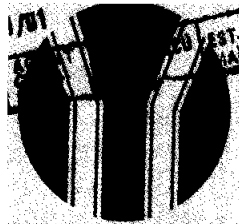


*Annual
16th Report
2000-2001*

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MACHINO PLASTICS LIMITED



MACHINO PLASTICS LIMITED

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Corporate Information

Board of Directors

M. D. Jindal-Chairman
T. Kobayashi-Director
G. C. Dwivedi-Director
H. C. Bhasin-Director
Jagdish Kapur-Director
R. L. Gaggar-Director
S. K. Bhatnagar-Director
Dr. Sanjiv Jindal - Managing Director

Bankers

State Bank of India, Industrial Finance Branch, New Delhi.
The Bank of Tokyo-Mitsubishi Limited, New Delhi

Auditors

Goel Garg & Co.
Chartered Accountants, G.K.-II
New Delhi - 110 048

Secretary cum General Manager (F)

Surya Kant Agrawal

Registered Office & Factory

3, Maruti Joint Venture Complex
Gurgaon - 122 015 (Haryana)
Ph. : 0124-6341218, 6340806, 6346094, 6347601
email : machinopl@vsnl.com Fax : 0124-6340692

Share Transfer Agent

Shree Balajee Computer Services Pvt. Ltd.
A-39-40, IInd Floor, WHS, Timber Block,
Kirti Nagar, New Delhi - 110015
Ph. : 5464667, 5166404

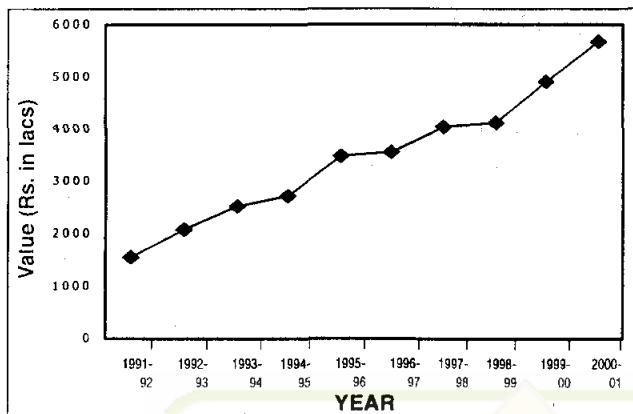
Share Transfer Agent (For DEMAT purpose only)

Alankit Assignments Limited
234, DDA Office Complex, Jhandewalan Extension,
New Delhi - 110 055.
Ph. : 3610220-24, 3513512-16
email - alankit@alankit.com

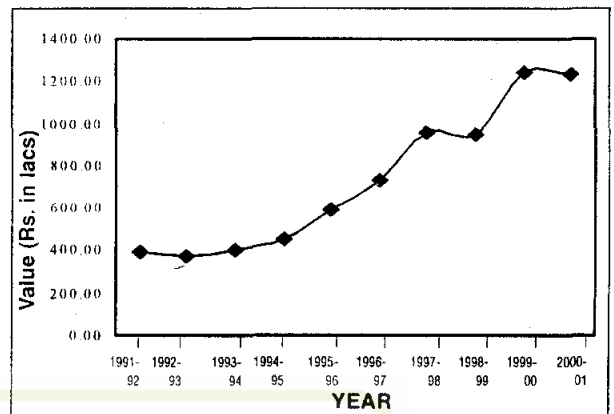
MACHINO PLASTICS LIMITED

Performance over Last Ten Years at glance

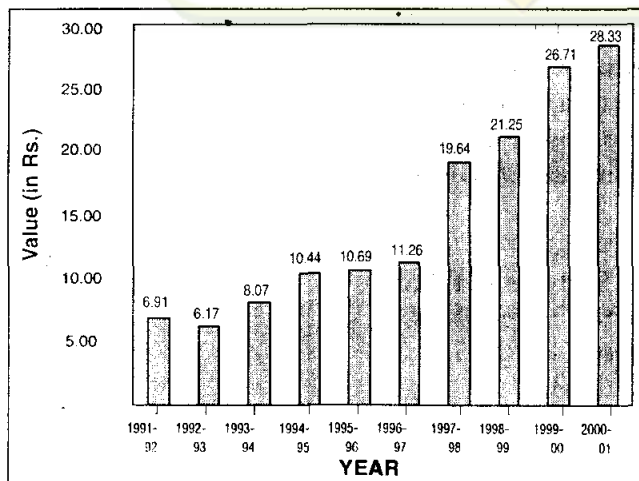
Gross turnover in last 10 years



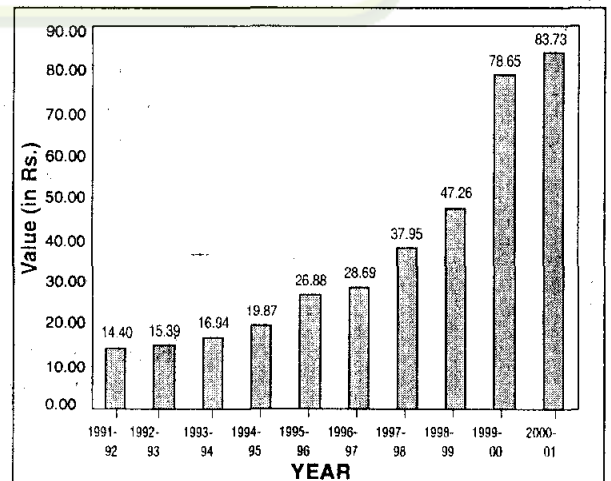
Profit before int., dep., tax & exceptional income



Cash Earning Per Share (Profit after tax before dep./No. of shares)



Book value of Rs.10/- each per share (fully paid up)





Notice

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 16th Annual General Meeting of the company will be held on 26th day of July, 2001 at 11.00 a.m. at GIA House, I.D.C., Mehrauli Road, Gurgaon, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2001 and profit and loss account for the year ended on that date and report of auditors and directors thereon.
2. To declare dividend for the year.
3. To appoint a director in place of Mr. M. D. Jindal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Mr. T. Kobayashi who retires by rotation and being eligible offers himself for reappointment.
5. To appoint the auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED AS SPECIAL RESOLUTION THAT pursuant to the provisions of section 198, 269, 309, 310, 316 & all other applicable provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and amendments made by Companies Amendment Act, 2000 and any other applicable provisions and subject to such approval of the Central Government as may be necessary, approval of members be and is hereby accorded to reappointment of Dr. Sanjiv Jindal, Managing Director of the Company for a period of five years commencing from 1st April, 2001 in accordance with the conditions specified in Schedule XIII of the said Act as per terms and conditions mentioned here in below :

- i) **REMUNERATION** : Rs. 75,000 p.m., w.e.f. 1st April, 2001 in the scale of Rs. 75,000 - Rs. 7,500 - Rs.1,12,500.
- ii) **COMMISSION** : 1% commission of net profit of the Company computed in the manner referred to in Sec. 198 and 309 (5) of the Companies Act, 1956 (as amended by the Companies Amendment Act, 2000).
- iii) **PERQUISITES** :

Category A :

1. **Housing :**
 - a) The expenditure incurred by the Company on hiring unfurnished accommodation will be subject to the ceiling of 60% of the salary.
 - b) In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance @ 60% of salary.
 - c) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
 2. **Gas, Electricity & Water etc.**
Free use of all the facilities and amenities i.e. air conditioners, stoves, geysers, gas, electricity and water etc.
 3. **Medical Reimbursement**
Full reimbursement of all medical expenses incurred for self and family including hospitalisation, membership of any hospital and/or doctor's scheme including policies of mediclaim.
 4. **Club Fee**
Fees of clubs shall be payable subjects to a maximum of two clubs. This will include admission and life membership fees.
 5. **Leave Travel Concession**
Leave travel concession shall be payable to the Managing Director by return passage for self and family in accordance with the rules specified by the Company
 6. **Personal Accident Insurance**
Premium shall be payable on account of personal accident insurance.
- Explanation: For this category, "family" means the spouse, dependent children and dependent parents of the Managing Director.

Category B :

1. Company's contribution towards Provident Fund, Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
2. Gratuity payable shall not exceed half a month's salary for each completed year of service.

Category C :

1. The Company shall provide car with driver for Company's business and also telephone at residence. These shall be evaluated as per the Income Tax Rules wherever applicable and at actual cost to the Company.

MACHINO PLASTICS LIMITED

2. Leave on full pay and allowances as per the rules of the Company. The leaves accumulated but not availed of will be allowed to be encashed and shall not be included in the computation of the ceiling on remuneration.
3. Reimbursement of all other expenses actually incurred in connection of the business of the Company.

Minimum Remuneration

The Managing Director shall be paid the aforesaid remuneration and perquisites as minimum remuneration, even in the event of loss or inadequacy of profit, with suitable increase (s) as may be determined by the Board and as per the approval of Central Government.

"RESOLVED FURTHER THAT in the event of any other relaxation by the Central Government in the guidelines or ceilings on managerial remuneration or otherwise, the Board of Directors of the Company be and is hereby authorised to increase the remuneration and/or perquisites to the Managing Director in its absolute discretion within such guidelines or ceilings and approval of the Central Government, wherever necessary, and the consent of the Company as required under various applicable provisions of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000 be and is hereby granted."

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

"RESOLVED AS SPECIAL RESOLUTION THAT pursuant to provisions of section 31 and all other applicable provisions, if any, of the Companies Act, 1956 as amended by Companies Amendment Act, 2000, the Articles of Association of the Company be and is hereby modified and altered to the extent and in the manner as hereinafter stated :

- I) In Article 1 :

- (A) following definitions be added:

"Depository" means a Company formed and registered under the Act and which has been granted a certificate of registration by SEBI under the Securities and Exchange Board of India Act, 1992.

"Beneficial Owner" means a person or persons whose name(s) is/are recorded in the Register maintained by a Depository under the Depository Act, 1996.

"SEBI" means the Securities and Exchange Board of India.

"Security" means such security as may be specified by SEBI from time to time.

- (B) the definition of the term "Member" be substituted by the following :

"Member" in respect of Dematerialised shares means the beneficial owner thereof, i.e., the person or persons whose name(s) is/are recorded as a beneficial owner in the Register maintained by the Depository under the Depositories Act, 1996 and in respect of other shares, the person or persons whose name(s) is/are duly registered as a holder(s) of a share in the Company, from time to time, and includes the subscribers to the Memorandum and Articles of Association.

- (C) the definition of the term **"Dividend"** be substituted by the following :

"Dividend" includes any "Interim Dividend".

- II) Insert the following Article as Article 103A along with the marginal note after Article 103:

103A Passing of resolution by Postal Ballot

Notwithstanding anything contained in these articles, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of such business as the Central Government may by notification declare to be conducted only by postal ballot instead of transacting such business in a general meeting of the Company. Where the Company requires to, or decides to, as the case may be, get a resolution passed by means of a postal ballot, the provisions of Section 192A of the Act shall be complied with.

- III) In Article 60 following paragraph be inserted at the end:

Notwithstanding anything contained hereinabove, when nomination had already been made in compliance with the provisions of Section 109A and 109B of the Act or any statutory modification thereto, from time to time, the Board may transfer the shares and/or debentures or other securities issued by the Company in the name of the nominee(s) on death of the holder or the joint holders, as the case may be.

- IV) Insert the following Article as Article 65A along with the marginal note after Article 65:

65A Dematerialisation of Securities

- (1) Dematerialisation of Securities

Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in dematerialised form pursuant to the provisions of the Depositories Act, 1996 and the rules framed thereunder, if any.

**(2) Option for Investors**

Every person subscribing to or holding securities of the Company shall have the option to receive security(ies), certificate(s) or to hold the securities with the Depository. Such a person who is the beneficial owner of the securities can at any time opt out of the Depository, if permitted by the law, in respect of any security in the manner and within the time prescribed, issued to the beneficial owner the required certificate of the securities.

If a person opts to hold his securities with a depository, the Company shall intimate such Depository, the details of allotment of the security and on receipt of the information, the Depository shall enter in its records the name of the allottees as the beneficial owner of the securities.

(3) Securities in Depository to be in Fungible form:

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

(4) Rights & Liabilities of the Beneficial Owner :

a) Notwithstanding anything to the contrary contained in the Act or these articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owners.

b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(5) Service of Documents

Notwithstanding anything to the contrary contained in the Act or Articles, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

(6) Provisions of Articles to apply to shares held in Depository

Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

(7) Allotment of Securities dealt within a Depository

Notwithstanding anything to the contrary contained in the Act or Articles, where securities are dealt with by the Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(8) Distinctive Numbers of Securities held in the Depository mode

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers on securities issued by the Company shall apply to securities held with a Depository.

(9) Register and Index of Beneficial Owners

The Registrar and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of member and security holder for the purpose of these Articles.

V) Existing Article 172 be renumbered as Article 172(1) and after the Article 172(1) following Article 172(2) with marginal note be inserted:

172(2) Electronic Clearing System in case of Dividend

Any dividend declared may be paid by Electronic Clearing System through any Sponsor Bank after getting registration with the Reserve Bank of India for using this facility and collecting from the members necessary bank mandate in the prescribed format.

VI) Reference to Section 370 and 372 of the Act appearing in Article 155(11) be replaced by the reference to Section 372A of the Act.

By order of the Board of Directors

Place : Gurgaon
Dated : 28th May, 2001

SURYA KANT AGRAWAL
COMPANY SECRETARY

MACHINO PLASTICS LIMITED

NOTES

1. Explanatory statement, as required under section 173(2) of the Companies Act, 1956 are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL IN THE MEETING INSTEAD. 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.
3. 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.
4. The register of members and transfer books of the company will remain close from 24th July 2001 to 26th July 2001.
5. Members are requested to notify immediately any change in their address along with pincode numbers to the company or the share transfer agent of the Company (Shree Balaji Computer Services Private Limited, A 39-40, WHS, Kirti Nagar, New Delhi).
6. Individual shareholders can take the facility of nomination. The nominee shall be the person in whom all rights of transfer and / or amount payable in respect of shares shall vest in the event of death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the nomination form. Non individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of power of attorney cannot nominate. For further detail in this regard shareholders may contact share transfer agent of the Company.
7. The shares of the Company are transacted in Compulsory Dematerialise Form w.e.f. 26th Aug, 2000. Shareholders are requested to convert their shares in Demat form as earliest as possible. For this purpose your company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The said securities bear the ISIN "INE082B01018".

The Company has appointed Alankit Assignments Limited having registered office at 234, DDA Office Complex, Jhandewalan Extension, New Delhi -110 055 (Ph. Nos.: 3513512 16, 3610220-24, Fax No.: 3552001, email add: alankit@alankit.com) as its registrar & transfer agent for dematerialization purpose only. For further detail in this regard shareholders may contact the above registrar or the share transfer agent of the company.

8. Members are requested to quote their account/ folio no. in all correspondence with the company.
9. Members attending the annual general meeting are requested to bring their copies of the annual report, as the same will not be distributed at the meeting.

EXPLANATORY STATEMENT

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

Explanatory Statement to Item No. 6

Dr. Sanjiv Jindal was re-appointed as the Managing Director of the Company w.e.f. 1st April, 1996 for a period of five years. The said re-appointment of Dr. Sanjiv Jindal was approved by the shareholders of the Company at 11th Annual General Meeting held on 29th August, 1996. The tenure of the said appointment has expired on 31st March, 2001.

Dr. Sanjiv Jindal is the promoter of the Company and has been associated with the Company right from its inception. He is the driving force behind the business activities of the Company. His enriched knowledge and vast experience in Automobile Industry has helped the Company to achieve an outstanding performance. During his tenure, with his continuing efforts and guidance, the Company has achieved an excellent growth in all the spheres and also has been able to generate sufficient profits and reserves.

Dr. Sanjiv Jindal is already acting as a Co-Managing Director of Machino-Basell India Limited, a group Company, and his re-appointment as Managing Director of the Company will be helpful in co-ordinating and harmonising the business activities of two Companies. A unanimous resolution was passed, u/s 316(2) of the Companies Act, 1956 as amended by Companies Amendment Act, 2000, by the Board in its meeting held on 9th Feb, 2001 to reappoint Dr. Sanjiv Jindal as Managing Director of the Company.

Keeping in view the responsibilities and his contribution to the Company his reappointment is recommended at revised remuneration as per terms & conditions specified in the resolution w.e.f. 1st April, 2001.

Except Mr. M. D. Jindal, who is related to Dr. Sanjiv Jindal and Dr. Sanjiv Jindal, himself, no other director is interested in this resolution.

Explanatory Statement to Item No. 7

The Companies Act, 1956 (hereinafter referred to as "Act") has been amended from time to time. In order to make the Company's Articles in line with the provisions of the amended Act, it is desirable that the Articles of Association of the Company should be amended accordingly, as set out in the resolution. The proposed alterations in Articles of Association are in respect of the following:



- a) Item 7(I) is to define the terms "Depository", "Beneficial Owner", "SEBI" and "Security " and to redefine the term "Member" and "Dividend" in the Articles of Association.
 - b) Item 7(II) is regarding passing of resolution by Postal Ballot as provided by Section 192A inserted by Companies Amendment Act, 2000.
 - c) Item 7(III) is regarding Nomination Facility as provided by Section 109A and 109B of the Act.
 - d) Item 7(IV) is in respect of the addition of new Article No. 65A in Articles of Association of the Company for Dematerialisation of shares or securities of the Company as introduced in the Depositories Act, 1996.
 - e) Item 7(V) is for authorising the Company to pay Dividend by Electronic Clearing System.
 - f) Item 7(VI) propose to replace the reference of Section 370 and 372 mentioned in Article 155(11) of the Articles of Association with the reference of Section 372A of the Act as with effect from 31st Oct, 1998, Sections 370 and 372 are not applicable and a new Section 372A has been incorporated to deal with the transactions relating to inter-corporate loan, guarantee and investment.
- None of the directors of your company is interested, either directly or indirectly in the said resolution.
- Your Directors recommend the Special Resolution for approval of the members.

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MACHINO PLASTICS LIMITED

Director's Report

The Members,

Your directors have pleasure in presenting the 16th annual report together with the audited statement of accounts for the financial year ended 31st March, 2001.

FINANCIAL PERFORMANCE		
	(Rs. in Lacs)	(Rs. in Lacs)
	2000-2001	1999-2000
Income from Operation	4832.98	4193.80
Other Income	193.37	159.93
Profit (before interest, dep.& exceptional income)	1236.21	1241.22
Interest	328.77	267.19
Depreciation	646.11	626.77
Profit before exceptional income & tax	261.33	347.26
Exceptional income (Profit from sale of investment)	-	872.47
Profit before tax incl. Exceptional income	261.33	1219.73
Provision for tax	38.06	154.49
Profit after tax excl. exceptional income	223.27	192.76
Surplus as per last year	106.15	93.09
Amount available for appropriation	329.42	1158.33
APPROPRIATION:		
Transfer to General Reserve	30.00	950.00
Interim Dividend /Proposed Dividend	61.37	92.05
Provision for tax on interim /proposed dividend	6.26	10.13
Surplus carried to Balance Sheet	231.79	106.15
	329.42	1158.33

The year under review was one of the most testing year for Maruti Udyog Limited. Its total vehicle sales declined by 14% to 3.5 lacs. Overall passenger car market including multi utility vehicle declined by 6% to 7.18 lacs. But the increase in volume of spares and better value addition (on account of moulds acquired by your company) helped the Company to achieve net of tax turnover of Rs. 4832.98 lacs as compared to Rs. 4193.80 lacs in the previous year showing an increase of 15.24%. Likewise profit after tax excluding exceptional income has also gone up by 15.83% i.e. from 192.76 lacs to 223.27 lacs.

The cost control measures taken by the company at all levels, improvement of productivity in the operations of the company and other measures to subsist economy in expenditure have contributed a lot to keep the profit at this level notwithstanding a substantial reduction in prices, increase in material cost, depreciation and interest on expansion.

Members are aware that during the year Maruti Udyog Limited has introduced new models i.e. "WagonR" and "Alto". Your Directors are pleased to inform you that your company has

been chosen for supply of bumpers & dashboards for Alto & WagonR. Company has acquired moulds for these new models on lease from ICICI and SBI leasing. Value of leased moulds is about Rs. 32 crore.

DIVIDEND

Your Directors are pleased to recommend for your consideration and approval dividend @ 20% for the year 2000-2001. The dividend outgo would be Rs. 61.37 lacs. Dividend tax of Rs. 6.26 lacs will be payable @ 10.20%.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of Section 217(2AA) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000, the directors of your Company confirm:

- that in preparation of annual accounts, the applicable accounting standards had been followed and that there are no material departures.
- that such accounting policies have been selected and applied consistently and such judgements and estimates