

**17th
Annual Report
2001-2002**



**MACHINO
PLASTICS
LIMITED**

BA

MACHINO PLASTICS LIMITED

MACHINO PLASTICS LIMITED

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Corporate Information

Board of Directors

M. D. Jindal-Chairman
Shinichi Takeuchi-Director
G. C. Dwivedi-Director
H. C. Bhasin-Director
Jagdish Kapur-Director
R. L. Gaggar-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

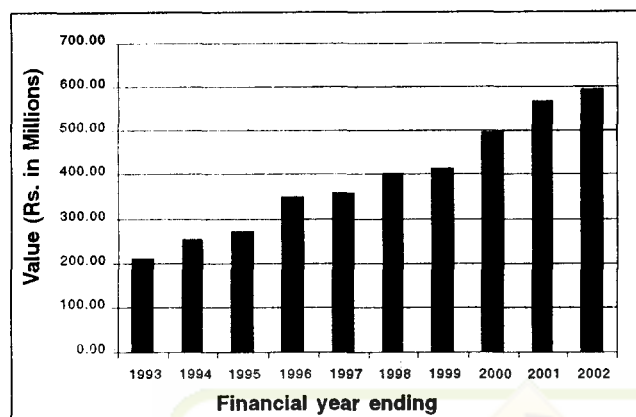
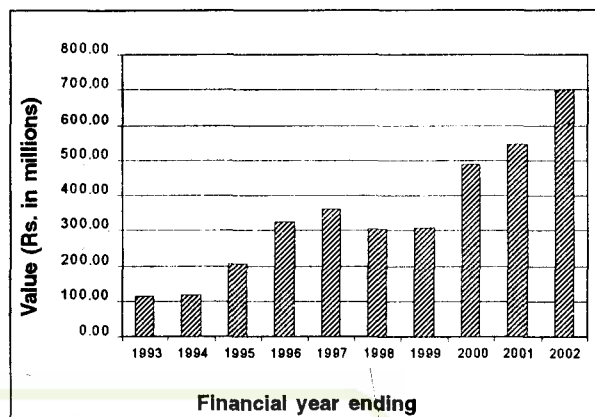
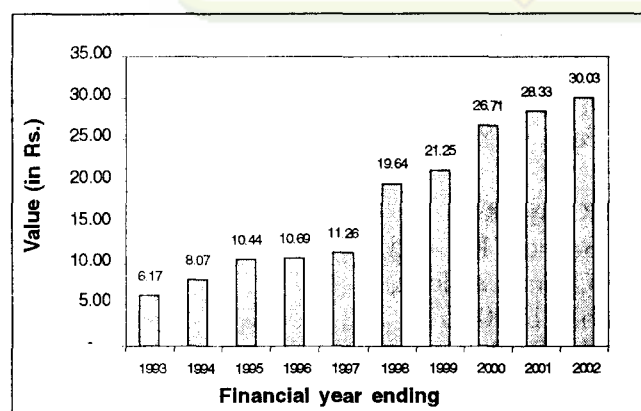
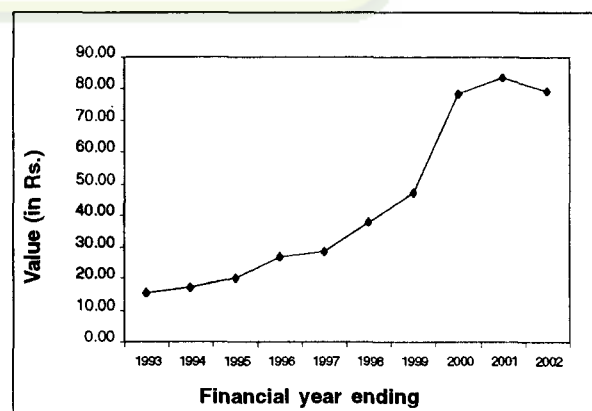
3, Maruti Joint Venture Complex
Gurgaon - 122 015 (Haryana)
Ph. : 0124-6341218, 6340806, 6346094, 6347601
email : machinopl@vsnl.com Fax : 0124-6340692

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****Gross block of fixed assets****Cash Earning Per Share****Book value of Rs.10/- each per share (fully paid up)**



Notice

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the members of Machino Plastics Limited will be held on Friday, the 30th August, 2002 at 11:00 a.m. at GIA House, I.D.C., 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, 2002 and profit and loss account for the year ended on that date and report of auditors and directors thereon.
2. To declare dividend on equity shares, as existed before issue of Bonus Shares, for the year.
3. To appoint a director in place of Mr. Harish C. Bhasin who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in place of Mr. Jagdish Kapur who retires by rotation and being eligible offers himself for reappointment.
5. To appoint the auditors of the Company 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 Mr. Shinichi Takeuchi who was appointed as an Additional Director of the Company by the Board of Directors on 24th Jan, 2002 under 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 who will be liable to retire by rotation."

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

"RESOLVED THAT Mr. R. L. Gaggar who was appointed as an Additional Director of the Company by the Board of Directors on 7th March, 2002 under 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 who will be liable to retire by rotation."

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 the provisions of Section 94(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, the authorised share capital of the Company be and is hereby increased from Rs. 3,50,00,000/- (Rupees Three crore & fifty lacs only) divided into 35,00,000 (Thirty five lacs) equity shares of Rs.10/- (Rupees ten) each to Rs. 7,00,00,000/- (Rupees Seven crore only) divided into 70,00,000 (Seventy lacs) equity shares of Rs.10/- (Rupees ten) each.

"RESOLVED FURTHER that pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing clause V of the Memorandum of Association of the Company be substituted by the following:

The authorised share capital of the Company is Rs. 7,00,00,000/- (Rupees Seven crore only) divided into 70,00,000 (Seventy lacs) equity shares of Rs.10/- (Rupees ten) each".

"RESOLVED FURTHER that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing article 3 of the Articles of Association of the Company be substituted by the following:

Amount of Capital:

The authorised share capital of the Company is Rs. 7,00,00,000/- (Rupees Seven crore only) divided into 70,00,000 (Seventy lacs) equity shares of Rs.10/- (Rupees ten) each".

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

"RESOLVED AS A SPECIAL RESOLUTION that pursuant to the applicable provisions of the Companies Act, 1956 and Article No.176 of the Articles of Association of the Company and subject to the guidelines issued by the Securities & Exchange Board of India and such other approvals and permissions as may be necessary and subject further to such terms, conditions, alterations, modifications, changes & variations as may be specified while according such approvals which the Board of Directors of the Company or a Board Committee constituted for the purpose may accept, if it thinks fit, the Company be and is hereby authorised to capitalise upto Rs. 3,06,84,000/- out of "Reserves & Surplus" and transferred to share capital account towards issue and allotment of equity shares not exceeding 30,68,400 equity shares of Rs.10/- each, as bonus shares credited as fully paid-up, to members of the Company on the record date as the Directors may determine, in the proportion of 1 (one) new fully paid equity share of Rs.10/- each for every 1 (one) equity share of Rs. 10/- each, held as on the record date and that the bonus shares so issued and allotted be treated for all purpose as an increase of the nominal amount of the equity capital

MACHINO PLASTICS LIMITED

of the Company held by each such member and not as income and that the said equity shares be issued and allotted, inter alia, on the following terms & conditions:

- (a) The new equity shares of Rs. 10/- each to be issued and allotted as bonus shares shall be subject to the Memorandum & Articles of Association of the Company and shall rank pari passu in all respect and carry the same rights as the then existing equity shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of dividend, if declared, for the financial year in which the same are allotted and that the bonus shares shall not be entitled for dividend declared and paid for the financial year 2001-02 irrespective of date of declaration of dividend or record date.
- (b) No letter of allotment shall be issued for the bonus shares and the share certificates in respect thereof shall be delivered within 3 months from the date of their allotment subject to such approvals as may be required. In case for dematerialised shares the consolidated shares in digital forms would be issued to depositories on behalf of beneficial owners.
- (c) The issue and allotment of fully paid-up new equity shares as bonus shares to the extent that they relate to non-residents shall be subject to approval of the Reserve Bank of India under the Foreign

Exchange Management Act, 1999 including any statutory modification(s) or re-enactment thereof for the time being in force."

"RESOLVED FURTHER that in the absence of unavoidable or unforeseen circumstances or any regulatory measures precluding the Company, it is the intention of the Board to recommend the declaration and payment of dividend at a rate not less than 10% on the equity share capital of the Company as increased by the issue of bonus shares as above for the year in which such shares are allotted".

"RESOLVED FURTHER that the Board or the Board Committee constituted for the purpose, be and is hereby authorised to do all such acts, deeds, matters and things as may in its sole and absolute discretion, deem necessary, expedient and proper and to settle any question, doubt or difficulty that may arise with regard to the issue and allotment of bonus shares as aforesaid or any other matter incidental or consequential thereto."

By order of the Board of Directors

Place : New Delhi
Dated : 28th June, 2002

SURYA KANT AGRAWAL
COMPANY SECRETARY

NOTES

1. Explanatory statement, as required under section 173(2) of the Companies Act, 1956 is 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 share transfer books of the company will remain be closed from 28th Aug, 2002 to 30th Aug, 2002. The dividend for financial year 2001-02 would be paid to the members on the capital before issue of bonus shares and bonus shares would not be entitled to dividend for the financial year 2001-02 or prior thereto.
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. 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. 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 along their copies of the annual report, as the same will not be distributed at the meeting.



EXPLANATORY STATEMENT TO ITEM NO. 6

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

Mr. Shinichi Takeuchi was appointed as an Additional Director by the Board at its meeting held on 24th Jan, 2002. According to the provisions of Section 260 of the Companies Act, 1956, he holds that office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. Shinichi Takeuchi as a candidate for the office of Director.

Mr. Shinichi Takeuchi is the nominee director on the Board on behalf of Suzuki Motor Corporation. The directors consider that the association of Mr. Shinichi Takeuchi as the non-executive director of the Company would be of immense benefit to the Company. Accordingly, the Board commends the resolution for approval of members.

None of the Directors except Mr. Shinichi Takeuchi himself is interested in the resolution.

EXPLANATORY STATEMENT TO ITEM NO. 7

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

Mr. R. L. Gaggar was appointed as an Additional Director by the Board at its meeting held on 7th March, 2002. According to the provisions of Section 260 of the Companies Act, 1956, he holds that office upto the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the name of Mr. R. L. Gaggar as a candidate for the office of Director.

Mr. R. L. Gaggar was the Director of the Company till 30th July 2001. He resigned from the post because of pre-occupation. He is one of the prominent solicitors in Kolkata. He agreed to join the Board at the request of the Chairman. The directors consider that the association of Mr. R. L. Gaggar as the non-executive director of the Company would be of immense benefit to the Company. Accordingly, the Board commends the resolution for approval of members.

None of the Directors except Mr. R. L. Gaggar himself is interested in the resolution.

EXPLANATORY STATEMENT TO ITEM NO. 8

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

The Authorised Capital of the Company at present is Rs. 3,50,00,000 divided in 35,00,000 equity shares of Rs. 10 each. The present paid up capital of the Company stands at Rs. 3,06,84,000. As the Company is proposing to issue bonus shares in the proportion of 1 new fully paid equity share for every 1 equity shares held, the Board proposes increase in the Authorised Capital of the Company to Rs. 7,00,00,000 by the creation of 35,00,000 new equity shares of Rs. 10 each.

The proposal for increase in the authorised share capital will require the approval of the members in general meeting in accordance with Article 5 of the Articles of Association of the Company read with Section 94 of the Companies Act, 1956. Accordingly, the resolution at Item No. 8 of the notice seeks approval of the members for increasing the authorised capital and consequential changes in the Memorandum & Articles of Association of the Company.

None of the directors of the Company is in any way concerned or interested in the proposed amendments to the Memorandum & Articles of Association of the Company except to the extent they are shareholders of the Company.

EXPLANATORY STATEMENT TO ITEM NO. 9

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

The Company has General Reserves of Rs. 2127.29 lacs as at 31st March, 2002. The present paid up capital of the Company is Rs. 3,06,84,000/- divided in 30,68,400 equity shares of Rs. 10/- each. In the circumstances, it is felt that it will be advantageous to the Company and the members if a portion of the General Reserves is capitalised towards issue and allotment of equity shares not exceeding 30,68,400 equity shares of Rs. 10/- each as bonus shares, credited as fully paid up, to the members holding equity shares on the record date.

The bonus shares will be issued in the proportion of 1 new fully paid equity share for every 1 equity share held on the record date. The said bonus shares shall rank pari passu in all respect with the existing equity shares of the Company except that bonus shares will not be entitled to dividend declared or paid for the financial year 2001-02 or prior thereto.

In terms of above resolution, subject to any unavoidable or unforeseen circumstances or any regulatory measures, your directors place on record their intention to recommend payment of dividend at a rate not less than 10% on the equity share capital of the Company as increased by the issue of bonus shares as above for the year in which such shares are allotted i.e for the financial year 2002-03.

The issue of bonus shares to those members who are non-residents will require the approval of the Reserve Bank of India under the Foreign Exchange Management Act, 1999.

The Board recommend the resolution for the approval of the members.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of bonus shares that may be allotted in respect of the existing shares held by them or by Companies, bodies corporate or trusts of which the directors of the Company are directors, members or beneficiaries.

MACHINO PLASTICS LIMITED**Director's Report**

The Members,

Your directors have pleasure in presenting the 17th annual report together with the audited statement of accounts for the financial year ended 31st March, 2002.

FINANCIAL PERFORMANCE :		
	(Rs. in Lacs)	(Rs. in Lacs)
	2001-2002	2000-2001
Income from Operation	5048.03	4832.98
Other Income	235.30	193.37
Profit (before interest, dep)	1400.16	1236.21
Interest	327.47	328.77
Depreciation	799.63	646.11
Profit before tax	273.06	261.33
Provision for tax	41.51	38.06
Profit after tax	231.55	223.27
Surplus as per last year	231.79	106.15
Amount available for appropriation	463.34	329.42
APPROPRIATION:		
Transfer to General Reserve	100.00	30.00
Interim Dividend /Proposed Dividend	61.37	61.37
Provision for tax on proposed dividend	-	6.26
Surplus carried to Balance Sheet	301.97	231.79
	463.34	329.42

The automobile market remained sluggish during the year and sales for our main customer Maruti Udyog Limited remained flat. There was a marginal growth of our volumes by 2%. Turnover was at Rs. 5048.03 lacs as compared to Rs. 4832.98 lacs in the previous year showing an increase of 4.45%. Likewise profit after tax has also gone up by 3.71% i.e. from 223.27 lacs to Rs.231.55 lacs due to increase in other income.

During the year under review your Company continued its efforts for cost reduction. 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 and increase in depreciation on expansion.

DIVIDEND

Your Directors are pleased to recommend for your consideration and approval dividend @ 20% for the year 2001-2002. The dividend outgo would be Rs. 61.37 lacs.

BONUS SHARES

Your Directors are pleased to recommend for your consideration and approval bonus shares in the proportion of 1 new fully paid equity share for every 1 equity share held on the record date. The issue will be out of the General Reserve of the company. The said bonus shares shall rank pari passu in all respect with the existing equity shares of the Company except for that bonus shares will not be entitled to dividend declared or paid for the financial year 2001-02 or prior thereto.

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 made are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year 2001-2002 and of the profit of the Company for the year ended 31st March, 2002.

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act 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.

DEMATERIALISATION OF SHARES

The fully paid up equity shares of your company are available for dematerialisation with effect from 6th March, 2000 and it has come under compulsory dematerialisation from 28th Aug, 2000.

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. Harish C. Bhasin & Mr. Jagdish Kapur retire by rotation and being eligible offer themselves for reappointment.

AUDITORS

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

Report on Corporate Governance has been included in this annual report as separate section.

PARTICULARS OF EMPLOYEES

No employee of the Company has come under the limit 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.

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. The major focus area is to plan production to reduce product changes to save energy.

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	13.58

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. As an environment conscious responsible corporate citizen, we are implementing GSCM (Green Supply Chain Management) standards. The Company has obtained ISO 14001 certification for environment.

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
Date : 28th June, 2002

M.D.JINDAL
(CHAIRMAN)

MACHINO PLASTICS LIMITED**ANNEXURE - I**

Form 'B'- Technology Absorption

1	Specific areas in which R&D carried out by the Company	Research & Development has been carried out continuously by the Company for product improvement & value engineering.								
2	Benefits derived as a result of above R&D	Cost controls								
3	Future plan of action	Developments of new materials, products and further improvement in the performance of existing products.								
4	Expenditure on R & D (Rs. In lacs)	<table><tr><td>a. Capital</td><td>Nil</td></tr><tr><td>b. Recurring</td><td>Nil</td></tr><tr><td>c. Total</td><td>Nil</td></tr><tr><td>d. Total R & D expenditure as % of total turnover-</td><td>Nil %</td></tr></table>	a. Capital	Nil	b. Recurring	Nil	c. Total	Nil	d. Total R & D expenditure as % of total turnover-	Nil %
a. Capital	Nil									
b. Recurring	Nil									
c. Total	Nil									
d. Total R & D expenditure as % of total turnover-	Nil %									

