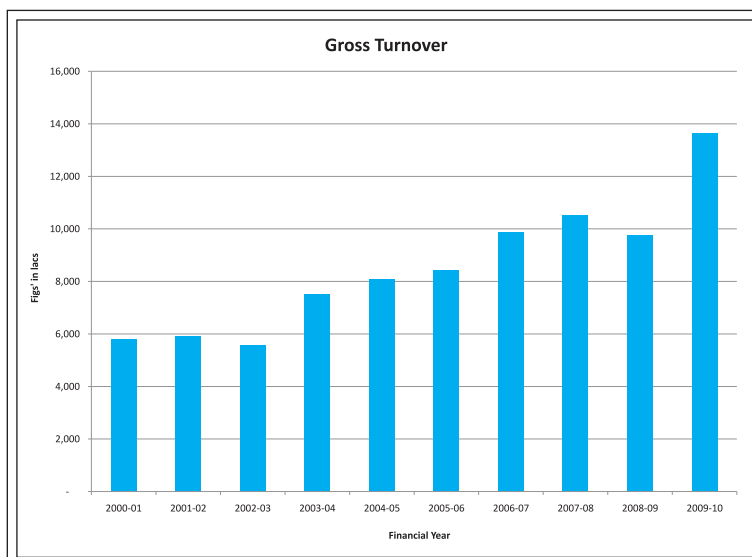
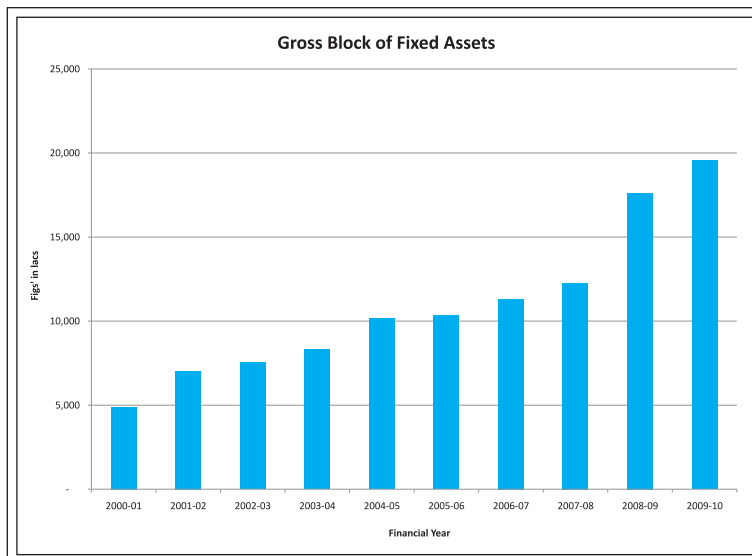
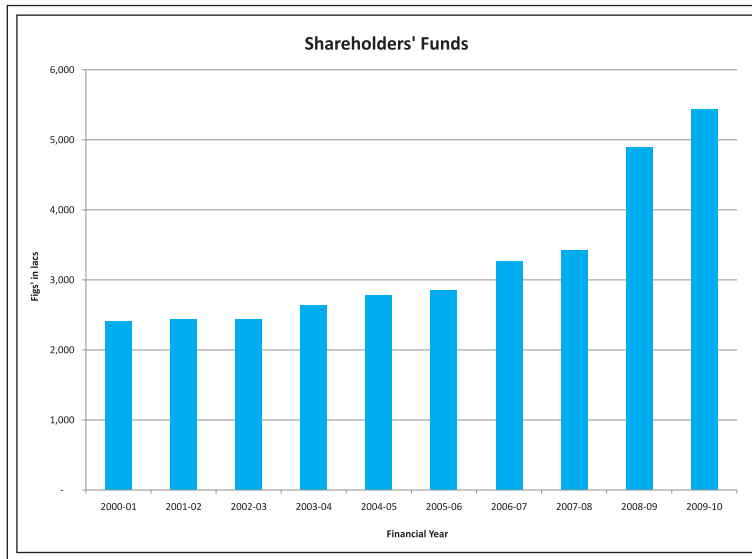




MACHINO
PLASTICS LIMITED

25th
Annual Report
2009-2010

PERFORMANCE OVER LAST 10 YEARS AT A GLANCE





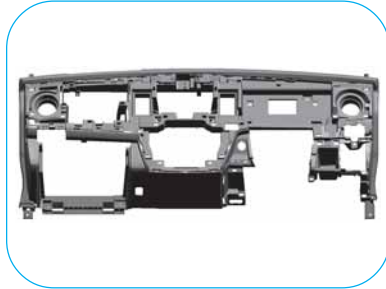
Corporate Information

Board of Directors	Contents	Page No.
M. D. Jindal - Chairman	Corporate Information	1
Masayuki Kamiya - Director (Representative of Suzuki Motor Corporation, Japan)	Products of the Company	2
A. K. Tomer - Director (Representative of Maruti Suzuki India Ltd.)	Notice	3-8
R. Krishnan - Director	Directors' Report	9-12
R. L. Gaggar - Director	Management Analysis & Discussion Report	13-15
Dr. Sanjiivv Jindall - Managing Director	Corporate Governance Report	16-30
	Auditors' Report	31-34
	Balance Sheet	35
	Profit and Loss Account	36
	Cash Flow Statement	37
	Schedules to Accounts	38-44
	Notes to Accounts	45-53
	Balance Sheet Abstract	54
	Proxy Form	55
	25th Annual General Meeting on Friday, the 16th July, 2010, at 11.00 am at GIA House, I.D.C., Mehrauli Road, Gurgaon (Haryana)	
	The Annual Report can be accessed at www.machino.com	

PRODUCTS OF THE COMPANY



Front Bumper - Ritz



Instrument Panel - Zen Estilo



Mirror Housing - Scorpio



Base Cover - Xylo



Box Belt Cooling for Suzuki - Scooters



Intake Manifold Assembly



Stay - Ritz



Trim Dash - Wagon R



Cover Engine Under - Ritz



Garnish Assembly - A-Star



Rear Bumper - Ritz



Rear Bumper - Wagon R



Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the members of M/s Machino Plastics Limited will be held on Friday, the 16th July, 2010, at 11.00 am at GIA House, I.D.C., Mehrauli Road, Gurgaon (Haryana), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2010 and profit and loss account for the year ended on that date.
2. To consider and adopt the report of Auditors.
3. To consider and adopt the report of Directors.
4. To declare a dividend on equity shares.
5. To appoint a director in place of Mr. Masayuki Kamiya who retires by rotation and being eligible offers himself for reappointment.
6. To appoint a director in place of Mr. R L Gagar who retires by rotation and being eligible offers himself for reappointment.
7. 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 BUSINESS

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. R. Krishnan who was appointed as an additional director 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"

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 for enhancement of remuneration of Dr. Sanjiiv Jindall, Managing Director of the Company as per terms and condition mentioned below:

REMUNERATION:

Basic Salary	:	Rs. 4,80,000/- per month.
HRA	:	Rs. 20,000/- per month.
Provident Fund	:	Rs. 57,600/- 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, 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, 1956.

Minimum Remuneration

In the event of absence or inadequacy of profits, Dr. Sanjiiv Jindall shall be paid the above

MACHINO PLASTICS LIMITED

remuneration as minimum remuneration subject to the limit specified under Section II, Part II of Schedule -XIII of the Companies Act, 1956.

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 from time to time be and is hereby granted.

RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorised to do and perform all such acts, deeds and things as may be consider desirable or expedient to give effect to this resolution”.

10. 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 the appointment of Ms. Simta Jindal, daughter of Dr Sanjiivv Jindall, Managing Director of the company to hold an office or place of profit as Sales Executive of the company with effect from 1-02-2010 at a monthly remuneration of Rs. 25,000/- with such increase as the board may in its absolute discretion decide subject to a maximum of Rs. 49,999/-".

By order of the Board of Directors

Place : Gurgaon

Pradeep Jhalani

Dated : 17th May, 2010

G.M. (Finance cum C.S.)



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 14th July, 2010 to 16th July, 2010, 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 of 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.

MACHINO PLASTICS LIMITED

10. All unclaimed dividend declared up to the financial year ended March 31, 2002 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, 2003 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 with them 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. 8

Mr. R. Krishnan was appointed as an additional director of the company by the Board of Directors of the company in its meeting held on 17th May, 2010. According to the provisions of the Section 260 of the Companies Act, 1956, he holds the office up till 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. R. Krishnan as a candidate for the office of director.

Mr R Krishnan is a M A in Economics. He is the Founder President of the Institute of Company Secretaries of India and a Fellow Member of the Institute. In addition he is a Fellow Member of the Institute of Directors and the Chartered Institute of Securities and Investment, UK.

He carries with him a long and vast experience of over 40 years into the field of Corporate Law and Corporate Management. Currently Mr Krishnan is Managing Director of Associated VAT Recovery Inc. Associated VAT Recovery Inc is one of the largest players globally in VAT reclaim. He is also on the board of Kitec Industries India Ltd.

He has served as:

- Member of Finance Minister's delegation to Germany in April, 2000 and September, 2007 to espouse case for VAT recovery.
- Member of Indian delegation led by Hon'ble Minister for Commerce & Industry to USA in 2003.
- Nominated by Ministry of Finance as a Member of Corporate Governance Committee.
- Member of Advisory Committee on Corporate Law, nominated by Ministry of Finance.
- Company Secretary of Indian Oil Corporation Ltd for 5 years.
- Group Company Secretaries of Indian Tube & Stewards & Lloyds for 10 years.
- Company Secretary of ACC Babcock Ltd for 4 years.



- Directors of Champion Spark Plug Company India Ltd for 6 years.
- Directors, Bureau Veritas, Consumer products Services, South Asia for 10 years.
- President of Institute of Company Secretaries of India for three consecutive terms.

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

Explanatory Statement to Item No. 9

The Board of Directors of the company had re-appointed Dr. Sanjiivv Jindall as Managing Director of the company for a period of 3 years w.e.f. 1st April, 2009. Further, the shareholders at the AGM held on 23rd September, 2009 approved his re-appointment.

The company has made excellent performance in the year 2009-10 and is poised to do well in future as well. The company has set-up one more plant in Manesar. As such role and responsibilities of the Managing Director has increased. The Board of Director of the company at its meeting held on 17th May, 2010 considered it desirable to enhance the remuneration and perquisites of Dr. Sanjiivv Jindall, Managing Director from Rs. 3 lacs to Rs. 5 lacs per month (including HRA) as per the provisions of Schedule XIII to the Companies Act, 1956, subject to the approval of Central Govt.

Explanatory Statement to Item No. 10

Ms. Simta Jindal daughter of Dr. Sanjiivv Jindall, Managing Director of the company has done her graduation in English in the year 2004 and has also done PGDAMM, Advertising and Marketing Management from Amity School of Communication, Amity University. She has worked with Hindustan Times as Sales Co-ordinator (PACE) during 2005-2006.

It is proposed to appoint her in the Business Development Department of the Company as sales executive at a remuneration of Rs. 25,000/- per month. The Board of Director is authorised to increase the remuneration from time to time subject to a maximum of Rs. 49,999/- per month.

STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II(C) TO THE SCHEDULE XIII OF THE COMPANIES ACT, 1956 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 injection moulded automotive components i.e. bumpers, instrument panels, grills etc. as original equipments and for spare parts market for Maruti Suzuki India Limited (MSIL). The Company also manufacture automotive parts for VE Commercial Vehicles Ltd., SMR Automotive, Hero Motors, Suzuki Motor Cycle etc. Share of non - MSIL business is small being below 20%.

2. Date or expected date of commencement of commercial production

The Company is already in production for more than 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)	
	2009-2010	2008-2009
Income from Operation (net of excise)	12344.39	8432.17
Profit before tax	1085.37	136.41
Dividend	25%	5%

5. Export performance and net foreign exchange collaborations.

The Company has negligible Exports.

6. Foreign investments or collaborators, if any.

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

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. 5, 6, 8)

Director	Brief Resume	Hold Directorship in	Membership in Committees	Shares held
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.	Bellsonica Auto Component India Pvt. Ltd.	None	None
Mr. R.L. Gagar	Mr. Gagar is a practicing Solicitor & Advocate of the Hon'ble High Court of Calcutta for past 50 years.	Somani Ceramics Limited Sarda Plywood Industries Ltd. TIL Limited. Peria Karmal Tea & Produce Co. Limited Paharpur Cooling Towers Limited International Combustion India Limited Sumedha Fiscal Services Limited. Shree Cement Limited. Financial & Management Services Ltd. Machino Bassel Industries Ltd. Eastern Silk Industries Limited. Bhaskar Silicon Ltd. Subhas Projects and Marketing Limited.	TIL Limited. Somani Ceramics Limited. Shree Cement Limited. Paharpur Cooling Towers Limited Sarda Plywood Industries Ltd. International Combustion India Limited	120
Mr. R. Krishnan	Mr R Krishnan is a MA in Economics. He is the Founder President of the Institute of Company Secretaries of India and a Fellow Member of the Institute. In addition he is a Fellow Member of the Institute of Directors and the Chartered Institute of Securities and Investment, UK. He carries with him a long and vast experience of over 40 years into the field of Corporate Law and Corporate Management. Currently Mr Krishnan is Managing Director of Associated VAT Recovery Inc. Associated VAT Recovery Inc is one of the largest players globally in VAT reclaim. He is also on the board of Kitec Industries India Ltd.	Kitec Industries India Ltd. Associated VAT Recovery Inc.	None	None



Directors' Report

The Members,

Your directors have pleasure in presenting the 25th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2010.

OPERATION REVIEW:

India's automobile industry reported a 26.41% growth in sales in 2009-10 riding on the government's stimulus packages that perked demand, making it the second fastest growing market in the world after China. A variety of factors, including the stimulus package, lower interest rates, implementation of the 6th pay commission and new model launches, helped the industry register the growth.

Buoyed by the robust performance, Society of Indian Automobile Manufacturers (SIAM) has forecast 10-14% growth for the industry during 2010-11.

According to the figures released by SIAM, total passenger car sold in India in the year 09-10 were at 19.49 lacs units compared to 15.52 lacs units in 08-09, registering a growth of 25.57%.

Car market leader Maruti Suzuki India Limited sold a total of 10,18,365 vehicles in 2009-10. The total sales numbers in 2009-10 mark a growth of 29% over preceeding financial year. Maruti Suzuki's total sales in 2008-09 was 792,167 vehicles.

During the year under review Manesar plant of the company has become fully operational. The company has received electricity connection from State Electricity Board which will help it to reduce its power cost substantially.

The company has sold 12.79 lacs no.s of components in 09-10 as compared to 5.82 lacs no.s in 08-09. The company is expanding its business rapidly into smaller components as well.

FINANCIAL REVIEW:

FINANCIAL PERFORMANCE :	(Rs. In Lacs) 2009-2010	(Rs. In Lacs) 2008-2009
Income from Operation (net of excise)	12344.39	8432.17
Other Income	104.28	982.39
Profit (before financial charges ,depreciation and tax)	2739.89	1440.24
Financial charges	454.28	339.56
Depreciation	1200.22	964.26
Profit before tax	1085.37	136.41
Provision for tax (after adjustment of deferred tax)	371.94	130.91
Profit after tax	713.43	05.49

The turnover of your company has increased by 46.39% approx i.e. from 8432.12 lacs in 2008-09 to Rs. 12344.39 lacs in current year. PAT has increased by 12885% from Rs. 5.49 lacs to Rs. 713.43 lacs.

FUTURE OUTLOOK

Current trends indicate a smooth run for the auto component industry. In fact, since 2000, this is one sector which has made a global mark and has been identified as a sunrise industry. The industry is transforming from being highly domestic-centric, to a force ready to face global competition. Buoyed by the robust performance,

MACHINO PLASTICS LIMITED

Society of Indian Automobile Manufacturers (SIAM) has forecast 10-14% growth for the industry during 2010-11.

Entry of global OEMs has transformed the Indian automobile and auto components landscape. India is being perceived as a major market for cars and two wheelers by global OEMs.

Enthusied with high growth potential your company is planning to install atleast 10 new machines ranging from smaller capacity to higher capacity. Your directors are optimistic of achieving improved results during the current financial year and more wealth creation for the shareholders.

DIVIDEND

Your Directors recommend a dividend of 25% (i.e Rs. 2.50 per equity share of Rs. 10/- each) for the financial year 2009-10 as against a dividend of 5% (i.e Rs. 0.50 per equity share) for the financial year 2008-09. The dividend outgo (including dividend tax) will be Rs 178.90 lacs subject to approval of members.

The dividend income is tax free in the hands of shareholders.

CREDIT RATING

As per the requirement of BASEL-II, the Company got its rating done of bank borrowing from CRISIL. Your Company has been awarded BBB+ rating for long term instruments, which represents the adequate safety with regard to timely payment of obligations.

P2 rating is awarded for Short-term debt Instruments, which represents adequate credit quality.

Considering the excellent performance and financial result for 09-10 the rating is likely to improve further.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000, the directors of your company subject to notes appended to accounts and auditors' report, confirm:

- that in preparation of annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed and that there are no material departures.

- that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year as at 31st March, 2010 and of the profit of the Company for the year ended 31st March, 2010.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- that the annual accounts have been prepared on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. R. L. Gaggar and Mr. Masayuki Kamiya retire by rotation and being eligible offer themselves for reappointment.

During the year under review, Mr. Harbhajan Singh & and Mr. S. Natarajan have resigned from the Board of the Company for the personal reasons.

Your Directors place on record their appreciation of the valuable services rendered by Mr. Harbhajan Singh & Mr. S. Natarajan during their tenure as Directors of the Company.

LISTING

The Equity shares of the company are listed at Bombay Stock Exchange. The Company has paid listing fees to the Stock Exchange for the year 2009-10.

AUDITORS

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

AUDITORS' REPORT

The observation of the auditors is self-explanatory and/ or is suitably explained in the notes to the accounts.



CORPORATE GOVERNANCE

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

Details of employee of the Company as specified by section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 are annexed hereto as Annexure-II and form 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

Continuous overhauling of equipments and awareness amongst employees has helped to avoid wastage of energy. New investments have been made to monitor consumption of energy at various levels.

Series of steps have been taken to identify areas of excess consumption of power and checks have been strengthened at these points.

Data regarding energy consumed is given hereunder:

Power & Fuel Consumption 2009-10 2008-09

1. Electricity		
(a) Purchased Units	87,55,659	68,95,204
Total Cost (Rs. In lacs)	622.51	496.58
Rate per unit	7.10	7.20
(b) Own Generation - D.G. Set		
Units generated	13,74,740	1,74,421
Fuel Cost (Rs. In lacs)	1,61.99	18.70
Fuel cost per unit	11.78	10.72

2	Coal	NIL	NIL
3	Furnace Oil	NIL	NIL
4	Other / Internal generation	NIL	NIL

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	4.13
Total foreign exchange outgo	1769.84

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 valuable co-operation and assistance extended by Maruti Suzuki India Ltd., Suzuki Motor Corporation, Japan, Government of India, Government of Haryana and the company's bankers for their continued support and guidance. Your directors also wish to place on record their sincere appreciation of 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 : 17th May, 2010

M.D. JINDAL
Chairman

MACHINO PLASTICS LIMITED

ANNEXURE - I

Form 'B'- Technology Absorption

11	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	None
4	Expenditure on R & D (Rs. In lacs)	a. Capital Nil b. Recurring Nil c. Total Nil d. Total R & D expenditure as % of total turnover Nil

ANNEXURE - II

PARTICULARS OF EMPLOYEES

S. No.	Name	Age (Year)	Designation	Remuneration	Qualification	Total Experience	Date of Commencement of employment	Last Employment held designation /period
1	Dr. Sanjiivv Jindall	52	Managing Director	36,00,000	B. Com MBA, Phd.	22	01-07-1987	-



Management Analysis & Discussion Report

Overview

The Finance Minister has reiterated that India would continue being the second fastest growing economy in the world despite the ongoing global economic slowdown. There is renewed activity in infrastructure, manufacturing and overall industrial and agricultural sector. FDI into our economy is growing and have broken previous records thus showing the confidence in our economic system.

Industry Structure & Development

Your company is engaged in the manufacture of large size injection moulded automotive components i.e. bumpers, instrument panels, grills etc. as original equipments and for spare parts market primarily 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. Your company has 17 nos. injection moulding machines, sizes ranging from 100 Ton to 3150 Ton clamping force. Your company has been dealing in bulky plastic automotive components which can be supplied by setting production facility next door to automobile industries. For supplying such components to customer other than MSIL, it has to set up additional facility.

The automotive sector is witnessing highest ever growth in volumes. This is reflected in all segments - Two wheeler, Cars and Commercial vehicles. Most of the vehicle manufacturers are ramping up their capacities to cater to the growing appetite for automobiles in Indian market and export requirements.

Opportunities & Threats

Growing market of India has already attracted all major automobile companies to start operation here. India is

expected to be one of major auto hub in the world map soon.

The principal customer of the company is Maruti Suzuki India Limited (MSIL) and growth of the company currently depends mainly on the growth of MSIL.

MSIL further consolidated its position as the car market leader and has closed the financial year 2009-10 with sale of 10,18,365 units, the highest ever since the company began operations. The sale figure includes exports of 1,47,575 units. Maruti's sale in 2009-10 represents a growth of 29% over 2008-09.

Your company has also grown with MSIL. It works round the clock in three shifts ensuring optimum utilisation of resources thereby reducing per unit cost of production. This helps company to face competition effectively.

Your company is positively working towards (i) expanding its operation to non- maruti and (ii) manufacturing of smaller components. Your company has added many new customers for smaller components during 2009-10. Production of smaller components has grown manifold in the last 3 years.

The small to large size of machine range helps your company to cater to all types of customers' part sizes. Moreover, the machines are versatile to process virtually all types of polymers and can make not only automotive but also other plastic goods by changing moulds. Thus, your company has immense capability to keep pace with the growing and diverse requirement of MSIL as well as it has the possibilities for other business besides automotives .

Segment-wise or Product-wise Performance

Currently your company is trying to diversify its product and range of industry it caters to. Your company now also has capabilities in moulding smaller and intricate functional and aesthetic parts in automotive and other industries.

Outlook

The growth expected in the domestic automobile industry will give a filip to the auto component sector. The Indian automobile industry offers great potential considering the low penetration along with rising income levels and a rapidly growing middle class. These factors will witness a boost in demand for vehicles, especially passenger cars and two wheelers.

The Indian auto component industry is poised for robust growth during the next couple of years. There is a perceptive exuberance in the industry, and growth estimates indicate a booming industry. Going by current trends in production and exports of auto components, a significant growth of the domestic auto component industry is imperative.

With the automobiles industry fast growing in terms of volume and as well as number of players, your company foresee a bright future atleast for next 3-4 years. To cater to the growing needs, the company has already placed order for 5 machines and order for 10 more machines are under discussion. Total capex plan for 2010-11 is Rs 25 crore approx. Your company has received several proposals from OEM / Tier-1 vendor to set-up exclusive plant for them. All these opportunities are being actively examined.

The Manasar Plant of the company is now the focus area for all future growth of the company.

Risks & Concerns

Though India rides on some inherent strengths, following risk factors exist which the auto component manufacturers may have to countered with:

- A global and / or economic slowdown can derail the prospects of the industry.
- Volatility in the prices of metals and other inputs could erode the industry's cost competitiveness. Further OEMs expect a commitment of 5-10% reduction in prices every year.

- Intense competition from counterparts may add pressure on margins of manufacturers.

The overall trend is encouraging, but remaining competitive in this changing scenario will be the toughest challenge. The combination of low manufacturing costs along with quality systems would give an edge to companies in terms of pricing and quality. Expansion and diversification will help break into new markets. It would be imperative for these companies, which are largely based on traditional management practices, to imbibe technology in a big way. The SMEs can exploit these opportunities through joint ventures, collaboration and technical tie-ups. Knowledge, specialisation, innovation and networking will determine the success of the SMEs in this globally competitive environment.

Your company is power and capital intensive business unit. It uses about 10.13 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. Further under-utilization of plant due to demand slow down will hit the bottom line as the fixed cost is very high.

Financial Performance

Your company has registered all-round phenomenal growth for the year 2009-10. The Manesar plant of the company became fully operational during the year. The turnover has increased by 46.39% while PAT has increased by 12885%. The turnover of the company has reached to Rs. 12344.39 lacs as against Rs. 8432.17 lacs in last year. The total profit before tax of Rs. 1085.37 lacs as against Rs. 136 lacs in previous year. The total profit includes one-time profit of Rs. 699 lacs (previous year Rs. 598 lacs) from sale of investment and Rs. 207.89 lacs (previous year nil) from closure of amortisation on moulds. The company has added few new tier-1 customer. The total no.s of components



sold during 2009-10 was 12.79 lacs as compared to 5.82 lacs in 2008-09 thereby recording an increase of 120%.

The Directors has recommended a dividend of Rs. 2.50 per share subject to approval of shareholders.

Internal Control System

Your company has adequate internal control systems commensurate with its size and operations, although not documented. The company regularly gets its accounts audited from the 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

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investors' confidence and commitment to the Company.

The Company, through its Board and Committees, endeavours to strike and deliver the highest governing standards for the benefit of its stakeholders.

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 a combination of executive, non-executive and independent directors. The Board comprises of five directors headed by a non-executive Chairman. One third of the Board comprises 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			Remarks
				Chairmanship	Membership	Total	
Mr. M D Jindal	Promoter Director	Non-executive Chairman	3	-	2	2	
Dr. Sanjivv Jindall	Promoter Director	Managing Director	2	-	-	-	
Mr. R. L. Gaggar	Independent/Non-executive Director	Director	14	-	10	10	
Mr. Harbhajan Singh	Independent/Non-executive Director	Director	3	2	1	3	Cease to be the Director of the Company w.e.f. 10.12.2009
Mr. S. Natarajan	Independent/Non-executive Director	Director	2	-	2	2	Cease to be the Director of the Company w.e.f. 10.12.2009
Mr. Masayuki Kamiya	Non-executive Director- Nominee of Suzuki Corporation, Japan	Director	-	-	-	-	
Mr. A.K. Tomer	Non-executive Director- Nominee of Maruti Suzuki India Ltd.	Director	-	-	-	-	
Mr. R. Krishnan	Independent/Non-executive Director	Director	2	-	-	-	Appointed as Additional Director w.e.f. 17.05.10



-
- 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 opinion 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 and Mr. S. Natarajan have resigned from the Board of the Company during the Current Financial Year.

(II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES

A. Institutionalised decision making process

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

The Board of Directors is the apex body constituted by the shareholders entrusted with the overall management 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 is being served. The Managing Director is assisted by senior managerial personnels.

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, Udyog Vihar, Phase - IV, 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 of 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. 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 shareholder 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 minute's 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 compliance with 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, six board meetings were held during the year. 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.	13th May, 2009	7	7
2.	30th June, 2009	7	5
3.	31st July, 2009	7	5
4.	30th October, 2009	6	6
5	10th December, 2009	6	5
6	29th January, 2010	6	5

Directors' attendance record

Name	Position	Attendance at Board Meetings		Attendance at last AGM
		No. of meetings held	No. of meetings attended	
Mr. M.D.Jindal	Promoter/ Non executive Chairman	6	6	Yes
Dr. Sanjivv Jindall	Promoter/Managing Director	6	6	Yes
Mr. R. L. Gaggar	Independent/Non executive Director	6	3	No
Mr. Harbhajan Singh	Independent/Non executive Director	6	4**	No
Mr. S. Natarajan	Independent/Non executive Director	6	6	Yes
Mr. Masakuyi Kamiya (nominated w.e.f.31-01-09)	Non-executive Director- Nominee of Suzuki Motor Corporation	4	3	No
Mr. A.K. Tomer	Non-executive Director- Nominee of Suzuki India Ltd.	6	6	No

** Mr. Harbhajan has resigned from the Board of the Company w.e.f. 10.12.2009

MACHINO PLASTICS LIMITED

Directors' 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 2009-10 (All figures in Rupees)			
				Sitting fee	Salary & perks	Commis sion	Total
Mr. M.D.Jindal	Father of Dr. Sanjiivv Jindall	#	-	75,000	-	1,00,000	1,75,000
Dr. Sanjiivv Jindall	Son of Mr. M.D.Jindal	##	-	-	3,600,000	-	3,600,000
Mr. R. L. Gaggar	-	-	-	30,000	-	1,00,000	1,30,000
Mr. Harbhajan Singh	-	-	-	35,000	-	0	35,000
Mr. S. Natarajan	-	-	-	75,000	-	0	75,000
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. 49,500/-

Mr Aditya Jindal, grandson employed in the Company on a monthly remuneration of Rs. 49,500/-.

Ms. Simta Jindal, grand-daughter employed in the Company on a monthly remuneration of Rs. 25,000/-

Director and a shareholder in Machino Polymers Ltd (formally known as Machino Basell India Limited), key raw material supplier of the Company. Director and shareholder in Grandmaastters 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. 49,500/-

Mr Aditya Jindal, son employed in the Company on a monthly remuneration of Rs. 49,500/-.

Ms. Simta Jindal, daughter employed in the Company on a monthly remuneration of Rs. 25,000/-

*Last Annual General Meeting (AGM) was held on 23rd September, 2009 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	1,02,21,85,645	78,73,25,422
Maruti Suzuki India Limited	Tooling Loan	4,07,98,421	5,06,14,598
Machino Polymers Limited	Car loan	5,65,968	4,78,896
Machino Autocomp Pvt. Ltd.	Job Work	9,58,162	NIL
Machino Polymers Limited	Sale of shares	NIL	2,96,75,200
Machino Finance Pvt. Ltd.	Sale of shares	1,74,56,000	1,74,56,000
Mr. M. D. Jindal	Sale of shares	2,83,66,000	3,05,48,000
Mrs. Kamla Jindal	Sale of shares	2,40,02,000	NIL
Machino Transport Pvt. Limited	Sale of shares	1,52,74,000	NIL
Payments			
Machino Polymers Limited	Purchase of raw materials	44,80,51,897	33,78,10,263
Maruti Suzuki India Limited	Purchase of moulds	2,26,91,021	2,07,17,898
Maruti Suzuki India Limited	Interest paid	85,50,601	98,89,106
Maruti Suzuki India Limited	Tooling Loan	5,70,36,915	4,30,21,816
Grandmaastters Mold Limited	Purchase of moulds & Conversion charges	40,61,938	1,06,22,138
Mrs. Kamla Jindal	Rent	3,30,000	3,30,000
Mr. M.D. Jindal	Sitting fees	75,000	60,000
Mr. M.D. Jindal	Commission	1,00,000	NIL
Dr. Sanjiivv Jindall	Remuneration	36,00,000	38,68,800
Mrs. Sarita Jindal	Salary	4,40,234	5,52,720
Mr. Aditya Jindal	Salary	2,80,648	NA
Ms. Simta Jindal	Salary	29,770	NA
Outstanding balance as on 31st Mar,10			
Grandmaastters Mold Limited	Payable/ (Receivable)	(8,47,097)	(9,47,180)
Maruti Suzuki India Limited	Receivable	7,30,87,469	8,96,77,463
Maruti Suzuki India Limited	Tooling Advance	73,953,809	9,06,00,205
Maruti Suzuki India Limited	Car Loan	4,07,902	NIL
Machino Polymers Limited	Payable/ (Receivable)	9,29,49,020	6,15,30,096
Machino Autocomp Pvt. Ltd.	(Receivable)	(8,83,162)	NIL
Guarantees given		NIL	NIL

(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 two committees:

- Audit committee.
- Shareholders, Grievances Committee.

MACHINO PLASTICS LIMITED

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	Remarks
Mr. Harbhajan Singh	Independent	Chairman	Cease to be the director of the company w.e.f. 30.10.2009
Mr. M.D.Jindal	Non-Executive	Member	-
Mr. R.L. Gaggar	Independent	Member	-
Mr. S. Natarajan	Independent	Member	Cease to be the director of the company w.e.f. 08.02.2010
Mr. R. Krishnan	Independent	Member	Appointed as Additional Director W.e.f. 17.5.2010

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.

During the year under review, Mr. Harbhajan Singh & Mr. S. Natarajan have resigned from the Board of the Company.

The Company places on record its appreciation for the valuable services rendered by Mr. Harbhajan Singh and Mr. S. Natarajan during their tenure as Director of the Company.

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 results of operations;
- k) Discussion with internal auditors, any significant findings and follow up there on;
- l) Management letters / letters of internal control weakness issued by the statutory auditors.



(ii) Disclosure of the following information;

- a) Related party transaction;
 - Identification of related parties as per AS-18
 - Statement in summary form of transactions with related parties in the ordinary course of business
 - Statement of material individual transactions 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 five times in the year. The details of the attendance of members of the committee are as follows:

Meeting held on	Chairman Present	No. of members present
13th May, 2009	Yes	4
30th June, 2009	Yes	3
31st July, 2009	Yes	4
30th October, 2009	Yes	4
28th January, 2010	Yes	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 not 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	Remarks
Mr. Harbhajan Singh	5	4	Cease to be the director of the company w.e.f. 30.10.2009
Mr. M.D.Jindal	5	5	-
Mr. R. L. Gaggar	5	3	-
Mr. S. Natarajan	5	5	Cease to be the director of the company w.e.f.

B. SHAREHOLDER'S GRIEVANCE COMMITTEE

(i) Composition:

Director	Executive/Non Executive/ Independent#	Position	Remarks
Mr. Harbhajan Singh	Independent	Chairman	Cease to be the director of the company w.e.f. 30.10.2009
Mr. M.D.Jindal	Non-Executive	Member	--
Mr. R. L. Gaggar	Independent	Member	--
Mr. S. Natarajan	Independent	Member	Cease to be the director of the company w.e.f. 08.02.2010

MACHINO PLASTICS LIMITED

(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 Sheet, non-receipts of declared dividend etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommend 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 or the Company Secretary. To expedite the process of share transfers, the Board has delegated the power of share transfer to 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
13th May, 2009	Yes	4
30th July, 2009	Yes	4
30th October, 2009	Yes	3
28th January, 2010	Yes	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	4
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
2008-2009	GIA House, I.D.C., Mehrauli Road, Gurgaon	23/09/2009	11:00 a.m.
2007-2008	GIA House, I.D.C., Mehrauli Road, Gurgaon	18/07/2008	11:00 a.m.
2006-2007	GIA House, I.D.C., Mehrauli Road, Gurgaon	05/07/2007	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 the Stock Exchange, namely Bombay Stock Exchange, 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, i.e. www.machino.com.

Financial results and shareholding pattern of the company are also available on www.bseindia.com

F. GENERAL SHAREHOLDERS' INFORMATION

- Date of Book Closure/Record Date : 14th July, 2010 to 16th July, 2010
- **Date and Venue of AGM**
 - Date : 16th July, 2010
 - Day : Friday
 - Time : 11:00 A.M.
 - Venue of A.G.M. : GIA House, I.D.C., Mehrauli Road, Gurgaon
- Dividend declared : Rs 2.50 per share
- **Financial Calendar (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2010	July, 2010
Financial reporting for the second quarter ending Sept 30, 2010	Oct, 2010
Financial reporting for the third quarter ending Dec 31, 2010	Jan, 2011
Financial reporting for the year ending Mar 31, 2011	May, 2011
Annual General Meeting for the year ending Mar 31, 2011	July, 2011

- **Listing on Stock Exchange**

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

1. The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
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 2009-10 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 2009-10

Month	High Price	Low Price	No. of Shares	Total Turnover (Rs.)
Apr 09	36.95	27.50	6,707	2,10,762
May 09	44.00	35.35	27,586	10,86,973
Jun 09	47.35	41.80	11,227	4,99,255
Jul 09	51.70	40.50	21,042	9,45,222
Aug 09	49.95	41.05	21,167	9,89,188
Sep 09	54.90	43.00	56,961	27,47,112
Oct 09	53.90	40.10	46,282	22,08,139
Nov 09	55.65	41.70	20,913	9,79,413
Dec 09	54.80	45.00	36,131	18,11,809
Jan 10	77.00	50.00	1,41,726	93,25,378
Feb 10	73.40	64.20	40,149	28,01,005
Mar 10	73.00	61.80	56,028	37,10,271

* bseindia.com

➤ Share transfer procedure

Share transfer requests 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, 2010

No. of equity shares held	Folios		Shares	
	Numbers	%	Numbers	%
1-100	1425	38.270	87859	1.432
101- 500	2000	53.720	491468	8.009
501-1000	176	4.727	130765	2.131
1001-5000	85	2.283	174569	2.845
5001-10000	11	0.295	80017	1.304
10001-20000	8	0.215	125079	2.038
20001-30000	1	0.027	23756	0.387
30001-40000	0	0	0	0
40001-50000	1	0.027	45201	0.737
50001-100000	3	0.081	190201	3.099
100001-500000	10	0.269	2304650	37.555
500001-above	3	0.081	2483235	40.465
TOTAL	3723	100.000	6136800	100.000



Pattern of shareholding by ownership as on 31st March, 2010

Category	Shareholding	
	Number of shares held	Shareholding %
Promoters' holding		
Promoters		
- Indian Promoters	36,35,929	59.248
- Foreign Promoters	9,41,700	15.345
Persons acting in concert	-	-
Sub-Total (A)	45,77,629	74,593
Non-Promoters Holding		
Institutional Investors	-	-
Mutual Funds and UTI, Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	1,500	0.024
FIs	-	-
Sub-Total (B)	1,500	0.024
Others		
Corporate Bodies	2,29,827	3,745
Indian Public (including NSDL & CDSL)	13,25,402	21,598
NRIs/OCBS	2,442	0.040
Trust & Clearing Members	-	-
Sub-Total (C)	15,57,671	25.407
GRAND TOTAL (A+B+C)	61,36,800	100.00

- **As at 31.03.2010 :**
Shares held in Physical form : 3,540,413 shares (57.69% of share capital)
Shares held in Dematerialized form : 2,596,387 shares (42.31% 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 Suzuki India Limited	Promoter	9,41,700	15.345%
Suzuki Motor Corporation	Promoter	9,41,700	15.345%
Jindals, Relatives & Associate Companies	Promoters	26,94,229	43.903%

- **Outstanding GDR/ADR/Warrants or any convertible instrument**
 No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2010.
- **Share Transfer Agent**
 "Alankit Assignments Limited"
 RTA Division - Machino Plastics Ltd.
 2E/21, Jhandewalan Extn.,
 New Delhi - 110 055.
 Ph.No.: 011- 51540060 - 64
 alankit@alankit.com

MACHINO PLASTICS LIMITED

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

Mr. Pradeep Jhalani
GM (Finance & Company Secretary)
Machino Plastics Limited,
3, Maruti .J.V.Complex, Udyog Vihar,
Phase - IV, 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.: 51540060 - 64"
E-mail : alankit@alankit.com

➤ **Unclaimed Dividends**

Pursuant to section 205A of the Companies Act, 1956, unclaimed dividends upto the financial year 2001-02 have been transferred to the General Revenue Account of the Central Government.

The unclaimed dividends for the financial year ended 31st March, 2003 & 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. Then the shareholders have to claim dividend from the Central Government.***

Some dividend cheques are unrealised as per company's record for the year 2002-03 to 2008-09. 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 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, 2010.

For **Machino Plastics Ltd.**

Sd/-
Sanjivv Jindall
Managing Director

17th May, 2010

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, 2010 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 three independent directors as prescribed in clause 49(1A) of the listing agreement as amended and that of Audit Committee & Shareholders' Grievances Committee for the part of the year i.e. after cessation of Mr. Harbhajan Singh w.e.f. 30.10.2009 .***

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 : Gurgaon
Dated : 17th May, 2010

Sd/-
Partner
Lalit Goel
M.No. 91100



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, 2010 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 (Auditors' 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, 2010, 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, prima facie, have any disqualification as referred to in clause (g) of sub-section (1) to 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, 2010;

MACHINO PLASTICS LIMITED

- 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

Sd/-
(Lalit Goel)
Partner

Place : Gurgaon
Dated : 17th May, 2010

Membership No 91100
FRN No -000397N

Annexure to the Auditors' Report to the members of Machino Plastics Limited on the financial statements for the year ended 31st March, 2010 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 weaknesses 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 be maintained under that section.



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- (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 accounts 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, custom duty, excise duty and cess were in arrears, as at 31st March, 2010 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, custom duty, excise duty and cess as at 31st March, 2010 which have not been deposited on account of a dispute have been stated in note 13 on schedule 15 of part B.
- (x) The company does not have any accumulated losses at the financial year ended on 31st March, 2010. 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, bank or debenture holders.
- (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, therefore clause 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.

MACHINO PLASTICS LIMITED

- (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

Sd/-
(Lalit Goel)
Partner

Membership No 91100
FRN No -000397N

Place : Gurgaon
Dated : 17th May, 2010



Balance Sheet

AS AT 31ST MARCH, 2010

		(Figures in rupees)	
	Schedule	As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	61,368,000	61,368,000
Reserves and surplus	2	481,281,963	427,828,845
Loan funds			
Secured loans	3	206,087,461	389,755,532
Unsecured loans	4	184,562,473	202,305,075
Deferred tax liability (Net) (refer note no. 12 of part B of schedule 15)		47,319,071	30,159,788
Total		980,618,968	1,111,417,240
APPLICATIONS OF FUNDS			
Fixed assets			
Gross block	5	1,955,934,918	1,761,207,580
Less: Depreciation		1,114,180,861	1,004,720,702
Net block		841,754,057	756,486,878
Add : Capital work in progress		7,566,244	169,121,433
		849,320,301	925,608,311
Investments			
	6	12,500,000	27,700,000
Current assets, loans and advances			
Inventories	7	55,010,797	40,966,822
Sundry debtors		126,239,268	114,083,294
Cash and bank balances		85,604,283	71,898,092
Loans and advances		53,365,469	57,439,838
		320,219,817	284,388,046
Less: Current liabilities and provisions			
Current liabilities	8	183,531,050	122,689,217
Provisions		17,890,100	3,589,900
Net current assets		118,798,667	158,108,929
Total		980,618,968	1,111,417,240
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

Sd/-
Dr. Sanjivv Jindal
Managing Director

Sd/-
Lalit Goel
Partner
M.No : 91100
Place : Gurgaon
Date : 17th May, 2010

Sd/-
Pradeep Jhalani
General Manager (F)
cum Company Secretary

Sd/-
M. D. Jindal
Director

Profit And Loss Account

FOR THE YEAR ENDED 31ST MARCH, 2010

(Figure in rupees)

Schedule	For the year ended 31.03.2010	For the year ended 31.03.2009
INCOME		
Gross sales	1,363,068,296	975,806,669
Less : Excise duty	<u>128,628,989</u>	<u>132,589,183</u>
Other income (refer note no. 6 of part B of Schedule 15)	10,428,753	9,823,938
Profit on sale of investments	69,898,000	59,879,200
Accretion/(Decretion) in finished goods 9	3,726,507	(2,028,356)
Total	<u>1,318,492,567</u>	<u>910,892,268</u>
EXPENDITURE		
Raw materials consumed 10	788,611,630	571,635,750
Manufacturing expenses 11	118,461,018	69,734,767
Personnel expenses 12	66,261,803	49,029,224
Administrative, selling & distribution expenses 13	71,168,804	76,294,605
Financial expenses 14	45,428,797	33,956,833
Depreciation 5	120,022,904	96,426,551
Total	<u>1,209,954,956</u>	<u>897,077,730</u>
Profit for the year	108,537,611	13,814,538
Add : Net prior period adjustment	-	(173,261)
Profit for the year before taxation	<u>108,537,611</u>	<u>13,641,277</u>
Provision for tax		
Current tax	18,446,000	2,410,000
Deferred tax	17,159,283	10,161,829
Fringe benefit tax	-	520,000
Tax for earlier year	1,589,110	-
Profit for the year after taxation	<u>71,343,218</u>	<u>549,448</u>
Brought forward from previous year	99,858,738	102,899,190
Amount available for appropriation	<u>171,201,956</u>	<u>103,448,638</u>
APPROPRIATION		
Transfer to general reserve	7,300,000	-
Proposed dividend	15,342,000	3,068,400
Tax on dividend	2,548,100	521,500
Transfer to balance sheet	146,011,856	99,858,738
Total	<u>171,201,956</u>	<u>103,448,638</u>
Basic and diluted earnings per share (in Rs.) (face value of Rs. 10 each)	11.63	0.09
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

Sd/-

Lalit Goel

Partner

M.No : 91100

Place : Gurgaon

Date : 17th May, 2010

Sd/-

Pradeep Jhalani

General Manager (F)
cum Company Secretary

Sd/-

Dr. Sanjivv Jindal

Managing Director

Sd/-

M. D. Jindal

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Figures in rupees)

	As at 31.03.2010	As at 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	108,537,611	13,641,277
Adjusted for		
Depreciation	120,022,904	96,426,551
Profit on sale of fixed assets	(3,755,138)	-
Profit on sale of Investments	(69,898,000)	(59,879,200)
Loss on sale of fixed assets	-	251,502
Interest received	(5,289,725)	(4,403,524)
Dividend received	-	-
Interest paid	45,428,797	33,956,833
Operating Profit before working capital changes	195,046,449	79,993,439
Adjusted for changes in		
Debtors	(12,155,974)	(52,392,106)
Inventories	(14,043,975)	14,513,989
Decrease / (Increase) in current assets	(3,424,788)	(31,323,297)
Increase / (Decrease) in current liabilities	59,300,476	59,385,080
Cash generated from operations after working capital changes	224,722,188	70,177,105
Direct taxes paid	(10,946,844)	(8,381,700)
Cash flow before extraordinary items	213,775,345	61,795,405
NET CASH FROM OPERATING ACTIVITIES	213,775,345	61,795,405
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(48,353,856)	(481,556,464)
Sale of fixed assets	4,618,962	275,000
Purchase of investments	-	-
Sale of investments	15,200,000	17,800,000
Profit on sale of fixed assets	3,755,138	-
Profit on sale of investments	69,898,000	59,879,200
Interest received	5,289,725	4,403,524
Dividend received	-	-
NET CASH FLOW FROM INVESTING ACTIVITY	50,407,968	(399,198,740)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in term loan	(62,132,602)	314,532,233
Dividend paid	(3,637,652)	(14,380,137)
Increase / (Decrease) in bank borrowings	(139,278,071)	120,848,030
Interest paid	(45,428,797)	(33,956,833)
NET CASH FLOW FROM FINANCING ACTIVITIES	(250,477,122)	387,043,293
Net increase in cash & cash equivalents (A+B+C)	13,706,191	49,639,958
Cash & cash equivalent (opening balance)	71,898,092	22,258,134
Cash & cash equivalent (closing balance)	85,604,283	71,898,092

Notes:

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

As per our report of even date
For GOEL GARG & Co.,
Chartered Accountants

Sd/-
Lalit Goel
Partner
M.No : 91100
Place : Gurgaon
Date : 17th May, 2010

Sd/-
Pradeep Jhalani
General Manager (F)
cum Company Secretary

Sd/-
Dr. Sanjiv Jindal
Managing Director

Sd/-
M. D. Jindal
Director

Schedules to Accounts

	As at 31.03.2010	(Figures in rupees) As at 31.03.2009
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	149,621,982
General reserve		
As per last balance sheet	178,335,625	178,335,625
Add: Transfer from profit and loss account	<u>7,300,000</u>	-
	185,635,625	178,335,625
Surplus, being balance in profit and loss account	<u>146,011,856</u>	<u>99,858,738</u>
	<u>481,281,963</u>	<u>427,828,845</u>
SCHEDULE 3 : SECURED LOANS		
From Banks:		
Term loan	58,300,000	92,400,000
Working capital loans	2,467,461	141,745,532
Buyers' credit	145,320,000	155,610,000
	<u>206,087,461</u>	<u>389,755,532</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	184,562,473	202,305,075
	<u>184,562,473</u>	<u>202,305,075</u>



SCHEDULE 5 : FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.4.2009	Additions	Add/(Less) Adjustments/ Transfers	As on 31.03.2010 Total	As at 01.04.2009	Additions	Add/(Less) Adjustments/ Transfers	Total	As at 31.03.2010	As at 31.03.2009
a) Land (free hold) (refer note no 3 of schedule 15)	196,875,000	-	-	196,875,000	-	-	-	-	196,875,000	196,875,000
b) Land (lease hold)	1,144,714	-	-	1,144,714	791,539	34,685	-	826,224	318,490	353,175
c) Buildings	115,967,896	1,195,384	-	117,163,280	14,842,766	3,877,272	-	18,720,038	98,443,242	101,125,130
d) Plant & machinery	685,281,676	5,511,872	(10,290,000)	680,503,548	342,869,169	51,250,027	-	394,119,196	286,384,352	342,412,507
e) Moulds	615,958,252	202,743,836	(11,426,569)	807,275,519	524,277,950	62,942,543	(10,562,745)	576,657,748	230,617,771	91,680,302
f) Moulds on finance lease	109,046,139	-	-	109,046,139	109,046,138	-	-	109,046,138	1	1
g) Furniture, fixtures & office equipment	28,992,464	6,735,432	-	35,727,896	9,790,543	1,187,211	-	10,977,754	24,750,142	19,201,921
h) Motor vehicles	7,941,439	257,383	-	8,198,822	3,102,597	731,166	-	3,833,763	4,365,059	4,838,842
Total	1,761,207,580	216,443,907	(21,716,569)	1,955,934,918	1,004,720,702	120,022,904	(10,562,745)	1,114,180,861	841,754,057	756,486,878
Capital work in progress	169,121,433	-	(161,555,189)	7,566,244	-	-	-	-	7,566,244	169,121,433
Grand total	1,930,329,013	216,443,907	(183,271,758)	1,963,501,162	1,004,720,702	120,022,904	(10,562,745)	1,114,180,861	849,320,301	925,608,311
PREVIOUS YEAR	1,300,192,812	631,178,446	(1,042,245)	1,930,329,013	908,809,895	96,426,551	(515,743)	1,004,720,703	925,608,310	-

	As at 31.03.2010	As at 31.03.2009
SCHEDULE 6 : INVESTMENTS		
Long term		
Trade, fully paid-up, at cost (unquoted)		
Shares		
Investment in Associate Company		
21,70,000 (previous Year 41,20,000) equity shares of Rs 10 each of Machino Polymers Limited, (Received as Bonus Shares)	-	15,200,000
Other investment		
12,50,000 equity shares of Rs. 10 each of Caparo Maruti Limited (refer note no 8 of part B of schedule 15)	12,500,000	12,500,000
	12,500,000	27,700,000

SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES

A. Current assets

Inventories

(as valued and certified by the management)

Raw materials	36,338,771	25,042,087	
Finished goods	11,364,521	6,993,331	
Packing materials	2,106,041	1,829,397	
Stores and spares	5,201,464	7,102,007	
	55,010,797	40,966,822	

MACHINO PLASTICS LIMITED

	As at 31.03.2010	As at 31.03.2009
Sundry debtors		
(Unsecured ,unconfirmed)		
Debts outstanding for a period exceeding six months- considered doubtful	-	554,892
six months- considered good	1,785,429	8,485,324
other debts- considered good	124,453,839	105,597,970
	<u>126,239,268</u>	<u>114,638,186</u>
Less : Provision for doubtful debts	-	554,892
	126,239,268	114,083,294
Cash and bank balances		
Cash in hand	1,035,973	84,052
With scheduled banks		
- in current accounts	4,182,584	745,005
- in fixed deposit accounts (pledge as margin money against letter of credit)	78,824,472	69,460,029
- in unpaid dividend accounts	1,561,254	1,609,006
	<u>85,604,283</u>	<u>71,898,092</u>
B. Loans and advances		
(Unsecured ,unconfirmed - considered good)		
Advances recoverable in cash or in kind or for value to be received	14,522,431	1,127,230
Other deposits	1,996,564	1,496,143
Balance with central excise department	30,160,909	43,445,362
Prepaid expenses	5,237,283	2,555,873
Defined benefit plan asset (net)	314,689	182,481
Tax paid (net of provisions)	1,133,593	8,632,749
	<u>53,365,469</u>	<u>57,439,838</u>
	<u>320,219,817</u>	<u>284,388,046</u>
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
A. Current liabilities		
Sundry creditors for goods:		
- micro and small enterprises	165,407	194,872
- others	120,809,761	80,513,493
Sundry creditors for capital goods	12,669,415	6,457,908
Sundry creditors - others	19,795,646	10,851,934
Unclaimed dividend	1,561,254	1,609,006
Other liabilities	28,529,567	23,062,004
	<u>183,531,050</u>	<u>122,689,217</u>
B. Provisions		
Dividend	15,342,000	3,068,400
Tax on dividend	2,548,100	521,500
	<u>17,890,100</u>	<u>3,589,900</u>
	<u>201,421,150</u>	<u>126,279,117</u>



	For the year ended 31.03.2010	For the year ended 31.03.2009
SCHEDULE 9 : ACCRETION/(DECRETION) IN FINISHED GOODS		
Opening stock of Finished goods	6,993,331	9,828,074
Less: Closing stock of Finished goods	11,364,521	6,993,331
	4,371,190	(2,834,743)
Less: Excise duty on Increase/(Decrease) on finished goods	(644,683)	806,387
	<u>3,726,507</u>	<u>(2,028,356)</u>
SCHEDULE 10 : RAW MATERIALS CONSUMED		
Opening stock	25,042,087	36,603,909
Add: Purchases	799,908,314	560,073,928
	824,950,401	596,677,837
Less: Closing stock	36,338,771	25,042,087
	<u>788,611,630</u>	<u>571,635,750</u>
SCHEDULE 11 : MANUFACTURING EXPENSES		
Stores and components consumed	9,586,080	3,953,751
Power and fuel	78,483,193	51,682,300
Job work	7,248,047	4,244,384
Repairs and maintenance		
- Building	172,629	17,589
- Machinery	22,971,069	9,836,744
	23,143,698	9,854,333
	<u>118,461,018</u>	<u>69,734,767</u>
SCHEDULE 12 : PERSONNEL EXPENSES		
Salaries, wages and allowances	60,161,670	42,351,179
Contribution to PF and ESI	2,760,645	2,078,482
Other benefits	3,277,016	4,524,562
Staff recruitment expenses	62,472	75,000
	<u>66,261,803</u>	<u>49,029,223</u>
SCHEDULE 13 : ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES		
Packing, freight and forwarding	55,101,127	42,490,444
Travelling and conveyance	2,585,926	3,012,368
Legal and professional	2,364,728	4,631,853
Watch & Ward	1,939,733	1,164,622
Insurance	1,558,676	1,179,983
Bad debts written off	1,113,669	17,275,494
Communication	987,338	970,598
Printing and stationery	800,511	582,577
Repairs and maintenance others	563,661	1,304,117

MACHINO PLASTICS LIMITED

	For the year ended 31.03.2010		For the year ended 31.03.2009
Directors Commission	200,000		-
Directors Sitting Fees	215,000		205,000
Business Promotion	366,193		39,273
Advertisement and publicity	323,169		235,581
Rent	241,201		54,002
Rates and taxes	143,432		72,795
Donation	-		625,000
Loss on sale of fixed assets	-		251,502
Payment to auditors :			
Audit fees	300,740	300,740	
Tax audit fees	102,850	102,850	
Other services	45,000	45,000	
	448,590		448,590
Miscellaneous	2,215,850		1,750,806
	71,168,804		76,294,605

SCHEDULE 14 : FINANCIAL EXPENSES

Interest to Banks:

a. Term loan	10,280,351	2,159,819	
b. Working capital loans	15,219,690	16,477,276	
c. Buyers' credit	8,146,911	3,872,062	22,509,157
Other charges paid to banks	2,679,286		1,184,007
Interest on tooling loans	8,550,601		9,889,106
Interest to others	551,958		374,563
	45,428,797		33,956,833



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 1-4-1999 but before 31-3-2008 are depreciated on written down value method. Mold acquired after 1-4-2008 and Trolley & Bins acquired after 1-4-2009 are 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 such assets and depreciation is provided as aforesaid over the residual life of the respective assets.

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.

MACHINO PLASTICS LIMITED

- 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:

- Demand under the Central Excise Act, 1944 of Rs. 12,36,55,537/- (Previous year Rs. 13,92,56,442)

2. Estimated amount of contracts, remaining to be executed on capital account (net of advances) Rs. 1,79,71,630/- (Previous year Rs. 1,37,78,758/-)

3. During the year ended 31st March, 2009 company has revalued its land (free hold) by 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.

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 recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plan (as per Actuarial Valuation as on 31st March,2010).

CHANGES IN PRESENT VALUE OF OBLIGATIONS

As of	31-03-2010	31-03-2009
Present Value of Obligation at the beginning	22,60,040	19,01,007
Interest cost	1,83,121	1,33,916
Current Service Cost	5,47,086	4,42,808
Benefits paid	(2,11,347)	(2,30,933)
Actuarial (Gain)/Loss on obligation	41,048	13,242
Present Value of Obligation at the end	28,19,948	22,60,040

CHANGE IN PRESENT VALUE OF PLAN ASSETS

As of	31-03-2010	31-03-2009
Fair Value of Plan Assets at the beginning	17,37,713	10,40,692
Expected Return of Plan Assets	-	1,50,999
Contributions	13,99,371	15,05,078
Withdrawal	(2,11,347)	(2,30,933)
Actuarial (Gain)/Loss of Plan Assets	(2,08,900)	(23,315)
Fair Value of Plan Assets at the end	31,34,637	24,42,521

MACHINO PLASTICS LIMITED

FAIR VALUE OF PLAN ASSETS

As of	31-03-2010	31-03-2009
Fair Value of Plan Assets	17,37,713	10,40,692
Actual Return on Plan Assets	2,08,900	1,27,684
Contributions	13,99,371	15,05,078
Withdrawal	(2,11,347)	(2,30,933)
Fair Value of Plan Assets at the end	31,34,637	24,42,521
Present Value of obligation at the end	28,19,948	22,60,040

ACTUARIAL GAIN / (LOSS) RECOGNIZED

As of	31-03-2010	31-03-2009
Actuarial Gain / (Loss) on Obligations	(41,048)	(13,242)
Actuarial Gain / (Loss) on Plan Assets	2,08,900	(23,315)
Total Gain/(Loss)	1,67,852	36,557
Actuarial Gain/(Loss) Recognised	1,67,852	36,557
Unrecognised Actuarial Gain / (Loss) at the end	-	-

AMOUNT TO BE RECOGNISED IN THE BALANCE SHEET

As of	31-03-2010	31-03-2009
Fair Value of Plan Assets at the end	31,34,637	24,42,521
Present Value of obligation at the end	28,19,948	22,60,040
Unrecognised Actuarial Gain / (Loss) at the end	-	-
Net Assets / (Liability) recognised in the Balance Sheet	3,14,689	1,82,481

EXPENSES RECOGNISHED IN THE STATEMENT OF PROFIT AND LOSS

As of	31-03-2010	31-03-2009
Current Service Cost	5,47,086	4,42,808
Interest Cost	1,83,121	1,33,916
Expected return on Plan Assets	-	(1,50,999)
Actuarial Gain / (Loss) recognised	1,67,852	36,557
Expenses Recognised in the statement of Profit and Loss	5,62,355	4,62,282

KEY ASSUMPTIONS

As of	31-03-2010	31-03-2009
Mortality Table	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Imputed Rate of Interest	08.50% p.a.	07.50% 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 (Gurgaon Plant)	20.65 years	22.34 years
Remaining Working Life (Manesar Plant)	26.06 years	-

* The estimates of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion 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 2010	Year ended 31st March 2009
1	Salaries and perquisites	36,00,000	36,00,000
2	Contribution to provident fund	-	2,68,800
	Total	36,00,000	38,68,800

ii) **Computation of commission payable to Non Executive Directors**

S.No.	Particulars	Year ended 31st March 2010	Year ended 31st March 2009
1	Net profit before tax for the year	10,47,82,473	1,38,92,779
2	Commission payable as 1% of net profit	10,47,825	1,38,927
3	Maximum limit	2,00,000	1,38,927
4	Commission payable	2,00,000	-

Directors' Remuneration (included under salary, wages & bonus)

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Salaries and perquisites	36,00,000	36,00,000
Contribution to provident fund	-	2,68,800
	36,00,000	38,68,800
Non Executive Directors:		
Commission	2,00,000	-
Total	38,00,000	38,68,800

Computation of net profit as per Section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Net profit before tax for the year	10,85,37,611	1,36,41,277
Add: Loss on sales of fixed assets	-	2,51,502
	10,85,37,611	1,38,92,779
Less: Gain on sales of fixed assets	37,55,138	-
Net Profit as per Section 349 of Companies Act, 1956	10,47,82,473	1,38,92,779
Add: Managerial Remuneration	38,00,000	38,68,800
Net Profit for the purpose of Director's remuneration as per Section 198 of Companies Act, 1956	10,85,82,473	1,77,61,579

6. Other income includes interest received Rs. 52,89,725 (previous year Rs.44,03,524); tax deducted thereon is Rs. 6,64,282 (previous year Rs. 9,23,878.01); Profit on sale of equity shares Rs.6,98,98,000 (Previous year 5,98,79,200); Income from Job work Rs.1,60,956.50 (previous year Rs. 19,09,207.24); discount received Rs. Nil (previous year Rs. 18,44,740).

MACHINO PLASTICS LIMITED

7. Prior period adjustment comprises of :

Particulars	Year ended 31st March 2010	Year ended 31st March 2009
Manufacturing Expenses	NIL	18,394
Personnel Expenses	NIL	767
Administrative Expenses	NIL	1,54,100
Total	NIL	1,73,261

8. 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 Hon'ble 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 Hon'ble Delhi High Court which dismissing company's appeal upheld Company Law Board order thereafter SLP were preferred against the orders of the Hon'ble Delhi High Court before the Hon'ble Supreme Court of India by both the parties. The Hon'ble Supreme Court of India has appointed M/s Walker Chandok & Co. for valuation of shares of Caparo Maruti Ltd. The matter is still sub-judice.
9. 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.
10. 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

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 Autocomp Pvt Ltd
Machino Polymers Limited

c) **Key management personnel & relatives**

Mr. M.D.Jindal - Chairman
Dr. Sanjivv Jindal - Managing Director & Son of Chairman
Mrs. Kamla Jindal - Spouse of Chairman
Mrs. Sarita Jindal - Spouse of Managing Director
Mr. Aditya Jindal - Son of Managing Director
Ms. Simta Jindal - Daughter 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	1,02,21,85,645	78,73,25,422
Maruti Suzuki India Limited	Tooling loan	4,07,98,421	5,06,14,598
Machino Polymers Limited	Car loan	5,65,968	4,78,896
Machino Polymers Limited	Sale of shares	Nil	2,96,75,200
Machino Finance Pvt Ltd	Sale of shares	1,74,56,000	1,74,56,000
Mr. M. D. Jindal	Sale of shares	2,83,66,000	3,05,48,000
Mrs. Kamla Jindal	Sale of shares	2,40,02,000	Nil
Machino Transport Pvt. Ltd.	Sale of shares	1,52,74,000	Nil
Machino Autocomp Pvt Ltd	Job Work	9,58,162	Nil
Payments			
Machino Polymers Limited	Purchase of raw materials	44,80,51,897	33,78,10,263
Maruti Suzuki India Limited	Purchase of moulds	2,26,91,021	2,07,17,898
Maruti Suzuki India Limited	Interest	85,50,601	98,89,106
Maruti Suzuki India Limited	Tooling loan	5,70,36,915	4,30,21,816
Grandmaastters Mold Limited	Purchase of moulds & Conversion charges	40,61,938	1,06,22,138
Mrs. Kamla Jindal	Rent	3,30,000	3,30,000
Mr. M.D. Jindal	Sitting fees	75,000	60,000
Dr. Sanjiivv Jindall	Remuneration	36,00,000	38,68,800
Mrs. Sarita Jindal	Salary	4,40,234	5,52,720
Mr. Aditya Jindal	Salary	2,80,648	Nil
Ms Simta Jindal	Salary	29,770	Nil
Mr. M. D. Jindal	Commission	1,00,000	Nil
Outstanding balance as on 31st March 10			
Grandmaastters Mold Limited	Payable / (Receivable)	(8,74,097)	(9,47,180)
Maruti Suzuki India Limited	Receivable	7,30,87,469	8,96,77,463
Maruti Suzuki India Limited	Tooling/car loan	7,43,61,711	9,06,00,205
Machino Polymers Limited	Payable / (Receivable)	9,29,49,020	6,15,30,096
Machino Autocomp Pvt Ltd	Payable / (Receivable)	(8,83,162)	Nil

MACHINO PLASTICS LIMITED

11. 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.)	7,13,43,218	5,49,448
(ii)	Average no. of equity shares used as denominator for calculating EPS	61,36,800	61,36,800
(iii)	EPS (Basic and diluted) (Rs.)	11.63	0.09
(iv)	Face value of each equity share(Rs.)	10	10

12. 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. 1,71,59,283 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, 2010 are as follows:-

Sr. No.	Particulars	As at 31st March, 2010	Current year charge/ (Credit)	As at 31st March, 2009
A	Deferred Tax Liabilities: Related to depreciable fixed Assets	(4,73,19,071)	(1,69,70,675)	(3,03,48,396)
B	Deferred Tax Assets: Provision for doubtful debts	Nil	(1,88,608)	1,88,608
C	Net Deferred Tax Liability	(4,73,19,071)	(1,71,59,283)	(3,01,59,788)

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

Name of Statue	Nature of the dues	Amount	Amount deposit under protest	Period	Forum where Dispute is pending
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



Name of Statue	Nature of the dues	Amount	Amount deposit under protest	Period	Forum where Dispute is pending
The Central Excise Act, 1944	Excise duty	22,58,355	NIL	F.Y. 2003-04 & 2004-05	Central Excise, Department, Gurgaon Range
The Central Excise Act, 1944	Excise duty	2,25,587	NIL	F.Y. 2008-09 & 2009-10 (up to Dec 2009)	Central Excise, (Service) Department, Gurgaon Range

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

		As at 31st March, 2010	As at 31st March, 2009
(a)	Principal amount due and Interest due on the above	1,65,407	1,94,872
(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.

15. Derivative instruments and Unhedged Foreign Currency Exposure

Particulars of unhedged foreign currency exposure as at the Balance Sheet date	Amount in Foreign Currency			Amount in Indian Currency (Rs)	
	Currency	Current Year	Previous Year	Current Year	Previous Year
Payables	JPY	31,51,14,126	30,00,00,000	15,25,93,750	15,56,10,000
	USD	24,937.50	85,894.25	11,25,679	43,76,312

MACHINO PLASTICS LIMITED

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 like Bumper, Instrument Panel and Grill etc.	MT	10500	10500	8487	6155

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	52	69,93,331	65	84,55,034	89	1,13,64,521	52	69,93,331
Dies & Moulds (in nos.)	Nil	Nil	1	13,73,040	Nil	Nil	Nil	Nil

Class of Goods	Sales			
	Current Year		Previous Year	
	Qty. MT	Value (Rs)	Qty. MT	Value (Rs)
Moulded plastic products	8450	1,36,30,68,296	6168	97,58,06,669
Dies & Moulds (in nos.)	Nil	Nil	Nil	Nil

3. Raw materials consumed

Particulars	Current Year		Previous Year	
	Qty. MT	Value (Rs)	Qty. MT	Value (Rs)
Compounded Polypropylene and ABS	8572	78,80,34,537	6205	57,12,61,987



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	59,34,32,179	75.25	42,43,51,226	74.23
Imported	19,51,79,451	24.75	14,72,84,524	25.77

5. C.I.F. value of imports

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Raw materials	15,95,68,659	11,88,05,787
Components and spare parts	16,31,134	3,41,626
Capital Goods (Moulds)	1,10,64,084	9,68,83,700

6. Expenditure in foreign currency

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Travelling expenses	2,70,153	297,102
Technical fees paid	1,04,125	NIL
Interest on buyers' credit	42,42,382	23,10,572
Professional expenses	1,04,125	Nil

7. Earning in foreign exchange

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Export sales	4,13,024	7,38,162

8. Remittance 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	4,70,850	18,83,400

MACHINO PLASTICS LIMITED

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 : 31.03.2010

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 : 980618 Total assets : 980618

SOURCES OF FUNDS

Paid up Capital : 61368 Reserves and Surplus : 481281
Secured loans : 206087 Unsecured loans : 184563
Finance lease liability : NIL Deferred tax liability : 47319

APPLICATION OF FUNDS

Net Fixed Assets : 849320 Investments : 12500
Net Current Assets : 118799 Miscellaneous Expenditure : NIL
Accumulated Losses : NIL

IV. Performance of Company (Amount Rs. in Thousand)

Turnover and other Income : 1363068 Total Expenditure : 1209955
Profit/(Loss) Before Tax : 108537 Profit/(Loss) After Tax : 71343
Earning Per Share : Rs. 11.63 Dividend Rate : 25%

V. Generic Names of Three Principal Products/ Services of the Company

(As per Monetary Terms)

Item Code No. (ITC Code)	Product Description
8708.10.90	Automotive parts like Instrument Panels, Bumpers, Grills etc.
8714.19.00	Two Wheeler Parts.
3923.10.90	Article for Packing

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

Sd/-
Lalit Goel
Partner
M.No : 91100
Place : Gurgaon
Date : 17th May, 2010

Sd/-
Pradeep Jhalani
General Manager (F)
cum Company Secretary

Sd/-
Dr. Sanjivv Jindal
Managing Director

Sd/-
M. D. Jindal
Director



PROXY FORM

Machino Plastics Ltd.

Registered Office :
Plot No. 3, M.J.V. Complex,
Delhi-Gurgaon Road, Udyog Vihar,
Phase - IV, 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 25th 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 Friday the 16th day of July,
2010 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 25th Annual General Meeting of **MACHINO PLASTICS LIMITED** held on Friday the
16th day of July, 2010 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/U.P.C

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