



# 15th

## Annual Report

### 1999-2000

Report  Junction.com

**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,

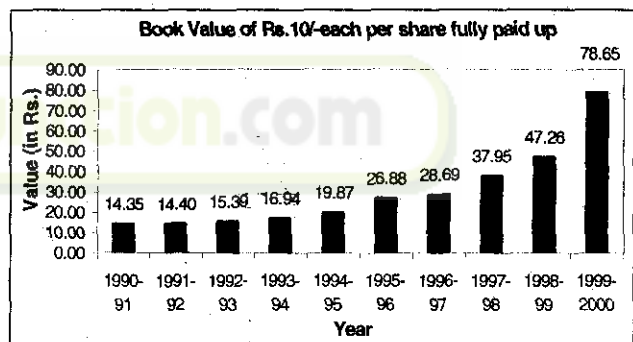
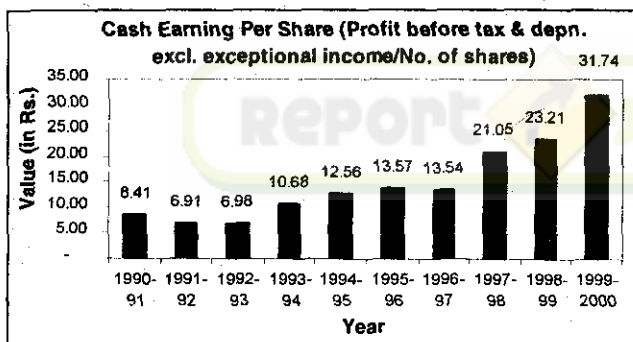
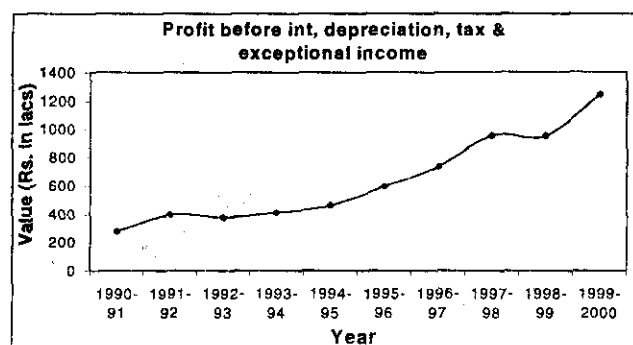
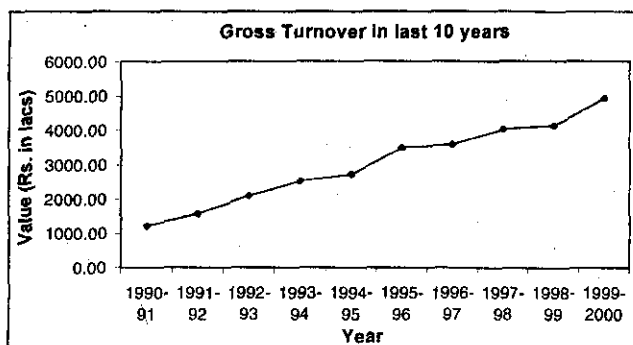
Kirti Nagar, New Delhi - 110015

## Share Transfer Agent (For DEMAT purpose only)

Alankit Assignments Limited

234, DDA Office Complex, Jhandewalan Extension,

New Delhi - 110 055

**MACHINO PLASTICS LIMITED****Performance over Last Ten Years at glance**



# Notice

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 15th Annual General Meeting of the company will be held on Friday, 11th day of Aug, 2000 at 11.00 a.m. at GIA House, Opp. Sector-14, I.D.C., Mehrauli Road, Gurgaon-120001 to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2000 and profit and loss account for the year ended on that date and report of auditors and directors thereon.
2. To consider and declare interim dividend as final dividend for the year.
3. To appoint a director in place of Mr. Jagdish Kapur who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Mr. R. L. Gaggar 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 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 monies already borrowed by the company (apart from the temporary loans obtained from the company's banker 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. 100.00 crores (Rupees hundred crores only)."

7. 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 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 authorised to contribute to charitable & 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 any 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."

*By order of the Board of Directors*

Place : New Delhi  
Dated : 29th May, 2000

**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 9th Aug, 2000 to 11th Aug, 2000 (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 Balajee 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

**MACHINO PLASTICS LIMITED**

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. Shareholders can also avail the facility of DEMAT as the fully paid up equity shares of the company are available for dematerialization with effect from 6th March, 2000. For this purpose your company has entered into an agreement with National Securities Depository Limited (NSDL). 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.net) 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**

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 monies upto a maximum of Rs. 35 crores (Rupees thirty five crores).

Subsequently at the annual general meeting of the company held on 9th July, 1999, the borrowing limit has been increased upto Rs. 50 Crores (Rupees fifty crores) by an ordinary resolution passed by the shareholders.

In view of the increased funds requirement for expansion and diversification, the company will need to borrow a substantially higher amount in the coming years.

Accordingly the consent of the members under Section 293(1)(d) 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. 100 crores (Rupees hundred crores).

*Director(s) of your company may be deemed to be interested in this resolution to the extent any of them is a director or a shareholder of body corporate(s) from whom the monies may be borrowed.*

**Explanatory Statement to Item No. 7**

Your company is authorised, by its articles of association, to make donation to charitable and similar trusts/ bodies not directly relating to the business. In case amount of donation exceeds the limit i.e. 5% of its net profit as determined in accordance with the provisions of Companies Act as amended from time to time, the consent of the members under Section 293(1)(e) of the Companies Act, 1956 is required.

The amount of donation may exceed the limit in future, 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 but within the amount specified in the resolution.

None of the directors of your company is interested, either directly or indirectly, in the said resolution.



# Director's Report

The Members,

Your directors have pleasure in presenting the 15th annual report together with the audited statement of accounts for the financial year ended 31st March, 2000.

<b>FINANCIAL PERFORMANCE :</b>	<b>1999-2000 (Rs. in Lacs)</b>	<b>1998-99 (Rs. in Lacs)</b>
Income from Operation	4193.80	3485.14
Other Income	159.93	64.62
Profit (before interest, dep.& exceptional income)	1241.22	950.26
Interest	267.19	238.21
Depreciation	626.77	306.33
Profit before exceptional income & tax	347.26	405.71
Exceptional income (Profit from sale of investment)	872.47	-
Profit before tax incl. Exceptional income	1219.73	405.71
Provision for tax	154.49	60.08
Profit after tax excl. exceptional income	192.76	345.63
Surplus as per last year	93.09	115.58
Amount available for appropriation	1158.33	461.21
<b>APPROPRIATION:</b>		
Transfer to General Reserve	950.00	300.00
Interim Dividend /Proposed Dividend	92.05	61.37
Provision for tax on interim /proposed dividend	10.13	6.75
Surplus carried to Balance Sheet	106.15	93.09
	1158.33	461.21

In spite of intense competition in the automobile market and successive launches of models in the mid-size and economy segment, Maruti's own volumes increased. The increase in volume and better value addition (on account of moulds acquired by your company) helped the Company to achieve net of tax turnover of Rs. 4193.80 lacs as compared to Rs. 3485.14 lacs in the previous year showing an increase of 20%. Likewise profit before interest, depreciation and exceptional income has also gone up by 31% i.e. from 950.26 lacs to 1241.22 lacs.

During the year your company has earned an exceptional profit of Rs. 872.47 lacs from the sale of shares in Machino-Montell India Limited, a subsidiary of the company at the time of investment. The company has invested the sale proceeds in debt/ gilt scheme of mutual funds and ICICI safety bonds. These schemes are eligible for income tax relief under Section 54 EA and have a lock-in-period of three years for withdrawal of money.

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.

Members are aware that during the year Maruti Udyog Limited has introduced new models i.e. "Zen Classic" and "WagonR". Your Directors are pleased to inform you that your company has been chosen for supply of bumpers & dashboards for Wagon-R. Company has acquired new moulds for these new models.

## DIVIDEND

Your Directors have paid out an interim dividend @ 30% amounting to Rs. 92,05,200/- for the year 1999-2000. The Directors do not recommend any final dividend.

## SUBSIDIARY COMPANY

Pursuant to section 212 of the Companies Act, 1956, the accounts and the statement for the year ended 31st March, 1999 of Machino Montell India Limited which was the subsidiary company last year is annexed herewith as it was not annexed with the annual report of last year.

**MACHINO PLASTICS LIMITED**

The accounts and statement for the year ended 31st March, 2000 of Machino Montell India Limited are not annexed herewith as it is no more a subsidiary company now.

**STATUS OF Y2K COMPLIANCE**

The company had a smooth transition to Year 2000 without any disruption to the operations of any of the division of the Company.

**DEMATERIALIZATION OF SHARES**

The fully paid up equity shares of your company are available for dematerialization with effect from 6th March, 2000. For this purpose your company has entered into an agreement with National Securities Depository Limited (NSDL). 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.net) as its registrar & transfer agent for dematerialization purpose only.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and articles of association of the company, Mr. Jagdish Kapur and Mr. R.L. Gaggar retire by rotation and being eligible offer themselves for reappointment.

**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.

**PARTICULARS OF EMPLOYEES**

As required by section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 a statement of information relating to employees forming part of this report is as set out in Annexure- II.

**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**

Your company has taken steps to conserve energy. Steps have been taken to identify areas of excess consumption of power and checks have been strengthened at these points.

**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 earnings	NIL
Total foreign exchange outgo	27.73

**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 pollution.

**ACKNOWLEDGEMENTS**

The directors acknowledge with gratitude the co-operation and assistance extended by Maruti Udyog Ltd., Suzuki Motor Corporation, Government of India, Government of Haryana and company's bankers for their continued support and guidance. The directors also wish to place on record their appreciation for the valuable suggestions, co-operation and timely assistance received from Maruti Udyog Ltd. and Suzuki Motor Corporation, Japan. The directors also wish to place on record their sincere appreciation for 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 : New Delhi  
Dated : 29th May, 2000

**M. D. JINDAL**  
(CHAIRMAN)



**ANNEXURE - I****Form 'B'- Technology Absorption**

1. Future plan of action:  
*Developments of new materials, products and further improvement in the performance of existing products.*
2. 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**

**Statement of particulars of employee under Section 217(2A) of Companies Act, 1956 forming part of this report of Directors for the year ended 31st March, 2000**

Name	Designation	Remuneration	Qualification	Experience	Date of Commencement	Age	Last Employment
Dr. Sanjiv Jindal	Managing Director	Rs. 11.93 lacs p.a.	B.Com., M.B.A., Ph.D.	24 years	01-04-1996	42 years	-



**MACHINO PLASTICS LIMITED****Auditor's Report****TO THE MEMBERS OF MACHINO PLASTICS LIMITED**

We have audited the attached balance sheet of Machino Plastics Limited as at 31st March, 2000 and the related profit and loss account for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of such checks as we considered appropriate and according to the information and explanations given to us.
2. Further to our comments in the annexure referred to in paragraph 1 above :
  - 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 it appears from our examination of the books;
  - c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the profit and loss account and balance sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) in our opinion and to the best of our information and according to the explanations given to us, the accounts read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - i) in case of the balance sheet, of the state of affairs of the Company as at 31st March, 2000, and
    - ii) in the case of the profit and loss account, of the profit of the Company for the year ended on that date.

**For GOEL GARG & CO.,**  
Chartered Accountants

Place : New Delhi  
Dated : 29th May, 2000

**J. L. Garg**  
Partner

Annexure to the Auditor's Report to the members of Machino Plastics Limited on the financial statements for the year ended 31st March, 2000, referred to in paragraph 1 of our report

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noted by the management on such verification.
2. None of the fixed assets has been revalued during the year.
3. The stocks of finished goods, stores, spares and raw materials have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. 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.
6. In our opinion and on the basis of our examination of the stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, except as stated in note no 6 and 7 in schedule 15, is on the same basis as in the preceding year.
7. The Company has not taken any loan from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and/or from companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.
8. In our opinion, the rate of interest and other terms and conditions on which unsecured loans or advances in the nature of loans have been given by the Company to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, or as defined under Section 370(1B) of the Companies Act, 1956, are prima facie not prejudicial to the interest of the Company.