

14th Annual Report

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MACHINO PLASTICS LIMITED

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Machino Plastics Limited

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Corporate Information

Board of Directors

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

Bankers

The Bank of Tokyo-Mitsubishi Limited,
New Delhi

Auditors

Goel Garg & Co.
Chartered Accountants
New Delhi - 110 048

Secretary cum General Manager (F)

Surya Kant Agrawal

Registered Office & Factory

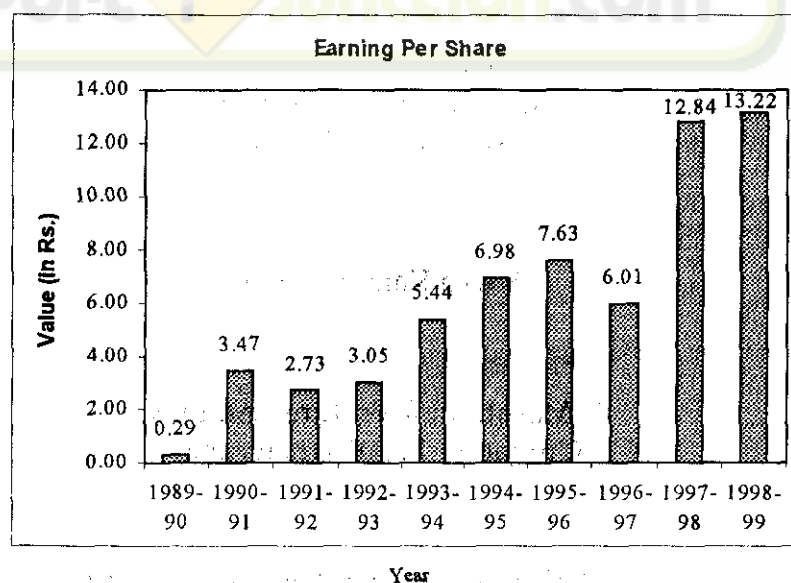
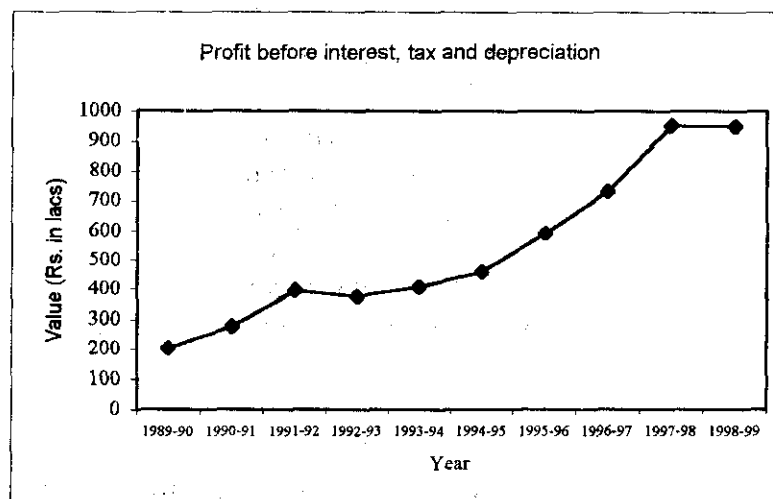
3, Maruti Joint Venture Complex
Gurgaon - 122 015 (Haryana)

Share Transfer Agent

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

MACHINO PLASTICS LIMITED

Growth over last Ten Years at glance





Notice

Notice is hereby given that 14th Annual General Meeting of the company will be held on Friday, 9th day of July, 1999 at 11.00 a.m. at Agrawal Sabhagar, (Dharamshala) Agrasen Marg, Near Apna Bazar, Gurgaon - 122 001 to transact the following business-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 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. H. C. Bhasin who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. S. K. Bhatnagar 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 an Ordinary Resolution :

RESOLVED THAT in suppression of the resolution passed at 11th Annual General Meeting of the Company held on 29th August, 1996 and pursuant to the provisions of section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors to borrow money together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in ordinary course of business) for the purpose of business of the Company, in excess of the aggregate of the paid up capital of the Company and its free reserves provided that the total amount of such borrowings and remaining outstanding at any time shall not exceed Rs. 50.00 crores (Rupees Fifty Crores only).

7. To consider and if thought fit to pass following resolution as special resolution with or without modification:-

*Resolved as special resolution that pursuant to Section 372A or any other provision of Companies Act, 1956

(including any amendment or re-enactment the same for the time being in force) as applicable and subject to such approvals as may be necessary, approval be & hereby is given and the Board of Directors of the company (hereinafter referred to as "the Board" which terms shall include any Committee(s) which the Board may have or may hereafter constitute to exercise powers of the Board including the powers conferred by this resolution) is hereby authorised to make loans, provide guarantees or securities and make investments as per details contained in para I here-in-below, provided however loans and investments shall be made out of total funds available from the share capital, reserves, internal accruals, proceeds from dis-investments, capital gains, accumulated depreciation and borrowings and that no loan to any body corporate shall be made at an interest rate lower than the prevailing bank rate, being the standard rate made public under section 49 of Reserve Bank of India Act, 1934 and that no effect to the authorisation made in this resolution will be given if there occurs any default in compliance of provision of Section 58 A, from the date of such default till such default subsists and further that the authorisation given to the company and board shall be exercisable, not-with-standing loans to be made, securities and guarantees to be provided and investments to be made as per details given in para I together with all investments already made, loans given, guarantees and securities provided as per details given in Para II, which are also hereby approved/taken note of, may exceed 60% of paid up share capital and free reserves or 100% of free reserves of the company or such other limits as may be specified from time to time:-

Para I : Details of additional investments and loans to be made, securities and guarantees to be provided :-

- 1) Loans to Machino Polymers Ltd from time to time provided that total outstanding of principal amount of loan not to exceed Rs. 3 crore at any time.
- 2) Guarantees and securities upto Rs. 3 crore in addition to existing guarantees/securities for Machino Polymers Ltd to any banks or financial institution or sales tax authorities or any other person in respect of loan, financial assistance or any other facility or obligation availed by them.
- 3) Loans or guarantees from time to time to and for Caparo Maruti Ltd of an additional amount, total outstanding of which not to exceed Rs. 3 crore at any time.
- 4) To invest an amount not exceeding Rs.10 crore in each of following individual fund schemes and

MACHINO PLASTICS LIMITED

securities and not exceeding Rs.25 crore in all such securities and schemes put together of units/schemes, Bonds, Deposits of Mutual Funds, Banks, Trusts, Body Corporates, various Financial Institutions (as defined in Sec-4A of Companies Act, 1956):-

- a) Debt Scheme or Equity Scheme or any combination of debt and equity fund being scheme of dividend plan or growth plan or any other scheme of any Mutual Fund as may be available at the time of making investment being eligible for capital gain tax exemption U/s 54 EA or 54 EB of Income Tax Act and / or liquid plan or scheme of any other nature and such schemes being held under various trusts of respective schemes and managed by respective Asset Management Companies and Trust Companies.
- b) All debentures, bonds, units and securities of all nature of Financial Institutions such as ICICI Ltd, Industrial Development Bank of India etc, Financial Institutions (FI's) as defined u/s 4A of Companies Act, bodies corporate, government/public sector undertaking, banks, private sector, trusts or their associates as notified for being eligible for capital gain tax exemption u/s 54 EA, 54 EB of Income Tax Act.

II. Details of existing guarantees / securities provided, investments & loans made by the company.

1. Guarantees/Securities provided to banks in respect of borrowing made by Machino Polymers Limited from their banks as per details given below :-

The Bank of Tokyo-Mitsubishi Ltd.

Type of Facility	Amount (Rs.in Lakh)
Working Capital	500
DCC/LC Co-Accept	750
Letter of Guarantee	100
Term Loan	918
	<u>2268</u>
	Along with interest, cost charges & expenses.

The Sakura Bank Ltd

Type of Facility	Amount (Rs.in Lakh)
Cash Credit Limit	300
Term Loan	155
Import L/C	200
	<u>655</u>
	Along with interest, commissions, costs, charges & expenses
Security to Sales Tax Authorities	0.50

2. Security to Sales Tax Authorities for Caparo 1.00 Lakh Maruti Ltd.

3. Investments made in shares and securities:

Details	Amount (Rs.in Lakh)
1250000 equity shares of Rs.10 each of Caparo Maruti Ltd. fully paid (unquoted)	125.00
60,00,000 equity shares of Rs.10 each of Machino Polymers Ltd fully paid (unquoted)	600.00
26,00,000 15% re-deemable cumulative preference shares of Rs.10 each fully paid of Machino Polymers Ltd. (unquoted)	260.00

"RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to make investments/loans, give guarantees, provide securities including pledging of shares, from time to time, in the aforementioned bodies corporate, mutual funds and others for the amount and on such terms and conditions as it may deem fit and proper and authorise any director(s) or officer(s) or other person(s) of the Company to negotiate and finalise the terms of such investments, loans, guarantees, securities including pledging of shares, as the case may be, sign necessary papers on behalf of the company and take all necessary steps for giving effect to this resolution.

"RESOLVED FURTHER THAT the Board/Committee be and is hereby authorised to disinvest by way of transfer, sale or otherwise dispose off, in one or more tranches, equity/preference shares/debentures and/or warrants or other securities held by the Company in the aforesaid bodies corporate, mutual funds and others from time to time, and for this purpose authorise any Director or Officer of the Company to fix and receive consideration and sign transfer deeds and other necessary documents on behalf of the company".

By order of the Board of Directors

Place : Gurgaon
Dated : 24th May, 1999

SURYA KANT AGRAWAL
COMPANY SECRETARY



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 closed from 7th day of July, 1999 to 9th day of July, 1999 (both days inclusive).
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 now 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. Members are requested to quote their account/ folio no. in all correspondence with the Company.
8. The dividend, as recommended by the Board, if declared at the meeting, shall be paid to those members or to their mandatee(s), whose names appear on the Register of Members of the Company on 9th day of July, 1999.
9. Members attending the Annual General Meeting are

requested to bring along 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

At the Annual General Meeting of the Company held on 29th August, 1996, a resolution was passed by the shareholders authorising the Board of Directors of the Company to borrow money upto a maximum of Rs. 35 Crores (Rupees Thirty Five Crores).

In view of the increasing requirement for working capital as a result of anticipation of increase in turnover, further expansion and diversification, the Company will need to borrow a substantially increased amount in the coming years.

Accordingly the consent of the members under Section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, is sought to enable the Board of Directors of the Company to borrow money, as and when required, exceeding the aggregate of the paid up capital and its free reserves (apart from the temporary loans obtained from the Company's banker in ordinary course of business) upto a limit of Rs. 50 Crores (Rupees Fifty Crores).

Director of your company be deemed to be interested in this resolution to the extent they are Directors or shareholders of the body corporate from whom the money may be borrowed.

Explanatory Statement to Item No.7

Pursuant to the Companies Amendment Ordinance, 1999, section 370 and 372 of the Companies Act, 1956 have been made inapplicable, and in their place section 372A has been introduced in the Companies Act, 1956 with effect from 31-10-98.

Earlier giving of loans/guarantees and providing securities were governed by section 370 and making of investments by section 372 separately. However, now all of them have been clubbed together and will be governed by the provisions of section 372A.

According to this Section the Board of Directors can make investments or give loans or guarantees or provide securities the aggregate amount of which should not exceed 60% of the paid up capital and free reserves or 100% of free reserves of the company, whichever is