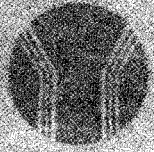
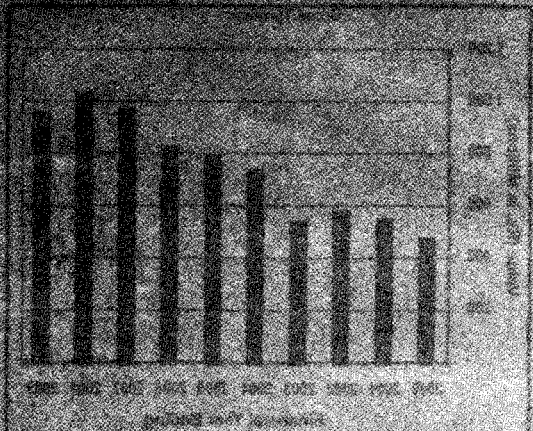
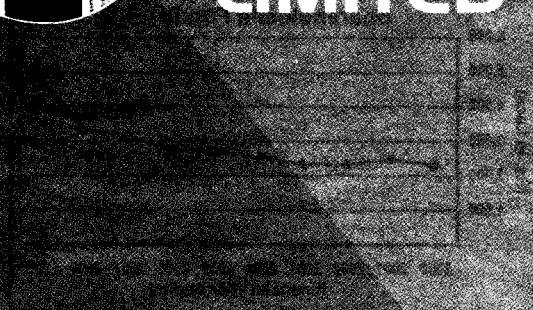


MACHINO PLASTICS LIMITED



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24th Annual Report 2008- 2009

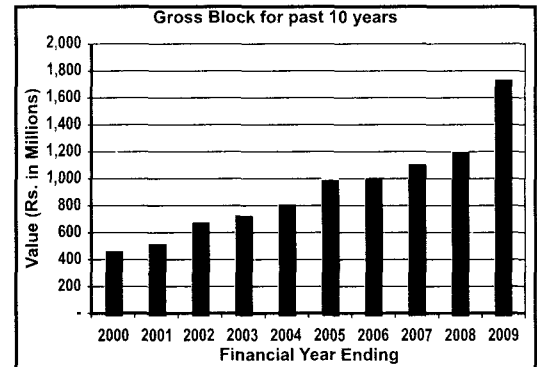
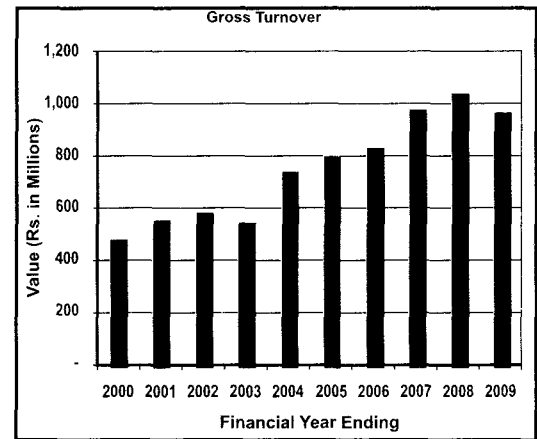
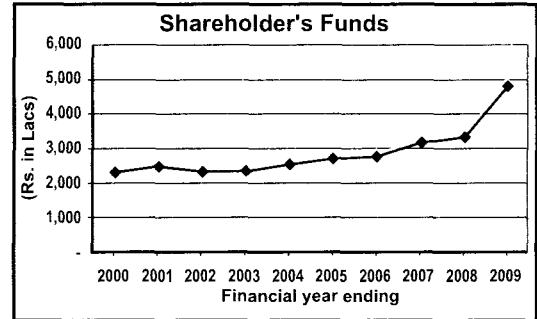


MACHINO PLASTICS LIMITED

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PERFORMANCE OVER LAST 10 YEARS AT A GLANCE





Corporate Information

Board of Directors

Chairman

Director (Representative of Suzuki Motors Corporation, Japan)

Director (Representative of Maruti Suzuki India Ltd.)

Director

Director

Director

Managing Director

M. D. Jindal

Masayuki Kamiya

A. K. Tomer

Harbhajan Singh

R. L. Gaggar

S. Natarajan

Dr. Sanjiivv Jindall

Bankers

State Bank of India

Industrial Finance Branch, New Delhi

The Bank of Tokyo-Mitsubishi Limited
New Delhi

HDFC Bank Ltd., Gurgaon

Auditors

Goel Garg & Co.

Chartered Accountants,

New Delhi

General Manager (F)

Cum Company Secretary

Pradeep Jhalani

Registered Office & Factory

3, Maruti Joint Venture Complex

Gurgaon - 122 015 (Haryana)

Ph. : 0124-2341218, 2340806
2346094, 2347601

Fax : 0124-2340692

E-mail : admin@machino.com

Share Transfer Agent

(For Demat & Physical purpose)

M/s Alankit Assignments Limited

2E/21, Jhandewalan Extension

New Delhi - 110 055

Ph. : 011-42541234

Fax : 011-23552001

E-mail : alankit@alankit.com

Notice of Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the members of M/s Machino Plastics Limited will be held on Wednesday, the 23rd September, 2009 at 11.00 am at GIA House, I.D.C., Mehrauli Road, Gurgaon (Haryana), to transact the following business:

ORDINARY BUSINESSES

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009 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 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. A K Tomer 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 authorise the Board to fix their remuneration.

SPECIAL BUSINESSES

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

"RESOLVED THAT Mr. Masayuki Kamiya who was appointed as an additional director of the company by the Board of Directors w.e.f 31st January, 2009 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 an Ordinary Resolution:-

"RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (a) of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and / or create charge on all or any of the immovable and / or movable properties of the Company, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing loans upto a total amount of Rs. 100 Crore (Rupees One Hundred Crore only) for the purpose of the business of the Company."

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 sections 314(1B) of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the company be and is hereby accorded to Mr Aditya Jindal, a son of Dr Sanjiivv Jindall, Managing Director of the company to hold an office or place of profit as Officer on Special Duty of the company with effect from 1-10-2009 at a monthly remuneration of Rs. 49500/-" .

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 provision 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 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. Sanjiiv Jindall, Managing Director of the Company for a period of three years commencing from 1st April, 2009 as per terms and condition mentioned below :

REMUNERATION :

Basic Salary : Rs.2,80,000/- per month.

House Rent Allowances/Rent for Unfurnished accommodation. : Rs. 20,000/- per month.

Besides the above he shall be entitled for reimbursement of entertainment expenses, telephone/mobile expenses and car running and maintenance expenses required to be incurred in the course of legitimate business for the Company. He shall also be entitled to earned/privilege leaves, provident fund, gratuity and other retirement benefits as per the rules of the company and as may be permitted in accordance with schedule XIII of the Companies Act.

Minimum Remuneration

The Managing Director shall be paid the aforesaid remuneration 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 as may be necessary.

"RESOLVED FURTHER THAT in the event of any other relaxation by the Central Government in the guidelines of ceilings on managerial remuneration or otherwise, the Board of Directors of the Company be and are 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"

By order of the
Board of Directors

Place : Gurgaon
Dated : 31st July, 2009

Pradeep Jhalani
General Manager
Finance Cum Company Secretary

NOTES

1. 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 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 authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialised 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 21st September, 2009 to 23rd September 2009, 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 Savings Account (SA) or Current Account (CA)

Bank Account Number

8. Members who hold shares in dematerialised 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 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 on 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, 2001 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 dividends from the Registrar of Companies, NCT of Delhi & Haryana, 4th Floor, IFCI Tower, Nehru Place, New Delhi-110019.

Dividend for the financial year ended March 31, 2002 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to Investor Education and Protection Fund. Members who have not so far encashed dividend warrant(s) for the 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 dematerialise form. Shareholders are requested to convert their shares in demat form at the earliest possible.
14. Members are requested to quote their demat account/ folio no. in all correspondence with the company.
15. 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.

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

Explanatory Statement to Item No. 6

Mr. Masayuki Kamiya was appointed as an additional director of the company by the Board of Directors of the company in its meeting held on 31st January, 2009. According to the provisions of the Section 260 of the

Companies Act, 1956, he holds the office uptill 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. Masayuki Kamiya as a candidate for the office of director.

Mr. Masayuki Kamiya is the nominee director on the Board on behalf of Suzuki Motor Corporation, Japan. Mr Kamiya is a Mechanical Engineer with specialization in Welding engineering. He is the plant head for Manesar unit of MSIL and working for over 25 years with Suzuki Motor Corporation, Japan

None of the Directors except Mr. Masayuki Kamiya himself is interested in the resolution.

Explanatory Statement to Item No. 7

Provisions of section 293(1)(a) of the Companies Act, 1956 says that certain powers of the Board like creation of security in lender's favour can be exercised only with consent of shareholders in Annual General Meeting.

Our company has been borrowing money from time to time and need to borrow in future as well. In order to create security in lenders' favour it is required that a resolution is passed under provisions of section 293 (1)(a) of the Companies Act, 1956.

The shareholders are requested to pass the resolution.

None of the Directors are interested in the resolution.

Explanatory Statement to Item No. 8

Mr Aditya Jindal, son of Dr. Sanjiivv Jindall, Managing Director of the company has just completed his bachelor of science, Chemical Engineering in May 2009 from University of Michigan, USA. He has reasonable knowledge of developing manufacturing plastics from alternative sources to petroleum. The management wishes to appoint him in the company to gain from his entrepreneur skill and young talent. The remuneration being proposed for Mr Aditya Jindal commensurate with his education and knowledge and comparable is with being paid to other employees of the company.

The shareholders are requested to pass the resolution.

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

Explanatory Statement to Item No. 9

Dr. Sanjiivv Jindall was re-appointed as the Managing Director of the Company w.e.f. 1st April, 2006 for a period of three years. The re-appointment of Dr.Sanjiivv Jindall was approved by the shareholders of the Company at 21st Annual General Meeting held on 17th July, 2006. The tenure of his appointment has expired on 31st March, 2009. The Board in its meeting dated 31st January, 2009 has re-appointed Dr.Sanjiivv Jindall as the Managing Director of the company for a period of three year from 01.04.2009 at a remuneration to be recommended/ fixed by Remuneration Committee. The Remuneration Committee in its meeting dated 31st January, 2009 has fixed/recommended existing remuneration of Rs.3 Lac per month as above. This remuneration has also been approved by the Board.

Dr.Sanjiivv Jindall is the promoter of the Company and has been associated with the Company right from its inception. Keeping in view the responsibilities and his contribution to the Company and the current financial health of the company his reappointment is recommended at same remuneration as per terms & conditions specified in the resolution w.e.f.1st April, 2009.

Except Mr.M.D.Jindal who is related to Dr. Sanjiivv Jindall and Dr. Sanjiivv Jindall, himself, no other directors are interested in this resolution.

STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II(C) TO THE SCHEDULE XIII OF THE COMPANIES ACT FOR PAYMENT OF REMUNERATION TO DR. SANJIIVV JINDALL, MANAGING DIRECTOR

I. GENERAL INFORMATION :

1. Nature of Industry

Your Company is engaged in the manufacture of large size injection moulded automotive components i.e. bumpers, instrument panels, grills as original equipments and for spare parts market for Maruti Suzuki India Limited (MSIL). The Company also manufacture automotive parts for Eicher Motors Ltd, Visio Corp, Hero

Motors, Suzuki Motor Cycle etc. Share of non - MSIL business is very small being below 5%.

2. Date or expected date of commencement of commercial production

The Company is already in production for more two decades.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

The Company is already into production.

4. Financial performance based on given indicators

	(Rs. in Lacs)	
	2008-2009	2007-2008
Income from Operation (net of excise)	8432.17	8780.12
Profit before tax	136.41	485.16
Dividend	5%	20%

5. Export performance and net foreign exchange collaborations.

The Company has negligible Exports.

6. Foreign investments or collaborators, if any.

The Company is having financial collaboration with M/s. Suzuki Motor Corporation, Japan, who holds 15.35% of total equity of the Company.

II. INFORMATION ABOUT THE APPOINTEE i.e., DR. SANJIIVV JINDALL

1. Background details :

Dr. Sanjiivv Jindall, Managing Director aged 52 years has completed his Ph.D from Pacific Western University, U.S.A. and MBA Programme in International Management from IMI, India in Delhi and B. Com (Hon's) from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing. He is associated with the company since beginning.



2. Past Remuneration

The remuneration being paid to Dr. Sanjiiv Jindall from 1st April 2006 is Rs. 3 Lacs per month.

3. Recognition and awards

During his tenure the company has been awarded for "sincere efforts & superior performance in the field of KAIZEN & MPS" by MSIL in 2006 and Vendor performance FOR 08-09 by MSIL.

4. Job profile and his suitability

The Job profile of the Managing Director of the Company includes overall supervision and control of the Company's activities and managing all matters relating to planning, production, finance, administration and such other duties as assigned by the Board of Directors.

5. Remuneration proposed

As per resolution no. 9 to the notice of A.G.M., Rs. 3 Lacs p.m.

6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The remuneration proposed to be paid to the Managing Director is comparable with other joint venture companies of MSIL.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Except for the remuneration as Managing Director and his shareholding, the appointee is also director and substantial shareholder in M/s. Grandmaastters Mold Ltd (GML), a mould and spares supplier to the company. Approval under section 297 of the Companies Act, wherever required is obtained by the company in relation to arrangement with GML. His wife Mrs. Sarita Jindall is an employee of the company at a remuneration of Rs. 40,000/- p.m. The Company

has taken on lease a house belonging to his mother Mrs. Kamla Jindal. The Company is buying raw material from M/s Machino Polymers Ltd. where he is a director. His son Mr. Aditya Jindal is proposed to be inducted in the company at a salary of Rs. 49500/- pm as mentioned in item no. 8 of this notice. Other details are provided in the Corporate Governance report forming part of annual report.

The appointee is related to Mr. M.D. Jindal, Chairman of the Company, who is his father.

III. OTHER INFORMATION

1. Reason for loss or inadequate profits

There is a decline in profits due to low business volume in terms of quantity and corresponding increase in other inputs.

2. Steps taken or proposed to be taken for improvement.

The Company is making efforts for cost reduction and on increasing non-maruti business. MSIL has ramped up its production during current year. The plant is working with over 90% capacity utilization.

IV. DISCLOSURES :

1. The Shareholders of the Company shall be informed of the remuneration package of the managerial person.

The details of remuneration package of Dr. Sanjiiv Jindall, Managing Director forms part of accompanying notice.

2. The following disclosures shall be mentioned in the Board of Directors Report under the heading "Corporate Governance", attached to the annual report : -

All elements of the remuneration package such as salary, benefits and perquisites etc. of all the directors

Necessary particulars of remuneration under required heads and sitting fees of all Directors are given in Corporate Governance Report, forming part of the Director's Report of the year 2008-2009.

MACHINO PLASTICS LIMITED

Information to Shareholders in pursuance of Clause 49 (IV) (G) of Listing Agreement with reference to appointment / reappointment of Directors (item no. 3,4 & 6 and 9)

Director	Brief Resume	Hold Directorship in	Membership in Committees	Shares held
Mr. M D Jindal	Mr. Jindal is an industrialist with rich experience of over 60 years in Automobile Industry. He is a Graduate in Economics & Engineer with Specialisation in Automobile Industry from England. He is founder of the company.	Machino Polymers Ltd. Machino Autocomp Ltd Machino Techno Sales Ltd Machino Finance Pvt Ltd Rajiv Exports Industries Pvt Ltd Machino Animation Pvt Ltd Machino Motors Pvt Ltd	Machino Polymers Ltd.	148811
Mr. A K Tomer	Mr A K Tomer is B Tech, Mechanical Engineer. He is over 24 years of vast and varied experience in the field of quality assurance in Automobile Industry.	None	None	NIL
Mr. Masayuki Kamiya	Mr Masayuki Kamiya is a Mechanical Engineer with specialisation in Welding engineering. He is the plant head for Manesar unit of MSIL and working with over 25 years with Suzuki Motor Corporation, Japan.	None	None	None
Dr. Sanjiivv Jindall	Dr. Sanjiivv Jindall, Managing Director aged 52 years, has completed his Doctorate (Ph.D) from Pacific Western University, U.S.A. in Marketing and MBA in Marketing from International Management Institute, Delhi and is a commerce graduate from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception.	GrandMaastters Mold Limited Machino Polymers Ltd Machino Techno Sales Pvt. Ltd. Machino Transport Sales Pvt. Ltd. Machino Finance Pvt. Ltd.	None	559202



Directors' Report

Dear Shareholders,

Your directors have pleasure in presenting the 24th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2009.

OPERATIONS REVIEW:

Amidst the global economic crisis, the Indian auto industry managed to stay positive as the market grew 0.7% in FY09 with Government's stimulus package coming as the biggest booster.

After six years of robust growth, car sales grew only marginally in the last fiscal. The volume of sales is expected to grow 5% in the current fiscal on the back of robust demand.

During the year, your company has installed one semi automatic Japan make 2500 Tonnes Injection Moulding machine for manufacturing large components in Gurgaon plant. The installed capacity for production along with Manesar plant has increased from 7750 MT to 10500 MT.

Your company has procured orders for supply of bumpers and other parts for new model cars like A-star, Ritz etc launched by Maruti Suzuki India Ltd.

FINANCIAL REVIEW:

FINANCIAL PERFORMANCE :	(Rs. In Lacs) 2008-2009	(Rs. In Lacs) 2007-2008
Income from Operation (net of excise)	8432.17	8780.12
Other Income	683.36	361.41
Profit (before interest, depreciation)	1382.42	1679.59
Interest	282.02	175.02
Depreciation	964.26	1019.41
Profit before tax	136.14	485.16
Provision for tax (after adjustment of deferred tax)	130.91	171.55
Profit after tax	5.49	313.61

The net turnover of your Company has reduced by 3.8% i.e. from Rs. 8780.12 Lacs to Rs. 8432.17 lacs. Due to low capacity utilization, fixed costs could not be absorbed fully. Further, various costs increased while sales went down.

The company has adjusted to the cost of fixed assets, loss due to foreign exchange fluctuation of Rs. 367 lacs relating to acquisition of depreciable capital assets in terms of notification issued by the Ministry of Corporate Affairs (refer to note no. 4 of schedule 15).

During the year under review, your company continued its efforts for cost reduction. The cost control measures taken by the company mainly related to reduction of in house and customer level rejections, reduction in production cycle time and re-cycling of rejected materials. The company has added new customers during the year.

DIVIDEND

In the context of inadequacy of profit, your directors recommend a dividend of 5% for the year under review.

MANESAR PROJECT

The company has successfully commissioned its state of art plant at Manesar for catering to the requirement of smaller automotive and non-automotive components. The facility has come into commercial production in January, 2009.

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:

1. That in preparation of annual accounts for the financial year ended 31st March'2009, the applicable accounting standards has been followed and that there are no material departures.
2. 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 as at 31st March, 2009 and of the Profit & Loss of the Company for the year ended 31st March, 2009.
3. 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.
4. 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 Suzuki Motor Corporation, Japan withdrew the nomination of Mr H Totsuka, on the Board of the company and in his place appointed Mr. Masayuki Kamiya.

The company places on record its appreciation for the valuable services rendered by Mr. H Totsuka during his tenure as director of the company.

AUDITORS

M/s Goel Garg & Company, Chartered Accountants, the statutory auditors of the company retire at the conclusion of the ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment.

AUDITORS' REPORT

The Auditors' Report is self-explanatory.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance and Management Analysis & Discussion Report have been included in this annual report as separate sections (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

A statement of particulars of employees of the Company as specified by section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 is annexed as Annexure-II and forms 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

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. Beside this Company has taken steps to ensure optimum utilisation of production resources to ensure better energy efficiency.



The data regarding energy consumed is given in Annexure-III.

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	7.38
Total foreign exchange outgo	2163.28

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, your Company has implemented GSCM (Green

Supply Chain Management) standards and is ISO14001 certificate holder. The Company has also achieved ISO18001-OHSAS certification for occupational health and safety.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to gratefully acknowledge the co-operation and assistance extended by Maruti Suzuki India Ltd., Suzuki Motor Corporation, Japan, 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 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 : Gurgaon
Date : 31st July, 2009

M.D.JINDAL
(CHAIRMAN)

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	N.A.								
3	Future plan of action	N.A.								
4	Expenditure on R & D (Rs. In lacs)	<table border="0"> <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									

ANNEXURE - II

PARTICULARS OF EMPLOYEES

S. No.	Name	Age (Year)	Designation	Remuneration	Qualification	Total Experience	Date of Commencement of employment /period	Last Employment held designation
1	Dr. Sanjivv Jindall	51	Managing Director	38,68,800	B.Com, MBA,Ph.D	21	01-07-1987	-----
2	Mr.Gagandeep Singh.#	42	Vice President (Operation)	13,73,132	Mechanical Engineering	20	12-09-2007	Bright Brother Asst. Vice President- 3 Years- 8 Months

Employed for part of the year.

ANNEXURE - III

Power & Fuel Consumption

1	Electricity	2008-09	2007-08
	(a) Purchased Units	68,95,204	7269400
	Total Cost (Rs. In lacs)	496.58	513.44
	Rate per unit	7.20	7.06
	(b) Own Generation - D.G. Set		
	Units generated	174421	NIL
	Fuel Cost (Rs. In lacs)	18.70	NIL
	Fuel Cost per unit	10.72	NIL
2	Coal	NIL	NIL
3	Furnace Oil	NIL	NIL
4	Other/ Internal generation	NIL	NIL



Management Analysis & Discussion Report

Economic overview

The year 2008-2009 was an exceptional year with large windfall/ swings in the economic parameters. The initial estimates of 9% GDP growth was scaled down to below 6%.

Indian economy has been witnessing a phenomenal growth since the last decade. After seeing a growth rate in excess of 9% for the last 3 years, it is still holding its ground in the midst of the current global financial crisis.

The exchange rate for important currencies fluctuated in a wide range. Euro fluctuated in a range of from Rs. 57 to Rs. 69, whereas dollar fluctuated from Rs. 39 to Rs. 52.

The SENSEX cashed to a low of 7697 points in October, 2008 which was zooming to 21206 points in January, 2008.

The global financial crises had a chill in all economies of the world. The liquidity squeezed and impacted the interest rates and availability of finances.

Overall the business segment was impacted due to this volatility in the economic parameters. Pegging India's growth rate in the current year at between 4 and 6 percent, the Finance Minister has reiterated that India would continue being the second fastest growing economy in the world despite the ongoing global economic slowdown. Though the global financial crisis have affected the Indian equity and foreign exchange markets, the macroeconomic brunt of the meltdown is not much due to the overall strength of the domestic demand and the largely domestic nature of its investment financing.

Industry Structure & Development

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

manufacture various automotive components for others.

Your company can be classified as the automotive components manufacturer in view of the application of products made. From manufacturing process involved it may be classified as a plastic part manufacturer. The Company has 17 Nos. injection moulding machines, sizes ranging from 100 Ton to 3150 Ton clamping force. Most of the companies doing injection moulding are not limited to automotive components like your Company.

Your company deals in heavy weight plastic automotive components which can be supplied by setting production facility next door to automobile industry. For supplying such components to customer other than MSIL it has to set up additional facility.

Though the Indian growth in the previous three years was over 8.6%, the consumption of plastic has not grown more than 7.5%. This was principally due to high incidence of indirect taxes on Plastic products.

Considering the economic slowdown the Government of India has taken many steps like reduction of excise duty on cars from 16% to 8%, greater access to auto loan, lowering interest on Auto loan etc. All these will enable greater access of car to growing middle class population of India.

Opportunities & Threats

Growing market of India is attracting all major automobile companies to start operation here. Global OEMs driven by the cost pressure continuing outsourcing of automotive components to cost competitive manufacturers. India is expected be one of major auto hub in the world map soon.

It is expected that rising income level and rising infrastructure spending would drive the demand for automobiles in India which ultimately boost the auto components industry.

The main customer of the Company is Maruti Suzuki India Limited (MSIL) and growth of the Company depends mainly on the growth of MSIL.

Volatility in the prices of raw materials and other inputs, inflationary pressure, currency fluctuation and continuous demand by OEMs for price reduction, intense competition from counter parts will pose major risks and challenge to the companies to innovate and develop new technology and process to manufacture low cost quality components.

The government stimulus package / measures had propped up demand, but banks were still lending cautiously.

The stable Government in the Centre will boost up the confidence of foreign investors and therefore the demand will boost up. This is expected to have positive impact.

The focus for 09-10 would be to reduce cost, improve efficiency and tapping every opportunity to get good volume of sales.

MSIL further consolidated its position as the car market leader and has closed the financial year 2008-09 with sale of 792167 units, the highest ever since the company began operations.

Your company is positively looking forward to expand its operation to non- maruti business and exports.

Your company has immense capability to keep pace with the growing requirement of Maruti Suzuki India Limited as well as it has the possibilities for other business besides automotive business.

Segment-wise or Product wise Performance

Currently your Company is engaged only in one type of product and involve one type of process; it may be called automotive component sector or plastic processor.

Outlook

The Company has challenges ahead in future for top line and bottomline growth. Your company has installed a new injection moulding machine like 100 Tons, 220

Tons, 450 Tons, 650 Tons and 2500 Ton clamping force in 2008-09 to fulfil the growing demand of customers and is going to install more such machine in 2009-10.

The company has put-up a new state of the art unit at Manesar, (Gurgaon) adjacent to Maruti's Manesar Plant and this plant has started commercial production from January, 2009. The company has signed a LOI with Mikuni Corporation, Japan manufacture of Air plastic intake manifold to be fitted in the Maruti Cars. This will add to both bottom line and top line growth of the company.

Risks & Concerns

Your company's growth can be linked to growth in automotive industry. The automotive industry performance is closely linked to Economic well being. The economic turbulence across the globe has halted the growth of the Industry for the time being.

The robust growth seen by the world in last 4 years has turned into reverse gear. Per capita expenditure has gone down. Indian GDP is expected to grow between 4% - 7% in the year 09-10.

The government is taking various steps to boost auto demand in the country like reduction in excise duty, lowering interest rate on Auto loan etc.

Your company is power and capital intensive business unit. It uses about 7.2 million power units in a year. Power is supplied by Maruti from its power plant run on gas. The increase in per unit cost of power supply will materially affect the cost of production. State supplied power is not available in adequate quantity and quality of power is poor. The increase in capacity is in anticipation of increase in demand. In case demand does not sustain the company will have to bear huge fixed cost.

The company is exposed to the risks associated with fluctuations in foreign currency rates on account of imports and foreign currency loans. The company's sales and margins are subject to the market forces that affects MSIL.



Financial Performance

Your company's gross turnover for the year has decreased by 3.8% i.e. from Rs. 10520.18 lacs to Rs. 9773.92 lacs. There has been pressure on the margins while cost kept rising despite strict control. The company sold partially its investment in its group company to finance its' Manesar plant.

The profitability of the company has basically affected for low capacity utilization. Due to this the fixed overhead could not be fully absorbed. The company has recorded a PAT of Rs. 5.49 lacs in the last year.

Internal Control System

Your company has adequate internal control systems which commensurate with its size and operations, although not documented. The company regularly gets its accounts audited from 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 in-house technical centre in the plant to train the new recruits before their placement that helps in

optimum utilisation 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 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 suggestion 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 looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied depending upon global and Indian demand-supply conditions, changes in government regulations, tax regimes, and economic developments within India and overseas.

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

Your Company believes in adopting and following the best Corporate Governance practices. The Company believes that good Corporate Governance is the key driver of sustainable corporate growth and long term value addition for its shareholders. Over the years the Company has shown strong commitment towards efficient Corporate Governance practices. The Company's philosophy of Corporate Governance envisages the attainment of high levels of transparency, accountability and equity in all facets of its operations with its stakeholders, customers, shareholders, employees, government including the society of which the Company is a part.

Your Company is committed to the best governance practices that create long term sustainable shareholder value. Keeping in view the Company's size, complexity, global operations and corporate traditions, the Machino Plastics Governance framework is based on the following main principals:

Constitution of a Board of Directors of appropriate composition, size, varied expertise and commitment to discharge its responsibilities and duties.

Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.

Independent verification and safeguarding integrity of the Company's financial reporting.

A sound system of risk management and internal control.

Timely and balanced disclosure of all material information concerning the Company to all stakeholders.

Transparency and accountability.

Compliance with all the applicable rules and regulations.

Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

Towards this end, this year's annual report has made substantial disclosures on the Board of Directors, financial and stock performance.

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 an optimum combination of executive, non-executive and independent directors. The Board comprises of seven directors headed by a non-executive Chairman. More than one third of the Board consists of independent directors who do not have any pecuniary relationship or transactions with the Company, promoters or management which may affect the judgement 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 maximising profit and enhancing shareholder value are achieved.



Name	Category	Designation	Directorship held in other public limited Companies	No. of Chairmanships/ Memberships of Board Committees		
				Chairmanship	Membership	Total
Mr. M D Jindal	Promoter Director	Non-executive Chairman	3	-	-	-
Dr. Sanjiivv Jindall	Promoter Director	Managing Director	2	-	-	-
Mr. R. L. Gaggar	Independent/Non-executive Director	Director	14	-	5	5
Mr. Harbhajan Singh	Independent/Non-executive Director	Director	3	2	1	3
Mr. S. Natarajan	Independent/Non-executive Director	Director	2	-	2	2
Mr. Masayuki Kamiya	Non-executive Director- Nominee of Suzuki Motor Corporation	Director	-	-	-	-
Mr. A.K. Tomer	Non-executive Director- Nominee of Maruti Suzuki India Ltd.	Director	-	-	-	-

- 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 judgement of the Board may affect the independence of judgement of Directors.
- None of the Directors is a member of more than ten Board level committees, or a Chairman of more than five such committees as required under Clause 49 of the Listing Agreement.
- Mr. Harbhajan Singh, Independent Director and Chairman of Audit Committee attended the Annual General Meeting on behalf of the Audit Committee.

(II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES

A. Institutionalised decision making process

The Board of Directors is the apex body constituted by the shareholders for overseeing the overall functioning 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 are being served. The Chairman and Managing Director is assisted by senior managerial personnel in overseeing the functional matters of the Company.

The Board has constituted Two (2) standing Committees, namely Audit Committee and Shareholders Grievance Committee.

The internal Guidelines for Board/ Board Committee meetings facilitate the decision making process at the meetings of the Board/Committees in an informed and efficient manner. The following sub-sections deal with the practice of these guidelines at Machino Plastics Ltd.

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 meeting 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 meeting are usually held at the Company's Registered Office at Plot No. 3 Maruti Joint Venture Complex, Gurgaon (Haryana)-122015.
- (iii) All divisions/departments of the Company are advised to schedule their work plan well in advance, particularly with regards to matters requiring discussion/approval/decision at 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.
- (iv) The Board is given presentation covering Finance, Sales, Marketing, major business segments and operations of the Company, including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company.

Information required to be placed before the Board:

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly Audited results of the company
- Minutes of meetings of board, Audit Committee and other committees of the 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.
- Transaction 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 share holder services such as non-payment of dividend and delays 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. The final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting.

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 comply 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. 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.	17th April, 2008	7	5
2.	25th July, 2008	7	5
3.	23rd Oct, 2008	7	4
4.	29th November, 2008	7	6
5	31st January, 2009	7	4

MACHINO PLASTICS LIMITED

Directors' attendance record

Name	Position	Attendance at Board Meetings		Attendance at last AGM
		No. of meetings held	No. meetings attended	
Mr. M.D.Jindal	Promoter/ Non executive Chairman	5	4	Yes
Dr. Sanjivv Jindall	Promoter/Managing Director	5	5	Yes
Mr. H . Totsuka (nomination withdrawn w.e.f. 14-01-2009)	Non-executive Director- Nominee of Suzuki Motor Corporation	5	0	No
Mr. R. L. Gaggar	Independent/Non executive Director	5	2	No
Mr. Harbhajan Singh	Independent/Non executive Director	5	3	Yes
Mr. S. Natarajan	Independent/Non executive Director	5	4	Yes
Mr. Masakuyi Kamiya (nominated w.e.f. 31-01-09)	Non-executive Director- Nominee of Suzuki Motor Corporation	5	1	No
Mr. A.K. Tomer	Non-executive Director- Nominee of Suzuki India Ltd.	5	4	No

Director's 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 2008-2009 (All figures in Rupees)			
				Sitting fee	Salary & perks	Commis sion	Total
Mr. M.D.Jindal	Father of Dr. Sanjivv Jindall	#	-	60000	-	-	60000
Dr. Sanjivv Jindall	Son of Mr. M.D.Jindal	##	-	-	3868800	-	3868800
Mr. H Totsuka (nomination withdrawn w.e.f. 14-01-2009)	-	Represents Suzuki Motor Corporation, Japan	-	-	-	-	-
Mr. R. L. Gaggar	-	-	-	30000	-	-	30000
Mr. Harbhajan Singh	-	-	-	40000	-	-	40000
Mr. S. Natarajan	-	-	-	75000	-	-	75000
Mr. Masakuki Kamiya nominated w.e.f.31-01-2009)	-	Represents Suzuki Motor Corporation, Japan	-	-	-	-	-
Mr. A.K. Tomer	-	Represents Maruti Suzuki India Limited	-	-	-	-	-



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. 40,000/-

Director and a shareholder in Machino Polymers Ltd (formally known as Machino Basell India Limited), raw material supplier of the Company. Director and shareholder in Grandmasstters Mold Ltd. a spare part/ moulds supplier 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. 40,000/-

*Last Annual General Meeting (AGM) was held on 18th July'2008 at the GIA House, Gurgaon.

Details of related party transactions are as follows:

Name of Related Party	Nature of Transaction	Current Year Amount(Rs)	Previous Year Amount(Rs)
Receipts			
Maruti Suzuki India Limited	Sale of goods	78,73,25,422	84,56,30,396
Machino Polymers Limited	Car loan	4,78,896	3,04,752
Machino Polymers Limited	Other Services	NIL	6,87,740
Grandmaastters Mold Limited	Sale of moulds	NIL	32,70,758
Machino Polymers Limited	Sale of shares	2,96,75,200	NIL
Machino Finance Pvt Ltd	Sale of shares	1,74,56,000	3,05,48,000
M D Jindal	Sale of shares	3,05,48,000	NIL
Payments			
Machino Polymers Limited	Purchase of raw materials	33,78,10,263	37,83,01,375
Maruti Suzuki India Limited	Purchase of moulds	2,07,17,898	NIL
Maruti Suzuki India Limited	Interest paid	98,89,106	1,51,93,900
Grandmaastters Mold Limited	Purchase of moulds & Conversion charges	1,06,22,138	71,75,112
Mrs. Kamla Jindal	Rent	3,30,000	3,30,000
Mr. M.D. Jindal	Sitting fees	60,000	60,000
Dr. Sanjiivv Jindal	Remuneration	38,68,800	40,03,200
Mrs. Sarita Jindal	Salary	5,52,720	4,86,000
Outstanding balance as on 31st Mar,09			
Grandmaastters Mold Limited	Payable/ (Receivable)	(9,47,180)	12,704
Maruti Suzuki India Limited	Receivable	8,96,77,463	5,46,94,388
Maruti Suzuki India Limited	Tooling/car advance	9,06,00,205	8,30,07,422
Machino Polymers Limited	Payable/ (Receivable)	6,15,30,096	3,12,16,814
Guarantees given			
Machino Polymers Limited	Guarantee to sales tax department	NIL	2,29,24,650

(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.

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 the committee is as under:

Director	Executive/Non Executive/ Independent#	Position
Mr. Harbhajan Singh	Independent	Chairman
Mr. M.D.Jindal	Non-Executive	Member
Mr. R.L. Gaggar	Independent	Member
Mr. S. Natarajan	Independent	Member

Mr. Harbhajan Singh being an independent director has been elected as the Chairman by the members of the Committee for the smooth functioning of the Committee and to address shareholders' queries, if any, at the ensuing Annual General Meeting.

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.

Terms of reference of the Audit Committee interalia 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 and adequacy of internal control systems;
- 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;
- 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 condition and results of operations;
- k) Discussion with internal auditors any significant findings and follow up there on;



- l) Such other matters as may from time to time be required by any statutory contractual or other regulatory requirements to be attended to by the Audit Committee.

(ii) Discloser of the following information:

- a) Related party transaction;
- Identification of related parties as per AS18
 - Statement in summary form of transactions with related parties in the ordinary course of business
 - Statement of material individual transaction with related parties which are not in the normal course of business
 - Material transaction with related parties or others, which are not on arm's length basis.
- b) Compliance 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 four times in the last year. The details of the attendance of members of the committee are as follows:

Meeting held on	Chairman Present	No. of members present
17th April 2008	No	3
20th July'2008	Yes	4
23rd Oct'2008	Yes	3
29th Jan'2009	No	3

Executives of Accounts, Finance, Secretarial and Management Departments and representatives of the Statutory and Internal Auditors were invited to attend the Audit Committee Meetings. The Chairman of the Audit Committee was 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
Mr. Harbhajan Singh	4	2
Mr. M.D.Jindal	4	4
Mr. R. L. Gaggar	4	2
Mr. S. Natarajan	4	4

B. SHAREHOLDER'S GRIEVANCE COMMITTEE

(i) Composition:

Director	Executive/Non Executive /Independent#	Position
Mr. Harbhajan Singh	Independent	Chairman
Mr. M.D.Jindal	Non-Executive	Member
Mr. R. L. Gaggar	Independent	Member
Mr. S. Natarajan	Independent	Member

(ii) Terms of Reference:

The Committee, *inter alia*, approves issue of duplicate 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 Sheets, non-receipts of declared dividends, etc. The Committee oversees performance of the Registrar and Share Transfer Agent of the Company, and recommends 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 of approving transfer of securities to the Managing Director and/or the Company Secretary. To expedite the process of share transfers, the Board has delegated the power of share transfer to M/s Alankit Assignments Limited viz. Registrar and Share Transfer Agent who will attend to the share transfer formalities at least once in fortnight.

Meetings:

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

Meeting held on	Chairman Present	No. of members present
17th April 2008	Nos	3
25th July'2008	Yes	4
23rd Oct'2008	Yes	3
29th Jan'2009	No	3

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

Name of the Committee Member	No. of meetings held	No. of meetings attended
Mr. Harbhajan Singh	4	2
Mr. M.D.Jindal	4	4
Mr. R. L. Gaggar	4	2
Mr. S. Natarajan	4	4

Compliance Officer:

The Compliance Officer for this committee, at present, is Mr. Pradeep Jhalani, Company Secretary.

C. ANNUAL GENERAL MEETINGS

Details of last 3 Annual General Meetings

Year	Location	Date	Time
2007-2008	GIA House, I.D.C., Mehrauli Road, Gurgaon	18/7/2008	11:00 a.m.
2006-2007	GIA House, I.D.C., Mehrauli Road, Gurgaon	05/7/2007	11:00 a.m.
2005-2006	GIA House, I.D.C., Mehrauli Road, Gurgaon	17/7/2006	11:00 a.m.

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



D. DISCLOSURES

The disclosure 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 all the Stock Exchanges 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) & Parivartan Bharti (Hindi).

These results as well as latest information and official news have also been posted on the Company's website, www.machino.com.

Financial results and shareholding pattern of the Company are also available on www.sebiedifar.nic.in

F. GENERAL SHAREHOLDERS' INFORMATION

➤ Date of Book Closure/Record Date : 21st Sept, 2009 to 23rd September, 2009

➤ **Date and Venue of AGM**

Date : 23rd September, 2009

Day : Wednesday

Time : 11:00 A.M.

Venue of A.G.M. : GIA House, I.D.C., Mehrauli Road, Gurgaon

➤ Dividend declared : 5%

➤ **Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2009 July, 2009

Financial reporting for the second quarter ending Sept 30, 2009 Oct, 2009

Financial reporting for the third quarter ending Dec 31, 2009 Jan, 2010

Financial reporting for the year ending Mar 31, 2010 April, 2010

Annual General Meeting for the year ending Mar 31, 2010 July, 2010

➤ **Listing on Stock Exchange's**

The shares of your Company are listed on the following Stock Exchanges:

1. The Stock Exchange, Mumbai
Phirozjeejeebhoy Tower,
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 2009-2010 has been paid to the Stock Exchange, Mumbai.

MACHINO PLASTICS LIMITED

➤ Stock market data

The monthly high and low prices and volume during the financial year 2008-2009

Month	High Price	Low Price	No. of Shares
April 2008	70.00	51.30	43166
May 2008	64.00	50.40	12599
June 2008	55.00	43.00	12543
July 2008	56.95	43.10	19752
August 2008	53.90	42.60	10707
September 2008	51.35	41.15	9156
October 2008	46.80	35.10	6886
November 2008	39.70	32.05	5932
December 2008	36.00	31.40	7568
January 2009	38.60	31.90	599
February 2009	34.50	29.00	5423
March 2009	32.45	26.75	8857

➤ Share Transfer Procedure

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

➤ Distribution of shareholding as on 31st March' 2009

No. of equity shares held	Folios		Shares	
	Numbers	%	Numbers	%
Upto 500	3538	91.89	602551	9.81
501-1000	187	4.857	140239	2.28
1001-2000	42	1.09	128752	2.09
2001-3000	17	0.44	83765	1.36
3001-4000	11	0.29	59777	0.97
4001-5000	16	0.42	53907	0.878
5001-10000	12	0.31	85452	1.39
10000 and above	27	0.70	4982357	81.18
TOTAL	3850	100	6136800	100.00



Pattern of shareholding by ownership as on 31st March 2009

Category	Shareholding	
	Numbers of shares held	Shareholding %
Promoter's holding		
Promoters		
- Indian Promoters	35,79,396	58.327
- Foreign Promoters	9,41,700	15.345
Persons acting in concert	-	-
Sub-Total (A)	45,21,096	73.672
Non- Promoters Holding		
Institutional Investors	-	-
Mutual Funds and UTI	1,500	0.024
Banks, Financial Institutional, Insurance Companies (Central/Sate Govt. Institutions/ Non-Government Institutions)	-	-
FIIS	-	-
Sub-Total (B)	1,500	0.024
Others		
Corporate Bodies	2,46,053	4.009
Indian Public (including NSDL & CDSL)	13,65,012	22.243
NRIs/OCBS	3,139	0.051
Trust & Clearing Members	-	-
Sub-Total (C)	16,14,204	26.33
GRAND TOTAL (A+B+C)	61,36,800	100.00

➤ **As at 31.03.2009 :**

Shares held in Physical form : 40,75,727 shares (66.41% of share capital)
Shares held in Dematerialized form : 20,61,073 shares (33.58% of share capital)

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

Name	Relation	No. of Shares	% to total
Maruti Udyog Limited	Promoter	9,41,700	15.345%
Suzuki Motor Corporation	Promoter	9,41,700	15.345%
Jindals, relatives & associate Companies	Promoters	26,37,696	42.982%

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

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2009.

➤ **Share Transfer Agent**

"Alankit Assignments Limited"
 RTA Division - Machino Plastics Ltd.
 2E/21, Jhandewalan Extn.,
 New Delhi - 110 055.
 Ph.No.: 011- 42541234
 alankit@alankit.com

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

Mr. Pradeep Jhalani
(G.M. Finance cum Company Secretary)
Machino Plastics Limited,
3, M.J.V.Complex,
Gurgaon - 122 015.
Tel : 0124 -2341218, 2340806 Fax : 0124 -2340692
Email: pradeepj@machino.com

Or

"Alankit Assignments Limited"
RTA Division - Machino Plastics Ltd.
2E/21, Jhandewalan Extn.,
New Delhi - 110 055.
Ph.No.: 011-42541234
E-mail : alankit@alankit.com

➤ **Unclaimed Dividends**

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividends upto the financial year 2000-2001 have been transferred to the General Revenue Account of the Central Government.

The unclaimed dividends for the financial year ended 31st March, 2002 & 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 the 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.

Some dividend cheques are unrealised as per Company's record for the year 2001-2002 to 2007-2008. Those shareholders who have not yet realised 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 authorised 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 M/s 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 judgement 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 2009.

For **Machino Plastics Ltd.**

SD/-
Sanjivv Jindall
Managing Director

31st July, 2009

Certificate

To the Members of
Machino Plastics Limited

We have examined the compliance of conditions of Corporate Governance by Machino Plastics Limited for the year ended 31st March, 2009 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 the Company for ensuring the compliance of the conditions of the 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 directors 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 the 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

Place : New Delhi
Dated : 30th June, 2009

Partner
Ashok Kumar Agarwal
M.No. 84600



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, 2009 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 mis-statement. 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 31st March, 2009, 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) of 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 31st March, 2009;

- 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

(Ashok Kumar Agarwal)

Place : New Delhi **Partner**
Date : 30th June, 2009 **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, 2009 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 weakness 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 31st March, 2009 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 2009 which have not been deposited on account of a dispute have been stated in note 14 on schedule 15.
- (x) The company does not have accumulated losses at the year ended March 31st, 2009. 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 or by issuing debentures.
- (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 statue relating to chit fund are applicable, paragraph 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

(Ashok Kumar Agarwal)
Partner
Membership No 84600

Place : New Delhi
Date : 30th June, 2009



Balance Sheet

AS AT 31ST MARCH, 2009

		(Figures in rupees)	
		As at	As at
		31.03.2009	31.03.2008
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	61,368,000	61,368,000
Reserves and surplus	2	427,828,845	281,247,315
Loan funds			
Secured loans	3	389,755,532	103,904,925
Unsecured loans	4	202,305,075	52,775,420
Deferred tax liability (Net) (refer note no. 14 of schedule 15)		30,159,788	19,997,959
Total		<u>1,111,417,240</u>	<u>519,293,619</u>
APPLICATIONS OF FUNDS			
Fixed assets			
Gross block	5	1,761,207,580	1,226,039,903
Less: depreciation		<u>1,004,720,702</u>	<u>908,809,895</u>
Net block		756,486,878	317,230,008
Add : Capital work in progress		<u>169,121,433</u>	<u>74,152,909</u>
		925,608,311	391,382,917
Investments			
	6	27,700,000	45,500,000
Current assets, loans and advances			
Inventories	7	40,966,822	55,480,810
Sundry debtors		114,083,294	61,691,188
Cash and bank balances		71,898,092	8,364,874
Loans and advances		<u>57,439,838</u>	<u>34,558,101</u>
		284,388,046	160,094,973
Less: Current liabilities and provisions			
Current liabilities	8	122,689,217	63,324,771
Provisions		<u>3,589,900</u>	<u>14,359,500</u>
Net current assets		158,108,929	82,410,702
Total		<u>1,111,417,240</u>	<u>519,293,619</u>
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

Ashok Kumar Agarwal
Partner
M.No. : 84600
Place : Gurgaon
Date : 30th June, 2009

Pradeep Jhalani
General Manager (F)
cum Company Secretary

Dr. Sanjiivv Jindal
Managing Director

M.D. Jindal - Chairman
R. L. Gaggar - Director
S. Natarajan - Director
Masayuki Kamiya - Director
A. K. Tomer - Director

Profit And Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2009

(Figure in rupees)

	Schedule	For the year ended 31.03.2009	For the year ended 31.03.2008
INCOME			
Gross sales		975,806,669	1,052,018,325
Less : Excise duty		<u>132,589,183</u>	<u>174,005,721</u>
Other income (refer note no. 7 of Schedule 15)		9,823,938	12,593,099
Profit on sale of investments		59,879,200	23,548,000
Accretion/(Decretion) in finished goods	9	<u>(2,028,356)</u>	<u>(3,371,819)</u>
Total		<u>910,892,268</u>	<u>910,781,884</u>
EXPENDITURE			
Raw materials consumed	10	571,635,750	564,644,747
Manufacturing expenses	11	69,734,768	78,212,913
Personnel expenses	12	49,029,223	43,118,098
Administrative, selling & distribution expenses	13	82,048,950	56,333,264
Financial expenses	14	28,202,488	17,501,973
Depreciation	5	96,426,551	101,941,391
Total		<u>897,077,730</u>	<u>861,752,386</u>
Profit for the year		13,814,538	49,029,498
Less : Net prior period adjustment		<u>(173,261)</u>	<u>(512,985)</u>
Profit for the year before taxation		13,641,277	48,516,513
Provision for tax			
Current tax		2,410,000	19,399,600
Fringe benefit tax		520,000	419,500
Deferred tax		<u>10,161,829</u>	<u>(2,663,349)</u>
Profit for the year after taxation		549,448	31,360,762
Balance brought forward from previous year		102,899,190	88,897,928
Amount available for appropriation		<u>103,448,638</u>	<u>120,258,690</u>
APPROPRIATION			
Transfer to general reserve		-	3,000,000
Proposed dividend		3,068,400	12,273,600
Tax on dividend		521,500	2,085,900
Transfer to balance sheet		99,858,738	102,899,190
Total		<u>103,448,638</u>	<u>120,258,690</u>
Basic and diluted earnings per share (in Rs.) (face value of Rs. 10 each)		0.09	5.11
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

Ashok Kumar Agarwal
Partner
M.No. : 84600
Place : Gurgaon
Date : 30th June, 2009

Pradeep Jhalani
General Manager (F)
cum Company Secretary

Dr. Sanjiiv Jindal
Managing Director

M.D. Jindal - Chairman
R. L. Gaggar - Director
S. Natarajan - Director
Masayuki Kamiya - Director
A. K. Tomer - Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009 (Figures in rupees)**

	As at 31.03.2009	As at 31.03.2008
CASH FLOW FROM OPERATION ACTIVITIES		
Profit before tax	13,641,277	48,516,513
Adjusted for		
Depreciation	96,426,551	101,941,391
Profit on sale of fixed assets	-	-
Profit on sale of Investment	(59,879,200)	(23,548,000)
Loss on sale of fixed asset	251,502	107,902
Interest Received	(4,403,524)	(921,409)
Dividend Received	-	-
Interest Paid	<u>28,202,488</u>	<u>17,501,973</u>
Operating Profit before working capital changes	74,239,094	143,598,370
Adjusted for changes in		
Debtors	(52,392,106)	(8,583,742)
Inventories	14,513,989	(1,383,706)
Decrease (Increase) in Current Assets	(31,323,297)	2,116,051
Increase (Decrease) in Current Liabilities	<u>59,385,080</u>	<u>44,699,904</u>
Cash generated from operations after Working Capital Changes	64,422,760	180,446,877
Direct taxes paid	(8,381,700)	(19,028,784)
Cash Flow before extraordinary items	<u>56,041,060</u>	<u>161,418,093</u>
NET CASH FROM OPERATING ACTIVITIES	56,041,060	161,418,093
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(481,556,464)	(144,077,193)
Sale of fixed assets	275,000	334,999
Purchase of Investment	-	-
Sale of investments	17,800,000	7,000,000
Profit on sale of investment	59,879,200	23,548,000
Interest Received	4,403,524	921,409
Dividend Received	-	-
NET CASH FLOW FROM INVESTING ACTIVITY	<u>(399,198,740)</u>	<u>(112,272,785)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in term loan	314,532,233	(35,399,513)
Dividend paid	(14,380,137)	(1,942,224)
Increase/(decrease) in bank borrowings	120,848,030	7,663,859
Interest Paid	<u>(28,202,488)</u>	<u>(17,501,972)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES	392,797,638	(47,179,850)
Net increase in cash & cash equivalents A+B+C	<u>49,639,958</u>	<u>1,965,458</u>
Cash & Cash equivalent (Opening Balance)	22,258,134	20,292,676
Cash & Cash equivalent (Closing Balance)	71,898,092	22,258,134

Notes:

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3
- Figures in bracket represents cash outflow

As per our report of even date

For GOEL GARG & Co.,
Chartered Accountants

Ashok Kumar Agarwal
Partner
M.No. : 84600
Place : Gurgaon
Date : 30th June, 2009

Pradeep Jhalani
General Manager (F)
cum Company Secretary

Dr. Sanjivv Jindal
Managing Director

M.D. Jindal - Chairman
R. L. Gaggar - Director
S. Natarajan - Director
Masayuki Kamiya - Director
A. K. Tomer - Director

Schedules to the Accounts

	As at 31.03.2009	(Figures in rupees) As at 31.03.2008
SCHEDULE 1: SHARE CAPITAL		
Authorised		
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>
Issued, subscribed and paid up		
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>
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital reserve		
Amount received on forfeited shares	12,500	12,500
Revaluation reserve on land (free hold)	149,621,982	-
General reserve		
As per last balance sheet	178,335,625	175,335,625
Add: Transfer from profit and loss account	-	<u>3,000,000</u>
	<u>178,335,625</u>	178,335,625
Surplus, being balance in profit and loss account	<u>99,858,738</u>	<u>102,899,190</u>
	<u>427,828,845</u>	<u>281,247,315</u>
SCHEDULE 3 : SECURED LOANS		
From Banks:		
Term loan	92,400,000	-
Working capital loans	141,745,532	20,897,502
Buyers' credit	155,610,000	52,775,420
	<u>389,755,532</u>	<u>73,672,922</u>
Notes:		
1. Term loan is secured by way of exclusive charge on the entire assets of the manesar plant including land & building & second charge on current assets.		
2. Working capital loan & buyers' credit are secured by first charge on entire current assets of the company and extention of first charge on fixed assets except moulds, financed under lease agreement.		
SCHEDULE 4 : UNSECURED LOANS		
Tooling loans from customers	202,305,075	83,007,423
	<u>202,305,075</u>	<u>83,007,423</u>



SCHEDULE 5 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions	Add/(Less) Adjustments/ Transfers	Total	As at 01.04.2008	Additions	Add/(Less) Adjustments/ Transfers	Total	As at 31.03.2009	As at 31.03.2008
a) Land (free hold) (refer note no 3 of schedule 15)	-	196,875,000	-	196,875,000	-	-	-	-	196,875,000	-
b) Land (lease hold)	1,144,714	-	-	1,144,714	756,854	34,685	-	791,539	353,175	387,860
c) Buildings	39,792,632	76,175,264	-	115,967,896	13,071,689	1,771,077	-	14,842,766	101,125,130	26,720,943
d) Plant & machinery	461,274,882	224,006,794	-	685,281,676	301,457,946	41,411,223	-	342,869,169	342,412,507	159,816,936
e) Moulds	595,353,037	20,605,215	-	615,958,252	472,636,920	51,641,030	-	524,277,950	91,680,302	122,716,117
f) Moulds on finance lease	109,046,139	-	-	109,046,139	109,046,138	-	-	109,046,138	1	1
g) Furniture, fixtures & office equipment	11,624,264	17,368,200	-	28,992,464	8,980,642	809,901	-	9,790,543	19,201,921	2,643,622
h) Motor vehicles	7,804,235	1,179,449	(1,042,245)	7,941,439	2,859,705	758,635	(515,743)	3,102,597	4,838,842	4,944,530
Total	1,226,039,903	536,209,922	(1,042,245)	1,761,207,580	908,809,894	96,426,551	(515,743)	1,004,720,702	756,486,878	317,230,009
Capital work in progress [Including capital advance of Rs. 41,31,590 (Previous year Rs 1,63,49,035)]	74,152,909	94,968,524	-	169,121,433	-	-	-	-	169,121,433	74,152,909
Grand total	1,300,192,812	631,178,446	(1,042,245)	1,930,329,013	908,809,894	96,426,551	(515,743)	1,004,720,702	925,608,311	391,382,918
PREVIOUS YEAR	1,157,246,153	144,077,193	(1,130,533)	1,300,192,813	807,556,135	101,941,391	(687,631)	908,809,895	391,382,918	-

Schedules to the Accounts

As at
31.03.2009 **As at**
31.03.2008

SCHEDULE 6 : INVESTMENTS

Long term

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

Shares

Investment in Associate Company

41,20,000 (previous Year 59,00,000) equity shares of Rs 10 each of Machino Polymers Limited, of which 26,00,000 equity shares of Rs. 10 each were allotted as bonus shares.	15,200,000	33,000,000
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Other investment

12,50,000 equity shares of Rs. 10 each of Caparo Maruti Limited (refer note no 9 of schedule 15)	12,500,000	12,500,000
	<u>27,700,000</u>	<u>45,500,000</u>

SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES

A. Current assets

Inventories

(as valued and certified by the management)

Raw materials	25,042,087	36,603,909	
Finished goods	6,993,331	9,828,074	
Packing materials	1,829,397	2,165,147	
Stores and spares	7,102,007	6,883,680	
	<u>40,966,822</u>	<u>55,480,810</u>	

MACHINO PLASTICS LIMITED

Schedules to the Accounts

	As at		As at
	31.3.2009		31.3.2008
Sundry debtors			
(Unsecured ,unconfirmed)			
Debts outstanding for a period exceeding			
six months- considered doubtful	554,892	1,232,800	
six months- considered good	8,485,324	-	
other debts- considered good	105,597,970	61,691,188	
	<u>114,638,186</u>	<u>62,923,988</u>	
Less : Provision for doubtful debts	<u>554,892</u>	<u>1,232,800</u>	61,691,188
Cash and bank balances			
Cash on hand	84,052	562,548	
With scheduled banks			
- in current accounts	745,005	6,172,683	
- in fixed deposit accounts (pledge as margin money against letter of credit)	69,460,029	13,893,260	
- in unpaid dividend accounts	<u>1,609,006</u>	<u>1,629,643</u>	
	71,898,092		22,258,134
B. Loans and advances			
(Unsecured ,unconfirmed - considered good)			
Advances recoverable in cash or in kind or for value to be received			
	1,127,230	2,390,833	
Other deposits	1,496,143	1,995,907	
Balance with central excise department	43,445,362	11,628,328	
Prepaid expenses	2,555,873	1,468,725	
Defined benefit plan asset (net)	182,481	-	
Tax paid (net of provisions)	<u>8,632,749</u>	<u>3,181,048</u>	
	<u>57,439,838</u>		20,664,841
	284,388,046		<u>160,094,973</u>
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS			
A. Current liabilities			
Sundry creditors for goods:			
- micro and small enterprises	194,872	140,153	
- others	80,513,493	42,798,630	
Sundry creditors for capital goods	6,457,908	278,899	
Sundry creditors - others	10,851,934	3,778,014	
Unclaimed dividend	1,609,006	1,629,643	
Other liabilities	<u>23,062,004</u>	<u>14,699,432</u>	
	122,689,217		63,324,771
B. Provisions			
Dividend	3,068,400	12,273,600	
Tax on dividend	<u>521,500</u>	<u>2,085,900</u>	
	<u>3,589,900</u>		14,359,500
	126,279,117		<u>20,567,092</u>



Schedules to the Accounts	As at 31.3.2009	As at 31.3.2008
SCHEDULE 9 : ACCRETION/(DECRETION) IN FINISHED GOODS		
Opening stock of Finished goods	9,828,074	13,658,059
Less: Closing stock of Finished goods	6,993,331	9,828,074
	<u>(2,834,743)</u>	<u>(3,829,985)</u>
Less: Excise Duty on Increase/(Decrease) of finished goods	806,387	458,166
	<u>(2,028,356)</u>	<u>(3,371,819)</u>
SCHEDULE 10 : RAW MATERIALS CONSUMED		
Opening stock	36,603,909	32,762,587
Add: Purchases (refer note no. 8 of schedule 15)	560,073,928	568,486,069
	<u>596,677,837</u>	<u>601,248,656</u>
Less: Closing stock	25,042,087	36,603,909
	<u>571,635,750</u>	<u>564,644,747</u>
SCHEDULE 11 : MANUFACTURING EXPENSES		
Stores and consumables consumed	3,953,751	13,131,009
Power and fuel	51,682,300	51,349,270
Job work	4,244,384	3,168,876
Repairs and maintenance		
- Building	17,589	169,804
- Machinery	9,836,744	10,393,954
	<u>9,854,333</u>	<u>10,563,758</u>
	<u>69,734,768</u>	<u>78,212,913</u>
SCHEDULE 12 : PERSONNEL EXPENSES		
Salaries, wages and allowances	42,351,179	37,890,011
Contribution to PF and ESI	2,078,482	2,054,083
Other benefits	4,524,562	3,041,213
Staff recruitment expenses	75,000	132,791
	<u>49,029,223</u>	<u>43,118,098</u>
SCHEDULE 13 : ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES		
Rent	54,002	54,000
Rates and taxes	72,795	59,547
Printing and stationery	582,577	339,689
Communication	970,598	757,102
Legal and professional	4,631,853	3,639,547
Travelling and conveyance	3,012,368	3,596,847
Advertisement and publicity	235,581	257,743
Packing, freight and forwarding	42,490,444	33,901,347
Discount	5,754,345	6,734,239
Insurance	1,179,983	1,617,812

MACHINO PLASTICS LIMITED

Schedules to the Accounts

	As at		As at
	31.3.2009		31.3.2008
Donation	625,000		1,505,000
Loss on sale of fixed assets	251,502		107,902
Bad debt writtern off	17,275,494		-
Miscellaneous	4,463,818		3,308,899
Payment to auditors :			
Audit fees	300,740	300,740	
Tax audit fees	102,850	102,850	
Other services	45,000	50,000	
	448,590		453,590
	82,048,950		56,333,264

SCHEDULE 14 : FINANCIAL EXPENSES

Interest to Banks:

a. Term loan	2,159,819	-	
b. Working capital loans	10,722,931	625,119	
c. Buyers' credit	3,872,062	16,754,812	687,857
			1,312,976
Other charges paid to banks	1,184,007		932,412
Interest on tooling loans	9,889,106		15,193,900
Interest to others	374,563		62,685
	28,202,488		17,501,973



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 is depreciated on the basis of economic useful life on straight line basis. 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 the such assets and depreciation is provided as aforesaid over the residual life of the respective asset.

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 realised 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:

- Sales tax sureties provided for Machino Polymers Limited, a supplier and a related party for Rs. NIL (Previous year Rs. 2,29,24,650)
- Demand under the central excise act of Rs 13,92,56,442/-(Previous year Rs. 14,38,65,568)
- Disputed income tax demands of Rs. 64,65,431/-(Previous Year Rs. 28,83,793/-)

2. Estimated amount of contracts, remaining to be executed on capital account (net of advances) Rs. 1,37,78,758/- (Previous year Rs. 11,02,27,487/-)

3. During the year ended 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 its external valuer using comparable method. The company has applied for registration with appropriate authorities. The title deed of the land (free hold) at Manesar is pending registration as at 31st March, 2009.

4. 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.

The following tables summarize the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plan (as per Actuarial Valuation as on March 31,2009).

CHANGES IN PRESENT VALUE OF OBLIGATIONS

As of	31-03-2009	31-03-2008
Present value of obligation at the beginning	19,01,007	13,67,456
Interest cost	1,33,916	1,04,091
Current Service cost	4,42,808	3,88,097
Benefits paid	(2,30,933)	(1,32,644)
Actuarial(gain)/loss on obligation	13,242	1,74,007
Present value of obligation at the end	22,60,040	19,01,007

CHANGE IN PRESENT VALUE OF PLAN ASSETS

As of	31-03-2009	31-03-2008
Fair Value of Plan Assets at the beginning	10,40,692	6,21,129
Expected Return of Plan Assets	1,50,999	72,433
Contributions	15,05,078	5,00,000
Withdrawal	(2,30,933)	(1,32,644)
Actuarial(Gain)/Loss of Plan Assets	(23,315)	(20,226)
Fair Value of Plan Assets at the end	24,42,521	10,40,692

MACHINO PLASTICS LIMITED

FAIR VALUE OF PLAN ASSETS

As of	31-03-2009	31-03-2008
Fair Value of Plan Assets at the	10,40,692	6,21,129
Actual Return on Plan Assets	1,27,684	52,477
Contributions	15,05,078	5,00,000
Withdrawal	(2,30,933)	(1,32,644)
Fair Value of Plan Assets at the end	24,42,521	10,40,692
Present Value of obligation at the end	22,60,040	19,01,007

ACTUARIAL GAIN / LOSS RECOGNIZED

As of	31-03-2009	31-03-2008
Actuarial Gain/(Loss) on obligations	(13,242)	(1,74,007)
Actuarial Gain/(Loss) on Plant Assets	(23,315)	(20,226)
Total Gain/(Loss)	36,557	1,94,233
Actuarial Gain/(Loss) Recognised	36,557	1,94,233
Unrecognised Actuarial Gain/(Loss) at the end	-	-

AMOUNT TO BE RECOGNIZED IN THE BALANCE SHEET

As of	31-03-2009	31-03-2008
Fair Value of Plan Assets at the end	24,42,521	10,40,692
Present Value of obligation at the end	22,60,040	19,01,007
Unrecognised Actuarial Gain/(Loss) at the end	-	-
Net Assets/(Liability) recognized in the Balance Sheet	1,82,481	(8,60,315)

EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT AND LOSS

As of	31-03-2009	31-03-2008
Current Service Cost	4,42,808	3,88,097
Interest Cost	1,33,916	1,04,091
Expected return on Plan Assets	(1,50,999)	(72,433)
Actuarial Gain/(Loss) recognized	36,557	1,94,233
Expenses Recognized in the statement of Profit and Loss	4,62,282	6,13,988

KEY ASSUMPTIONS

As of	31-03-2009	31-03-2008
Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Imputed Rate of Interest	07.50% p.a.	08.00% 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	22.34 years	22.16 year

* 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.



5. i) Personnel expenses include:-

Remuneration to managing director			
S.No.	Particulars	Year ended 31st March 2009	Year ended 31st March 2008
1	Salaries and perquisites	36,00,000	36,00,000
2	Contribution to provident fund	2,68,800	4,03,200
	Total	38,68,800	40,03,200

ii) Computation of commission payable to non executive directors

S.No.	Particulars	For the year ended 31st March 2009	For the year ended 31st March 2008
1	Net profit before tax for the year	1,36,41,277	4,85,16,513
2	Commission payable as 1% of net profit (pursuant to section 349 & 350 of Companies Act, 1956)	NIL	4,85,165
3	Maximum limit	NIL	4,00,000
4	Commission payable	NIL	4,00,000

6. Other income includes interest received Rs.44,03,524 (previous year Rs. 9,21,409). tax deducted thereon is Rs.9,23,878.01 (previous year Rs. 5,462); Profit on sale of equity shares Rs.5,98,79,200 (Previous year 2,35,48,000); Income from Job work Rs.25,98,207.24 (previous year Rs. 56,91,248); Discount received Rs.18,44,740 (previous year Rs. 43,95,355).
7. Purchases includes Rs.NIL (Previous year 12,00,000) of finished product procured for resale.
8. Prior period adjustment comprises of :

Particulars	Year ended 31st March 2009	Year ended 31st March 2008
Manufacturing expenses	18,394	10,858
Personal Expenses	767	NIL
Administrative expenses	1,54,100	5,02,127
Total	1,73,261	5,12,985

9. 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 Honble 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.
10. 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.

MACHINO PLASTICS LIMITED

11. 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
Machino Polymers Limited

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 Polymers Limited

c) **Key management personnel & relatives**

Mr. M.D.Jindal - Chairman
Dr. Sanjiivv Jindall - Managing Director & Son of Chairman
Mrs. Kamla Jindal - Spouse of Chairman
Mrs Sarita Jindal - Spouse of Managing Director

Details of related party transactions are as follows:

Name of Related Party	Nature of Transaction	Current Year Amount (Rs.)	Previous Year Amount (Rs)
Receipts			
Maruti Suzuki India Limited	Sale of goods	78,73,25,422	84,56,30,396
Machino Polymers Limited	Car loan	4,78,896	3,04,752
Machino Polymers Limited	Other services	NIL	6,87,740
Grandmaastters Mold Limited	Sale of moulds	NIL	32,70,758
Machino Polymers Limited	Sale of shares	2,96,75,200	NIL
Machino Finance Pvt Ltd	Sale of shares	1,74,56,000	3,05,48,000
M D Jindal	Sale of shares	3,05,48,000	NIL
Payments			
Machino Polymers Limited	Purchase of raw materials	33,78,10,263	37,83,01,375
Maruti Suzuki India Limited	Purchase of moulds	2,07,17,898	NIL
Maruti Suzuki India Limited	Interest paid	98,89,106	1,51,93,900
Grandmaastters Mold Limited	Purchase of moulds & Conversion charges	1,06,22,138	71,75,112
Mrs. Kamla Jindal	Rent	3,30,000	3,30,000
Mr. M.D. Jindal	Sitting fees	60,000	60,000
Dr. Sanjiivv Jindall	Remuneration	38,68,800	40,03,200
Mrs. Sarita Jindal	Salary	5,52,720	4,86,000



Outstanding balance as on 31st March 09			
Grandmaastters Mold Limited	Payable/ (Receivable)	(9,47,180)	12,704
Maruti Suzuki India Limited	Receivable	8,96,77,463	5,46,94,388
Maruti Suzuki India Limited	Tooling/car advance	9,06,00,205	8,30,07,422
Machino Polymers Limited	Payable/ (Receivable)	6,15,30,096	3,12,16,814
Guarantees given			
Machino Polymers Limited	Guarantee to sales tax department	NIL	2,29,24,650

12. 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.)	5,49,448	3,13,60,762
(ii)	Average no. of equity shares used as denominator for calculating EPS	61,36,800	61,36,800
(iii)	EPS (Basic and diluted) (Rs.)	0.09	5.11
(iv)	Face value of each equity share(Rs.)	10	10

13. In compliance with the Accounting Standard (AS) 22 "Accounting for Taxes on Income" deferred tax assets arising during the year on account of timing differences amounting Rs. 1,01,61,829 has been recognised in the profit and loss account and adjusted with deferred tax liability.

The component of Deferred Tax Assets to the extent recognised and Deferred Tax Liabilities as on 31st March 2009 are as follows:-

Sr. No.	Particulars	As at 31st March' 2009	Current year charge/ (Credit)	As at 31st March'2008
A	Deferred Tax Liabilities: Related to depreciable fixed Assets	(3,03,48,396)	(99,31,408)	(2,04,16,988)
B	Deferred Tax Assets: Provision for doubtful debts	1,88,608	(2,30,421)	4,19,029
C	Net Deferred Tax Liability	(3,01,59,788)	(1,01,61,829)	(1,99,97,959)

MACHINO PLASTICS LIMITED

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

Name of Statute	Nature of the dues	Amount	Amount deposit under protest	Period	Forum where Dispute is pending
Income tax act,1961	Income tax - Disallowance of expenses	34,24,159	45,55,221	Assessment year 2001-02	Income tax Appellant Tribunal
	Penalty	14,52,162	6,08,679	Assessment Year 2001-02	CIT (A)
Income tax act,1961	Income tax - Disallowance of expenses	15,89,110	NIL	Assessment year 2005-06	Income tax Appellant Tribunal
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	Zen Classic Tool 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
The central excise act, 1944	Excise duty	1,58,26,495	NIL	October , 05 to May ,06	Central Excise Depart, Gurgaon Range
The central excise act, 1944	Excise duty	22,58,355	NIL	F.Y. 2003-04 & 2004-05	Central Excise Depart, Gurgaon Range



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

		As at 31st March, 2009	As at 31st March, 2008
(a)	Principal amount due and Interest due on the above	1,94,872	1,40,153
(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.

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	10500	7750	6155	6596

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 Dies & Moulds (in nos.)	65	84,55,034	65	93,77,419	52	69,93,331	65	84,55,034
	1	13,73,040	4	42,80,640	0	NIL		

MACHINO PLASTICS LIMITED

Class of Goods	Sales			
	Current Year		Previous Year	
	Qty MT	Value (Rs)	Qty MT	Value (Rs)
Moulded plastic products	6168	97,58,06,669	6825	104,93,26,117
Dies & Moulds (in nos.)		NIL	2	27,00,000

3. Raw materials consumed

Particulars	Current Year		Previous Year	
	Qty MT	Value (Rs)	Qty MT	Value (Rs)
Compounded polypropylene and ABS	6205	57,12,61,987	6613	56,34,44,747

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

Particulars	Current Year		Previous Year	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of Total Consumption
Indigenous	42,39,77,463	74.22	41,45,19,771	73.57
Imported	14,72,84,524	25.78	14,89,24,976	26.43

5. C.I.F. value of imports

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Raw materials	11,88,05,787	13,63,34,880
Components and spare parts	3,41,626	70,39,308
Capital Goods (Moulds)	9,68,83,700	1,60,15,425

6. Expenditure in foreign currency

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Travelling Expenses	297,102	1,86,215
Technical fees paid	NIL	4,12,350
Repair & maintenance	NIL	6,85,536
Interest on buyers' credit	23,10,572	NIL

7. Earning in foreign exchange

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Export sales	7,38,162	18,78,015



8. Remitted 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 year 2007-2008	Rs. 18,83,400	NIL

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 : 31.03.2009

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 : 1111417 Total assets : 1111417

SOURCES OF FUNDS

Paid up Capital : 61368 Reserves and Surplus : 427829
Secured loans : 389756 Unsecured loans : 202304
Finance lease liability : NIL Deferred tax liability : 30160

APPLICATION OF FUNDS

Net Fixed Assets : 925608 Investments : 27700
Net Current Assets : 158109 Miscellaneous Expenditure : NIL
Accumulated Losses : NIL

IV. PERFORMANCE OF COMPANY (AMOUNT RS. IN THOUSAND)

Turnover and other Income : 910892 Total Expenditure : 897251
Profit/(Loss) Before Tax : 13641 Profit/(Loss) After Tax : 549
Earning Per Share : Rs. 0.09 Dividend Rate : 5%

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

Ashok Kumar Agarwal

Partner

M.No. : 84600

Place : Gurgaon

Date : 30th June, 2009

Pradeep Jhalani

General Manager (F)
cum Company Secretary

Dr. Sanjiv Jindal

Managing Director

M.D. Jindal

R. L. Gaggar

S. Natarajan

Masayuki Kamiya

A. K. Tomer

- Chairman

- Director

- Director

- Director

- Director

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MACHINO PLASTICS LIMITED

PROXY FORM

Machino Plastics Ltd.

Registered Office :
Plot No. 3, M.J.V. Complex,
Delhi-Gurgaon Road,
Gurgaon-122015 (Haryana)

Regd. Folio No. _____

* DP. Id _____

* 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 24th Annual General Meeting of **MACHINO PLASTICS LIMITED** to
be held at GIA House, I.D.C. Opp. Sector-14, Mehrauli Road, Gurgaon-122001 (Haryana) on Wednesday the 23rd day
of September, 2009 at 11:00 A.M. and at any adjournment thereof.

Affix One
Rupee
Revenue
Stamp

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 the attending Member
(IN BLOCK LETTERS)

Member's Folio Number.....No. of Share held.....

* DP. Id _____

* Client Id. _____

Name of Proxy
.....
(IN BLOCK LETTERS)

(To be filled in if the Proxy attends the meeting instead of the Member)

I, hereby record my presence at the 24th Annual General Meeting of **MACHINO PLASTICS LIMITED** held on Wednesday
the 23rd day of September, 2009 at 11:00 A.M. at GIA House, I.D.C. Opp. Sector-14, Mehrauli Road, Gurgaon - 122001
(Haryana) and at any adjournment thereof.

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

NOTE : Members are requested to bring their copies of Annual Report to the meeting as the company is unable
to provide another copy in view of the increased cost of paper.

*No gift of any nature will be distributed at the Annual General Meeting.
The members seeking gifts may excuse us.*

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