ended 31st March, 2004 & thereafter, which remains unpaid/unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by Central Government. Shareholders, who have not claimed/received their dividend so far, are requested to make an application to company so that necessary action could be taken in this respect. It is important to note that once the unclaimed dividend is transferred to the aforesaid fund, no claim shall lie in respect thereof on the company. Then the shareholders have to claim dividend from the Central Government.

Some dividend cheques are unrealized as per company's record for the year 2003-04 to 2009-10. Those shareholders who have not yet realized the dividend for any or all of the previous years may write to the company.

❖ **Other Information**

1. For safe and prompt payment of dividend, shareholders can give their mandate i.e. Bank name, A/c No. with address.
2. Any change in address or mandate should be intimated to company or its transfer agent at the earliest for prompt services.
3. While corresponding with the Company or its Registrar & Transfer Agent, members are advised to quote their Folio No. and No. of shares held. Any such correspondence should be signed by the member(s) or their duly authorized power of attorney. Company shall not entertain any letter, which is not duly signed as an endeavour to protect the interest of members and to avoid any possible fraud.
4. Members holding shares in identical orders of names in more than one folio are requested to write to the Company or Alankit Assignments Limited and send their share certificates to enable consolidation of their holding into one folio.

Note: the details are given purely by way of information. Members may make their own judgment and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the company nor its officials would be held responsible.

CODE OF CONDUCT

FOR

BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

ANNUAL DECLARATION

(in pursuance of Clause 49(1D) of the Listing Agreement)

This is to certify that to the best of my knowledge and belief and based upon declarations made by the members of the Board of Directors and senior management officers, provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL, as adopted by the company in compliance of clause 49 (1D) of the Listing Agreement are fully followed and complied with during the financial year ending 31st March, 2011.

For **Machino Plastics Ltd.**

Sd/-

Sanjiivv Jindall

Managing Director

Date: 28.05.2011





---

## Certificate

To  
The Members of  
Machino Plastics Limited

We have examined the compliance of conditions of Corporate Governance by Machino Plastics Ltd. for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement except to the fact that composition of Board of Directors is short by one independent director as prescribed in clause 49(1A) of the listing agreement as amended.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Goel Garg & Company  
Chartered Accountants  
FRN 000397N  
Sd/-  
(Ashok Kumar Agarwal)  
Partner  
Membership No. 084600

Place : Gurgaon  
Dated : 28th May, 2011

## AUDITORS' REPORT

### TO THE MEMBERS OF MACHINO PLASTICS LIMITED

1. We have audited the attached balance sheet of Machino Plastics Limited as at 31st March, 2011 and the related profit and loss account and cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we set out in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e) based on the representations made by all the directors of the company as on March 31st, 2011, and taken on record by the board of directors of the company and in accordance with the information and explanations as made available, the directors of the company do not, prime facie, have any disqualification as referred to in clause (g) of sub-section (1) to section 274 of the Act on the said date;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with notes thereon and attached thereto give in the prescribed manner the information required by the Act and also give respectively, a true and fair view in conformity with the accounting principles generally accepted in India:



- i) In the case of the balance sheet, of the state of affairs of the company as at March 31st, 2011;
- ii) In the case of the profit and loss account, of the profit for the year ended on that date; and
- iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

For **Goel Garg & Co.,**  
Chartered Accountants  
FRN No -000397N

Place : **Gurgaon**  
Date : **28.05.2011**

Sd/-

(Ashok Kumar Agarwal)  
Partner,  
Membership No 84600

**Annexure to the Auditors' Report to the members of Machino Plastics Limited on the financial statements for the year ended 31st March, 2011 referred to in paragraph 3 of our report**

- (i) (a) the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the fixed assets were physically verified during the year by the management in accordance with the programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on verification conducted during the year as compared with the book records.
- (c) In our opinion and according to the information and explanations given

to us, a substantial part of the fixed assets has not been disposed off by the company during the year.

- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventories, we are of the opinion that, the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) As informed, the company has not granted any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (b),(c) and (d) are not applicable.
- (b) As informed, the company has not taken any loan, secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us,

there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system in respect of these areas.

- (v) (a) According to the information and explanations given to us, we are of the opinion that during the year, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to maintained under that section 301 of the Act.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into the register in pursuance of section 301 of the Act and exceeding the value of rupees five lacs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public with in the meaning of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the company examined by us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at March 31st, 2011 for period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, particulars of dues of Income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess as at March 31st 2011 which have not been deposited on account of a dispute have been stated in note 13 on schedule 15.
- (x) The company does not have any accumulated losses at the year end i.e. March 31st, 2011. Further, the company has not incurred any cash losses in the financial year ended on



that date and in the immediately preceding financial year.

- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any bank. The company has not raised any loan from financial institution, debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As the company is not a chit fund or a nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund are applicable, therefore clause 4(xiii) of the Order is not applicable.
- (xiv) As the company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- (xv) We are informed that during the year, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, term loans availed by the company were, prima facie, applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that during the year no funds raised on short-term basis have been used for long-term investments.

(xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered under section 301 of the Act during the year.

(xix) The company has not issued any debentures during the year.

(xx) The company has not raised money by public issue during the year.

(xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **Goel Garg & Co.,**  
Chartered Accountants  
**FRN No -000397N**

**Place : Gurgaon**  
**Date : 28.05.2011**

Sd/-  
(Ashok Kumar Agarwal)  
Partner,  
Membership No 84600

# MACHINO PLASTICS LIMITED

## BALANCE SHEET

AS AT 31ST MARCH, 2011

(figures in rupees)

	Schedule	As at 31.03.2011	As at 31.03.2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' funds</b>			
Share capital	1	61,368,000	61,368,000
Reserves and surplus	2	545,830,664	481,281,963
<b>Loan funds</b>			
Secured loans	3	509,714,984	206,087,461
Unsecured loans	4	106,268	184,562,473
Deferred tax liability ( Net) ( refer note no. 12 of schedule 15)		57,197,688	47,319,071
<b>Total</b>		<b>1,174,217,604</b>	<b>980,618,968</b>
<b>APPLICATIONS OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross block	5	2,109,149,450	1,955,934,918
Less: depreciation		1,189,896,112	1,114,180,861
Net block		919,253,338	841,754,057
Add : Capital work in progress		65,433,939	7,566,244
<b>Investments</b>	6	<b>12,500,000</b>	<b>12,500,000</b>
<b>Current assets, loans and advances</b>			
Inventories		71,972,132	55,010,797
Sundry debtors		112,994,408	126,239,268
Cash and bank balances		112,097,518	85,604,283
Loans and advances		69,548,288	53,365,469
		366,612,346	320,219,817
<b>Less: Current liabilities and provisions</b>			
Current liabilities	8	171,751,119	183,531,050
Provisions		17,830,900	17,890,100
<b>Net current assets</b>		<b>177,030,327</b>	<b>118,798,667</b>
<b>Total</b>		<b>1,174,217,604</b>	<b>980,618,968</b>

Significant accounting policies, notes and additional information 15

Schedule referred to above form an integral part of balance sheet

As per our report of even date

For **GOEL GARG & CO.,**

Chartered Accountants

FRN No: 000397N

Sd/-

Sd/-

Sd/-

Sd/-

Sd/-

**Ashok Kumar Agarwal**

Partner

M.No : 084600

Place : Gurgaon

Date : 28th May, 2011

**Surya Kant Agrawal**

General Manager-(F)

& Comp.Secretary

**Sanjiivv Jindall**

Managing Director

**R. Krishnan**

Director

**M.D. Jindal**

Chairman



# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

(figures in rupees)

Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010	
<b>INCOME</b>			
Gross sales	1,773,109,665	1,363,068,296	
Less : Excise duty	182,538,390	128,628,989	
Other income ( refer note no. 6 of Schedule 15 )	12,217,994	10,428,753	
Profit on sale of investments	94,698,800	69,898,000	
Accretion/(Decretion) in finished goods <sup>9</sup>	1,206,153	3,726,507	
<b>Total</b>	<b>1,698,694,222</b>	<b>1,318,492,567</b>	
<b>EXPENDITURE</b>			
Raw materials consumed	10	1,088,682,333	788,611,630
Manufacturing expenses	11	128,960,436	118,461,018
Personnel expenses	12	102,503,325	66,261,803
Administrative, selling & distribution expenses	13	93,203,311	71,168,804
Financial expenses	14	47,073,704	45,428,797
Depreciation	5	115,350,019	120,022,904
<b>Total</b>	<b>1,575,773,128</b>	<b>1,209,954,956</b>	
<b>Profit for the year</b>	<b>122,921,094</b>	<b>108,537,611</b>	
<b>Add : Net prior period adjustment</b>	<b>-</b>	<b>-</b>	
<b>Profit for the year before taxation</b>	<b>122,921,094</b>	<b>108,537,611</b>	
Provision for tax			
Current tax	24,974,000	18,446,000	
Deferred tax	9,878,617	17,159,283	
Tax for earlier year	5,688,876	1,589,110	
<b>Profit for the year after taxation</b>	<b>82,379,601</b>	<b>71,343,218</b>	
Brought forward from previous year	146,011,856	99,858,738	
<b>Amount available for appropriation</b>	<b>228,391,457</b>	<b>171,201,956</b>	
<b>APPROPRIATION</b>			
Transfer to general reserve	12,500,000	7,300,000	
Proposed dividend	15,342,000	15,342,000	
Tax on dividend	2,488,900	2,548,100	
Transfer to balance sheet	198,060,557	146,011,856	
<b>Total</b>	<b>228,391,457</b>	<b>171,201,956</b>	
Basic and diluted earnings per share (in Rs.) (face value of Rs. 10 each )	13.42	11.63	
Significant accounting policies, notes and additional information	15		
Schedule referred to above form an integral part of profit and loss account			

As per our report of even date

**For GOEL GARG & CO.,**

Chartered Accountants

FRN No: 000397N

Sd/-  
**Ashok Kumar Agarwal**  
Partner  
M.No : 084600  
Place : Gurgaon  
Date : 28th May, 2011

Sd/-  
**Surya Kant Agrawal**  
General Manager-(F)  
& Comp.Secretary

Sd/-  
**Sanjiivv Jindal**  
Managing Director

Sd/-  
**R. Krishnan**  
Director

Sd/-  
**M.D. Jindal**  
Chairman

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2011

(figures in rupees)

	For the year ended 31.03.2011	For the year ended 31.03.2010
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
<b>Profit before tax</b>	<b>122,921,094</b>	<b>108,537,611</b>
<b>Adjusted for</b>		
Depreciation	115,350,019	120,022,904
Profit on sale of fixed assets	(7,419,689)	(3,755,138)
Profit on sale of Investment	(94,698,800)	(69,898,000)
Loss on sale of fixed asset	10,914	-
Interest received	(4,798,305)	(5,289,725)
Interest paid	47,073,704	45,428,797
<b>Operating Profit before working capital changes</b>	<b>178,438,937</b>	<b>195,046,449</b>
<b>Adjusted for changes in</b>		
Debtors	13,244,860	(12,155,974)
Inventories	(16,961,335)	(14,043,975)
Decrease (Increase ) in current assets	(16,982,353)	(3,424,788)
Increase ( Decrease ) in current liabilities	(10,365,850)	59,300,476
<b>Cash generated from operations after working capital changes</b>	<b>147,374,259</b>	<b>224,722,188</b>
Direct taxes paid	(31,452,452)	(10,946,844)
<b>Cash flow before extraordinary items</b>	<b>115,921,807</b>	<b>213,775,344</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>115,921,807</b>	<b>213,775,344</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(424,002,076)	(48,353,856)
Sale of fixed assets	173,285,081	4,618,962
Sale of investments	-	15,200,000
Profit on sale of fixed assets	7,419,689	3,755,138
Loss on sale of fixed asset	(10,914)	-
Profit on sale of investment	94,698,800	69,898,000
Interest received	4,798,305	5,289,725
<b>NET CASH FLOW FROM INVESTING ACTIVITY</b>	<b>(143,811,115)</b>	<b>50,407,969</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in term loan	21,604,595	(62,132,602)
Dividend paid	(17,715,071)	(3,637,652)
Increase/(decrease) in bank borrowings	97,566,723	(139,278,071)
Interest paid	(47,073,704)	(45,428,797)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>54,382,543</b>	<b>(250,477,122)</b>
Net increase in cash & cash equivalents A+B+C	26,493,235	13,706,191
Cash & cash equivalent (opening balance)	85,604,283	71,898,092
Cash & cash equivalent (closing balance)	112,097,518	85,604,283

Notes:

1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3

2 Figures in bracket represents cash outflow

As per our report of even date

**For GOEL GARG & CO.,**

Chartered Accountants

FRN No: 000397N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
<b>Ashok Kumar Agarwal</b>	<b>Surya Kant Agrawal</b>	<b>Sanjiivv Jindal</b>	<b>R. Krishnan</b>	<b>M.D. Jindal</b>
Partner	General Manager-(F)	Managing Director	Director	Chairman
M.No : 084600	& Comp.Secretary			
Place : Gurgaon				
Date : 28th May, 2011				





## SCHEDULES TO THE ACCOUNTS

(figures in rupees)

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 (previous year 1,50,00,000) equity shares of Rs. 10 each	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued, subscribed and paid up</b>		
61,36,800 (previous year 61,36,800) equity shares of Rs.10 each fully paid up	<u>61,368,000</u>	<u>61,368,000</u>
	<u>61,368,000</u>	<u>61,368,000</u>
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Amount received on forfeited shares	12,500	12,500
<b>Revaluation reserve</b>		
on land (free hold)	149,621,982	149,621,982
<b>General reserve</b>		
As per last balance sheet	185,635,625	178,335,625
Add: Transfer from profit and loss account	<u>12,500,000</u>	<u>7,300,000</u>
	<u>198,135,625</u>	185,635,625
<b>Surplus, being balance in profit and loss account</b>	<u>198,060,557</u>	<u>146,011,856</u>
	<u>545,830,664</u>	<u>481,281,963</u>
<b>SCHEDULE 3 : SECURED LOANS</b>		
From Banks:		
Term loans	78,261,000	58,300,000
Working capital loans	100,034,184	2,467,461
Buyers' credit	<u>331,419,800</u>	<u>145,320,000</u>
	<u>509,714,984</u>	<u>206,087,461</u>
<b>Notes:</b>		
1. Term loans I, II, III, & VI are secured by way of exclusive charge on the entire assets of the manesar plant including land & building. & second charge on current assets and Term Loans IV & V are secured by way of first pari passu charge on the fixed assets of the gurgaon plant.		
2. Working capital loan & buyers' credit are secured by first pari passu charge on entire current assets of the company and extension of first pari passu charge on fixed assets except moulds, financed under lease agreement.		
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
Tooling loans from customers	106,268	184,562,473
	<u>106,268</u>	<u>184,562,473</u>

## MACHINO PLASTICS LIMITED

### SCHEDULE 5 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Add /(Less) Adjustments/ Transfers	as at	As at	Additions	Add /(Less) Adjustments/ Transfers	Total	As at	As at
	01.04.2010			31.03.2011	01.04.2010				31.03.2011	31.03.2011
a) Land (free hold) (refer note no 3 of schedule 15)	196,875,000	225,248	-	197,100,248	-	-	-	-	197,100,248	196,875,000
b) Land (lease hold )	1,144,714	-	-	1,144,714	826,224	34,685	-	860,909	283,805	318,490
c) Buildings	117,163,280	3,631,299	-	120,794,579	18,720,038	3,829,343	-	22,549,381	98,245,198	98,443,242
d) Plant & machinery	680,503,548	329,274,011	(16,035,809)	993,741,750	394,119,196	58,850,581	(2,975,499)	449,994,278	543,747,472	286,384,352
e) Moulds	807,275,519	23,268,249	(189,078,459)	641,465,309	576,657,748	50,665,049	(36,353,378)	590,969,419	50,495,890	230,617,771
f) Moulds on finance lease	109,046,139	-	-	109,046,139	109,046,138	-	-	109,046,138	1	1
g) Furniture, fixtures & office equipment	35,727,896	1,590,539	-	37,318,435	10,977,754	1,273,554	-	12,251,308	25,067,127	24,750,142
h) Motor vehicles	8,198,822	736,259	(396,805)	8,538,276	3,833,763	696,807	(305,891)	4,224,679	4,313,597	4,365,059
<b>Total</b>	1,955,934,918	358,725,605	(205,511,073)	2,109,149,450	1,114,180,861	115,350,019	(39,634,768)	1,189,896,112	919,253,338	841,754,057
Capital work in progress	7,566,244	61,070,144	(3,202,449)	65,433,939	-	-	-	-	65,433,939	7,566,244
<b>Grand total</b>	1,963,501,162	419,795,749	(208,713,522)	2,174,583,389	1,114,180,861	115,350,019	(39,634,768)	1,189,896,112	984,687,277	849,320,301
PREVIOUS YEAR	1,930,329,013	216,443,907	(183,271,758)	1,963,501,162	1,004,720,702	120,022,904	(10,562,745)	1,114,180,861	849,320,301	925,608,311
						<b>As at</b>			<b>As at</b>	
						<b>31.03.2011</b>			<b>31.03.2010</b>	

### SCHEDULE 6 : INVESTMENTS

#### Long term

Trade, fully paid-up, at cost (unquoted)

12,50,000 equity shares of Rs. 10 each of

Caparo Maruti Limited (refer note no 7 of schedule 15)

**12,500,000**

12,500,000

**12,500,000**

12,500,000

### SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES

#### A. Current assets

Inventories

(as valued and certified by the management)

Raw materials

**51,543,353**

36,338,771

Finished goods

**12,744,001**

11,364,521

Packing materials

**1,921,509**

2,106,041

Stores and spares

**5,763,269**

5,201,464

**71,972,132**

55,010,797

#### Sundry debtors

(Unsecured ,unconfirmed - considered good)

Debts outstanding for a period exceeding

six months- considered good

**1,507,658**

1,785,429

other debts- considered good

**111,486,750**

124,453,839

**112,994,408**

126,239,268



	As at 31.03.2011		As at 31.03.2010
<b>Cash and bank balances</b>			
Cash on hand	160,972		1,035,973
With scheduled banks			
– in current accounts	1,380,770		4,182,584
– in fixed deposit accounts (pledge as margin money against letter of credit)	108,819,493		78,824,472
– in unpaid dividend accounts	1,736,283		1,561,254
	<u>112,097,518</u>		<u>85,604,283</u>
<b>B. Loans and advances</b>			
(Unsecured ,unconfirmed - considered good)			
Advances recoverable in cash or in kind or for value to be received	13,562,501		14,522,431
Other deposits	1,803,581		1,996,564
Balance with central excise department	49,221,933		30,160,909
Prepaid expenses	3,302,080		5,237,283
Defined benefit plan asset ( net)	1,324,134		314,689
Tax paid ( net of provisions )	334,059		1,133,593
	<u>69,548,288</u>		<u>53,365,469</u>
	<u>366,612,346</u>		<u>320,219,817</u>
<b>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current liabilities</b>			
Sundry creditors for goods:			
– micro and small enterprises	205,777		165,407
– others	95,279,605		120,809,761
Sundry creditors for capital goods	4,296,939		12,669,415
Sundry creditors - others	15,669,229		19,795,646
Unclaimed dividend	1,736,283		1,561,254
Other liabilities	54,563,286		28,529,567
	<u>171,751,119</u>		<u>183,531,050</u>
<b>B. Provisions</b>			
Dividend	15,342,000		15,342,000
Tax on dividend	2,488,900		2,548,100
	<u>17,830,900</u>		<u>17,890,100</u>
	<u>189,582,019</u>		<u>201,421,150</u>

## MACHINO PLASTICS LIMITED

	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 9 : ACCRETION/(DECRETION) IN FINISHED GOODS</b>		
Opening stock of Finished goods	11,364,521	6,993,331
Less: Closing stock of Finished goods	12,744,001	11,364,521
	<u>1,379,480</u>	<u>4,371,190</u>
Less: Excise duty on Increase/(Decrease) on finished goods	173,327	644,683
	<u>1,206,153</u>	<u>3,726,507</u>
<b>SCHEDULE 10 : RAW MATERIALS CONSUMED</b>		
Opening stock	36,338,771	25,042,087
Add: Purchases	1,103,886,915	799,908,314
	<u>1,140,225,686</u>	<u>824,950,401</u>
Less: Closing stock	51,543,353	36,338,771
	<u>1,088,682,333</u>	<u>788,611,630</u>
<b>SCHEDULE 11 : MANUFACTURING EXPENSES</b>		
Stores and components consumed	8,071,006	9,586,080
Power and fuel	93,676,727	78,483,193
Job work	9,253,153	7,248,047
Repairs and maintenance		
– Building	394,039	172,629
– Machinery	17,565,511	22,971,069
	<u>17,959,550</u>	<u>23,143,698</u>
	<u>128,960,436</u>	<u>118,461,018</u>
<b>SCHEDULE 12 : PERSONNEL EXPENSES</b>		
Salaries, wages and allowances	90,748,297	60,161,670
Contribution to PF and ESI	4,546,358	2,760,645
Other benefits	6,901,437	3,277,016
Staff recruitment expenses	307,233	62,472
	<u>102,503,325</u>	<u>66,261,803</u>



	As at 31.03.2011	As at 31.03.2010
<b>SCHEDULE 13 : ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES</b>		
Packing, freight and forwarding	68,712,682	55,101,127
Travelling and conveyance	2,350,109	2,585,926
Legal and professional	2,924,878	2,364,728
Watch & Ward	2,695,007	1,939,733
Insurance	1,335,600	1,558,676
Bad debt written off	111,192	1,113,669
Communication	913,246	987,338
Printing and stationery	1,298,615	800,511
Repairs and maintenance-other	2,403,592	563,661
Director Commission	385,753	200,000
Director Sitting Fee	287,000	215,000
Business Promotion	-	366,193
Advertisement and publicity	274,112	323,169
Rent	904,239	241,201
Rates and taxes	140,995	143,432
Donation	1,874,000	-
Loss on sale of fixed assets	10,914	-
Payment to auditors :		
Audit fees	300,740	300,740
Tax audit fees	102,850	102,850
Other services	60,000	45,000
	463,590	448,590
Miscellaneous	6,117,787	2,215,850
	<u>93,203,311</u>	<u>71,168,804</u>
<b>SCHEDULE 14 : FINANCIAL EXPENSES</b>		
Interest to Banks:		
Term loans	8,570,578	10,280,351
Working capital loans	15,604,128	15,219,690
Buyers' credit	16,384,109	8,146,911
	40,558,815	33,646,952
Other charges paid to banks	6,444,331	2,679,286
Interest on tooling loans	-	8,550,601
Interest to others	70,558	551,958
	<u>47,073,704</u>	<u>45,428,797</u>

**SCHEDULE 15 : SIGNIFICANT ACCOUNTING POLICIES, NOTES AND ADDITIONAL INFORMATION**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting convention**

The company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements are prepared under the historical cost convention in accordance with the applicable accounting standards.

**2. Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

**3. Fixed assets and depreciation**

Fixed assets are valued at cost less accumulated depreciation. Foreign exchange fluctuations are adjusted to the cost of relevant fixed asset. Leasehold land is being amortized over the period of lease. Depreciation on fixed assets is provided at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956, on straight line method. Depreciation on moulds acquired after 1st April, 1999 but before 31-3-2008 are depreciated on written down value method. Mold acquired after 1-4-2008 and Trolley & Bins acquired after 1-4-2009 are depreciated on the basis of economic useful life. Borrowing cost relating to fund borrowed for acquisition of qualifying assets for the year up to the date the assets are put to use is included in cost of relevant assets. Incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets are adjusted to the cost of such assets and depreciation is provided as aforesaid over the residual life of the respective assets.

**4. Foreign currency transactions**

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

**5. Impairment of assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**6. Investments**

Long-term investments are stated at cost and, where applicable, provision is made against diminution in value. Profit or loss on sale of investments are included in profit and loss account and calculated as the difference between the net proceeds realized and book value.

**7. Inventories**

a) Inventories are valued at the lower of cost or net realizable value. Cost, which comprises of expenditure incurred in the normal course of business in bringing inventories to their location and condition including relevant overheads, is calculated on first in first out basis.



- b) Machinery Spares (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged off to revenue on consumption.

#### **8. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

#### **9. Excise duty**

Excise duty is accounted on the basis of both, payments made in respect of finished goods cleared and also provision made for finished goods lying in bonded warehouses.

#### **10. Retirement benefits**

- A) Retirement benefits in the form of Provident fund are defined contribution schemes and the contributions are charged to the profit and loss account when the contributions to the respective funds become due.
- B) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year. However, the company through its trust has taken a policy with LIC to cover the Gratuity liability of the employees. The difference between the actuarial valuation of the gratuity of employees at the year end and the balance of funds with LIC is provided for as liability in the books.
- C) Actuarial gains/losses are immediately taken to Profit & Loss account and not deferred.
- D) Short term employee benefits are recognized as an expenses at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

#### **11. Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **12. Earning per share**

The basic earning per share is computed by dividing the net profit attributed to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

#### **13. Taxation**

Provision for income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act,1961.

Deferred tax resulting from timing difference between book and tax profit is accounted for under liability method, at the current rate of tax, to the extent that the timing differences are capable of reversal in one or more subsequent periods.

#### **14. Contingencies / provisions**

Provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

**B. NOTES TO ACCOUNTS**

1. Contingent liabilities not provided for:

- Demand under the central excise act of Rs. 13,92,56,442/- (Previous year Rs. 12,36,55,534)

2. Estimated amount of contracts, remaining to be executed on capital account (net of advances) Rs. 26,90,693/- (Previous year Rs. 1,79,71,630/-)

3. During the year ended 31st March 2009 company has revalued its land ( free hold) by rupees Rs. 14,96,21,982/-) substituting its historical cost of Rs 4,72,53,018/- by revalued amount of Rs. 19,68,75,000/-. The said revaluation was done by an external valuer using comparable method.

4. (i) Contribution to defined benefit plan

The company has a defined benefit gratuity plan, Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with “Life Insurance Corporation” in the form of a qualifying insurance policy.

**CHANGES IN PRESENT VALUE OF OBLIGATIONS**

<b>As of</b>	<b>31-03-2011</b>	<b>31-03-2010</b>
Present value of obligation at the beginning	28,19,948	22,60,040
Interest cost	2,38,081	1,83,121
Current Service cost	12,70,619	5,47,086
Benefits paid	(37,990)	(2,11,347)
Actuarial(gain)/loss on obligation	(1,50,987)	41,048
Present value of obligation at the end	41,39,671	28,19,948

**CHANGE IN PRESENT VALUE OF PLAN ASSETS**

<b>As of</b>	<b>31-03-2011</b>	<b>31-03-2010</b>
Fair Value of Plan Assets at the beginning	38,30,341	17,37,713
Expected Return of Plan Assets	3,66,437	–
Contributions	13,16,725	13,99,371
Withdrawal	(37,990)	(2,11,347)
Actuarial(Gain)/Loss of Plan Assets	(11,708)	(2,08,900)
Fair Value of Plan Assets at the end	54,63,805	31,34,637

**FAIR VALUE OF PLAN ASSETS**

<b>As of</b>	<b>31-03-2011</b>	<b>31-03-2010</b>
Fair Value of Plan Assets at the	38,30,341	17,37,713
Actual Return on Plan Assets	3,54,729	2,08,900
Contributions	13,16,725	13,99,371
Withdrawal	(37,990)	(2,11,347)
Fair Value of Plan Assets at the end	54,63,805	31,34,637
Present Value of obligation at the end	41,39,671	28,19,948





## ACTUARIAL GAIN/LOSS RECOGNISED

As of	31-03-2011	31-03-2010
Actuarial Gain(Loss) on obligations	1,50,987	(41,048)
Actuarial Gain/(Loss) on Plant Assets	(11,708)	2,08,900
Total Gain/(Loss)	139,279	1,67,852
Actuarial Gain/(Loss) Recognised	139,279	1,67,852
Unrecognised Actuarial Gain/(Loss) at the end	–	–

## AMOUNT TO BE RECOGNISED IN THE BALANCE SHEET

As of	31-03-2011	31-03-2010
Fair Value of Plan Assets at the end	54,63,805	31,34,637
Present Value of obligation at the end	41,39,671	28,19,948
Unrecognised Actuarial Gain/(Loss) at the end	–	–
Net Assets/(Liability) recognized in the Balance Sheet	13,24,134	3,14,689

## EXPENSES RECOGNISHED IN THE STATEMENT OF PROFIT AND LOSS

As of	31-03-2011	31-03-2010
Current Service Cost	12,70,619	5,47,086
Interest Cost	2,38,081	1,83,121
Expected return on Plan Assets	(3,66,437)	–
Actuarial Gain/(Loss) recognized	(1,39,279)	1,67,852
Expenses Recognized in the statement of Profit and Loss	10,02,984	5,62,355

## KEY ASSUMPTIONS

As of	31-03-2011	31-03-2010
Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Imputed Rate of Interest	08.50% p.a.	08.50% p.a.
Salary Rise	05.00% p.a.	05.00% p.a.
Return on Plan Assets	09.00% p.a.	09.00% p.a.
Remaining Working Life (Gurgaon Plant)	19.94 years	20.65 years
Remaining Working Life (Manesar Plant)	24.76 years	26.06 years

\* The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, per motion and other relevant factors including supply and demand in the employment market.

## 4 (ii) Contribution to defined contribution plan

As of	31-03-2011	31-03-2010
Providend Fund	40,42,679	24,66,911

5. i) Personnel expenses include:-

Remuneration to managing director

S.No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1	Salaries and perquisites	60,00,000	36,00,000
2	Contribution to provident fund	6,91,200	–
	<b>Total</b>	<b>66,91,200</b>	<b>36,00,000</b>

ii) Computation of commission payable to non executive directors

S.No	Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1	Net profit before tax for the year	11,55,12,319	10,47,82,473
2	Commission payable as 1% of net profit	11,55,119	10,47,824
3	Maximum limit	4,00,000	2,00,000
4	Commission payable	2,99,726	2,00,000

Directors' Remuneration (included under salary, wages & bonus)

Particulars	31st March 2011	31st March 2010
Salaries and perquisites	60,00,000	36,00,000
Contribution to provident fund	6,91,200	–
	<b>66,91,200</b>	<b>36,00,000</b>
<b>Non Executive Directors:</b>		
Commission	2,99,726	2,00,000
<b>Total</b>	<b>69,90,926</b>	<b>38,00,000</b>

Computation of net profit as per Section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Particulars	31st March 2011	31st March 2010
Net profit before tax for the year	12,29,21,094	10,85,37,611
Add: Loss on sales of fixed assets	10,914	–
	12,29,32,008	10,85,37,611
Less: Gain on sales of fixed assets	74,19,689	37,55,138
Net Profit as per Section 349 of Companies Act, 1956	<b>11,55,12,319</b>	<b>10,47,82,473</b>
Add: Managerial Remuneration	69,90,926	38,00,000
Net Profit for the purpose of Director's remuneration as per Section 198 of Companies Act, 1956	<b>12,25,03,245</b>	<b>10,85,82,473</b>



6. Other income includes interest received Rs. 47,98,305 (previous year Rs. 52,89,725). tax deducted thereon is Rs. 4,04,105 (previous year Rs. 6,64,282); Profit on sale of equity shares Rs.9,46,98,800 (Previous year 6,98,98,000); Income from Job work Nil (previous year Rs. 1,60,956.50); Profit on sale of fixed assets Rs.74,19,689 (Previous year 37,55,137).
7. The company had made Investment of Face Value of Rs 1,25,00,000 in equity shares of Caparo Maruti Limited. The investee company has disputed the shareholding of the Company. The company has filed a petition to honble company law board, who gave company an option to sell shares to majority shareholders after valuation to make an exit. The Company filed an appeal in the Hon'ble Delhi High Court which dismissing company's appeal upheld company law board order thereafter SLPs were preferred against the orders of the Hon'ble High Court of Delhi before the Hon'ble Supreme court of India by both the parties. The matter is still sub-judice.
8. During the year company has carried out restoration & relocation of two injection molding machines at a cost of Rs. 3,56,14,919, which has been capitalized.
9. The company is exclusively engaged in the business of manufacturing plastic moulded parts for automotive, appliances and industrial application and allied products, which is considered as the only reportable segment referred to in statement on Accounting Standard (AS) -17 "Segmental Reporting". The geographical segmentation is not relevant, as there is insignificant export.
10. Information as required by Accounting Standard – (AS) - 18 "Related Parties Disclosures" as follows:

**List of related parties:**

**a) Associate companies**

Maruti Suzuki India Limited  
Suzuki Motor Corporation, Japan

**b) Enterprises over which key management personnel and their relatives are able to exercise significant influence**

Machino Motors Pvt. Limited  
Grandmasstters Mold Limited  
Machino Techno Sales Limited  
Machino Transport Private Limited  
Machino Finance Private Limited  
Machino Autocomp Pvt Ltd  
Machino Polymers Limited

**c) Key management personnel & relatives**

Mr. M.D.Jindal	-	Chairman
Dr. Sanjivv Jindall	-	Managing Director & Son of Chairman
Mrs. Kamla Jindal	-	Spouse of Chairman
Mrs Sarita Jindal	-	Spouse of Managing Director
Mr Aditya Jindal	-	Son of Managing Director
Miss Simta Jindal	-	Daughter of Managing Director

## MACHINO PLASTICS LIMITED

Details of related party transactions are as follows:

Name of Related Party	Nature of Transaction	Current Year(Rs)	Previous Year (Rs)
<b>Receipts</b>			
Maruti Suzuki India Limited	Sale of goods	1,26,42,10,853	1,02,21,85,645
Maruti Suzuki India Limited	Tooling loan	Nil	4,07,98,421
Machino Polymers Limited	Car loan	5,65,968	5,65,968
Machino Polymers Limited	Sale of shares	4,36,40,000	Nil
Machino Finance Pvt Ltd	Sale of shares	1,83,28,800	1,74,56,000
M D Jindal	Sale of shares	1,30,92,000	2,83,66,000
Mrs. Kamla Jindal	Sale of shares	Nil	2,40,02,000
Machino Transport Pvt. Ltd.	Sale of shares	Nil	1,52,74,000
Machino Autocomp Pvt Ltd	Sale of shares	1,96,38,000	Nil
Machino Autocomp Pvt Ltd	Job Work	Nil	9,58,162
<b>Payments</b>			
Machino Polymers Limited	Purchase of raw materials	46,54,01,313	44,80,51,897
Maruti Suzuki India Limited	Purchase of moulds	Nil	2,26,91,021
Maruti Suzuki India Limited	Interest	Nil	85,50,601
Maruti Suzuki India Limited	Tooling loan	Nil	5,70,36,915
Grandmaastters Mold Limited	Purchase of moulds & Conversion charges	73,36,597	40,61,938
Mrs. Kamla Jindal	Rent	3,30,000	3,30,000
Mr. M.D. Jindal	Sitting fees	84,000	75,000
Dr. Sanjiivv Jindall	Remuneration	60,00,000	36,00,000
Mrs. Sarita Jindal	Salary	4,45,000	4,40,234
Mr. Aditya Jindal	Salary	5,41,263	2,80,648
Miss Simta Jindal	Salary	3,24,003	29,770
Mr M.D.Jindal	Commission	1,00,000	1,00,000
<b>Outstanding balance as on 31st Mar,11</b>			
Grandmaastters Mold Limited	Payable/ (Receivable)	(14,96,377)	(8,74,097)
Maruti Suzuki India Limited	Receivable	5,17,17,212	7,30,87,469
Maruti Suzuki India Limited	Tooling/car loan	1,06,268	7,43,61,711
Machino Polymers Limited	Payable/ (Receivable)	4,95,69,239	9,29,49,020
Machino Autocomp Pvt Ltd	Payable/ (Receivable)	Nil	(8,83,162)



11. As per Accounting Standard (AS) - 20 on "Earning Per Share" (EPS), the particulars of EPS for equity shareholders are as below :-

Sr. No.	Particulars	Current Year (Rs)	Previous Year (Rs)
(i)	Net Profit / (Loss) as per profit & loss account (Rs.)	8,23,79,601	7,13,43,218
(ii)	Average no. of equity shares used as denominator for calculating EPS	61,36,800	61,36,800
(iii)	EPS ( Basic and diluted) (Rs.)	13.42	11.63
(iv)	Face value of each equity share(Rs.)	10	10

12. In compliance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income" deferred tax liability arising during the year on account of timing differences amounting Rs. 98,78,617/- has been recognised in the profit and loss account.

The component of Deferred Tax Assets to the extent recognised and Deferred Tax Liabilities as on 31st March 2011 are as follows:-

Particulars	As at 31st March' 2011	Current year charge/ (Credit)	As at 31st March' 2010
Deferred Tax Liabilities: Related to depreciable fixed Assets	(5,71,97,688)	(98,78,617)	(4,73,19,071)

13. Pursuant to clause ix (c) of section 227(4A) of the companies Act, 1956, the details of disputed dues are as follow.

Name of Statue	Nature of the dues	Amount	Amount deposit under protest	Period	Forum where Dispute is pending
The central excise Act,1944	Excise duty	7,47,43,777	NIL	October , 99 to September,04	Commissioner of Central Excise, Delhi-III
The central excise act,1944	Excise duty	1,87,06,867	NIL	October , 04 to September,05	Commissioner of Central Excise, Delhi-III
The central excise act,1944	Excise duty	1,38,60,474	NIL	ZenClassicTool Amortisation	Central Excise Depart, Gurgaon Range
The central excise act,1944	Excise duty	1,38,60,474	NIL	Zen Classic – Penalty	Central Excise Depart, Gurgaon Range

Name of Statute	Nature of the dues	Amount	Amount deposit under protest	Period	Forum where Dispute is pending
The central excise act,1944	Excise duty	22,58,355	NIL	F.Y. 2003-04 & 2004-05	Central Excise Depart, Gurgaon Range
The central excise act,1944	Excise duty	1,58,26,495	NIL	F.Y. 2005-06 & 2006-07 (up to May 2006)	Central Excise (Service) Depart, Gurgaon Range

14. Disclosure required under the Micro, Small and Medium enterprises Development Act, 2006 ( the act) are given as follows:

		As at 31st March, 2011	As at 31st March, 2010
(a)	Principal amount due and Interest due on the above	2,05,777	1,65,407
(b)	Interest paid during the year beyond the appointed day	NIL	NIL
(c)	Amount of Interest due and payable for the period of delay in making payment without adding the interest specified under the act.	NIL	NIL
(d)	Amount of Interest accrued and remaining unpaid at the end of the year	NIL	NIL
(e)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	NIL	NIL

The above information and that given in Schedule-8 'Current Liabilities & Provision regarding Micros enterprises and small enterprises has been determined on the basis of information available with the company. This has been relied upon by the auditors. No interest has been accrued for delayed payment, if any.

15. Unhedged Foreign Currency Exposure

Particulars of unhedged foreign currency exposure as at the Balance Sheet date	Amount in Foreign Currency			Amount in Indian Currency (Rs)	
	Currency	Current Year	Previous Year	Current Year	Previous Year
Payables	JPY	30,05,00,000	31,51,14,126	16,40,42,950	15,25,93,750
	USD	28,91,930	24,937.50	13,01,36,863	11,25,679

16. The figures are adjusted to the nearest rupee and figures for previous year have been regrouped / rearranged to conform to the classification in the current year.



**1. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 AND 4 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**1. Capacities and production**

Class of Goods	Unit	Installed capacity		Actual production	
		Current Year	Previous Year	Current Year	Previous Year
Moulded plastic products Bumper, Instrument Panel and Grill Etc.	MT	15000	10500	11286	8487

**2. Information in respect of opening stock, sales and closing stock of finished goods**

Class of Goods	Opening stock				Closing stock			
	Current Year		Previous Year		Current Year		Previous Year	
	Qty MT	Value	Qty MT	Value	Qty MT	Value	Qty MT	Value
Moulded plastic products	89	1,13,64,521	52	69,93,331	85	1,27,44,001	89	1,13,64,521

Class of Goods	Sales			
	Current Year		Previous Year	
	Qty MT	Value	Qty MT	Value
Moulded plastic products Dies & Moulds ( in nos. )	11290	1,77,31,09,665	8450	1,36,30,68,296

**3. Raw materials consumed**

Particulars	Current Year		Previous Year	
	Qty MT	Value	Qty MT	Value
Compounded polypropylene and ABS	11386	1,08,86,82,333	8572	78,86,11,630

**4. Consumption of imported and indigenous raw materials and percentage of total consumption**

Particulars	Current Year		Previous Year	
	Value (Rs)	% of Total	Value (Rs)	% of Total
Indigenous	80,73,20,103	74.16	59,34,32,179	75.25
Imported	28,13,62,230	25.84	19,51,79,451	24.75

**5. C.I.F. value of imports**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Raw materials	25,84,73,469	15,95,68,659
Components and spare parts	90,89,193	16,31,134
Capital Goods	24,86,87,182	1,10,64,084

**6. Expenditure in foreign currency**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Travelling expenses	49,227	2,70,153
Technical fees paid	69,62,356	1,04,125
Interest on buyers' credit	16,88,692	42,42,382
Professional expenses	Nil	1,04,125

**7. Earning in foreign exchange**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Export sales	Nil	4,13,024

**8. Remittance in foreign exchange towards dividends:**

Particulars	Current Year	Previous Year
Number of non- resident shareholders	1	1
Shares held – Equity Shares of Rs. 10 each	9,41,700	9,41,700
Dividend remitted for the year 2010-2011	23,54,997	4,70,850





**9. Statement pursuant to Part IV of the Companies Act,1956**

**Balance Sheet Abstract and Company's General Business Profile**

**I. Registration Details**

Registration no. : 35034 State code : 05  
Balance sheet date : 31.03.2011

**II. Capital Raised During The Year (amount Rs. in thousand)**

Public issue : NIL Bonus issue : NIL  
Right issue : NIL Private placement : NIL

**III. Position of Mobilisation and Deployment of Funds (amount Rs. in thousand)**

Total liabilities : 1174218 Total assets : 1174218

**Sources of Funds**

Paid up capital : 61368 Reserves and surplus : 545831  
Secured loans : 509715 Unsecured loans : 106  
Finance lease liability : NIL Deferred tax liability : 57198

**Application of funds**

Net fixed assets : 984687 Investments : 12500  
Net current assets : 177031 Miscellaneous expenditure : NIL  
Accumulated losses : NIL

**IV. Performance of company (amount Rs. in thousand)**

Turnover : 1590571 Total expenditure : 1575773  
Profit/(Loss) before tax : 122921 Profit/(Loss) after tax : 82380  
Earning per share : 13.42 Dividend rate : 25%

**V. Generic Names of Three Principal Products/ Services of the Company  
(As per Monetary Terms)**

Item code no. (ITC Code)	Product description
8708.10	Automotive parts like instrument panels, bumpers, grills etc.
8418.90	Parts of refrigerator
8450.90	Parts of washing Machine

NOTE: Figures in paragraphs 1 to 9 above have been given and certified by the management and relied upon by the auditors. Schedule No.1 to 15 form an integral part of the balance sheet and profit and loss account and have been duly authenticated.

As per our report of even date

For Goel Garg & Co.,  
Chartered Accountants  
FRN No 000397N

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
<b>Ashok Kumar Agarwal</b> Partner M.No : 084600	<b>Surya Kant Agrawal</b> General Manager-(F) & Comp.Secretary	<b>Sanjiivv Jindall</b> Managing Director	<b>R. Krishnan</b> Director	<b>M.D. Jindal</b> Chairman

Place : Gurgaon  
Date : 28th May, 2011

**THIS PAGE LEFT INTENTIONALLY BLANK**



## PROXY FORM

### Machino Plastics Ltd.

Registered Office:

Plot No. 3, Maruti Joint Venture Complex,

Delhi Gurgaon Road, Udyog Vihar,

Phase-IV, Gurgaon-122015 (Haryana)

\*DP Id \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_

\*Client Id \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/Members of the above mentioned company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my /our proxy to vote for me / us on my / our behalf at the 26th Annual General Meeting of **MACHINO PLASTICS LIMITED** to be held at GIA House, IDC Opp. Sector-14, Mehrauli Road, Gurgaon-122001 (Haryana) on Friday the 29th July, 2011, at 10.30 a.m. and any adjournment thereof.

Date \_\_\_\_\_

\*Applicable for investors holding shares in electronic form.

Note: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time of holding the aforesaid meeting.

## ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall.

Name of attending member \_\_\_\_\_

(IN BLOCK LETTERS)

Member's Folio Number \_\_\_\_\_ No. of Shares Held \_\_\_\_\_

\*DP Id \_\_\_\_\_

\*Client Id \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(IN BLOCK LETTERS)

(to be filled in if the Proxy attends the meeting instead of the Members)

I, hereby record my presence at the 26th Annual General Meeting of **MACHINO PLASTICS LIMITED** held on Friday the 29th July, 2011, at 10.30 a.m. at GIA House, IDC Opp. Sector-14, Mehrauli Road, Gurgaon-122 001 (Haryana) and at any adjournment thereof.

Member's/Proxy's Signature  
(to be signed at the time of handing over the Slip)

# Book-Post/UPC

*If, undelivered please return to :*

## **Machino Plastic Limited**

3, Maruti J. V. Complex, Delhi Gurgaon Road, -122016 (Haryana)  
Tel. : 0124-2341218, 2340806, 2346094, 2347601  
Fax : 0124-2340692 E-mail : [admin@machino.com](mailto:admin@machino.com)