



# Machino Plastics Limited

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**Registered Office & Plant:**

3, Maruti J.V. Complex, Delhi-Gurugram Road, Tel: 0124-2341218, 2340806  
Haryana – 122 015, India. Fax: 0124-2340692

CIN:L25209HR2003PLC035034

Email: [admin@machino.com](mailto:admin@machino.com)

Website: [www.machino.com](http://www.machino.com)

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**Date: 27<sup>th</sup> August, 2020**

The BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001  
Phones: 91-22-22721233/4

**Scrip Code No: 523248**

**Subject: Notice of 35<sup>th</sup> Annual General Meeting and Annual Report of the Company for the financial year 2019-20**

Dear Sir/Madam,

Please find enclosed herewith the soft copy of the Notice convening 35<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 29<sup>th</sup> September, 2020 at 11:00 a.m. at GIA House, IDC Opp-Sector -14, Mehrauli Road, Gurugram-122001 (Haryana) and the Annual Report for the financial year 2019-20.

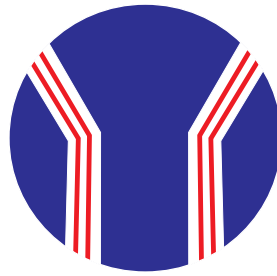
This is for your kind information and record.

Thanking You

Yours faithfully,  
For **Machino Plastics Limited**

**Aditya Jindal**  
**Chairman cum Managing Director**





**MACHINO**  
**PLASTICS LIMITED**

**35<sup>th</sup> | ANNUAL REPORT**  
**2019-20**

## Five years financial performance highlights

Amount in INR

Sr #	Particulars	Financial Year ending 31st March				
		2019-20	2018-19	2017-18	2016-17	2015-16
1	Total Income (Net of Taxes)	2,425,239,289	3,033,674,092	3,062,094,330	2,595,068,157	2,047,814,276
2	Earning before Interest, Tax, Depreciation & Amortization	188,062,889	261,089,724	281,176,836	265,965,019	199,731,034
3	Depreciation and amortization	196,420,529	194,455,570	190,707,632	129,242,501	125,825,613
4	Profit / (loss) before tax	(85,094,118)	1,159,859	17,757,359	96,231,176	50,654,018
5	Profit / (loss) after tax	(45,143,684)	4,077,060	48,028,690	47,551,416	13,875,042
6	Cash EPS (PAT+Dep) / No. of Shares	24.65	32.35	38.90	28.81	22.76
7	Earning per share of Rs 10 each	(7.36)	0.66	7.83	7.75	2.26
8	Equity (61,36,800 shares of Rs 10 each)	61,368,000	61,368,000	61,368,000	61,368,000	61,368,000
9	Reserves (excluding revaluation reserve)	401,330,680	452,055,719	454,306,204	420,422,836	379,778,443
10	Shareholder Funds (8+9)	462,698,680	513,423,719	515,674,204	481,790,836	441,146,443
11	Gross Block (Including CWIP & Intangible assets)	3,739,900,992	3,733,104,966	3,342,744,667	3,268,557,212	2,597,363,390
12	Book Value per equity shares of Rs 10 each	75.40	83.66	84.03	78.51	71.89



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Aditya Jindal	Chairman cum Managing Director (w.e.f 11 <sup>th</sup> February, 2020)
Mr. Sanjiivv Jindall	Whole Time Director - Strategy (w.e.f 11 <sup>th</sup> February, 2020)
Mr. Kazunari Yamaguchi	Director (Representative of Suzuki Motor Corporation, Japan)
Mr. A.K. Tomer	Director (Representative of Maruti Suzuki India Ltd)
Mrs. Anupam Gupta	Independent Woman Director
Dr. Sandeep Goel	Independent Director
Mr. Rajiv Kumar Singh	Independent Director
Mr. Ajit Yadav	Independent Director

### BANKERS

#### Allahabad Bank

Ground Floor 17, Parliament Street, New Delhi - 110001

#### Axis Bank Limited

DLF Branch, Gurugram

#### HDFC Bank Limited

Enkay Towers, B-1, Phase-V, Vanijya Kunj, Udyog Vihar, Gurugram - 122001

#### Kotak Mahindra Bank Limited

Asset Area 9, 1<sup>st</sup> Floor, IBIS Commercial Block, Hospitality District, New Delhi

#### Tata Capital Financial Services Limited

7th Floor, Videocon Tower, Block E 1, Jhandewalan Extension, New Delhi -110055

#### Yes Bank Limited

Ground Floor, SCO 27, Sector 14, Huda Market, Gurugram

### STATUTORY AUDITOR FOR FY 2019-20

#### KMGS & Associates

Chartered Accountants  
B-138, Navakaar Building,  
2nd Floor, Mohammadpur,  
Bhikaji Cama Place,  
New Delhi-110066

### SECRETARIAL AUDITOR FOR FY 2019-20

#### A K & Associates

Company Secretary,  
B-14, Vasant Kunj Enclave,  
New Delhi-110070

### INTERNAL AUDITOR FOR FY 2019-20

#### Goel Garg & Co.

Chartered Accountants  
18, National Park, Lajpat Nagar, New Delhi 110024

### CHIEF FINANCIAL OFFICER

Mr. Ravinder Hooda (w.e.f 11<sup>th</sup> February, 2020)

### COMPANY SECRETARY

Mr. Surya Kant Agrawal (up to 29<sup>th</sup> February, 2020)  
Ms. Reetika Pant (w.e.f 01<sup>st</sup> March, 2020)

### ADVISOR

Mr. Surya Kant Agrawal (w.e.f 01<sup>st</sup> March, 2020)

### REGISTERED OFFICE

Plot No 3, Maruti Joint Venture Complex, Udyog Vihar,  
Phase -IV, Gurugram-122015(Haryana)  
Ph: 0124-2341218, 2340806, 2346094  
E-mail: sec.legal@machino.com

### SHARE TRANSFER AGENT

(For Demat & Physical Purpose)  
Alankit Assignments Limited  
3E/7, Jhandewalan Extension, New Delhi -110055  
Ph: 011-42541234, Fax: 011-23552001  
Email:alankit@alankit.com

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35<sup>th</sup> Annual General Meeting on Tuesday, the 29<sup>th</sup> September, 2020 at 11:00 a.m. at GIA House,  
IDC Opp- Sector- 14 Mehrauli Road,  
Gurugram-122001(Haryana)

The Annual Report can be accessed at  
[www.machino.com](http://www.machino.com)

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of the members of M/s Machino Plastics Limited will be held on Tuesday, the 29<sup>th</sup> September, 2020 at 11:00 a.m. at GIA House, IDC Opp. - Sector-14, Mehrauli Road, Gurugram-122001 (Haryana), to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2020, Profit and Loss Account and Cash Flow Statement for the year ended on that date and report of auditors and directors thereon and to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** financial statements of the company as on 31<sup>st</sup> March, 2020 which includes the Balance Sheet as on 31<sup>st</sup> March, 2020, Profit and Loss Account and Cash Flow Statement of the company for the financial year 2019-20 along with the Directors’ Report and Auditors’ Report thereon be and is hereby received, considered, approved and adopted.”

2. To appoint a director in place of Mr. Sanjiiv Jindall who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Kazunari Yamaguchi who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

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

**“RESOLVED AS A SPECIAL RESOLUTION THAT** pursuant to the provisions of Section 2(78), 2(94), 188, 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 and all other applicable provisions of all the acts and rules in force and subject to such other approval as may be necessary, approval of the members be and are hereby accorded for reappointment of Mr. Sanjiiv Jindall, Whole Time Director-Strategy of the Company for a period of three years with effect from 1<sup>st</sup> April 2020, terminable with one month notice from either side, as per the terms and conditions mentioned below:

### REMUNERATION:

Basic Salary : Rs. 5, 00,000 per month

Commission : 1% of profit

Besides the above he shall be entitled for reimbursement of entertainment expenses, telephone/mobile expenses, travel expense and car running and maintenance expenses and such other expenses as may be required to be incurred in the course of legitimate business of the company. He shall also be entitled to provident fund, contribution to NPS equal to 10% of his basic salary, earned/privilege leaves, gratuity and other retirement benefits as per the rules of the company and as may be permitted in law and in accordance with Schedule –V of the Companies Act, 2013 or such other remuneration as may be permissible under law.”

### MINIMUM REMUNERATION:

The approval is accorded that in the event of absence or inadequacy of profits, Mr. Sanjiiv Jindall shall be paid above remuneration as minimum remuneration notwithstanding any limits specified under Schedule-V of the Companies Act, 2013 or any other law and including any statutory modifications thereof for the time being in force or such other remuneration as may be permissible under law from time to time.

**“RESOLVED FURTHER THAT** in the event of any other relaxation in the guidelines or ceilings on managerial remuneration or otherwise for acting on behalf of the company in any manner, the Board of Directors of the Company or any committee thereof such as Nomination and Remuneration, be and is hereby authorized to do all such acts and also increase the remuneration and/or perquisites to the Whole Time Director-Strategy in its absolute discretion, within such guidelines or ceilings and such approvals as may be necessary, and the consent of the members of the company as may be required under various applicable provisions of the Companies Act, 2013 as amended from time to time, be and is hereby granted.”

**“RESOLVED FURTHER THAT** the Managing Director or Company Secretary be and is hereby authorized, individually, to do and perform all such acts, deeds and things as may be considered desirable or



expedient to give effect to this resolution.”

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

**“RESOLVED AS A SPECIAL RESOLUTION THAT** pursuant to the provisions of Section 2(78), 2(94), 188, 196, 197, 198, 203 and all other applicable provisions of the Companies Act, 2013 and all other applicable provisions of all the acts and rules in force and subject to such other approval as may be necessary, approval of the members be and are hereby accorded for reappointment of Mr. Aditya Jindal, Chairman and the Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> April 2020, terminable with one month notice from either side, as per the terms and conditions mentioned below:

**REMUNERATION:**

Basic Salary : Rs.5, 00,000 per month

Commission : 1% of profit

Besides the above he shall be entitled for reimbursement of entertainment expenses, telephone/mobile expenses, travel expense and car running and maintenance expenses and such other expenses as may be required to be incurred in the course of legitimate business of the company. He shall also be entitled to provident fund, contribution to NPS equal to 10% of his basic salary, earned/privilege leaves, gratuity and other retirement benefits as per the rules of the company and as may be permitted in law and in accordance with Schedule –V of the Companies Act, 2013 or such other remuneration as may be permissible under law.”

**MINIMUM REMUNERATION:**

The approval is accorded that in the event of absence or inadequacy of profits, Mr. Aditya Jindal shall be paid above remuneration as minimum remuneration notwithstanding any limits specified under Schedule-V of the Companies Act, 2013 or any other law and including any statutory modifications thereof for the time being in force or such other remuneration as may be permissible under law from time to time.

**“RESOLVED FURTHER THAT** in the event of any other relaxation in the guidelines or ceilings on

managerial remuneration or otherwise for acting on behalf of the company in any manner, the Board of Directors of the Company or any committee thereof such as Nomination and Remuneration, be and is hereby authorized to do all such acts and also increase the remuneration and/or perquisites to the Chairman and the Managing Director in its absolute discretion, within such guidelines or ceilings and such approvals as may be necessary, and the consent of the members of the company as may be required under various applicable provisions of the Companies Act, 2013 as amended from time to time, be and is hereby granted.”

**“RESOLVED FURTHER THAT** the Managing Director or Company Secretary be and is hereby authorized, individually, to do and perform all such acts, deeds and things as may be considered desirable or expedient to give effect to this resolution.

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

**“RESOLVED AS A SPECIAL RESOLUTION THAT** pursuant to the provision of section 188 of the Companies Act, 2013(“Act”) read with the Companies (Meeting of the Board and its Powers) Rules, 2014, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Policy on materiality of related parties’ transaction and all other Act and Rules for the time being in force as may be applicable on the company, the approval of the members be and is hereby accorded for such related parties transactions as requiring company approval for the purchase/sale of goods or services, advances resulting in debit or credit balances in the books of the company as per list given below for the year 2019-20 and for the year 2020-21 and each of the succeeding years, unless specified differently, elsewhere and that this approval covers all such approvals as may be required under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such laws and regulations as may be applicable to the company for the financial year 2019-20, 2020-21 and thereafter for each financial year.

## MACHINO PLASTICS LIMITED

### DETAILS OF RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020 AND FOR YEAR 2020-21

NAME OF RELATED PARTY	NATURE OF TRANSACTION	2019-20	For 2020-21
		Year Ended (Rs.)	Year Ended (Rs.)
Maruti Suzuki India Limited	Sale of Goods / Moulds	2,72,30,89,129	4,08,46,33,694
Suzuki Motor Gujarat Pvt Ltd	Sale of Goods	14,98,24,761	22,47,37,142
Suzuki Motor Cycles India Private Limited	Sale of Goods	16,82,101	25,23,152
Grandmaastters Mold Limited	Sale of Raw Material	6,47,908	9,71,862
Machino Polymers Limited	Purchase of Raw Materials	55,30,80,711	82,96,21,067
Grandmaastters Mold Limited	Purchase of material	21,28,863	31,93,295
Maruti Suzuki India Limited	Payment of cash discount	65,684	98,526
Maruti Suzuki India Limited	GST (on FOC material)	15,89,071	23,83,607
Mr. Sanjiiv Jindal	Remuneration	73,20,000	73,20,000
Ms. Sarita Jindal (Retired on 30 <sup>th</sup> November, 2019)	Remuneration	3,96,000	Nil
Mr. Aditya Jindal	Remuneration	65,88,000	73,20,000
*Mr. Surya Kant Agrawal( Retired on 29 <sup>th</sup> February, 2020) Retainership Fees w.e.f 1 <sup>st</sup> March, 2020)	Remuneration	6,019,074	3,887,400
*Mr. Ravinder Hooda (Appointed on 11 <sup>th</sup> February, 2020)	Remuneration	1,85,545	16,30,000
*Ms. Reetika Pant (Appointed on 1 <sup>st</sup> March, 2020)	Remuneration	37,264	5,00,000
Maruti Suzuki India Ltd., Suzuki Motor Corporation, Japan and other Promoters	Dividend	45,12,106	45,12,106

\*Remuneration of Mr. Ravinder Hooda and Ms. Reetika Pant from the date of appointment as KMP. Company has paid remuneration as employee Rs14.78lacs and Rs.3.97lacs to Mr. Ravinder Hooda and Ms. Reetika Pant respectively for the financial year 2019-20. Mr. Surya Kant Agrawal has ceased to be Company Secretary with effect from 1<sup>st</sup> March, 2020 and his remuneration is as an Advisor.

Above Remuneration includes retirement benefit also.

By order of the Board of Director

Sd/-

Aditya Jindal

Chairman cum Managing Director

DIN:01717507

Place : Gurugram

Date : 25<sup>th</sup> June, 2020





## 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.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and same person shall not act as proxy for any other person or shareholder.

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. A proxy does not have the right to speak at the meeting and can vote only on a poll.

- 1A. • In view of current situation i.e. Covid -19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country. For shareholders who are unable to attend the meeting physically, the Company also provides an additional facility of Video Conferencing (VC) or Other Audio Visual Means (OAVM) to attend the 35th Annual General Meeting ("AGM").
- National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 35th AGM through VC/OAVM Facility and e-Voting during the 35th AGM.
- Members may join the 35th AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders login by using the remote e-voting

credentials. The link for VC/OAVM will be available in shareholder login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialized 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 demat and share transfer books of the company will remain closed on 29<sup>th</sup> September, 2020 being the record date.
7. Your company has not declared any dividend during Financial Year 2011-12 and 2012-13.
8. Members are requested to notify immediately any change in their email address along with PIN code numbers to the company or the share transfer agent of the company (M/s Alankit Assignments Limited, 3E/7, Jhandewalan Extension, New Delhi-110055).
9. Individual shareholders can take the facility of nomination. For further detail in this regard shareholders may contact Share Transfer Agent or their respective depository participant.
10. The shares of the company are transacted in compulsory dematerialize form. Shareholders are requested to convert their shares in Demat format at the earliest possible.
11. Members are requested to quote their Demat account / folio no. in all correspondence with the company.
12. MCA (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allows service of documents to shareholders through



electronic mode. Thus companies can now send various documents i.e. Notices convening General Meetings, Audited Financial Statements, Directors' Report, and Auditors' Report etc. to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Members who wish to have Annual Report and other notices, communication in electronic mode may register their e-mail addresses with Alankit Assignments Ltd., Registrar and Transfer Agent of the Company at [alankit@alankit.com](mailto:alankit@alankit.com) or with Machino Plastics Ltd. at [sec.legal@machino.com](mailto:sec.legal@machino.com), giving their consent to accept delivery in electronic form as above.

The Annual Report and other communication sent electronically will be displayed on Company's website [www.machino.com](http://www.machino.com) and will also be available for inspection at the registered office of the company during the office hours.

13. As per SEBI circular No. CIR/MRD/DP/10/2013 dated 21<sup>st</sup> March, 2013, which encourages usage of electronic modes of payment i.e., ECS/ NECS/NEFT, etc. for making cash payments to the investors. Therefore the investors are requested to provide/ update their bank account details with Registrar and Transfer Agent, Alankit Assignments Limited, Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi, 110055 at [alankit@alankit.com](mailto:alankit@alankit.com) or with Machino Plastics Ltd. at [sec.legal@machino.com](mailto:sec.legal@machino.com) so that dividend can be remitted to the credit of their bank account through ECS facility, provided such facility is available in your locality.

#### 14. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, read with Secretarial Standard on General Meetings, the Company is pleased to provide members' facility to exercise their right to vote on resolutions proposed to be considered at the 35<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("AGM") ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 26<sup>th</sup> September, 2020 (09:00 a.m.) and ends on 28<sup>th</sup> September, 2020 (05:00 p.m.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date on 22<sup>nd</sup> September, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
    1. Open email and open PDF file viz; **"Machino Plastics Limited remote e-voting.pdf"** with your Client ID (In case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
    2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    3. Click on Shareholder - Login
    4. Put user ID and password as initial password noted in step (i) above. Click Login.
    5. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.



7. Select “EVEN” of “Machino Plastics Limited”.  
Note: e-voting shall not be allowed beyond said time.
  8. Now you are ready for remote e-voting as Cast Vote page opens.
  9. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  10. Upon confirmation, the message “Vote cast successfully” will be displayed.
  11. Once you have voted on the resolution, you will not be allowed to modify your vote.
  12. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [atimakhanna@gmail.com](mailto:atimakhanna@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/ at the bottom of the Attendance Slip for the AGM:  
**EVEN (Remote e-voting Event Number)**  
**USER ID**  
**PASSWORD/PIN**
  - (ii) Please follow all steps from Sl. No. 1 to Sl. No. 12 above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date on 22<sup>nd</sup> September, 2020.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [jksingla@alankit.com](mailto:jksingla@alankit.com)  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Ms. Atima Khanna, Practicing Company Secretary, Proprietor of M/s. A. K. & Associates, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not

in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.machino.com](http://www.machino.com) immediately and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

#### **EXPLANATORY STATEMENT TO ITEM NO. 4**

Mr. Sanjiivv Jindall, the Whole Time Director-Strategy of the Company has been reappointed for a period of three years with effect from 1<sup>st</sup> April 2020.

In view of various changes in the Companies Act, 2013, the Nomination and Remuneration Committee and the Board of Directors in their meetings held on 11<sup>th</sup> February, 2020 approved the re-appointment and remuneration of Mr. Sanjiivv Jindall, Whole Time Director-Strategy for period of three years w.e.f 1<sup>st</sup> April, 2020.

Your directors recommend the special resolution as set out in item no.4 for your approval.

Except Mr. Aditya Jindal, Chairman cum Managing Director who is related to Mr. Sanjiivv Jindall, Mr. Sanjiivv Jindall himself, no other director is interested in this resolution.

#### **STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II (iv) TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO MR. SANJIIVV JINDALL, WHOLE TIME DIRECTOR-STRATEGY**

##### **I. GENERAL INFORMATION:**

###### **1. Nature of Industry**

Your Company is primarily engaged in the manufacture of plastics injection moulded automotive components such as Bumpers, Instrumental panels, trims, grills, etc. as original equipments and for spare parts markets mainly for Maruti Suzuki India Ltd. (MSIL). The Company also manufactures automotive parts for VE Commercial Vehicles Ltd. (VECV), Suzuki Motor Cycle, Mikuni India Ltd. etc.

###### **2. Date or expected date of commencement of commercial production**

The Company is already in production since Dec, 1987.

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

Not applicable, as the Company is an existing one.

###### **4. Financial performance based on given indicators**

(Rs. in Lacs)

	<b>2019-20</b>	<b>2018-19</b>
Income from operations	24200.91	30287.20
Profit/(Loss) before tax	(850.94)	11.59
Dividend		61.37

###### **5. Foreign investments or collaborators, if any.**

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

#### **II. INFORMATION ABOUT THE APPOINTEE i.e., MR. SANJIIVV JINDALL**

##### **1. Background Details:**

Mr. Sanjiivv Jindall, the Whole Time Director-Strategy aged 63 years, has completed his Doctorate (Ph.D.) from Pacific Western University, U.S.A in Marketing and MBA in Marketing from International Management Institute, Delhi and is a Commerce graduate from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception.

##### **2. Past Remuneration**

The salary and HRA being paid to Mr. Sanjiivv Jindall, from 1<sup>st</sup> April, 2017 was Rs. 5,00,000/- per month as per schedule V.

##### **3. Recognition and Awards**

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards.

The Company has got various awards from Maruti Suzuki India Ltd. and VECV on various occasions for different categories. Company has successfully obtained ISO 14001, ISO/TS 16949 and OHSAS 18001.

##### **4. Job Profile and his suitability**

The job profile of the Whole Time Director-Strategy of the Company includes day to day operations, overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.

##### **5. Remuneration proposed**

Basic Salary : Rs. 5, 00,000 per month

Commission : 1% of profit

Besides the above he shall be entitled for reimbursement of entertainment expenses, telephone/mobile expenses, travel expense and car



running and maintenance expenses and such other expenses as may be required to be incurred in the course of legitimate business of the company. He shall also be entitled to provident fund, contribution to NPS equal to 10% of his basic salary, earned/privilege leaves, gratuity and other retirement benefits as per the rules of the company and as may be permitted in law and in accordance with Schedule –V of the Companies Act, 2013 or such other remuneration as may be permissible under law.”

#### **D. OTHER TERMS AND CONDITIONS**

In the event of absence or inadequacy of profits, Mr. Sanjiivv Jindall, the Whole Time Director-Strategy shall be paid above remuneration as minimum remuneration notwithstanding any limit specified under schedule-V of the Companies Act, 2013 or any other law and including any statutory modifications thereof for the time being in force or such other remuneration as may be permissible under law from time to time.

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

The remuneration proposed to be paid to the Whole Time Director-Strategy is comparable with other joint venture companies of MSIL and industry.

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

Except for the remuneration as Whole Time Director-Strategy and his shareholding, the appointee is also a director and substantial shareholder in M/s. Grandmaastters Mold Limited (GML), a mould and spares supplier to the company. His son Mr. Aditya Jindal is Chairman cum Managing Director of the company at a salary of Rs.5, 00,000/- p.m.

#### **III. OTHER INFORMATION**

1. Reason of loss or inadequate profits

The expenses have increased due to inflation whereas the volumes has not increased. As MSIL is the prime customer of the Company a decline/ stagnation in the sales of MSIL directly affects the sales volume of the Company.

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

The Company is making efforts for cost reduction and on increasing business.

3. Expected increase in productivity and profits in measurable terms.

The Company is expecting to increase its productivity and profits by making full utilization of its under-utilized machineries and reconsider sale price with its

principle customer – Maruti Suzuki India Limited.

#### **IV. DISCLOSURES:**

1. The following disclosures shall be mentioned in the Board of Director's Report under the heading 'Corporate Governance', attached to the annual report:-

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

Necessary particulars of remuneration under required heads and sitting fees of all the Directors are given in Corporate Governance Report forming part of the Directors' Report for the year 2019-20

#### **EXPLANATORY STATEMENT TO ITEM NO. 5**

Mr. Aditya Jindal, Chairman and the Managing Director of the Company has been reappointed for a period of three years with effect from 1<sup>st</sup> April 2020.

In view of various changes in the Companies Act, 2013, the Nomination and Remuneration Committee and the Board of Directors in their meetings held on 11<sup>th</sup> February, 2020 approved the re-appointment and remuneration of Mr. Aditya Jindal, Chairman and the Managing Director for period of three years with effect from 1<sup>st</sup> April 2020.

Your directors recommend the special resolution as set out in item no.5 for your approval.

Except Mr. Sanjiivv Jindall, Whole Time Director-Strategy who is related to Mr. Aditya Jindal and Mr. Aditya Jindal himself, no other directors are interested in this resolution.

#### **STATEMENT GIVING INFORMATION REQUIRED UNDER PART II, SECTION II (iv) TO THE SCHEDULE V OF THE COMPANIES ACT, 2013 FOR PAYMENT OF REMUNERATION TO MR. ADITYA JINDAL, CHAIRMAN AND THE MANAGING DIRECTOR**

##### **I. GENERAL INFORMATION:**

1. Nature of Industry

Your Company is engaged in the manufacture of plastic injection moulded automotive components such as Bumpers, Instrumental panels, grills etc. as original equipments and for spare parts markets mainly for Maruti Suzuki India Ltd.(MSIL). The Company also manufactures automotive parts for VE Commercial Vehicles Ltd. (VECV), Suzuki Motor Cycle India Private Limited, and Mikuni India Private Limited etc.

2. Date or expected date of commencement of commercial production

The Company is already in production since Dec, 1987.

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

Not applicable, as the Company is an existing one.

4. Financial performance based on given indicators

(Rs. In Lacs)

	2019-20	2018-19
Income from operations	24200.91	30287.20
Profit / (Loss) before tax	(850.94)	11.59
Dividend		61.37

5. Foreign investments or collaborators, if any.

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

**II. INFORMATION ABOUT THE APPOINTEE i.e., MR. ADITYA JINDAL**

**1. Background Details:**

Mr. Aditya Jindal, the Chairman and the Managing Director, aged 33 years, has completed his Bachelor of Science in Chemical Engineering from University of Michigan, Ann Arbor. He joined the company in 2009 as vice president.

**2. Past Remuneration**

The salary and HRA being paid to Mr. Aditya Jindal, from 1<sup>st</sup> February, 2016 was Rs. 4,50,000/- per month along with provident fund and other retirement benefits as per schedule V.

**3. Recognition and Awards**

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards.

The Company has got various awards from Maruti Suzuki India Ltd. and VECV on various occasions for different categories. Company has successfully obtained ISO 14001, ISO/TS 16949 and OHSAS 18001.

**4. Job Profile and his suitability**

The job profile of the Chairman and the Managing Director of the Company includes day to day operations, overall supervision and control of the Company's activities and in particular to attend all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.

The Chairman and the Managing Director is a leadership role for an organization and often fulfills a motivational role in addition to office-based work. Chairman and the Managing Director motivate and mentor members, staff, and may chair meetings. The Chairman and the Managing Director leads the organization and develops its organizational culture.

**5. Remuneration proposed**

Besides the above he shall be entitled for reimbursement of entertainment expenses, telephone/mobile expenses, travel expense and car running and maintenance expenses and such other expenses as may be required to be incurred in the course of legitimate business of the company. He shall also be entitled to provident fund, contribution to NPS equal to 10% of his basic salary, earned/privilege leaves, gratuity and other retirement benefits as per the rules of the company and as may be permitted in law and in accordance with Schedule -V of the Companies Act, 2013 or such other remuneration as may be permissible under law."

**D. OTHER TERMS AND CONDITIONS**

In the event of absence or inadequacy of profits, the Chairman and the Managing Director shall be paid above remuneration as minimum remuneration notwithstanding any limit specified under schedule-V of the Companies Act, 2013 or any other law and including any statutory modifications thereof for the time being in force or such other remuneration as may be permissible under law from time to time.

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

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

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

Except for the remuneration as Chairman and the Managing Director and his shareholding, the appointee is also a director and shareholder in M/s. Grandmaastters Mold Limited (GML), a mould and spares supplier to the company. His father Mr. Sanjiivv Jindall is a Whole Time Director-Strategy, of the company at a salary of Rs.5, 00,000/- p.m.

**III. OTHER INFORMATION**

**1. Reason of loss or inadequate profits**

The expenses have increased due to inflation whereas the volumes has not increased. As MSIL is the prime customer of the Company a decline/ stagnation in the sales of MSIL directly affects the sales volume of the Company.

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

The Company is making efforts for cost reduction and on increasing business.





3. Expected increase in productivity and profits in measurable terms.

The Company is expecting to increase its productivity and profits by making full utilization of its under-utilized machineries and reconsider sale price with its principle customer – Maruti Suzuki India Limited.

#### IV. DISCLOSURES:

1. The following disclosures shall be mentioned in the Board of Director's Report under the heading 'Corporate Governance', attached to the annual report:-

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

Necessary particulars of remuneration under required heads and sitting fees of all the Directors are given in Corporate Governance Report forming part of the Directors' Report for the year 2019-20.

#### EXPLANATORY STATEMENT TO ITEM NO. 6

With the notification from the Ministry of Corporate Affairs, the provisions related to section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 is applicable on your Company which requires the approval in the General Meeting of the Company for entering in to specified related parties transaction exceeding the prescribed threshold and not meeting exemption criteria.

Your company is mainly having the business with the following related parties:

Name – Maruti Suzuki India Limited, Suzuki Motor Corporation, Suzuki Motor Gujarat Private Limited, Grandmaastters Mold Limited and Machino Polymers Limited

Name of the director or key managerial personnel who are related to above names parties are –

- Mr. Aditya Jindal, Chairman cum Managing Director of the company
- Mr. Sanjiivv Jindall, Whole Time Director-Strategy of the company
- Mr. A K Tomer, Maruti Suzuki India Limited as a Nominee Director
- Mr. Kazunari Yamaguchi, Suzuki Motor Corporation as a Nominee Director

Nature of relationship- Maruti Suzuki India Limited and Suzuki Motor Corporation are associate company and your company is a joint venture company of Maruti Suzuki India Limited, Suzuki Motor Corporation and Jindal' since

its inception.

Machino Polymers Limited- is a promoter group company of your company's promoters.

Grandmaastters Mold Limited – is a promoter group company of your company's promoters.

Material term of entering to the transaction with the following related parties:

1. *Purchase of raw material by Machino Plastics Limited from Machino Polymers Limited:* Prices of raw material purchased form Machino Polymers Limited is settled by Maruti Suzuki India Limited and the same price is also approved for other vendors of Maruti Suzuki India Limited by MSIL.
2. *Sale of goods by Machino Plastics Limited to Maruti Suzuki India Limited:* The business is awarded to the vendor by following the bidding process and on the basis of best quotation received and on following the principle of cost, quality and delivery.
3. *Purchase of parts, moulds and conversion charges by Grandmaastters Mold Limited:* Your Company has adopted cost plus method. Grandmaastters Mold Limited provides parts, jobwork and moulds for the machinery as per the specifications provided by the unrelated original equipment supplier. The amount paid is as per purchase order where rates are assessed by such unrelated original equipment supplier.
4. *Sale of goods by Machino Plastic Limited to Suzuki Motor Gujarat Private Limited:* The business is awarded to the vendor by following the bidding process and on the basis of best quotation received and on following the principle of cost, quality and delivery.
5. Every transaction is executed on the basis of purchase orders received from either parties and the payment term is same as per the company policy for the rest of its vendors.
6. Except payment of dividend to Suzuki Motor Corporation there is no other material transaction with it, as it holds 15.35% of the share capital of the company. However company supplies auto parts to Suzuki Motorcycles India Private Limited and Suzuki Motor Gujarat Private Limited, group companies of Suzuki Motor Corporation.

Mr. Sanjiivv Jindall, Mr. Aditya Jindal, Mr. A. K. Tomer and Mr. Kazunari Yamaguchi be deemed interested in their respective related party transactions.

## MACHINO PLASTICS LIMITED

Information to Shareholders in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to appointment/reappointment of directors)

Director	Brief Resume	Hold Directorship in other Co's	Membership in Committee	Shares Held
Mr. Sanjiivv Jindall	Mr. Sanjiivv Jindall, the Whole Time Director-Strategy aged 63 years, has completed his Doctorate (Ph.D) from Pacific Western University, U.S.A in Marketing and MBA in Marketing from International Management Institute, Delhi and is a commerce graduate from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception.	Grandmaastters Mold Ltd. Pranna Plastics Ltd. Machino Transport Pvt. Ltd.	Audit Committee Stakeholder Relationship Committee Nomination and Remuneration Committee Share Transfer Committee (Above mentioned membership is in Machino Plastics Limited)	5,61,802
Mr. Aditya Jindal	Mr. Aditya Jindal, Chairman cum Managing Director aged 33 years, has completed his Bachelor of Science in Chemical Engineering from University of Michigan, Ann Arbor.	Machino Transport Pvt. Limited Grandmaastters Mold Limited Pranna Plastics Limited Machino Plastics Becharaji Limited Machino Engineering Limited w.e.f 20 <sup>th</sup> May, 2020	Share Transfer Committee  (Above mentioned membership is in Machino Plastics Limited)	6,49,401
Mr. Kazunari Yamaguchi	Mr. Kazunari Yamaguchi, aged 57 years, is Graduated from Department of Agricultural Engineering, Faculty of Agriculture, Kagoshima university in May 1986. He was appointed in the meeting of board of directors of the company held on 28 <sup>th</sup> February, 2018 and he is not related to director, manager and key managerial personnel of the company. Being a nominee director of Suzuki Motor Corporation, he does not receive any sitting fee or remuneration from the company.	Suzuki Motor Gujarat Private Limited Manesar Steel Processing(India) Private Limited	Corporate Social Responsibility Committee  (Above mentioned membership is in Suzuki Motor Gujarat Private Limited)	Nil





**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING**

**(In pursuance of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2))**

<b>Name of the Director</b>	Mr. Sanjiiv Jindall
<b>DIN</b>	00017902
<b>Date of Birth &amp; age</b>	28.06.1957 and 63 years
<b>Qualification</b>	He has completed his Doctorate (Ph.D) from Pacific Western University, U.S.A in Marketing and MBA in Marketing from International Management Institute, Delhi and is a commerce graduate from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception.
<b>Experience and Expertise</b>	He is Whole Time Director-Strategy of the company; he joined the company since inception. He is involved in day to day operations, overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.
<b>Remuneration proposed to be paid</b>	Basic Salary: Rs. 5,00,000/- per month along with provident fund and other retirement benefits as per schedule V.
<b>Date of first appointment on the Board</b>	01.07.1987
<b>Number of Board Meetings attended during the year</b>	6
<b>Directorships held in other companies as on 31.03.2020</b>	Machino Transport Private Limited Grandmaastters Mold Limited Pranna Plastics Limited
<b>Board Membership of Listed Companies as on March 31, 2020</b>	NIL
<b>Chairman/ Membership of the Committee held in other companies as on 31.03.2020</b>	NIL
<b>Number of Shares held in the Company as on March 31, 2020</b>	5,61,802 Equity Shares
<b>Relationship with other directors, manager and other Key Managerial Personnel of the company</b>	Father of Mr. Aditya Jindal, Chairman cum Managing Director
<b>Terms and Conditions of re-appointment</b>	The board in its meeting held on 11 <sup>th</sup> February, 2020 approved the re-appointment of Whole Time Director-Strategy, subject to the approval of shareholders in Annual General Meeting to be held on Tuesday, The 29 <sup>th</sup> September, 2020.

<b>Name of the Director</b>	Mr. Aditya Jindal
<b>DIN</b>	01717507
<b>Date of Birth &amp; age</b>	18.05.1987 and 33 years
<b>Qualification</b>	Bachelor of Science in Chemical Engineering from University of Michigan, Ann Arbor.
<b>Experience and Expertise</b>	He is Chairman cum Managing Director of the company; he joined the company in 2009 as vice president. He is involved in day to day operations, overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.
<b>Remuneration proposed to be paid</b>	Basic Salary: Rs.5,00,000/- per month along with provident fund and other retirement benefits as per schedule V.
<b>Date of first appointment on the Board</b>	01.02.2016
<b>Number of Board Meetings attended during the year</b>	6
<b>Directorships held in other companies as on 31.03.2020</b>	Machino Transport Private Limited Grandmaastters Mold Limited Pranna Plastics Limited Machino Plastics Becharaji Limited
<b>Board Membership of Listed Companies as on March 31, 2020</b>	NIL
<b>Chairman/ Membership of the Committee held in other companies as on 31.03.2020</b>	NIL
<b>Number of Shares held in the Company as on March 31, 2020</b>	649,401 Equity Shares
<b>Relationship with other directors, manager and other Key Managerial Personnel of the company</b>	Son of Mr. Sanjiivv Jindall, Whole Time Director-Strategy
<b>Terms and Conditions of re-appointment</b>	The board in its meeting held on 11 <sup>th</sup> February, 2020 approved the re-appointment of Chairman cum Managing Director, subject to the approval of shareholders in Annual General Meeting to be held on Tuesday, The 29 <sup>th</sup> September, 2020.



<b>Name of the Director</b>	Mr. Kazunari Yamaguchi
<b>DIN</b>	07961388
<b>Date of Birth &amp; age</b>	11.01.1963 and 57 years
<b>Qualification</b>	Graduated from Department of Agricultural Engineering, Faculty of Agriculture, Kagoshima university in May 1986.
<b>Experience and Expertise</b>	Mr. Kazunari Yamaguchi is the nominee director of the Company on behalf of Suzuki Motor Corporation, Japan. He is a director (production) on the board of Maruti Suzuki India Ltd.
<b>Remuneration proposed to be paid</b>	NA
<b>Date of first appointment on the Board</b>	28.02.2018
<b>Number of Board Meetings attended during the year</b>	2
<b>Directorships held in other companies as on 31.03.2020</b>	2
<b>Board Membership of Listed Companies as on March 31, 2020</b>	Maruti Suzuki India Ltd
<b>Chairman/ Membership of the Committee held in other companies as on 31.03.2020</b>	Risk Management Committee. (Above mentioned membership is in Maruti Suzuki India Limited)
<b>Number of Shares held in the Company as on March 31, 2020</b>	NIL
<b>Relationship with other directors, manager and other Key Managerial Personnel of the company</b>	Not related to any director
<b>Terms and Conditions of re-appointment</b>	As the resolution passed by the shareholders of the company on Annual General Meeting held on 1 <sup>st</sup> September, 2018, Mr. Kazunari Yamaguchi has been appointed as Director, liable to retire by rotation.

Place: Gurugram  
Date: 25<sup>th</sup> June, 2020

By order of the Board of Directors  
Sd/-  
Aditya Jindal  
Chairman cum Managing Director  
DIN: 01717507

## BOARD OF DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 35<sup>th</sup> Annual Report and Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020.

### FINANCIAL SUMMARY AND HIGHLIGHTS

(Rs. In Lacs)

Financial Performance	2018-19	2019-20
Income from operation	30287.20	24200.91
Other Income	49.54	51.48
Profit(before financial charges, depreciation and tax)	2610.90	1880.63
Financial Charges	654.75	767.36
Depreciation & Impairment expenses	1944.56	1964.21
Profit / (loss) before tax	11.59	(850.94)
Provision for tax(after adjustment of deferred tax)	(29.17)	(399.50)
Profit / (loss) after tax	40.77	(451.44)
Other Comprehensive Income/(loss)	10.14	18.17
Total Comprehensive Income/ (loss) for the period	50.91	(433.27)

Net turnover of your Company has decreased by 20% from Rs.30287.20 lacs in 2018-19 to Rs. 24200.19 lacs in current year. Your Company has earned a pre-tax loss of Rs. 850.94 lacs as compared to profit of Rs.11.59 lacs in the last year.

### RESULTS OF OPERATIONS

#### OPERATIONS:

During the year under review, the following are the highlights of your Company:

- Achieved a turnover during 2019-20 of Rs. 24200.91 lacs as compared to Rs.30287.20 lacs during 2018-19 reflecting a decrease of 20%.
- Loss before tax during 2019-20 is Rs. 850.94 lacs against pretax profit during the year 2018-19 of Rs.11.59 lacs.
- Loss after tax during 2019-20 is Rs.451.44lacs against post tax profit during the year 2018-19 of Rs. Rs.40.77lacs.
- Total Comprehensive Loss during 2019-20 is Rs.433.27lacs as compared to income Rs. 50.91 lacs during previous financial year 2018-19.
- Pre- tax Cash Profit during 2019-20 is Rs. 1113.26 lacs against pre- tax cash profit during the year 2018-19 of Rs.1956.15 lacs

### INTERNAL FINANCIAL CONTROL

Your company has in place adequate internal financial controls in accordance to the size of the company and with reference to financial statement. The internal financial controls have been regularly reviewed by the auditors of your company and no reportable material weakness in the design or operation was observed.

### EXTRACT OF ANNUAL RETURN

The detail forming part of the extract of the Annual Return in Form No MGT – 9 in accordance with the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as 'Annexure -I' to this Report.



## NUMBER OF BOARD MEETINGS

The details of the number of Board and Audit Committee meetings of your Company are set out in the Corporate Governance Report which forms part of this Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134 sub section (5) of the Companies Act, 2013 the directors of your company state-

- That in preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed and there are no material departures from the same.
- That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year as at 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2020.
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- That the annual accounts have been prepared on a going concern basis.
- That proper internal financial controls laid down by the directors to be followed by the Company and that such internal financial controls are adequate and is operating effectively; and
- That proper system to ensure compliance with the provisions of all applicable laws is adequate and is operating effectively

## DECLARATION BY INDEPENDENT DIRECTOR

Your Company has received declarations from all the Independent Directors that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 read with Schedule and Rules issued there-under, and also in accordance to Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## REMUNERATION POLICY

Your company has adopted the remuneration policy in accordance with Section 178 read with rules made there under for director's appointment and remuneration including the criteria for determining qualifications, positive attributes, independence of a director, etc. in the meeting of Board of Directors of the Company held on 9<sup>th</sup> February, 2015 in line with the recommendation of Nomination and Remuneration Committee; whose meeting also held on the same date. The remuneration policy of your Company is annexed in Annexure-II. The policy has been disclosed on the website of the company.

## AUDIT AND AUDITOR'S REPORT:

### STATUTORY AUDITOR:

M/s. KMGS & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of ensuing Annual General Meeting for the financial year 2019-20.

### STATUTORY AUDITOR'S REPORT

There are no such observations in the statutory audit report which needs to be explained by your company. The observation of the auditors is self- explanatory and/or is suitably explained in the notes to the accounts.

### SECRETARIAL AUDITOR:

M/s A.K. & Associates, Practicing Company Secretary, were appointed as Secretarial Auditor for the financial year 2019-20 for secretarial audit of your company.

## **MACHINO PLASTICS LIMITED**

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### **SECRETARIAL AUDIT REPORT**

There are no such observations in the secretarial audit report which needs to be explained by your Company. The report of secretarial auditor is annexed to this report as Annexure VIII.

### **SECRETARIAL COMPLIANCE REPORT**

There are no such observations in the secretarial compliance report which needs to be explained by your Company. The report of secretarial auditor is annexed to this report as Annexure IX.

### **PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT BY THE COMPANY**

Your Company has not given any loan, guarantee or made any investment in any other body corporate as per the provision of section 186 of the Companies Act, 2013, except as disclosed in the attached accounts.

### **RELATED PARTIES TRANSACTIONS**

All related party transactions that were entered into during the financial year 2019-20 were in the ordinary course of business and on an arm's length basis or with required approvals. Your company has also adopted a policy on materiality of related parties transaction and also dealing with related parties' transaction as approved by the Board. The policy has been disclosed on the website of your company at [www.machino.com](http://www.machino.com)

The details of related parties transaction whether requiring approvals or otherwise, as per the provision of Section 188 of the Companies Act, 2013, Form AOC-2 is annexed in Annexure-III.

### **STATE OF COMPANY'S AFFAIR**

Your company is a joint venture Company of Maruti Suzuki India Limited, Suzuki Motor Corporation and Jindal's. Your company was incorporated in 1986. Your company is a going concern. The shares of your company are listed on Bombay Stock Exchange Limited. Your company is engaged in the production of plastics moulded automotive components. Your company has total 4 plants/warehouses out of which one operative plant is located in Gurgaon, one operative plant and a warehouse are located in Manesar while the plant located in Pithampur is non- operative and is yet to commence production.

During the year under review, your company has not made any default in repayment of any of its term loans, have met generally all its obligation in time including its tax liabilities.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDER**

No significant or material orders have been passed by any regulators or court or tribunals impacting the going concern status and future operations of your company.

### **MATERIAL CHANGES AND COMMITMENTS**

No significant changes and commitments affecting the financial position of your company for the financial year ending on 31st March, 2020 till the date of this report.

### **CONSERVATION OF ENERGY**

Continuous overhauling of equipment's and awareness amongst employees has helped to avoid wastage of energy. Company has installed solar power plant of capacity 260KW at its Manesar Plant.

Series of steps have been taken to identify areas of excess consumption of power and checks have been strengthened



at these points and various alternative sources of energies are utilized.

Data regarding energy consumed is given hereunder:

<b>Power &amp; Fuel Consumption</b>	<b>2018-19</b>	<b>2019-20</b>
1. Electricity		
(a) Purchase units/ co-generated	18996315	15399152
Total Cost (Rs. In lacs)	1670.96	1251.38
Rate per units	8.80	8.13
(b) Own Generation – D.G. Set		
Units generated	394442	251668
Fuel Cost (Rs. In Lacs)	86.24	48.39
Fuel cost per unit	21.86	19.23
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other / Internal generation/ Solar power	401043	1219689

#### **TECHNOLOGY ABSORPTION**

A statement giving details of technology absorption in accordance with the above Rules is annexed hereto as Annexure VI and forms part of the Report.

#### **FOREIGN EXCHANGE EARNING & OUTGO**

	<b>Rs. In Lacs</b>
Total foreign exchange earning	93.82
Total foreign exchange outgo	242.57

#### **RISK MANAGEMENT POLICY**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your company already has “Risk Management Policy” in writing which is also uploaded on the website of the company. The policy is regularly updated taking in to consideration the changes taking place in the business environment. Your company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

Your company has also constituted a risk management committee, the detail of which is given in the Corporate Governance section of the Annual Report.

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable on our company. Therefore, the company has abolished Risk Management Committee from board committees in its board meeting held on 29<sup>th</sup> April, 2019.

The company has combined Risk Management Committee with the audit committee in its meeting held on 25th June, 2020.

#### **ANNUAL EVALUATION OF PERFORMANCE**

The performance evaluation of all:

- independent directors were made by Board (excluding the director who performance is being evaluated),
- non independent directors were made by the independent directors in its meeting
- the board committees and of the board as whole was made by Nomination and Remuneration Committee

Your company has also adopted a policy for evaluation of performance of the board and individual director in the



## MACHINO PLASTICS LIMITED

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meeting of the board of directors in line with the recommendation of Nomination and Remuneration Committee. The policy of annual evaluation is annexed in Annexure –IV.

The policy has also been disclosed on the website of the company.

### VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, your Company has established the Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for directors and employees of the Company to report genuine concerns or grievances. The Vigil Mechanism provides the safeguard against the victimization of person who uses such mechanism.

During the financial year 2019-20, all the directors and employees had full access to approach the Vigil Mechanism Officer. No complaint was received during the year 2019-20 of any sort from any directors and employee of your company.

The detail of establishment of such mechanism is also disclosed on the website of the Company and also enclosed as per Annexure –V.

### DIRECTORS/KMP

#### **Appointments:**

During the Financial Year 2019-20, Ms. Reetika Pant (Membership No: ACS-48939) has been appointed as Company Secretary and designated as Key Managerial Personnel of the Company with effect from 1<sup>st</sup> March, 2020.

Mr. Ravinder Hooda has been appointed as Chief Financial Officer of the Company and designated as Key Managerial Personnel of the Company with effect from 11<sup>th</sup> February, 2020.

Mr. Sanjiiv Jindal has been appointed as the Whole Time Director-Strategy of the Company for a period of three years with effect from 11<sup>th</sup> February, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.

Mr. Aditya Jindal has been appointed as the Chairman and the Managing Director of the Company for a period of three years with effect from 11<sup>th</sup> February, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.

#### **Resignation/ Cessation**

Mr. Surya Kant Agrawal, Company Secretary and Compliance Officer (up to 29<sup>th</sup> February, 2020) of the Company had retired at the end of February 2020 month on completion of his extended two years period after mandatory retirement age of 58 applicable to all categories of employees, as decided while extending his services

### AUDIT COMMITTEE

The details of the Audit Committee including its composition and terms of reference mentioned in the Corporate Governance Report forms part of Director's Report.

### FAMILIRISATION PROGRAMME FOR THE INDEPENDENT DIRECTOR

Your Company has organized a familiarization programme for the independent directors as per the requirement of the Companies Act, 2013 along with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The detail of such familiarization programme is also uploaded on the website of the company at [www.machino.com](http://www.machino.com).

### LISTING

The Equity Shares of the Company are listed on Bombay Stock Exchange. The company has paid listing fees to the Stock Exchange for the financial year 2020-21.



## **CORPORATE GOVERNANCE**

Your Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organization's corporate governance philosophy is directly linked to high performance.

Pursuant to Regulation 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the company regularly submits the corporate governance report to the Stock Exchanges within the prescribed time line. Therefore, Reports on Corporate Governance has been included in this annual report as a separate section (forming a part of Director's Report) along with the Auditor's Certificate.

## **DEPOSITS**

Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013 & rules made there under.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required by Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report are presented in a separate section forming part of the annual report.

## **DETAILS OF SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES**

None of the company has become or ceased to become the subsidiary, joint venture or associate of your Company during the financial year 2019-20.

## **PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES**

Details of employee of the Company as specified under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed hereto as Annexure-VII and forms part of the report.

## **TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY**

Your Company has not declared any dividend during Financial year 2011-12 and 2012-13.

## **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 pollutions. As an environment conscious responsible corporate citizen, your Company has implemented GSCM (Green Supply Chain Management) standards and is ISO14001 certified holder. The Company has also achieved ISO 18001-OHSAS certification for occupational health and safety.

## **CORPORATE SOCIAL RESPONSIBILITY**

The provision of section 135(1) of Companies Act 2013 i.e. Corporate Social Responsibility is not applicable on your company. Therefore your company has not constituted CSR committee for this.

## **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the valuable co-operation and assistance extended by Maruti Suzuki India Limited., Suzuki Motors Corporation, Japan, Government of India, Government of Haryana and the Company's bankers for their continued support and guidance. The Directors also commend the continuing commitment and dedication of the employees at all levels and are thankful to the shareholders for their continued patronage, trust and confidence in the Company.

For and on Behalf of the Board  
**Machino Plastics Limited**

**Date: 25<sup>th</sup> June, 2020**  
**Place: Gurugram**

**Sd/-**  
**Aditya Jindal**  
**Chairman cum Managing Director**  
**DIN: 01717507**

# MACHINO PLASTICS LIMITED

## ANNEXURE-1

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

#### I REGISTRATION & OTHER DETAILS:

i	CIN	L25209HR2003PLC035034
ii	Registration Date	2nd April, 1986
iii	Name of the Company	Machino Plastics Limited
iv	Category/Sub-category of the Company	Manufacturing concern
v	Address of the Registered office & contact details	Plot No.3, Maruti Joint Venture Complex, Udyog Vihar, Phase-IV, Gurugram-122015 Ph: 0124 - 2340806. 2341218
vi	Whether listed company Yes/ No	Yes
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, 3E/7, Jhandewalan Extension, New Delhi-110055 Ph: 011-42541234

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr #	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Parts of motor vehicles and accessories	45300	98.43%

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES - N/A

Sr #	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as percentage to total Equity)

##### i) Category- wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1,211,893		1,211,893	19.75	1,211,893	-	12,,11,893	19.75	-
b) Central Govt.or State Govt.									
c) Bodies Corporates	2,358,513		2,358,513	38.43	2,358,513		2,358,513	38.43	-
d) Bank/FI									
e) Any other									
SUB TOTAL: (A) (1)	3,570,406		3,570,406	58.18	3,570,406	-	3,570,406	58.18	-
(2) Foreign									



a) NRI- Individuals									
b) Other Individuals									
c) Bodies Corp.	941,700		941,700	15.35	941,700	-	941,700	15.35	-
d) Banks/Fl									
e) Any other...									
<b>SUB TOTAL (A) (2)</b>	<b>941,700</b>		<b>941,700</b>	<b>15.35</b>	<b>941,700</b>	<b>-</b>	<b>941,700</b>	<b>15.35</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4,512,106</b>		<b>4,512,106</b>	<b>73.53</b>	<b>4,512,106</b>	<b>-</b>	<b>4,512,106</b>	<b>73.53</b>	<b>-</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	850		850	0.02	850		850	0.01	0.01
b) Banks/Fl									
c) Central govt	4,810		4,810	0.08	4,810		4,810	0.08	0.08
d) State Govt.									
e) Venture Capital Fund									
f) Insurance Companies									
g) FILS					-	-	-		
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>SUB TOTAL (B)(1):</b>	<b>5,660</b>		<b>5,660</b>	<b>0.07</b>	<b>5,660</b>		<b>5,660</b>	<b>0.09</b>	<b>0.07</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	136,793	1,400	138,193	3.03	89,835	1,400	91,235	1.49	1.54
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs at the end of the year	691,695	140,851	832,546	13.57	701,418	133,701	835,119	13.61	0.04
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs at the end of the year.	506,056		506,056	8.25	557,634		557,634	9.09	0.84
c) Investor Education and Protection Fund Authority	63,013		63,013	1.03	61,513		61,513	1.00	0.02
d) Others(Clearing Member)	117		117	0.00	554		554	0.01	0.01
e)Others (Resident HUF)	73,290		73,290	1.19	74,935		74,935	1.22	0.03
c) Others ( NRI)	5,519	200	5,719	0.09	2,554	200	2,754	0.04	0.00
d)Others (Trust)	100		100	0.002	100	-	100	0.002	
<b>SUB TOTAL (B)(2):</b>	<b>1,476,583</b>	<b>142,451</b>	<b>1,619,034</b>	<b>26.45</b>	<b>1,488,543</b>	<b>135,301</b>	<b>1,623,844</b>	<b>26.38</b>	<b>0.07</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1,482,243</b>	<b>142,451</b>	<b>1,624,694</b>	<b>26.47</b>	<b>1,489,393</b>	<b>135,301</b>	<b>1,624,694</b>	<b>26.47</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>5,994,349</b>	<b>142,451</b>	<b>6,136,800</b>	<b>100.00</b>	<b>6,001,499</b>	<b>135,301</b>	<b>6,136,800</b>	<b>100.00</b>	<b>-</b>

## MACHINO PLASTICS LIMITED

### (ii) SHARE HOLDING OF PROMOTERS

Sr #	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Murli Dhar Jindal	87	0.00	--	87	0.001		-
2	Sanjiivv Jindall	561,802	9.15	--	561,802	9.15		-
3	Sarita Jindal	600	0.01	--	600	0.01		-
4	Aditya Jindal	649,401	10.58	--	649,401	10.58		-
5	Kamla Jindal	1	0.00	--	1	0.00		-
6	Rajiv Jindal	2	0.00	--	2	0.00		-
7	Machino Transport Private Limited	1,416,813	23.09	--	1,416,813	23.09		-
8	Maruti Suzuki India Limited	941,700	15.35	--	941,700	15.35		-
9	Suzuki Motor Corporation	941,700	15.35	--	941,700	15.35		-
	<b>Total</b>	<b>4,512,106</b>	<b>73.53</b>	<b>-</b>	<b>4,512,106</b>	<b>73.53</b>		

### (iii) Change in Promoters' Shareholding (specify if there is no change)

Sr #	Shareholding at the Beginning of the year		
	Name of Promoter	No. of shares	% of total shares of the company
	No Change	No Change	No Change

Sr #	Shareholding at the end of the year		
	Name of Promoter	No. of shares	% of total shares of the company
	No Change	No Change	No Change

\* Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease ( e.g. allotment/ transfer/ bonus/ sweat - As per Table No. 1

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) as on 31st March, 2020

S. No.	Name of Shareholder	Shareholding as on (01.04.2019)	Percentage	Date of change in shareholding	Change During the year	Shareholding as on 31.03.2020	Percentage	Reason
1	Vikas Malu	223,588	3.643	-	-	223,588	3.643	N.A.
2	Kanta Chhajer	162,230	2.643	-	-	162,230	2.643	N.A.
3	Sunil Rameshchandra Amin	90,213	1.470	29.11.2019	210	101,791	1.66	Market Transaction
				06.12.2019	372			
				13.12.2019	561			



S. No.	Name of Shareholder	Shareholding as on (01.04.2019)	Percentage	Date of change in shareholding	Change During the year	Shareholding as on 31.03.2020	Percentage	Reason
				20.12.2019	2			
				27.12.2019	270			
				03.01.2020	1,600			
				10.01.2020	1,880			
				07.02.2020	1,099			
				14.02.2020	516			
				28.02.2020	1,070			
				06.03.2020	1,700			
				28.03.2020	1,318			
				27.03.2020	202			
				31.03.2020	200			
4	IEPF AUTHORITY	67,823	1.105	01.04.2019	-1500	66,323	1.08	Market Transaction
5	Trupti Uday Merchant	30,025	0.489	-	-	30,025	0.489	N.A.
6	ALPA MIHIR GHELANI	30,000	0.488	-	-	30,000	0.488	N.A.
7	Ramakant & Co Pvt Ltd	28,830	0.469	-	-	28,830	0.469	N.A.
8	VORA CONSTRUCTIONS LIMITED	20,100	0.327	-	-	20,100	0.327	N.A.
9	ANIL S MISTRY	20,000	0.326	-		20,000	0.326	Market Transaction
10	M Vimala	19,500	0.318	-	-	19,500	0.318	N.A.
11	CHOPRA NARPATKUMAR KEWALCHAND HUF	-	-			19,170	0.312	Market Transaction

**(v) Shareholding of Directors & Key Managerial Personnel**

Sr #	Shareholding at the beginning of the year (1st April 2019)		
	Name of Director and KMP	No. of shares	% of total shares of the company
1	Sanjiivv Jindall	561,802	9.155
2	Aditya Jindal	649,401	10.58
3	S.K. Agrawal	1	0.000016
	Total cumulative shareholding	1,211,204	19.73

Sr #	Shareholding at the end of the year (31st March 2020)		
	Name of Director and KMP	No. of shares	% of total shares of the company
1	Sanjiivv Jindall	561,802	9.15
2	Aditya Jindal	649,401	10.58
3	S.K. Agrawal	4,802	0.08
	Total cumulative shareholding	1,216,005	19.81

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1,145,957,875			1,145,957,875
ii) Interest due but not paid	NIL			NIL
iii) Interest accrued but not due	4,174,108			4,174,108
<b>Total (i+ii+iii)</b>	1,150,131,983			1,150,131,983
<b>Change in Indebtedness during the financial year</b>				
Additions	74,000,000			74,000,000
Reduction	(254,599,795)			(254,599,795)
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	966,457,196			966,457,196
ii) Interest due but not paid				
iii) Interest accrued but not due	3,074,992			3,074,992
<b>Total (i+ii+iii)</b>	969,532,188			969,532,188

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sr #	Particulars of Remuneration	Name of the MD/WTD/ Manager		Name of the MD/WTD/ Manager		
		Mr. Sanjiivv Jindall		Mr. Aditya Jindal		
		Managing Director	Total Amount	Executive Director		Total Amount
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	5,00,000 per month	60,00,000	4,50,000 per month		54,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option				--	
3	Sweat Equity				--	
4	Commission				--	
	as 1% of profit					
	others (specify)					
5	Others, please specify				--	
	<b>Total (A)</b>	5,00,000 per month	60,00,000	4,50,000 per month		54,00,000
	<b>Ceiling as per the Act</b>	7,00,000 per month	84,00,000	7,00,000 per month		84,00,000





## B. Remuneration to other directors:

Sr #	Particulars of Remuneration	Name of the Directors				Total Amount
		Ajit Yadav	Dr. Sandeep Goel	Rajiv Kumar Singh	Anupam Gupta	
1	Independent Directors					
	(a) Fee for attending board committee meetings	15,000/- per meeting	15,000/- per meeting	15,000/- per meeting	15,000/- per meeting	
	(b) Commission					
	(c) Others, please specify					
	Total (1)	1,35,000	1,80,000	1,80,000	1,95,000	6,90,000
2	Other Executive Directors					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c) Others, please specify.					
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	CS	CFO	Total per annum
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Surya Kant Agrawal- Rs. 4035290 /- (upto 29.02.2020)  Reetika Pant- Rs. 34302 /- (w.e.f. 01.03.2020)	Ravinder Hooda- Rs. 161818 /- (w.e.f. 11.02.2020)	Rs. 4231410
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission as 1% of profit, others specify			
5	Others, please specify			
	Total	Surya Kant Agrawal- Rs. 4035290 /- (upto 29.02.2020)  Reetika Pant- Rs. 34302 /- (w.e.f. 01.03.2020)	161818	4231410

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
<b>B DIRECTORS</b>					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty		NIL			
Punishment		NIL			
Compounding		NIL			

**Table I**

**CHANGE IN PROMOTER SHARE HOLDING DURING THE YEAR**

Sr #	NAME OF SHAREHOLDER	Date of Change	SHAREHOLDING BEFORE CHANGE/ AT	INCREASE/ DECREASE IN	SHAREHOLDING AFTER CHANGE/ AT	REASON
			THE BEGINNING OF THE YEAR	SHAREHOLDING	THE END OF THE YEAR	
1	No Change					



## ANNEXURE-II

### REMUNERATION POLICY

#### 1. Executive Remuneration Policy

The remuneration policy of the Directors has been designed to keep pace with the business environment and market linked positioning. The Remuneration & Nomination Committee determines and recommends to the Board the compensation payable to Directors. Remuneration for the Executive Directors consists of a fixed component and a variable component linked to the long term vision, medium term goals and annual business plans.

The scope of the nomination and remuneration committee shall include the formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

The company had set-up a Nomination and Remuneration Committee on 17<sup>th</sup> November, 2012 to review and recommend the quantum and payment of annual salary and commission and finalize service agreements and other employment conditions of the Executive Directors. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors.

As on March 31, 2020, the committee has total six directors which include Four Directors as Independent Directors, one director being non –executive director and the other director being Executive Director in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition included Mrs. Anupam Gupta, the Chairperson of the Committee, Mr. Ajit Yadav, Dr. Sandeep Goel, Mr. Rajiv Kumar Singh, Mr. A. K. Tomer, and Mr. Sanjiivv Jindall.

#### 1. Key Definitions

**“Board of Directors” or “Board”**, in relation to a company, means the collective body of the Directors of the company;

The expression **“senior management”** means personnel of the company who are members of its core management team other than the Board of Directors. It comprises of all members of the management who are one level below the Executive Directors and include the Functional Heads.

**“Key managerial personnel”**, in relation to a company, means -

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;
- iv. the Chief Financial Officer; and
- v. such other officers as may be prescribed;

Machino Plastics Limited has the following individuals assuming key positions in the company:

#### A. Board of Directors

- |                       |   |
|-----------------------|---|
| 1. *Sanjiivv Jindall  | Whole Time Director - Strategy w.e.f. 11 <sup>th</sup> February, 2020 |
| 2. **Aditya Jindal    | Chairman cum Managing Director w.e.f. 11 <sup>th</sup> February, 2020 |
| 3. Kazunari Yamaguchi | Non-Executive Director {Nominee of Suzuki Motor Corporation, Japan}   |
| 4. A.K. Tomer         | Non-Executive Director {Nominee of Maruti Suzuki India Limited}       |
| 5. Anupam Gupta       | Independent Director  |
| 6. Ajit Yadav         | Independent Director  |
| 7. Dr. Sandeep Goel   | Independent Director  |
| 8. Rajiv Kumar Singh  | Independent Director  |

\*Mr. Sanjiivv Jindall has been appointed as the Whole Time Director-Strategy of the Company for a

period of three years with effect from 11<sup>th</sup> Feb, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.

**\*\*Mr. Aditya Jindal** has been appointed as the Chairman and the Managing Director of the Company for a period of three years with effect from 11<sup>th</sup> Feb, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.

#### **B. Independent Directors**

Pursuant to Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, an Independent Director means a Non-Executive Director, other than a nominee director of the listed entity who:

- (i) In the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- (ii) Is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
- (iii) Is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- (iv) apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (vi) neither himself, nor whose relative(s) -
  - (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
    - (1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
    - (2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (C) Holds together with his relatives two per cent or more of the total voting power of the listed entity; or
  - (D) is a chief executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
  - (E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- (vii) Who is not less than 21 years of age.

As on March 31, 2020, the company's Board comprised of 8 (Eight) Directors. Of the 8 (seven) Directors, 2 (two) Directors including the Chairman are Executive Directors, 2 (two) are Non-Executive Directors and 4 (Four) are Non-Executive and Independent Directors. 50% of the Board consists of Independent Directors, in consonance with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.



**C. The senior management team as on 31.03.2020 consists of**

- i. Chief Financial Officer
- ii. Company Secretary
- iii. General Manager- Operations

**D. Key Managerial Personnel**

- i. Managing Director / Executive Director / Whole Time Director
- ii. Chief Financial Officer
- iii. Company Secretary

**3. The Nomination & Remuneration Committee**

The Nomination & Remuneration Committee is responsible for the monitoring, implementation and review of this policy. The Nomination & Remuneration Committee will provide recommendations to the Board as to how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company.

**3.1 Key Principles of the Remuneration Policy**

While designing compensation for Directors, Key managerial personnel, senior management and other employees, the following set of principles act as guiding factors:

1. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
2. Minimize complexity and ensure transparency.
3. Link to long term strategy as well as annual business performance of the company
4. Promotes a culture of meritocracy and is linked to key performance and business drivers.
5. Reflective of line expertise, market competitiveness so as to attract the best talent.
6. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
7. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
8. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
9. That the Managing Director's remuneration be reviewed on expiry of current period of three years of appointment and the remuneration be divided into fixed and flexible portion.
10. In future employment, as well as for existing, a part of remuneration be kept as performance linked pay.
11. Remuneration being paid to employees currently be protected.
12. Targets for the Company, for the Managing Director, for HOD's be given by board and HOD's should fix targets for their respective team members. Accordingly the performance remuneration will be decided by board latest by the end of the month of May each year in accordance with recommendation of Nomination and Remuneration Committee.

**3.1.1 Remuneration paid to Executive Directors**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the company. The elements of the remuneration and limits are pursuant to the section 178, 197 and schedule V of the Companies Act 2013 and also Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 3.1.2 Remuneration Policy Structure

The remuneration structure for the Executive Directors would include the following components:

### 3.1.3 Basic Salary

- Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
- Are normally set in the home currency of the Executive Director and reviewed annually.
- Will be subject to an annual increase as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors and such other approvals as may be necessary.

### 3.1.4 Perquisites and Allowances

A basket of Perquisites and Allowances would also form a part of the remuneration structure.

### 3.1.5 Contribution to Provident and Other funds

- In addition to the above, the remuneration would also include:
- Contribution to Provident and Superannuation Funds
- Gratuity

### 3.1.6 Minimum Remuneration

If in any financial year during the tenure of the Executive Directors, the company has no profits or its profits are inadequate, they shall be entitled to, by way of Basic Salary, Perquisites, allowances and in addition hereto, they shall also be eligible for perquisites not exceeding the limits specified under Part IV of Schedule V of the Companies Act, 2013 or other such limits as prescribes by the Government from time to time as Minimum Remuneration, whichever is higher.

### 3.2.1 Remuneration payable to Non-Executive & Independent Directors

The Non-Executive Directors and Independent Directors of the company would be paid sitting fees {not exceeding INR 1,00,000} for each meeting of the Committees and Board meeting as may be decided by the board from time to time.

### 3.2.2 Remuneration payable to Non-Executive Directors

The Remuneration to the Non-Executive Directors would be as per recommendations of the Nomination and Remuneration committee and approval of the Board of Directors. It would be pursuant to the provisions of sections 197, 198 of the Companies Act 2013.

### 3.3 Remuneration Philosophy for Key managerial personnel, senior management & staff

The compensation for the Key managerial personnel, senior management and staff at Machino Plastics Limited would be guided by the external competitiveness.

Internally, performance ratings of all employees would be spread across a normal distribution curve. The rating obtained by an employee will be used as an input to determine Variable and Merit Pay increases. Variable and Merit pay increases will be calculated using a combination of individual performance and organizational performance. Grade wise differentiation in the ratio of variable and fixed pay as well as in increment percentage must be made.

Compensation can also be determined based on identified skill sets critical to success of the company. It is determined as per management's review of market demand and supply.

## 4. DISCLOSURES

The remuneration policy shall also form part of Annual Report of the Company and shall also be posted on the website of the company.



## ANNEXURE III

### RELATED PARTIES TRANSACTION DETAILS

#### FORM AOC – 2

(Pursuant to clause (h) of sub section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts and arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto**

#### 1. DETAILS OF CONTRACT OR ARRANGEMENT OR TRANSACTION NOT ON ARM LENGTH'S BASIS - NIL

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts/ arrangements/ transactions
- c. Duration of the contracts/ arrangements/ transactions
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Justification of entering into such contracts or arrangements or transactions
- f. Date(s) of approval by the Board
- g. Amount paid as advances, if any
- h. Date on which the special resolution was passed in general meeting as required under first proviso of section 188

#### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

- a. Name(s) of the related party and nature of relationship
- b. Nature of contracts / arrangements / transactions
- c. Duration of the contracts / arrangements / transaction
- d. Salient terms of the contracts or arrangements or transactions including the value, if any
- e. Date(s) of approval by the Board, if any
- f. Amount paid as advances, if any
  - The details of related parties' transaction forms part of Corporate Governance section in page no. 62

## ANNEXURE IV

### PERFORMANCE EVALUATION POLICY

#### POLICY ON EVALUATION OF PERFORMANCE OF DIRECTORS AND THE BOARD

##### INTRODUCTION

In accordance with the requirement of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 along with schedule IV of the Companies Act, 2013 and other provisions as may be applicable on the company from time to time; the company shall evaluate the performance of its Independent Directors, its board and other committee on annual basis.

##### OBJECTIVE

This Policy aims to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 and the Listing Regulation entered into with the Stock Exchanges (as amended or re- enacted from time to time) relating to the evaluation of performance of the Directors and the Board



- (ii) adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) achieve good corporate governance as well as sustained long-term value creation for stakeholders.

### DEFINITIONS EVALUATION FACTORS

A. **“the Act”:**

The Act shall mean The Companies Act, 2013;

B. **“the Company”:**

The Company shall mean Machino Plastics Limited;

C. **“the Director” or “the Board”:**

The Director or the Board, in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.

D. **“the Independent Director”:**

The Independent Director shall mean an Independent Director as defined under Section 2 (47) to be read with section 149 (5) of the Act.

E. **“the Policy” or “this Policy”:**

The policy or this Policy shall mean the Policy for Evaluation of performance of Board of Directors of the Company.

F. **“the Committee” or “this Committee”:**

The Committee or this Committee shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

### EVALUATION FACTORS

The Nomination and Remuneration Committee (“NRC”) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated in the same way as it is for the Executive Directors of the Company except the Director getting evaluated. Evaluation performance should be carried out at least once in a year.

While evaluating the performance of the Non-Executive Directors (“NED”s) the following parameters shall be considered:

- (a) Attendance at meetings of the Board and Committees thereof,
- (b) Participation in Board Meetings or Committee thereof,
- (c) Contribution to strategic decision making,
- (d) Review of risk assessment and risk mitigation,
- (e) Review of financial statements, business performance.
- (f) Contribution to the enhancement of brand image of the Company.

While evaluating the performance of the Chairman and Managing Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.

Evaluation of performance shall be carried out at least once a year.

The Company shall provide suitable training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

The Board of Directors shall pay regards to the following parameters for the purpose of evaluating the performance of a particular Director:

In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.



Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

<b><u>Rating Scale</u></b>	<b><u>Scale Performance</u></b>
5	Exceptionally good
4	Good
3	Satisfactory
2	Needs improvement
1	Unacceptable

The Company has chosen to adopt the following Board Performance Evaluation Process:

#### **INDEPENDENT DIRECTORS**

Some of the specific issues and questions that should be considered in a **performance evaluation of Independent Director**, in which the concerned Director being evaluated shall not be included, are set out below:

**Name of Director being assessed:**\_\_\_\_\_

<b>S. No.</b>	<b>Assessment Criteria</b>	<b>Rating</b>	<b>Remarks/ Comments</b>
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		

#### **NON – INDEPENDENT DIRECTORS / EXECUTIVE DIRECTORS**

Some of the specific issues and questions that should be considered in a performance evaluation of Chairman and Managing Director/Non-Independent Director/Executive Director **by Independent Directors**, in which the concerned director being evaluated shall not be included, are set out below:

**Name of Director being assessed:**\_\_\_\_\_

<b>S. No.</b>	<b>Assessment Criteria</b>	<b>Rating</b>	<b>Remarks/ Comments</b>
1.	Leadership initiative		
2.	Initiative in terms of new ideas and planning for the Company		
3.	Professional skills, problem solving, and decision-making		
4.	Compliance with policies of the Company, ethics, code of conduct, etc.		
5.	Reporting of frauds, violation etc.		
6.	Safeguarding of interest of whistle blowers under vigil mechanism		
7.	Timely inputs on the minutes of the meetings of the Board and Committee, if any		

## BOARD OF DIRECTORS

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by Independent Directors are set out below:

S. No.	Assessment Criteria	Rating	Remarks/ Comments
1.	The Board of Directors of the Company is effective in decision making.		
2.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.		
3.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law.		
4.	The Board reviews the organization's performance in carrying out the stated mission on a regular basis.		
5.	The Board of Directors is effective in providing necessary advice and suggestions to the Company's management.		
6.	Is the Board as a whole up to date with latest developments in the regulatory environment and the market?		
7.	The information provided to Directors prior to Board Meetings meets your expectations in terms of length and level of detail.		
8.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.		
9.	The Board Chairman effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.		
10.	The Board appropriately considers internal audit reports, management's responses, and steps towards improvement.		
11.	The Board oversees the role of the Independent Auditor from selection to termination and has an effective process to evaluate the Independent Auditor's qualifications and performance.		
12.	The Board considers the Independent Audit plan and provides recommendations.		

## COMMITTEES OF BOARD

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee; and
3. Stakeholders Relationship Committee

For evaluating the performance of each Committee, the Board of Directors shall pay regards to the following aspects as set out in the annexure below:

S. No	Audit Committee (for Audit Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		
2.	Timely inputs on the Minutes of the Meetings		



S. No.	Nomination and Remuneration Committee (For Nomination and Remuneration Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the Minutes of the Meetings		

S. No.	Stakeholders Relationship Committee (For Stakeholders Relationship Committee members only)	Rating	Remarks/ Comments
1.	Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the Minutes of the Meetings		

#### REVIEW

The Nomination and Remuneration Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution in a meeting of the Committee.

#### DISCLOSURE

In accordance with the requirement under the Companies Act, 2013, Rules framed thereunder and SEBI (LODR) Regulations, 2015, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The Company shall disclose the evaluation criteria in its Annual Report. The Policy will be available on the website of the Company i.e. [www.machino.com](http://www.machino.com).

**VIGIL MECHANISM OF THE COMPANY****VIGIL MECHANISM/WHISTLE BLOWER POLICY OF MACHINO PLASTICS LIMITED****1. PREFACE**

- 1A.** Section 177 of the Companies Act 2013' Regulation 22 of the SEBI listing regulations and SEBI Prohibition of Insider Trading) Regulations, 2015 requires every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns The Company has adopted a Code of Conduct for Directors and Senior Management Executives ("the Code"), which lays down the principles and standards that should govern the actions of the Company and its employees Any actual or potential violation of the Code howsoever insignificant or perceived as such would be a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the

Chairperson of the Audit Committee in appropriate or exceptional cases

- 1B.** Keeping in view of the above requirements MACHINO PLASTICS LIMITED being a Listed Company Proposes to establish a Whistle Blower Policy/ Vigil Mechanism policy for the same

**2. POLICY OBJECTIVES**

- 2A.** The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/ Chairman of the Audit Committee in exceptional cases This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or Colleagues in general
- 2B.** To encourage employees to bring ethical and legal violation by making them aware of an internal authority so that action can be taken immediately to resolve the problem
- 2C.** To minimize the organization's exposure to the damage that can occur when employees circumvent internal mechanisms
- 2D.** To let employees know that the organization is serious about adherence to codes of conduct

**3. SCOPE OF THE POLICY**

This Policy covers malpractices and events which have taken place/ suspected to have taken place misuse or abuse of authority fraud or suspected fraud violation of company rules manipulations negligence causing danger to public health and safety misappropriation of monies instances of leak of unpublished price sensitive information as defined in the Regulation 2(1)(n) Securities And Exchange Board Of India (Prohibition Of Insider Trading) Regulations' 2015 and other matters or activity on account of which the interest of the Company is affected and should be formally reported.

**4. DEFINATIONS**

- 4.1** "Alleged wrongful conduct" shall mean violation of law Infringement of Company's rules misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority"
- 4.2** "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with Listing Agreement as amended from time to time and Companies Act' 2013
- 4.3** "Board" means the Board of Directors of the Company
- 4.4** "Company" means the Machino Plastics Limited and all its offices



- 4.5 “**Code**” means Code of Conduct for Directors and Senior Management Executives adopted by the Company
- 4.6 “**Employee**” means all the present employees and whole time Directors of the Company.
- 4.7 “**Protected Disclosure**” means a concern raised by an employee or group of employees of the Company through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company It should be factual and not speculative or in the nature of an interpretation /conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- 4.8 “**Subject**” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.
- 4.9 “**Vigilance and Ethics Officer**” means an officer appointed to receive protected disclosures from whistle blowers’ maintaining records thereof’ placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof
- 4.10 “**Whistle Blower**” is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant

## 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to Matters concerning the Company

## 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

- 6.1 All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- 6.2 The Protected Disclosure should be submitted in a dosed and secured envelope and should be super scribed as “**Protected Disclosure under the Whistle Blower policy**”.

Alternatively the same can also be sent through email with the subject “Protected Disclosure under the Whistle Blower policy”. If the complaint is not super scribed and closed as mentioned above it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure

In order to protect identity of the complainant the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and Complainants are advised neither to write their name/ address on the envelope nor enter into any further correspondence with the Vigilance and Ethics Officer The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant

- 6.3 Anonymous/ Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer
- 6.4 The Protected Disclosure should be forwarded under a covering letter signed by the complainant The Vigilance and Ethics Officer/ Chairman of the Audit Committee/ CEO/Chairman as the case may be shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure
- 6.5 All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to the Chairman of the Audit Committee/ Managing Director in exceptional cases. The contact details of the Chairman of the Audit Committee are as under:

### **Name and Address- Mrs. Anupam Gupta**

House No.20 East Park Area  
(Ajmal Khan Park) Karol Bagh  
New Delhi, Pin Code: 110005

Machino Plastics Limited  
Maruti Joint Venture Complex,  
Udyog Vihar Phase-IV, Gurgaon-122015  
Email- anu65gupta@gmail.com

- 6.6** Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Managing Director of the Company and the Protected Disclosure against the Managing Director/Joint Managing Director of the Company should be addressed to the Chairman of the Audit Committee. The contact details of the Managing Director and the Chairman of the Audit Committee are as under:

**Name and Address of Managing Director-** Mr. Aditya Jindal  
Machino Plastics Limited  
Maruti Joint Venture Complex, Udyog Vihar-IV, Gurgaon-122015  
Email- [ajindal@machino.com](mailto:ajindal@machino.com)

**Name and Address of the Chairperson of Audit Committee - Mrs. Anupam Gupta**  
Machino Plastics Limited  
Maruti Joint Venture Complex,  
Udyog Vihar Phase-IV, Gurgaon-122015  
Email- [anu65gupta@gmail.com](mailto:anu65gupta@gmail.com)

- 6.7** In case the concerned person is not able to handle the grievances the same may be referred to Chairman of Audit Committee
- 6.8** On receipt of the protected disclosure the Vigilance and Ethics Officer / Managing Director/ Chairman of the Audit Committee as the case may be shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action The record will include:
- a) Brief facts;
  - b) Whether the same Protected Disclosure was raised previously by anyone and if so the outcome thereof;
  - c) Details of actions taken by Vigilance and Ethics Officer / Managing Director for processing the complaint.
  - d) Findings of the Audit Committee, if any
  - e) The recommendations of the Audit Committee/ other action(s)
- 6.9** The Audit Committee if deems fit may call for further information or particulars from the complainant

## **7. INVESTIGATION**

- 7.1** All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- 7.2** The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.
- 7.3** Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- 7.4** Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.
- 7.5** Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer/ Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- 7.6** Subject(s) have a responsibility not to interfere with the investigation Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s)
- 7.7** Unless there are compelling reasons not to do so' subject(s) will be given the opportunity to respond to material findings contained in the investigation report No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- 7.8** Subject(s) have a right to be informed of the outcome of the investigations If allegations are not sustained, the



Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

- 7.9** The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## **8. DECISION AND REPORTING**

- 8.1** If an investigation leads the Vigilance and Ethics Officer/ Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer/ Chairman of the Audit Committee shall recommend to the management of the Company to take sum Disciplinary or corrective action as he may deem fit It is clarified that any disciplinary or corrective action' initiated against the Subject as a result of the findings of an investigation pursuant to this Policy, shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 8.2** The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.
- 8.3** In case the Subject is the Managing Director/Joint Managing Director of the Company' the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.
- 8.4** If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.5** A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance and Ethics Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules' procedures and policies of the Company.

## **9. SECRECY/ CONFIDENTIALITY**

- 9.1** The complainant, Vigilance and Ethics Officer, Members of Audit Committee the Subject and Everybody involved in the process shall:
- 9.1.1** Maintain confidentiality of all matters under this Policy
- 9.1.2** Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- 9.1.3** Not to keep the papers unattended anywhere at anytime
- 9.1.4** Keep the electronic mails/ files under password

## **10. PROTECTION**

- 10.1** No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company as a policy condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers Complete protection will therefore be given to Whistle Blowers against any unfair practices like retaliation, threat or intimidation of termination/ / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/ functions including making further Protected Disclosure The company will take steps to minimize difficulties which the Whistle Blower may experience as a result of making the Protected Disclosure Thus if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings the Company will arrange for the Whistle Blower to receive advice about the procedure etc.
- 10.2** A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee who shall investigate into the same and recommend suitable action to the management. The Committee if it deems fit may appoint an outside agency.
- 10.3** The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed



## MACHINO PLASTICS LIMITED

his identity to any other office or authority In the event of the identity of the complainant being disclosed' the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure The identity of the Whistle Blower' if known' shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena

**10.4** Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

**10.5** Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith Any complaint not made in good faith as assessed by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules/ certified standing orders of the Company This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practices etc. made pursuant to this policy.

### **11. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **12. COMMUNICATION**

A whistle Blower policy cannot be effective unless it is properly communicated to employees Employees shall be informed through by publishing in notice board and the website of the company

### **13. RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other law in force, whichever is more The same is accessible only to the parties involved

### **14. ADMINISTRATION AND REVIEW OF THE POLICY**

The Managing Director shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

### **15. AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

The Policy should be amended only on the approval of Board after considering the recommendations of Audit Committee.

## **ANNEXURE – VI**

### **Form 'B'- TECHNOLOGY ABSORPTION**

1.	Specific areas in which R&D carried out by the company	None								
2.	Benefits derived as a result of above R&D	NA								
3.	Future Plan of action	None								
4.	Expenditure on R&D(Rs. in Lacs)	<table><tr><td>a. Capital</td><td>NIL</td></tr><tr><td>b. Recurring</td><td>NIL</td></tr><tr><td>c. Total</td><td>NIL</td></tr><tr><td>d. Total R&amp;D expenditure as % of total turnover</td><td>NIL</td></tr></table>	a. Capital	NIL	b. Recurring	NIL	c. Total	NIL	d. Total R&D expenditure as % of total turnover	NIL
a. Capital	NIL									
b. Recurring	NIL									
c. Total	NIL									
d. Total R&D expenditure as % of total turnover	NIL									



## ANNEXURE – VII

### EMPLOYEES DETAILS

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. PERCENTAGE INCREASE IN REMUNERATION OF EACH DIRECTOR, CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY DURING FINANCIAL YEAR 2019-20, RATIO OF REMUNERATION OF EACH DIRECTOR TO MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR 2019-20 AND COMPARISON OF REMUNERATION OF EACH KEY MANAGERIAL PERSONNEL AGAINST THE PERFORMANCE OF THE COMPANY ARE AS UNDER

{Amount in lacs}

S. NO	NAME OF DIRECTOR/ KMP AND DESIGNATION	REMUNERATION OF DIRECTOR/ KMP FOR FINANCIAL YEAR 2019-20	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR 2019-20	RATIO OF REMUNERATION OF EACH DIRECTOR TO MEDIAN REMUNERATION OF EMPLOYEES	COMPARISON OF REMUNERATION OF KMP AGAINST THE PERFORMANCE OF THE COMPANY
1	Sanjiivv Jindal – Whole Time Director w.e.f. 11 <sup>th</sup> February, 2020	60	Nil	60: 3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively.
2	Aditya Jindal - Chairman cum Managing Director w.e.f. 11 <sup>th</sup> February, 2020	54	Nil	54: 3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively.
3	Sarita Jindal Executive Director (not a board member) Retired w.e.f. 30 <sup>th</sup> November, 2020	3.57	Nil	3.57:3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively.
4	Surya Kant Agrawal- General Manager Finance cum Company Secretary  Retired w.e.f. 01 <sup>st</sup> March, 2020	40.35	Nil	40.35:3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively..
5	*Ravinder Hooda- Chief Financial Officer Appointed on 11 <sup>th</sup> February, 2020	1.62	Nil	1.62:3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively.

6	*Reetika Pant- Company Secretary Appointed on 01 <sup>st</sup> March, 2020	0.34	Nil	0.34:3.42	No increase in remuneration; turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively..
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\*Above remuneration of Mr. Ravinder Hooda and Ms. Reetika Pant from the date of appointment as KMP. Company has paid remuneration as employee Rs14.78 lacs and Rs.3.97 lacs to Mr. Ravinder Hooda and Ms. Reetika Pant respectively for the financial year 2019-20.

- **Note** the aforesaid remuneration is excluding the contribution to Provident Fund and Commission on Net Profit.
- **Note:** Following directors were paid only sitting fees during the financial year 2019-20.  
Mr. Ajit Yadav- Independent Director  
Mr. Rajiv Kumar Singh– Independent Director  
Dr. Sandeep Goel – Independent Director  
Mrs. Anupam Gupta – Independent Woman Director
- Following directors were not paid any remuneration and sitting fees during the financial year 2019-20  
Mr. A. K. Tomer – Nominee Director of Maruti Suzuki India Limited  
Mr. Kazunari Yamaguchi – Nominee Director of Suzuki Motor Corporation.
- The sitting fees paid by the company during the financial year 2019-20 was Rs. 15,000/- per meeting of the board or committees thereof.
  - i. Median remuneration of employees during the financial year was Rs. 3.42 lacs.
  - ii. In the financial year, there was an increase of 1.92% in the median remuneration of employees.
  - iii. There were 218 permanent employees on the role of the company as on 31.03.2020.
  - iv. Relationship between average increase/decrease in remuneration and company performance: Average increased in median remuneration of employees was 1.92% whereas turnover decreased by 20%, Loss after tax and before tax is Rs.451.43 lacs and Rs.850.94 lacs respectively against the profit of the previous year of Rs. 40.77 lacs and Rs. 11.59 lacs respectively.
  - v. Comparison of remuneration of the Key Managerial Personnel against the performance of the Company: The total remuneration of Key Managerial Personnel decreased by 0.75 % (overall) from Rs.161.09 lacs in 2018-19 to Rs. 159.89 lacs in 2019-20.
  - vi. a. Variation in market capitalization: the market capitalization as on 31.03.2020 is Rs.27.89 Crs. whereas same was Rs. 76.71 Crs. in March, 2019.  
b. Price earning ratio as on 31.03.2020 is (7.36) and was 189.39 as on March, 2019.
  - vii. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year 2019-20 was NIL whereas the decrease in the managerial personnel for the same financial year was 0.75% (overall).
  - viii. The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendation of the Human Resources, Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
  - ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
  - x. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.



**[Pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**Details of Top 10 employees in terms of remuneration drawn**

Sr #	Full Name	Designation	Educational Qualification	Age	Total Experience	Date of Joining	Remuneration paid	Nature of employment	Previous Employment	% of equity shares held	Whether employee is relative of any director or manager
1	Sanjiv Jindal*	Whole Time Director- Strategy w.e.f 11th February, 2020	Ph.D.	63	33	01-07-1987	6,000,000	Permanent	NA	9.15	Yes *
2	Aditya Jindal**	Chairman cum Managing Director w.e.f 11th February, 2020	B.Sc	33	11	01-10-2009	5,400,000	Permanent	NA	10.58	Yes **
3	Surya Kant Agrawal	General Manager cum Company Secretary	B. Com, FCS, LL.B	60	40	09-07-2010	4,035,290	Permanent	JBM MA Automotive Pvt Ltd	0	No
4	Vijay Kumar Jain	General Manager	DPMT	57	32	19-12-2011	3,723,252	Permanent	Mag Filters & Equipments Pvt Ltd	0	No
5	Jayvardhan Dimri	Asst General Manager	B. Tech, MBA	42	14	08-08-2016	2,315,762	Permanent	Mann And Hummel Filters Pvt Ltd	0	No
6	Karan Singh	Asst General Manager	Diploma in Electrical	44	23	15-06-2016	2,170,829	Permanent	Fiem Industries Limited	0	No
7	Dongbyeok Kim	Head Tool Room - Manufacturing	Senior Secondary	58	37	07-01-2019	1,800,000	Permanent	Plakor Co Ltd, Korea	0	No
8	Daekyu Kim	Head Tool Room - Design	Graduate in Mechanical	43	17	07-01-2019	1,800,000	Permanent	Plakor Co Ltd, Korea	0	No
9	Ramesh Chandra Ranjitt	Dy Plant Head	CIPET	45	21	15-11-2018	1,539,022	Permanent	Sintex BAPL Ltd. Sofna	0	No
10	Naveen Taneja	Plant Head	B. Tech	33	12	10-10-2018	1,480,466	Permanent	Precision Tech Enterprises	0	No

\* Mr Sanjiv Jindal being father of Mr Aditya Jindal

\*\* Mr Aditya Jindal being son of Mr Sanjiv Jindal

\*\*\* The above figures are exclusive of post-employment benefits.

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED

31<sup>st</sup> MARCH, 2020

To,  
The Members,  
Machino Plastics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Machino Plastics Limited. (Herein after called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Machino Plastics Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:-

Due to COVID-19 pandemic situation we were unable to physically examine the books, papers, minute books, forms and returns filed and other records maintained by Machino Plastics Limited for the financial year ended on 31st March, 2020. However, wherever possible the company had provided us the documents through electronic modes and we have also checked the SEBI compliances through BSE Site.

According to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;



- (vi) The Apprentices Act, 1961
- (vii) The Contract Labour (Regulation & Abolition) Act, 1970
- (viii) The Employees' Provident Fund & Miscellaneous Provisions Act, 1959
- (ix) The Employees' State Insurance Act, 1948
- (x) The Employment Exchange (Compulsory Notification of Vacancies Act), 1959
- (xi) The Equal Remuneration Act, 1976
- (xii) The Factories Act, 1948
- (xiii) The Indian Fatal Accidents Act, 1985
- (xiv) The Industrial Dispute Act, 1947
- (xv) The Industrial Employment (Standing Orders Act), 1946
- (xvi) The Maternity Benefit Act, 1961
- (xv) The Minimum Wages Act, 1948
- (xvi) The Payment of Bonus Act, 1965
- (xvii) The Payment of Gratuity Act, 1972
- (xvi) The Payment of Wages Act, 1936
- (xvii) The Workmen's Compensation Act. 1923
- (xviii) The Environment Protection Act, 1986

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has not undertaken any specific transactions as given under below: -

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations-Suzuki Motor Corporation is having Shares 941700 @Rs. 10 per share in the company.

**It should be noted that:**

- (i) Contingent Liabilities not provided for as per the Financial Statements are as follows: -
- a) Demand under the Central Excise Act of Rs. 58,211,882 (Previous year Rs. 58,211,882)
  - b) Demand under the Sales Tax Act of Rs. Nil (Previous year Rs. 621,691).
- (ii) Commitments
- Estimated amount of contracts, remaining to be executed on capital account (net of advances) Nil (Previous year Rs. 20,393,000)

**It should be noted that:** According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, Income Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There was no undisputed amount payable in arrears as at March 31st, 2020 for period of more than six months from the date they became payable except for the sales tax, the details of which are as under:

Name of the Statute	Nature of dues	Financial Year	Amount(Rs.)	Due Date	Paid on
The Sales Tax Act	Sales tax	2017-18	989,951	15 <sup>th</sup> July, 2017	Outstanding

Particulars of dues to income tax, Sales tax, Wealth tax, Service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2020 which have not been deposited on account of dispute have been stated below:

Name of the statute	Nature of Dues	Amount (Rs)	Amount Deposit under Protest	Period	Forum Where Dispute is pending
The Central Excise Act, 1944	Excise Duty	2,258,355	Nil	F.Y 2003-04 & 2004-05	Central Excise Depart, Gurgaon Range
The Central Excise, 1944	Excise Duty	55,953,527	Nil	F.Y 2013-14 to 2017-18	Additional Director General (Adjud.), New Delhi

**It should be noted that** remittance in foreign exchange towards dividend is:

Particular	Current Year(Rs)	Previous Year(Rs)
Number of non-resident shareholders	1	1
Shares held- Equity Shares of Rs.10 each	941,700	941,700
Dividend remitted during the year	941,700	1,883,400

**It should be noted that** Investment in equity share are measured at fair value through other comprehensive income as per IND AS 109.

The company had made investment of face value of Rs. 12,500,000 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 SLPs were preferred against the order the Hon'ble High Court of Delhi before the Hon'ble Supreme Court of India by both the parties. The Hon'ble Supreme Court of India vide its order dated 29<sup>th</sup> March, 2016 dismissed both SLPs. However, it states that the order of dismissal is subject to the result of such case(s) as may be pending between the parties in respect of cancellation of shares held by the petitioner. The material is still sub-judice.

In the current circumstances the company is unable to ascertain the fair value of investment in equity shares in Caparo Maruti Limited as it is not practicably feasible to do so. Consequently, no fair value adjustment has been made in the books of accounts and these equity instruments have been carry forward at cost as at balance sheet date.



We further report that, Subject to the matter of emphasis as mentioned in the report, during the audit period the company has generally complied with the requirement of various Act, Rules and Regulations, Guidelines and standards as are applicable to the company.

Place: New Delhi  
Date: 25.06.2020

**FOR A.K & ASSOCIATES**

**Company Secretary**  
**ATIMA KHANNA**  
**FCS No. - 9216**  
**COP – 10296**

**UDIN Number-F009216B000343836**

**Annexure - IX**

**Secretarial Compliance Report of Machino Plastic Limited for the year ended 31<sup>st</sup> March, 2020**

I / We **A.K & Associates** have examined:

- (a) All the documents and records made available to us and explanation provided by Machino Plastics Limited ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March, 2020 ("Review Period") in respect of compliance with the provisions of :
  - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;

and based on the above examination, I / We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/Remark of the Practicing Company Secretary
-	Nil	Nil	Nil

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under in so far as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures



## MACHINO PLASTICS LIMITED

issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken	Observation remark of Practicing company secretary, if any
-	Nil	Nil	Nil	Nil

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observation of the practicing company secretary in previous report	Observation made in the secretarial compliance report for the year ended 31 <sup>st</sup> March 2019	Action taken by listed entity, if any	Comments of the practicing company secretary on the actions taken by the listed entity
-	Nil	Nil	Nil	Nil

- Due to COVID 19 pandemic situation we were unable to physically examine the books, papers, minute books, forms and returns filed and other records maintained by Machino Plastics Limited for the financial year ended on 31st March, 2020. However, wherever possible the company had provided us the documents through electronic modes and we have also checked the SEBI compliances through BSE Site.

Place : New Delhi  
Date : 25.06.2020

FOR A.K & ASSOCIATES  
Company Secretary  
ATIMA KHANNA  
FCS No. - 9216  
COP – 10296  
UDIN Number- F009216B000343880



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## Industry Structure & Development

Your Company is mainly engaged in the manufacture of plastic injection moulded automotive components i.e. bumpers, instruments panels, grills etc. as original equipment's and for spare parts market primarily for Maruti Suzuki India Limited (MSIL). The company also manufactures various automotive components for others.

Your company can be classified as the automotive components manufacturer in view of the application of product made. Your company has 63 nos. injection molding machines, sizes ranging from 100 Ton to 3150 Ton clamping force. Your company has been dealing in all size plastic automotive components which can be supplied by setting production facility next door to automobile industries.

## Opportunities & Threats

Growing market of India has already attracted all major automotive 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 continues to be the leader in Indian car market and has closed the financial year 2019-20 with domestic sale of 1,461,126 units and total sales of 1,563,297 units. Maruti's domestic sale in 2019-20 represents a decline of 16.7% over 2018-19 and total sales in 2019-20 represents a decline of 16.1% over 2018-19.

Your company is positively working towards expanding its operation to other customers.

The small to large size of machine range helps your company to cater to all types of customer's part requirement. 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 it has the possibilities for other business besides automotive.

The possible threats to the company can be:

- Fluctuating Market conditions
- Covid-19 (Novel Coronavirus)
- Uncertain Government policies
- Uncertain Monsoon Impacting Market Growth
- Technological change
- Reduction in market share of main customer
- Competitions
- Interest rate Increase

## Segment-wise or Product-wise Performance

Currently your company operates in to only one segment i.e. automotive injection moulding plastic components and 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 year 2019-20 was marked by global uncertainties. Indian automobile sales are expected flat in 2020-21 over 2019-20. The sales during March 2020 are not comparable due to the suspension of operations with effect from 22<sup>nd</sup> March, 2020, in line with national policy.

The future growth expected in the domestic automobile industry will give a fillip to the auto component sector albeit the fact that the automobile industry may face stagnation for couple of years after a phenomenon growth in the past. The Indian automobile industry as a whole 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 passenger cars and two wheelers. With the automobiles industry fast growing in terms of volume and number of players, your company foresees a bright future.

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

## Risks & Concerns

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

- Economic slowdown can derail the prospects of the industry.
- Volatility in the prices of material and other inputs could erode the industry's cost competitiveness. Further more OEMs demand reduction in prices every year.
- Intense competition from counterparts may add further pressure on margin of manufacturers.

Financial Year 2019-20 has been a challenging year with weakening macro-economic conditions, slowing market growths in Auto sector and finally COVID-19 outbreak, this had an adverse impact on our operations with breakage in supply lines, shortage of manpower and disruptions in procurement/transport.

The onset of Covid-19 in India will have a negative impact on the automotive industry. The impact of COVID-19 Pandemic Situation – Update on Operations is disclosed on the website of the company and also enclosed as per Annexure-1.

The overall trend is challenging, but remaining competitive in this changing scenario will be the toughest challenge.

## MACHINO PLASTICS LIMITED

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, specialization, innovation and networking will determine the success of the SMEs in this globally competitive environment.

Your company is power, manpower and capital intensive business unit. Power is obtained from Maruti from its co-shared power plant which runs on gas and DHBVN Ltd and DG Set. The increase in per unit cost of power supply will materially affect the cost of production. Company has installed about 813 K.W. Solar Power Plant at its Manesar (310 KW) and Gurugram (503 KW) Plants. This will help in power cost management.

Your company has availed net metering facility from UHBVN/DHBVN/ HVPNL for both Gurugram & Manesar plant of the Company which in turn will save the energy bills.

### Financial Performance

The turnover of your company has decreased by 20% from Rs. 30287.20 lacs in 2018-19 to Rs. 24200.19 lacs in current year. Your company has earned a pretax loss of Rs. 850.94 lacs as compared to profit of Rs.11.59 lacs in the last year. Return on net worth decreased from 0.008% to (0.071%) in 2019-20 due to lower volumes.

Sr #	Particulars	Period	
		2018-19	2019-20
1	Debtor Turnover Ratio (No of Days)	49	48
2	Inventory Turnover Ratio (No of Days)	19	27
3	Interest coverage ratio	3.99	2.45
4	Current Ratio	0.74	0.62
5	Debt Equity Ratio	1.29	1.22
6	Operating Profit / (Loss) Margin (%)	2.20	(0.34)
7	Net Profit / (Loss) Margin	0.13	(1.86)

### 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.

Further internal audit has been out sourced to M/s Goel Garg & Co., Chartered Accountants. The Audit covers all the areas e.g. Finance, HR, Purchase, Statutory Compliance etc. and regular audits are conducted by

Internal Auditors. The Audit observations are periodically reviewed by the Audit Committee of the Board of Directors and necessary directions are issued, wherever required.

### 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 own in-house technical centre in the plant to train the new recruits before their placement that helps in optimum utilization 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. Your company has already adopted the suggestions scheme in the company which is increasing the employee's participation in managing the company.

In addition to the above, several health checks such as a blood test, dental care and eye test was conducted for employees.

### Cautionary Statement

Management Discussion and Analysis Report may be forward looking statement. Actual result may differ materially from those expressed or implied depending upon global and Indian regulations, tax regimes, and economic developments within India and overseas.

### Annexure-1

### COVID-19 Pandemic Situation – Update on Operations

#### 1. Impact on the business

The lockdowns and restrictions imposed on various activities due to COVID-19 pandemic have posed challenges to all the business activities of Machino Plastics Limited (MPL).

MPL's operations were hit substantially from 22<sup>nd</sup> March 2020 till 12<sup>th</sup> May 2020, when lockdown was gradually lifted. Manufacturing facilities were shut during the period due to classification of our products as non-essential.

With the lifting of the lockdown restrictions, the Company has started re-opening its manufacturing units after establishing thorough and well-rehearsed safety protocols. However, since the markets have already opened across the segments and a clear upward trend is visible in daily sales numbers of our customers, the management of the Company is quite confident that the business operations will pick up progressively.

However, since this situation is exceptional and is changing dynamically, the management of the MPL is not in a position to gauge with certainty, the future impact on its operations. The management of the



Company expects the operations to remain sub-normal in the immediate future, with a possibility of intermittent disruptions based on the evolving situation and varying Government guidelines and permissions. The Company continues to closely monitor the situation and shall take appropriate action as per regulatory guidelines.

**2. Ability to maintain operations including the factories / units / office spaces functioning and closed down**

As stated earlier, manufacturing facilities and other units were shut down entirely during the lockdown phase as the Company was not part of Government denominated essential services. The Company has re-started its operations considering permissible workforce since 12<sup>th</sup> May 2020, adhering to the safety norms prescribed by the government.

**3. Schedule, if any, for restarting the operations**

With the lifting of the lockdown restrictions, operations have already been started partially with permitted workforce and shall be further scaled up keeping in view the Government guidelines to be issued from time to time.

**4. Steps taken to ensure smooth functioning of operations**

The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, thermal check of temperature at the gate, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material. The Company has enough resources to meet its liabilities towards suppliers, employees and other service providers.

**5. Estimation of future impact of the CoVID-19 on its operations**

The temporary suspension of manufacturing and the continuing reduced levels of operations are likely to have some financial impact. The Company would be able to absorb this.

**6. Details of impact of COVID-19 based on certain performance parameters:**

**a) Capital and financial resources and profitability**

The Company's capital and Banking facilities remain the same. There are no liquidity concerns as resources are available in-house to settle all the liabilities and resume operations normally.

**b) Liquidity Position**

There are no liquidity concerns as we have sufficient internal resources. The receivables are being collected although with some delays. We are sure to manage the situation well.

**c) Ability to service debt and other financing arrangements**

The Company has availed moratorium scheme announced by RBI for three months i.e. 01<sup>st</sup> June 2020 to 31<sup>st</sup> August 2020.

**d) Assets – No impact**

**e) Internal Financial reporting and Control**

All the internal financial controls are in place as they were in the normal periods. All the controls are being adhered to. The reporting requirements are being fulfilled as stipulated and are being complied.

**f) Supply Chain**

Since the re-start of the operations of the Company are aligned with that of the suppliers, transporters and other service providers, we do not expect any significant issues with respect to supply chain.

**g) Demand for products / services**

With the re-opening of almost all the States, where the Company has major business, situation is becoming normal except for the month of April 2020 when it was total lock down across India.

**7. Existing contracts / agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business**

The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim by or against the Company.

**8. Other relevant material updates about the listed entity's business**

No other material matter can be identified at present. We will continue to follow the recommendations / advisories as may be issued from time to time by the relevant authorities.

**Cautionary Statement**

*Statements given herein describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include actions to contain or treat the Covid-19 disease and mitigate its impact on the economies of the affected countries, demand and supply conditions affecting selling prices of finished goods, input availability and rates, changes in the government regulations, tax laws, economic developments within the country and litigation and industrial relations, among others.*

## CORPORATE GOVERNANCE REPORT

In terms of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

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

### Corporate Governance Monitoring and Review Process at Machino:

Machino Plastics Limited 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 endeavors to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders.

### Board of Directors

Total No. of Directors	Non-Independents Director Executive	Non-Independent Directors - Nominee's	Independent Directors
8	2	2	4

### (I) Composition of Board

The Board of Directors of your company has a combination of executive, non-executive and independent directors in compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31<sup>st</sup> March, 2020, the Board comprises of eight directors headed by the Chairman. One half of the Board comprises independent directors who do not have any pecuniary relationship and transactions with the company, promoter or management which may affect the judgment 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 maximizing profit and enhancing shareholder value are achieved.

Name	Category	Designation	Directorship held in other Public Limited Companies	No. of Chairmanship/ Membership of Board Committees		Remarks
*Mr. Sanjiv Jindal	Promoter Director	Whole Time Director - Strategy	2	--	--	
**Mr. Aditya Jindal	Promoter Director	Chairman cum Managing Director	4	--	--	
Mr. Ajit Yadav	Independent/ Non-Executive Director	Director	--	--	--	
Mr. A K Tomer	Non-Executive Director	Nominee Director of Maruti Suzuki India Limited	--	--	--	
Dr. Sandeep Goel	Independent/ Non-Executive Director	Director	--	--	--	
Mr. Rajiv Kumar Singh	Independent/ Non-Executive Director	Director	--	--	--	
Mrs. Anupam Gupta	Independent/ Non-Executive Director	Director	--	--	--	
Mr. Kazunari Yamaguchi	Non-Executive Director	Nominee Director of Suzuki Motor Corporation, Japan	--	--	--	



## Notes

- The above composition is according to regulation 26(1) and 26(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and excludes directorship/ membership in Machino Plastics Limited.
- \*Mr. Sanjiivv Jindall has appointed as the Whole Time Director-Strategy of the Company for a period of three years with effect from 11<sup>th</sup> February, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.
- \*\*Mr. Aditya Jindal has appointed as the Chairman and the Managing Director of the Company for a period of three years with effect from 11<sup>th</sup> February, 2020 subject to the shareholders' approval in ensuing annual general meeting of the Company.
- None of the Directors are related to each other except Mr. Aditya Jindal, who is son of Mr. Sanjiivv Jindall.
- "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 judgment of Directors.
- None of the Directors is a member of more than ten committees, or a Chairman of more than five such committees across all listed entities as required under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For the purpose of computing the above limit, membership in audit committee and stakeholder relationship committee shall be considered. Further, membership or chairmanship in committees of foreign companies, private limited companies and companies under section 8 of Companies Act, 2013 have been excluded.

## PROFILE OF BOARD MEMBERS

### 1. MR. SANJIIVV JINDALL

Mr. Sanjiivv Jindall, Whole Time Director - Strategy of the Company, aged 63 years, a well-known face in plastics industry, was born on 28.06.1957. He has completed his Doctorate (Ph.D.) from Pacific Western University, U.S.A in Marketing and MBA in Marketing From International Management Institute, Delhi and is a commerce graduate from St. Xavier's College, Calcutta. He has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception.

An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards. Company has successfully obtained ISO 14001, ISO/TS 16949 and OHSAS 18001.

Mr. Sanjiivv Jindall is the younger son of Mr. Murli Dhar Jindal, an eminent personality in the plastics industry. He is engaged in to the day to day operations, overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.



### 2. MR. ADITYA JINDAL

Mr. Aditya Jindal, Chairman cum Managing Director of the Company, aged 33 years, son of Mr. Sanjiivv Jindall. He did Bachelor of Science in Chemical Engineering from University of Michigan, Ann Arbor.

He joined Machino Plastics Limited in 2009 as Vice President. The company is engaged in the business of manufacturing plastic moulding and Moulding large components like Bumpers, Instrument Panels and Radiator Grills for entire range of Maruti cars.

He plays a leadership role for an organization and often fulfills a motivational role in addition to office-based work. He motivates and mentor members, staff, and may chair meetings. He leads the organization and develops its organizational culture.



### 3. MRS. ANUPAM GUPTA

Mrs. Anupam Gupta, aged 55 years, has completed her Chartered Accountant (CA) in 1987, B.Com (Hon) from Jesus & Mary College, New Delhi, C.A. from Lovelock & Lewes, New Delhi.

Mrs. Anupam Gupta is a working director in Export House- Hira Lall & Son (I) Anupam Pvt, Ltd. She has a vast experience in the field of textile industries and is also a member of Indo – German Chamber of Commerce, Delhi, Delhi Exporters Associations & FIEO.





## MACHINO PLASTICS LIMITED

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She actively participates in Social/Health camps organized by Rotary Club- South Central, New Delhi. She has adopted a girl child for education with NGO- Shanti Shahyog.

Mrs. Anupam Gupta is an independent Director on the Board of Machino Plastics Limited.

### 4. MR. KAZUNARI YAMAGUCHI

Mr. Kazunari Yamaguchi, aged 57 years, is Graduated from Department of Agricultural Engineering, Faculty of Agriculture, Kagoshima University in May 1986.

Mr. Kazunari Yamaguchi is the nominee director on the Board of Machino Plastics Limited on behalf of Suzuki Motor Corporation, Japan.



### 5. MR. A K TOMER

**Executive Advisor – New Projects & CSR  
(Corp. Planning), MSIL**

Mr. A.K Tomer, Director of the Company, aged 61 years, has completed his B. Tech, Mechanical Engineering from Delhi College of Engineering and started his career with Engineers India Limited (EIL) & subsequently joined Maruti Suzuki India Limited in 1984.

He started the Quality assurance dept. in Maruti & was actively involved in development of parts & vendors and headed Quality Assurance Vertical in Maruti Suzuki till 2017 which includes integrated Quality Functions starting from Development Quality to ensuring Field Quality.

He has wide exposure to various Quality functions and has played a key role in setting New Benchmarks in Quality such as Tier-2 Vendors Quality Improvement, Establishing Vendor Up gradation Division and Component Traceability Project.

Currently he is heading the Corporate Social Responsibility (CSR) & New Partnership Projects in Corporate Planning Vertical of MSIL. Under his guidance MSIL CSR is working extensively on the fields of Community Development, Skill Development, Road Safety, adoption and developments of ITIs. His hobbies include Playing Tennis, Swimming, Travelling & Driving.



### 6. MR. AJIT YADAV

Mr. Ajit Yadav is Currently Advocate of Supreme Court of India and Holding the position of Managing Partner of Lexaya Partners. He has been actively associated with Functional committees of reputed trade forums and a member of many committees of the Assocham, FICCI and USIBC and actively participates in their activities. He has been a frequent speaker in several forums and electronic media on industry and corporate issues.

#### **Educational Background:-**

Attorney of India, Company Secretary, Solicitor of England & Wales

#### **Professional Background-**

- Worked in senior positions in large and reputed organizations
- Managing Partner, Lexaya Partners (a full service law firm) since Oct 2014.
- President & Group General Counsel ,Vedanta Group 2011- 2014
- Senior Partner, Fox Mandal & Co (a full service law firm ) 2009- 2011
- Exec Vice President & General Counsel , Patni Computer Systems Ltd 2007- 2009.
- Executive Director-Legal. PepsiCo , South Asia 2000- 2006 (Member Board -PepsiCo Holdings Pvt. Ltd)
- Vice President –Legal & Secretarial Services ,ICI India Ltd 1997-2000
- Senior Director –Legal & Secretarial Services, Ranbaxy Laboratories Ltd 1994-1997.
- Company Secretary & Senior Legal Manager – Hindustan Lever Ltd ( Unilever) 1981-94
- Started professional career with Govt. of India by joining IAS (Allied) Services and worked for Govt. of India for two years during early 80s





### **Work Experience**

- Ajit Yadav is an accomplished corporate professional and has been a member of Executive teams / Board of Directors of reputed organizations and holds more than thirty years of rich and diverse experience. He carries vast and valuable experience of supporting businesses at the Board Level and for developing strategic perspectives in the areas which are critical for successfully running of the businesses at the apex level from law and regulatory standpoint.
- Ajit is known for his capabilities as a business lawyer and for using law as an enabler function to provide efficient solutions to business legal issues. He has successfully developed robust strategies for resolving complex business issues impacted by legal framework and steering them to satisfactory closure. He has done considerable work in helping organizations put in place robust governance framework, risk evaluation and remediation processes and systems which could support and propel businesses in India and overseas.
- He has done significant work in substantive areas of law such as corporate law, central excise/indirect tax, competition laws, transactional laws, Labor laws, Food laws, IPRs, M&A, Transfer Pricing issues, export import regulations, capital market/fund raising, Power & Infrastructure laws and regulatory compliance areas for Indian and international businesses for manufacturing and service sector. Ajit has handled several high stakes commercial litigation and arbitration matters both domestic and international in ad hoc and institutional frameworks like LCIA, ICC and Singapore.
- Apart from transactional law work, he has excelled in handling of litigation work as well apart from strategizing complex commercial litigations and holds vast experience in personally appearing before tribunals and courts in commercial litigation and has argued cases successfully.
- Ajit holds unique experience and skills in public service (IAS Allied Services) as well as private sector. This has helped him great deal in developing skills in the area of policy advocacy and networking for addressing business issues.

### **Litigation Practice**

Ajit has set up his own litigation practice and a law Firm- Lexaya Partners - a corporate, business law advisory and litigation law firm. The practice is focused and works in the area of indirect tax, infrastructure, insolvency & asset restructuring, arbitration and commercial law matters. Ajit regularly appears and argues matters before Tribunals, DRAT, NCLT, High Court and Supreme Court of India for his litigation practice.

## **7. DR. SANDEEP GOEL**

Dr. Sandeep Goel is an Associate Professor in the area of Accounting and Finance at Management Development Institute, Gurgaon. He holds 'Double Doctorate', one in Finance; and another in Accounting from Faculty of Management Studies (FMS), University of Delhi. He did his Hons. in Commerce from Shri Ram College of Commerce, University of Delhi and Master's degree in Commerce with specialisation in Finance from Department of Commerce, University of Delhi.



He has over 20 years of industry and academic experience in key positions in organizations/institutions, including Shri Ram Group, Delhi University and MDI. He also has hands on experience in the family business in business compliance and financial management functions.

He is also a Visiting Professor to Faculty of Management, University of Lodz, Poland. He offers a unique and popular course, 'Forensic Accounting and Corporate Governance' to second year students of MBA at MDI.

He is a Management Trainer and Consultant to Organizations, like National Banking Institute (Nepal), UltraTech Cements, IGL, Cairns India, Encore, IOCL, SOS Village International, Bata, TIL, Ester Industries, BEL, LIC, Armed Forces, Jindal, and ONGC. He has conducted & delivered over 200 MDPs/Training Programs at senior levels for organizations. These mainly include, Finance for Non-Finance Executives, Independent Director's and Corporate Governance, and Enhancing Financial Skills Using Excel. He has executed a number of Consultancy assignments; the major ones include: Evaluation of Bid for Municipal Corporation Gurugram, Corporate Governance for IOCL, Financial Management of BATA, Accounting Application for SAP Professionals of Ester Industries, and Financial Leadership of TIL.

He has authored 10 books and published more than 75 research articles in national and international journals of repute. To name a few, Australian Accounting Review, Singapore Management Review, Journal of Financial Crime, Journal of Money Laundering Control, Australasian Accounting, Business and Finance Journal, and Vikalpa. His cases have been published by Ivey Publishing, Asia Case Research Centre, and Emerald Emerging Markets Case



Studies. His interest areas are: Financial Reporting and Analysis, Financial Management, Forensic Accounting and Corporate Governance. He has been the Financial Columnist to 'Purchase' (A Publication of Indian Purchase.com).

He has been conferred with Award for Excellence in Research, 2015-16 and Award for Excellence in Teaching, 2015-16

### 8. MR. RAJIV KUMAR SINGH

Mr. Rajiv Kumar Singh is a recognized expert on business valuation, banking, corporate finance and strategy, M&A and restructuring, forex risk management and internal controls. Rajiv uniquely blends his in-depth academic specialisation in valuation with his long years of practical exposure as consultant and trainer. Over the past twenty two years, he has carried out complex transactional valuation analyses, transfer pricing valuation, fair value measurement for IFRS/Ind-AS/NFRS/Singapore-FRS, valuation for FEMA, and intangible asset valuation. He has experience, serving as either an expert witness or consultant in array of valuation related to litigation including economic damages.



He has been retained and testified as an expert witness in India and abroad including The London Court of International Arbitration (LCIA), and ITAT in leading valuation cases relating to economic damages/transfer pricing. He has been actively working with leading law firms in India and USA in relation to valuation matters. He consulted on a corporate restructuring plan that was a key facilitator in a complete turnaround of a leading PSU in construction industry which currently has "Navratana" status. He has served more than 200 valuation clients in India, USA, UK, Singapore, Hong Kong, China, Mauritius, Nepal and Dubai, and is frequently retained in complex valuation disputes. He has also provided consulting services to FOREX dealing room/treasury of leading banks and corporates. Rajiv contributed significantly in developing the first Business Valuation Standards in India issued by the ICAI in 2010, and designing and delivering the first valuation course of the ICAI and the ICSI. He was a member of the Accounting Standards Board of the ICAI for development of IndAS-113 (Fair Value Measurement). He has also contributed significantly in designing and delivering the first Forex and Treasury Management course and Master of Business Finance course of the ICAI. Rajiv is a fellow member of the ICAI. He is on the Board of Union bank of India and is chairman of the Audit Committee of the Board.

He is a qualified Certified Information system auditor (USA), a qualified valuer from the ICAI and a registered valuer with IBBI. He cherished his role as the first Joint Technical Director and Visiting Professor of Valuation and Masters in Business Finance courses of the ICAI. Since 2008, he has trained more than 5000 Chartered Accountants/ Company Secretaries/MBAs in India and Nepal. He trains summer interns/start-up entrepreneurs from IIMs/IIT Delhi/ IIT Roorkee/IFMR/TAPMI/Narsee Monjee on a regular basis in business valuation area. His approach to teaching and training is structured and practical.

Rajiv has presented, instructed and written on topics related to valuation, banking and corporate finance. He has been a speaker in more than 700 seminars and training programs on valuation, banking and finance related topics at different professional/industry platforms including ICAI, ICSI, IICA, ICAN, VGSOM (IIT KGP), IIT Roorkee, IIT Delhi, ASSOCHAM, PHD Chambers and other similar forums.

#### **Board Membership Criteria and list of core skills / expertise / competencies identified in the context of the business:**

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of relevance to the Company;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.



In terms of requirement of Listing Regulations, 2015, the Board has identified the following core skills / expertise / competencies of the Directors in the context of the Company's business for effective functioning as given below:

S. NO.	DIRECTOR NAME	CORE SKILLS / EXPERTISE / COMPETENCIES
1.	<b>Mr. Sanjiivv Jindall</b>	Mr. Sanjiivv Jindall, Whole Time Director (w.e.f. 11 <sup>th</sup> February, 2020) has rich experience in the field of plastic moulding and marketing and is associated with the company since its inception. He is a successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards.  Under his supervision, the Company has got various awards from Maruti Suzuki India Ltd. and VECV on various occasions for different categories. Company has successfully obtained ISO 14001, ISO/TS 16949 and OHSAS 18001.
2.	<b>Mr. Aditya Jindal</b>	Mr. Aditya Jindal, Chairman cum Managing Director (w.e.f 11 <sup>th</sup> February, 2020) has involved in day to day operations, overall supervision and control of the Company's activities and in particular to attend to all matters concerning production planning, manufacture, finance, administration and such other duties and services as entrusted by the Board of Directors.  He plays a leadership role for an organization and often fulfills a motivational role in addition to office-based work. He motivates and mentor members, staff, and chair meeting. He leads the organization and develops its organizational culture.
3.	<b>Mrs. Anupam Gupta</b>	Mrs. Anupam Gupta has a vast experience in the field of textile industries and is also a member of Indo – German Chamber of Commerce, Delhi, Exporters Associations & FIEO.
4.	<b>Mr. Ajit Yadav</b>	Mr. Ajit Yadav a solicitor of England & Wales, Company Secretary and advocate of Hon'ble Supreme Court of India. He is an accomplished corporate professional and has been a member of executive team/ board of directors of reputed organisations and holds more than thirty years of rich and diverse experience. he is known for his capabilities as a business lawyers and for using law an enabler function to provide efficient solutions to business legal issues.
5.	<b>Dr. Sandeep Goel</b>	Dr. Sandeep Goel is an Associate Professor in the area of Accounting and Finance at Management Development Institute, Gurgaon. He is a Management Trainer and Consultant to Organizations, like National Banking Institute (Nepal), UltraTech Cements, IGL, Cairns India, Encore, IOCL, SOS Village International, Bata, TIL, Ester Industries, BEL, LIC, Armed Forces, Jindal, and ONGC. He has conducted & delivered over 200 MDPs/Training Programs at senior levels for organizations. He is also a Visiting Professor to Faculty of Management, University of Lodz, Poland. He offers a unique and popular course, 'Forensic Accounting and Corporate Governance' to second year students of MBA at MDI.
6.	<b>Mr. Rajiv Kumar Singh</b>	Mr. Rajiv Kumar Singh is a recognized expert on business valuation, banking, corporate finance and strategy, M&A and restructuring, forex risk management and internal controls. Rajiv uniquely blends his in-depth academic specialization in valuation with his long years of practical exposure as consultant and trainer. He has been retained and testified as an expert witness in India and abroad including The London Court of International Arbitration (LCIA), and ITAT in leading valuation cases relating to economic damages/transfer pricing. He has been actively working with leading law firms in India and USA in relation to valuation matters.
7.	<b>Mr. A.K. Tomer</b>	Mr. A.K. Tomer has more than 27 years of experience in the field of quality assurance in Automobile Industry.
8.	<b>Mr. Kazunari Yamaguchi</b>	He is graduated from Department of Agricultural Engineering, Faculty of Agriculture, Kagoshima University.

## (II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES

### A. Institutionalized 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 agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Regulation 17(7) and Part A of Schedule II of SEBI(Listing Obligations and Disclosure Requirements)

Regulations, 2015, 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 Director 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 personnel.

The following sub-sections deal with the practice of these guidelines at Machino Plastics Limited.

### **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 Meetings 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 meetings 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 regard 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.

### **Information required to be placed before the Board:**

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

- Annual operating plans and budgets and any updates.
- Capital budget of any updates.
- Quarterly audited results of the company and its operating divisions or business segments.
- Minutes of meetings of board, audit committee and other committees of board.
- Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Declaration of Dividend
- Materially important litigation, show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, 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.
- Transactions 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 material in nature and 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, if material.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as shareholder services such as non-payment of dividend and delay 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. The draft minutes are circulated to all the members of the Board/ committee with next board agenda for their confirmation.

### 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, 2013 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 quarter and the maximum time gap between any such two meetings was not more than 120 days. The details of the Board meetings are as under:-

S. No.	Date	Board strength	No. of Directors present
1.	29.04.2019	5	4
2.	23.05.2019	5	5
3.	30.05.2019	8	7
4.	08.08.2019	8	7
5.	07.11.2019	8	7
6.	11.02.2020	8	6

Name	Position	Attendance at Board Meeting		Attendance at last AGM
		No of Meetings Held	No. of Meetings Attended	
Mr. Sanjiiv Jindall	Promoter/Managing Director	6	6	YES
Mr. Aditya Jindal	Executive Director	6	6	YES
Mr. Ajit Yadav	Independent/Non-executive Director	4	3	YES
Mr. Kazunari Yamaguchi	Non-executive Director/nominee of Suzuki Motors Corporation	6	2	NO
Mr. A. K. Tomer	Non-executive Director/nominee of Maruti Suzuki India Ltd	6	6	NO
Mr. Rajiv Kumar Singh	Independent / Non-executive Director	4	4	YES
Dr. Sandeep Goel	Independent/Non-executive Director	4	4	NO
Mrs. Anupam Gupta	Independent/ Non-Executive	6	5	YES

**Director's Interest in the Company**

Director	Relationship With Other Directors	Business Relationship With the Company, if any	Loans and Advances Received From the Company	Remuneration Paid During 2019-20 (all figures in Rupees)			
				Sitting Fees	Salary & Perks	Commission	Total
Mr. Sanjiivv Jindall	Father of Mr. Aditya Jindal	#					
Mr. Aditya Jindal	Son of Mr. Sanjiivv Jindall	##					
Mr. Ajit Yadav				135000			135000
Dr. Sandeep Goel				180000			180000
Mr. Rajiv Kumar Singh				180000			180000
Mrs. Anupam Gupta				195000			195000
Mr. A.K. Tomer		Representative of Maruti Suzuki India Ltd					
Mr. Kazunari Yamaguchi		Representative of Suzuki Motor Corporation, Japan					

#Mr. Sanjiivv Jindall, Whole Time Director - Strategy in the company and is a director in Grandmasstters Mold Ltd., a parts/moulds suppliers of the company.

Mrs. Sarita Jindal, his wife employed in the company on a monthly remuneration of Rs. 49500/-

Mr. Aditya Jindal, his son employed as a Chairman cum Managing Director in the company on a monthly remuneration of Rs. 4,50,000/- alongwith provident fund and other retirement benefits

## Mr. Aditya Jindal, Chairman cum Managing Director in the company and is also a director in Grandmasstters Mold Ltd., a spare parts/moulds suppliers of the company.

Mrs. Sarita Jindal, his mother employed in the company on a monthly remuneration of Rs. 49500/-

Mr. Sanjiivv Jindall, his father is Whole Time Director - Strategy of the company at a monthly remuneration of Rs. 5,00,000/- along with provident fund and other retirement benefits.

\*Last Annual General Meeting (AGM) was held on 7<sup>th</sup> August, 2019 at the GIA House, Gurgaon.

**DETAILS OF RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020 AND FOR YEAR 2020-21**

NAME OF RELATED PARTY	NATURE OF TRANSACTION	2019-20	For 2020-21
		Year Ended (Rs.)	Year Ended (Rs.)
Maruti Suzuki India Limited	Sale of Goods / Moulds	2,72,30,89,129	4,08,46,33,694
Suzuki Motor Gujarat Pvt Ltd	Sale of Goods	14,98,24,761	22,47,37,142
Suzuki Motor Cycles India Private Limited	Sale of Goods	16,82,101	25,23,152
Grandmaastters Mold Limited	Sale of Raw Material	6,47,908	9,71,862
Machino Polymers Limited	Purchase of Raw Materials	55,30,80,711	82,96,21,067
Grandmaastters Mold Limited	Purchase of material	21,28,863	31,93,295



Maruti Suzuki India Limited	Payment of cash discount	65,684	98,526
Maruti Suzuki India Limited	GST (on FOC material)	15,89,071	23,83,607
Mr. Sanjiiv Jindal	Remuneration	73,20,000	73,20,000
Ms. Sarita Jindal (Retired on 30 <sup>th</sup> November, 2019)	Remuneration	3,96,000	Nil
Mr. Aditya Jindal	Remuneration	65,88,000	73,20,000
*Mr. Surya Kant Agrawal( Retired on 29 <sup>th</sup> February, 2020) Retainership Fees w.e.f 1 <sup>st</sup> March, 2020)	Remuneration	6,019,074	3,887,400
*Mr. Ravinder Hooda (Appointed on 11 <sup>th</sup> February, 2020)	Remuneration	1,85,545	16,30,000
*Ms. Reetika Pant (Appointed on 1 <sup>st</sup> March, 2020)	Remuneration	37,264	5,00,000
Maruti Suzuki India, Suzuki Motor Corporation and other Promoters	Dividend	45,12,106	45,12,106

\*Remuneration of Mr. Ravinder Hooda and Ms. Reetika Pant from the date of appointment as KMP. Company has paid remuneration as employee Rs14.78lacs and Rs.3.97lacs to Mr. Ravinder Hooda and Ms. Reetika Pant respectively for the financial year 2019-20. Mr. Surya Kant Agrawal has ceased to be Company Secretary with effect from 1<sup>st</sup> March, 2020 and his remuneration is as an Advisor.

Above Remuneration includes retirement benefit also.

#### (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 following committees:

- Audit committee
- Stakeholder Relationship Committee
- Share Transfer Committee
- Nomination and Remuneration Committee

##### A. Audit Committee

The Audit Committee was constituted in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee comprises of five directors including one promoter and four independent directors. The composition of committee is as under:

Director	Executive/Non-executive/Independent	Position	Remarks
Mr. Sanjiiv Jindal	Executive Director/ Promoter	Member	--
Mrs. Anupam Gupta	Independent Director	Chairman	--
Mr. Ajit Yadav	Independent Director	Member	--
Dr. Sandeep Goel	Independent Director	Member	--
Mr. Rajiv Kumar Singh	Independent Director	Member	--

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.

The company has combined the audit committee with the risk management committee in its meeting held on 25<sup>th</sup> June, 2020.

**Terms of reference of the Audit Committee inter alia 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;
- g) To look into the reasons for substantial defaults in the payment to the shareholders (in case of payment of declared dividends) and creditors;
- h) The functioning of whistle blowing mechanism;
- i) reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- j) Management discussion and analysis of financial condition and results of operations;
- k) Discussion with internal auditors, any significant findings and follow up there on;
- l) Management letters/letters of internal control weakness issued by the statutory auditors;
- m) Statement of significant related parties transactions submitted by the management;
- n) Internal audit report relating to internal control weaknesses; and
- o) The appointment, removal and term of remuneration of the Chief Internal Auditor shall be subject to review of the committee.

**(ii) Disclosure of the following information:****a) Related party transaction:**

- Identification of related parties as per Ind AS-24
  - 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 on arm's length basis.
- b) Compliances with Accounting Standards, and if in preparation of financial statements, a treatment different from that prescribed in an accounting standard has been followed, management explanation for the same;
  - c) Audit query/report for the quarter;
  - d) Quarterly financial statements before submission to the board for approval.

**(iii) Meetings:**

The audit committee met four times in the year. The details of the attendance of members of the committee are as follows:

Meeting held on	Chairman present	No. of Members present
30.05.2019	Yes	4
08.08.2019	Yes	5
07.11.2019	Yes	5
11.02.2020	No	4

Executives of Accounts, Finance, Secretarial and Management Departments and representatives of the Statutory and Internal Auditors were invited to attend the Audit Committees.



**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. Sanjiivv Jindall	4	4	--
Mr. Ajit Yadav	4	3	--
Dr. Sandeep Goel	4	4	--
Mr. Rajiv Kumar Singh	4	4	--
Mrs. Anupam Gupta	4	3	--

**B. STAKEHOLDER RELATIONSHIP COMMITTEE****(i) Composition:**

Director	Executive/Non Executive/Independent	Position	Remarks
Mrs. Anupam Gupta	Independent Director	Chairperson	--
Mr. Ajit Yadav	Independent Director	Member	--
Dr. Sandeep Goel	Independent Director	Member	--
Mr. Rajiv Kumar Singh	Independent Director	Member	--
Mr. Sanjiivv Jindall	Executive Director	Member	--

**(ii) Terms of reference:**

The primary function of the stakeholder relationship committee is to consider and resolve the grievances of security holder of the company. It is also responsible to oversee the performance of the Register & Transfer Agents and to recommend measures for overall improvement in the quality of investor services. Further, it shall monitor redressal of stakeholder's complaints/grievances including relating to non-receipt of allotment/refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

**Meetings:**

The Shareholder's grievances committee met once in the last year. The details of the attendance of members of the committee are follows:

Meeting held on	Chairman Present	No. of Members Present
30.05.2019	Yes	4

**Attendance of each Member at the Stakeholder Relationship Committee Meetings held during the year:**

Name of the Committee Member	No. of Meetings held	No. of meetings attended
Mr. Sanjiivv Jindall	1	1
Mr. Ajit Yadav	1	-
Dr. Sandeep Goel	1	1
Mr. Rajiv Kumar Singh	1	1
Mrs. Anupam Gupta	1	1

**Compliance Officer:**

The compliance officer for this committee, at present, is Ms. Reetika Pant, Company Secretary.

**STATUS OF SHAREHOLDERS COMPLAINTS:**

The status of shareholders complaints are as under:

- Complaints received during the year – 1
- Complaints resolved during the year – 1
- Complaints pending during the year - Nil



**STATUS OF UNCLAIMED SUSPENSE ACCOUNT**

Status of shares in Machino Plastics Limited Unclaimed Suspense Account is as under:

- Number of shares as on 01.04.2019 – 2580
- Request received during the year for transfer – Nil
- Request of transfer resolved during the year - Nil
- Request of transfer pending during the year – Nil
- Number of shares as on 31.03.2020 – 2580

**C. SHARE TRANSFER COMMITTEE**

**(i) Composition:**

Director	Executive/Non Executive/Independent/KMP	Position	Remarks
Mr. Sanjiiv Jindall	Executive Director	Chairman	--
Mr. Aditya Jindal	Executive Director	Member	--
*Mr. Surya Kant Agrawal	Key Managerial Personal	Member	--

\* Mr. Surya Kant Agrawal, Company Secretary and Compliance Officer (up to 29<sup>th</sup> February, 2020) of the Company had retired at the end of February 2020 month on completion of his extended two years period after mandatory retirement age of 58 applicable to all categories of employees, as decided while extending his services.

Ms. Reetika Pant, a member of Institute of Company Secretaries of India (ICSI) having Membership No. 48939 has been appointed as a Company Secretary and designated as Key Managerial Personal Compliance of the Company in place of Mr. Surya Kant Agrawal w.e.f. 1<sup>st</sup> March, 2020.

**(ii) Meetings**

Name of the Committee Member	No. of Meetings Held	No of Meeting Attended	Remarks
Mr. Sanjiiv Jindall	8	8	-
Mr. Aditya Jindal	8	8	-
Mr. Surya Kant Agrawal	8	8	-

**Terms of reference:**

The committee, inter alia, approves issue of duplicate share certificates and oversees and reviews all matters connected with transfer of securities of the Company. The committee also looks into transfer of shares/transmission of shares and corresponds with Registrar and Transfer agent, if need be. 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, 2015. The board has delegated the power for 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 once in fortnight.

**D. NOMINATION AND REMUNERATION COMMITTEE**

**Composition:**

Director	Executive/Non Executive/Independent	Position	Remarks
Mr. Ajit Yadav	Independent Director	Member	--
Mr. A.K. Tomer	Non- Executive Director	Member	--
Mrs. Anupam Gupta	Independent Director	Chairperson	--
Dr. Sandeep Goel	Independent Director	Member	--
*Mr. Sanjiiv Jindall	Executive Director	Member	--
Mr. Rajiv Kumar Singh	Independent Director	Member	--



**(i) Terms of reference**

The Remuneration Committee of the Company is to review the remuneration and terms of employment of Whole time Director, KMPs, Officer one level below board and their relatives.

**(ii) Remuneration Policy**

The Company pays remuneration by way of salary, allowances and perquisites to the Managing Director as approved by the Board of Directors and shareholders of the Company. Each Non-Executive Director is paid a sitting fee of Rs. 15,000/- per meeting of the Board/Committee.

**Meetings:**

The Remuneration committee was formed by Board of Director in its meeting held on 17<sup>th</sup> Nov, 2012. The committee met five times in the financial year 2019-20.

**Attendance of each Member at the Nomination and Remuneration Committee Meetings held during the year:**

Name of the Committee Member	No. of Meetings held	No. of meetings attended
Mr. Ajit Yadav	3	2
Mr. Rajiv Kumar Singh	3	3
Mr. A.K. Tomer	5	5
*Mr. Sanjivv Jindall	5	5
Ms. Anupam Gupta	5	4
Dr. Sandeep Goel	3	3

\* Mr. Aditya Jindal, Chairman cum Managing Director of the Company has been appointed as a member of nomination and remuneration Committee meeting in place of Mr. Sanjivv Jindall with effect from 1<sup>st</sup> April, 2020.

**E. COMMITTEE AGAINST SEXUAL HARASSMENT**

The committee was constituted in line with the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Supreme Court order in Vishakha case. Accordingly every company is required to constitute a Committee against Sexual Harassment. The composition of the committee is as under:

S.NO	NAME	DESIGNATION
1.	Mrs. Simta Chopra	Chairperson
2.	Ms. Shweta Kapoor	Independent Member
3.	Mrs. Sarita Jindal	Member
4.	Mr. S.K. Agrawal	Member
5.	Ms. Reetika Pant	Member Secretary

The committee met four times in the financial year 2019-20 on 10<sup>th</sup> June, 2019, 2<sup>nd</sup> September, 2019, 25<sup>th</sup> December, 2019 and 5<sup>th</sup> February, 2020. All the directors and employees of the company were given full right to approach to the committee and no complaint of any sort was received from any director or employee of the company during the year under review.

In terms of requirement of Listing Regulations, 2015, disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given below:

- number of complaints filed during the financial year: NIL
- number of complaints disposed of during the financial year: NIL
- number of complaints pending as on end of the financial year: NIL

**F. RISK MANAGEMENT COMMITTEE**

The committee was constituted in line with the requirement of regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The committee was formed by the board of directors of the

## MACHINO PLASTICS LIMITED

company in their meeting held on 9<sup>th</sup> Feb, 2015. Mr. Sanjiiv Jindal and Mr. Aditya Jindal are the members of the committee.

Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable on our company. Therefore, the company has abolished Risk Management Committee from board committees in its board meeting held on 29<sup>th</sup> April, 2019.

The company has combined the audit committee with the risk management committee in its meeting held on 25<sup>th</sup> June, 2020.

### G. ANNUAL GENERAL MEETINGS

Details of last 3 Annual General Meetings

Year	Location	Date	Time	Whether Special resolution passed	Special resolution passed through postal ballot
2018-19	GIA House, IDC, Mehrauli Road, Gurgaon	07.08.2019	10:30 a.m.	Yes	No
2017-18	GIA House, IDC, Mehrauli Road, Gurgaon	01.09.2018	11:00 a.m.	Yes	No
2016-17	GIA House, IDC, Mehrauli Road, Gurgaon	28.07.2017	11:00 a.m.	Yes	No

**Note:** The resolutions were passed by show of hands in last three Annual General Meetings of the company in addition to poll through ballot paper and e- voting.

M/s. A. K. Associates was appointed as scrutinizer for the process of e-voting as well as for poll results in the last Annual General Meeting.

### H. INDEPENDENT DIRECTORS MEETING

As per the requirement of the Companies Act, 2013 along with the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the meeting of independent director was held on 11<sup>th</sup> February, 2020. All the Independent Directors of the company were present at the meeting except Mrs. Anupam Gupta.

### I. DISCLOSURES

The disclosures on material transactions with the promoters, directors or the management, their subsidiaries and relatives etc. is made in Directors' Interest Statement.

- Vigil Mechanism – No complaint was received in vigil mechanism forum during the financial year 2019-20. Further none of the directors and employees were denied the access to the vigil mechanism forum.

### J. 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) and Parivartan Bharti (Hindi) or Financial Express (English) and Jansatta (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](http://www.machino.com).

Financial results and shareholding pattern of the company are also available on [www.bseindia.com](http://www.bseindia.com).

### K. GENERAL SHAREHOLDERS' INFORMATION

✓ **Date of book closure/record date:** 29<sup>th</sup> September, 2020

✓ **Date and venue of AGM**

Date: 29<sup>th</sup> September, 2020

Day: Tuesday

Time: 11:00 AM

Venue of AGM: GIA House, IDC, Mehrauli Road, Gurugram (Haryana)



✓ **Financial Calendar 2020-21 (tentative and subject to change)**

Financial reporting for the first quarter ending June 30, 2020	: Aug, 2020
Financial reporting for the second quarter ending Sept 30, 2020	: Nov, 2020
Financial reporting for the third quarter ending Dec 31, 2020	: Feb, 2021
Annual results for the year ending Mar 31, 2021	: May, 2021
Annual General Meeting for the year ending Mar 31, 2021	: Aug, 2021

✓ **Listing on Stock Exchange**

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

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

✓ **Stock Codes**

The Stock Exchange, Mumbai	: 523248
ISIN No. for NSDL and CDSL	: INE082B01018

The listing fees for the financial year 2020-21 have been paid to the Stock Exchange, Mumbai.

✓ **Stock market data\***

The monthly high and low prices and volume of the equity shares of the company during the financial year 2019-20 based upon BSE Price data is given below:

Month	Share Price		No. of Shares	Total Turnover (Rs.)	BSE Sensex	
	HIGH	LOW			HIGH	LOW
Apr 19	138	120.15	6252	828597	39487.45	38460.25
May 19	129.8	100	6498	761304	40124.96	36956.1
June 19	124.3	96.05	8364	904910	40312.07	38870.96
Jul 19	107.9	80.65	26977	2326781	40032.41	37128.26
Aug 19	85.85	65.3	5130	385881	37807.55	36102.35
Sep 19	76.3	63.15	12119	842559	39441.12	35987.8
Oct 19	74	62.65	4628	306766	40392.22	37415.83
Nov 19	81.8	70.3	5191	386574	41163.79	40014.23
Dec 19	77	67.5	5889	420529	41809.96	40135.37
Jan 20	77.45	68.05	10031	734109	42273.87	40476.55
Feb 20	71.5	62	4669	315128	41709.3	38219.97
Mar 20	64.05	45.15	10523	610820	39083.17	25638.9

\*bseindia.com

✓ **Share transfer procedure**

Share transfer requests (pertains to shares in Physical Mode) received by the company or its Registrar & Share Transfer Agent are registered within a period of 15 days from date of receipt, if the documents are in order in all respect. The Share Transfer Committee meets normally twice a month.

In case the shares are transferred through De-mat mode, the procedure is adopted as stated in Depositories Act, 1996.

## MACHINO PLASTICS LIMITED

### ✓ Distribution of shareholding as on 31<sup>st</sup> March, 2020

No. of equity shares held	Number of Share Holders		Shareholding	
	Numbers	%	Numbers	%
1-100	1347	45.7541	74190	1.209
101-500	1304	44.2935	326569	5.322
501-1000	161	5.4688	121252	1.976
1001-5000	102	3.4647	234583	3.823
5001-10000	8	0.2717	53601	0.873
10001-20000	9	0.3057	147112	2.397
20001-30000	3	0.1019	78930	1.286
30001-40000	0	0	0	0
40001-50000	1	0.034	40025	0.652
50001-100000	1	0.04	61513	1.002
100001-500000	3	0.1019	487609	7.946
500001-Above	5	0.1698	4511416	73.514

### Pattern of shareholding by ownership as on 31<sup>st</sup> March, 2020

Promoter' s Holding	Shareholding	
	Numbers of Shares Held	Shareholding %
Promoters		
-Indian Promoters	35,70,406	58.18
-Foreign Promoters	941,700	15.35
Persons Acting in Concert	--	--
<b>Sub- Total (A)</b>	<b>45,12,106</b>	<b>73.53</b>
<b>Non-Promoter Holding</b>		
Institutional Investors	-	-
Mutual Funds and UTI, Banks, Financial Institution, (Central/State Govt. Institutions/non-government institutions)	850	0.01
Central Govt. /State Govt.- IEPF Authority	66323	1.08
FII's	--	--
<b>Sub-Total (B)</b>	<b>67173</b>	<b>1.09</b>
<b>Others</b>		
Corporate Bodies	83092	1.35
Indian Public(including NSDL & CDSL)	1468242	23.92
Non- Resident Non Repatriates	3333	0.05
NRIs/OCBS	2754	0.04
Trusts	100	0.00
<b>Sub-Total (C)</b>	<b>1557521</b>	<b>25.38</b>
<b>Grand Total(A+B+C)</b>	<b>6,136,800</b>	<b>100</b>



✓ **As at 31.03.2020 :**

Shares held in Physical form : 135301 Shares  
Shares held in Dematerialized form : 6001499 Shares

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

Name	Relation	No. of Shares	% to total
Maruti Suzuki India Limited	Promoter	9,41,700	15.35%
Suzuki Motor Corporation	Promoter	9,41,700	15.35%
Jindal's, Relatives & Associate Companies	Promoter	26,28,706	42.84%

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

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2020.

**Plant Locations**

**Plant I:**

Machino Plastics Limited  
3, Maruti Joint Venture Complex,  
Udyog Vihar Phase-IV, Gurgaon-122015  
Tel: 0124-2341218, 2340806

**Plant III / Warehouse:**

Machino Plastics Limited  
Plot No. 527, Industrial Area  
Sec-3, Pithampur dist. Dhar  
Madhya Pradesh-454775  
(Not Commenced Production)

**Plant II:**

Machino Plastics Limited  
Plot No.128-129, Sector-8  
IMT, Manesar-122050

**Plant IV / Warehouse:**

Machino Plastics Limited  
Plot No.81, Sector -8  
IMT Manesar-122050  
(Leased/Rented)

✓ **Share Transfer Agent**

"Alankit Assignments Limited"  
RTA Division-Machino Plastics Limited  
3E/7, Jhandewalan Extn.  
New Delhi-110055.  
Ph. No. 011-42541234  
[alankit@alankit.com](mailto:alankit@alankit.com)

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

Company Secretary  
Machino Plastics Limited  
3, Maruti Joint Venture Complex,  
Udyog Vihar Phase-IV, Gurugram-122015  
Tel: 0124-2341218, 2340806  
Email: [sec.legal@machino.com](mailto:sec.legal@machino.com)

Or

"Alankit Assignments Limited"  
RTA Division-Machino Plastics Ltd.  
3E/7, Jhandewalan Extn,  
New Delhi-110055  
Ph. No. 011-42541234  
Email: [alankit@alankit.com](mailto:alankit@alankit.com)

✓ **CREDIT RATING**

CRISIL has assigned long term rating CRSIL BBB-/Negative and short term rating CRISIL A3 indicating outlook of the company

✓ **Unclaimed Dividends**

Your company has not declared any dividend during Financial Year 2011-12 and 2012-13.

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.**

✓ **Other Information**

1. Any change in address or mandate should be intimated to company or its transfer agent at the earliest for prompt services.
2. 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 authorized power of attorney. Company shall not entertain any letter, which is not duly signed as an endeavor to protect the interest of members and to avoid any possible fraud.
3. 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 judgment 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.





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## **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

### **ANNUAL DECLARATION/AFFIRMATION**

**(in pursuance of Regulation 17(5) & 26(3) of SEBI (LODR) Regulations, 2015)**

The Company has adopted the code of conduct for board members and senior management personnel under regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL have been followed and complied with, as required under Regulation 26(3) of SEBI (LODR) Regulations 2015, for the year ended on 31<sup>st</sup> March 2020.

**Place: Gurugram  
Date: 25<sup>th</sup> June, 2020**

**For Machino Plastics Ltd**

**Sd/-  
Aditya Jindal  
Chairman cum Managing Director**

## CEO CERTIFICATION

We, Aditya Jindal, Chairman cum Managing Director and Sanjiivv Jindall, Whole Time Director-Strategy of Machino Plastics Limited to the best of my knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended on 31<sup>st</sup> March, 2020 and:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee:
  - (i) Significant changes in internal control over financial reporting during the year,
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**For Machino Plastics Ltd**

**Sd/-**  
**Sanjiivv Jindall**  
**Whole Time Director-Strategy**

**Place: Gurugram**  
**Date: 25<sup>th</sup> June, 2020**

**Sd/-**  
**Aditya Jindal**  
**Chairman cum Managing Director**



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## 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 2020 as stipulated in Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 of the said Company with the StockExchange.

The compliance of Conditions of Corporate Governance is the responsibility of the management. Our Examination was limited to procedures and implementation thereof, adopted by company for ensuring the compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on 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 above mentioned Listing Regulations.

We state that no investor grievance(s) is pending for a period exceeding one month against the company as per 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 A.K. & Associates**

**Sd-  
Atima Khanna  
Practicing Company Secretary  
M.No. – F9216  
COP. – 10296  
UDIN No.:F009216B000324993**

**Place: New Delhi  
Date: 25<sup>th</sup> June, 2020**

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
Machino Plastics Limited  
Plot No. 3, Maruti Joint Venture  
Complex, Gurgaon, Haryana

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s Machino Plastics Limited having CIN L25209HR2003PLC035034 and having registered office at Plot No. 3, Maruti Joint Venture Complex, Gurgaon, Haryana (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.k & Associates**

Place : New Delhi  
Date : 25<sup>th</sup> June, 2020

**Sd/-  
Atima Khanna  
Practicing Company Secretary  
M. No.- F9216  
COP. No.- 10296  
UDIN No.:-F009216B000324685**



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MACHINO PLASTICS LIMITED

### Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Machino Plastics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Ind AS Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind As financial statements. The results of the audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key Audit Matter	Auditor's Response
<b>Contingent Liabilities</b> (as described in note 30 of the Ind AS financial statements)  As of March 31, 2020, the Company has disclosed contingent liabilities of Rs.582.11 lakhs relating to tax claims.  Taxation exposures have been identified as a key audit matter due to the uncertainties involved in these tax claims.  Due to uncertainty of cases, timescales for resolution and need to negotiate with various authorities, there is significant judgment required by management in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed in the Ind AS financial statements.  Accordingly, contingent liabilities were determined to be a key audit matter in our audit of the Ind AS financial statements.	 Our audit procedures included the following: <ul style="list-style-type: none"><li>• Gained an understanding of the process of identification of claims and contingent liabilities, and evaluated the design and tested the operating effectiveness of key controls.</li><li>• Obtained the Company's cases summary and critically assessed management's position through discussions with the Tax head and company management, on both the probability of success in significant cases, and the magnitude of potential loss.</li><li>• Checked the adequacy of the disclosures with regard to facts and circumstances of the matters.</li></ul>

### Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Company's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind As) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on



the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 38 to the financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



## MACHINO PLASTICS LIMITED

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For KMGS & Associates**

Chartered Accountants

(Firm's Registration No. 004730N)

**(LALIT GOEL)**

(Partner)

(Membership No. 091100)

Place of Signature: Gurugram

Date: 25<sup>th</sup> June 2020

UDIN: 20091100AAAAAK4586



## **Annexure ‘A’ to the independent auditor’s report of even date on the Ind AS financial statements of MACHINO PLASTICS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Machino Plastics Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintain internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the Inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial over financial reporting to future periods

## MACHINO PLASTICS LIMITED

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are subject to the risk that the internal financial control over financial reporting may become inadequate because of changed in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountant of India.

### For KMGS & Associates

Chartered Accountants

(Firm's Registration No. 004730N)

### (LALIT GOEL)

(Partner)

(Membership No. 091100)

Place of Signature: Gurugram

Date: 25<sup>th</sup> June 2020

UDIN: 20091100AAAAAK4586



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the auditors' report of even date to the members of Machino Plastics Limited on the financial statements for the year ended 31st March'2020)

In terms of information and explanations given to us and the books and records examined by us, we report that:

- (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) Based upon the audit procedures performed, the title deeds of the immovable property are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clause (a) and (b) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, made any investment, given any guarantee, and provided any security which is covered by Section 185 and 186 of the Companies Act 2013. Accordingly, the provisions of clause 3(iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 148 of the Companies Act, 2013 for the products of the Company.
- (vii) (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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable with the appropriate authorities. *There was no undisputed amounts payable in arrears, as at March 31<sup>st</sup>, 2020 for period of more than six months from the date they became payable except for the Sales Tax, the details of which is as under:*

Name of the Statute	Nature of dues	Financial Year	Amount (Rs.)	Due Date
The Sales Tax Act	Sales Tax	2017-18	989,951	15 <sup>th</sup> July, 2017

- (b) According to the information and explanations given to us, particulars of dues of Income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at March 31<sup>st</sup> 2020 which have not been deposited on account of a dispute have been stated below:

Name of the Statute	Nature of dues	Amount (Rs.)	Amount Deposit under protest	Period	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	2,258,355	Nil	F.Y 2003-04 & 2004-05	Commissioner Of Central Excise, Delhi-III
The Central Excise Act, 1944	Excise Duty	55,953,527	Nil	F.Y 2013-14 to 2017-18	Directorate General of Goods and Services Tax-Intelligence Gurgaon

## MACHINO PLASTICS LIMITED

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- (viii) 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 and financial institution.
- (ix) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. The company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) Based upon the information and explanations given to us by the management, the Company has paid or provided the managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) Based on information and explanations given to us by the management, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) Based on information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with directors or person connected with him which is covered by Section 192 of the Companies Act 2013. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

### **For KMGS & Associates**

Chartered Accountants

(Firm's Registration No. 004730N)

**(LALIT GOEL)**

(Partner)

(Membership No. 091100)

Place of Signature: Gurugram

Date: 25<sup>th</sup> June 2020

UDIN: 20091100AAAAAK4586



## Balance Sheet as at 31 March 2020

(All amount in rupees, Unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non Current assets</b>			
(a) Property, plant and equipment	3	1,276,969,740	1,401,037,194
(b) Capital work in progress		-	45,164,150
(c) Other intangible assets	4	6,519,264	9,098,016
(d) Right of use assets		33,358,621	-
(e) Financial assets			
(i) Investments	5	12,500,000	12,500,000
(ii) Other financial assets	6	18,675,266	18,486,729
(f) Other non current Assets	7	25,000	25,000
		<u>1,348,047,891</u>	<u>1,486,311,089</u>
<b>Current Assets</b>			
(a) Inventories	8	93,600,941	104,105,994
(b) Financial assets			
(i) Trade receivable	9	247,971,120	384,104,105
(ii) Cash and cash equivalents	10	1,573,419	60,465,708
(iii) Bank balance other than (ii) above	11	1,072,821	1,893,807
(iv) Other financial assets	12	264,188	423,773
(c) Other current assets	13	35,712,079	42,461,134
		<u>380,194,568</u>	<u>593,454,521</u>
<b>Total</b>		<b><u>1,728,242,459</u></b>	<b><u>2,079,765,610</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	61,368,000	61,368,000
(b) Other Equity	15	499,132,019	549,896,525
		<u>560,500,019</u>	<u>611,264,525</u>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowing	16	350,484,007	420,646,612
(ii) Lease liabilities	33	21,881,189	-
(b) Deferred Tax Liabilities (Net)	17	42,571,118	79,966,401
		<u>414,936,314</u>	<u>500,613,013</u>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	417,318,667	560,150,861
(ii) Trade payables	19		
- Due to micro enterprises and small enterprises		25,566,416	4,159,670
- Due to creditors other than micro enterprises and small enterprises		29,922,196	81,724,362
(iii) Other Financial Liabilities	20	180,385,454	247,309,733
(iv) Lease liabilities	33	12,144,071	-
(b) Other Current Liabilities	21	87,469,322	74,543,446
		<u>752,806,126</u>	<u>967,888,072</u>
<b>Total</b>		<b><u>1,728,242,459</u></b>	<b><u>2,079,765,610</u></b>

**Total**

**Significant accounting policies**

1 to 2

The accompanying notes are forming part of these financial statements

As per our report attached

For and on behalf of Board of Directors of Machino Plastics Limited

**For KMGS & Associates**

Chartered Accountants

Firm Registration No: 004730N

**Lalit Goel**

Partner

Membership No: 091100

Place : Gurugram

Date : 25th June 2020

**Aditya Jindal**

Chairman cum Managing Director

DIN - 01717507

**Ravinder Hooda**

Chief Financial Officer

**Sanjiiv Jindal**

Whole Time Director - Strategy

DIN - 00017902

**Reetika Pant**

Company Secretary

ICSI M No ACS48939

**Statement of Profit and Loss for the year ended 31 March 2020**

(All amount in rupees, Unless otherwise stated)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
<b>I INCOME</b>			
Revenue from operations	22	2,420,090,815	3,028,719,795
Other income	23	5,148,474	4,954,297
<b>Total Income</b>		<b>2,425,239,289</b>	<b>3,033,674,092</b>
<b>II EXPENSES</b>			
Cost of materials consumed	24	1,304,114,846	1,809,234,143
Changes in inventories of finished goods, Stock-in-Trade and work in progress	25	13,723,283	(19,850,480)
Employee benefits expense	26	316,743,868	325,150,151
Finance cost	27	76,736,478	65,474,295
Depreciation and amortization expense	28	196,420,529	194,455,570
Other expenses	29	602,647,734	658,050,554
<b>Total expenses</b>		<b>2,510,386,738</b>	<b>3,032,514,233</b>
<b>III Profit / (Loss) before tax</b>		<b>(85,147,449)</b>	<b>1,159,859</b>
<b>IV Tax expense:</b>			
- Current tax		-	-
- Earlier year tax		(1,930,653)	7,471
- Deferred tax		(38,033,646)	(2,924,672)
<b>Income tax expense</b>		<b>(39,964,299)</b>	<b>(2,917,201)</b>
<b>V Profit / (Loss) for the year</b>		<b>(45,183,150)</b>	<b>4,077,060</b>
<b>VI Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
(a) gain / (loss) of defined benefit obligation	31	2,455,245	1,515,424
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		(638,364)	(501,045)
<b>VII Total Comprehensive Income for the period (V+VI)</b>		<b>(43,366,269)</b>	<b>5,091,439</b>
<b>VIII Earnings per Equity Share</b>			
(1) Basic		(7.36)	0.66
(2) Diluted		(7.36)	0.66

The accompanying notes are forming part of these financial statements

As per our report attached

For and on behalf of Board of Directors of Machino Plastics Limited

**For KMGS & Associates**  
Chartered Accountants  
Firm Registration No: 004730N

**Aditya Jindal**  
Chairman cum Managing Director  
DIN - 01717507

**Sanjiiv Jindal**  
Whole Time Director - Strategy  
DIN - 00017902

**Lalit Goel**  
Partner  
Membership No: 091100  
Place : Gurugram  
Date : 25th June 2020

**Ravinder Hooda**  
Chief Financial Officer

**Reetika Pant**  
Company Secretary  
ICSI M No ACS48939





## Statement of changes in Equity for the year ended 31 March 2020

(All amount in rupees, unless otherwise stated)

### A Equity Share Capital (Refer note 14)

	Nos.	Amount
<b>Balance at 1st April, 2018</b>	6,136,800	61,368,000
Changes in equity share capital during the year	-	-
<b>Balance at 31st March, 2019</b>	<b>6,136,800</b>	<b>61,368,000</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31st March, 2020</b>	<b>6,136,800</b>	<b>61,368,000</b>

### B Other Equity (Refer note 15)

	Reserve & Surplus				Items of Other Comprehensive Income	
	Capital Reserve	General Reserve	Retained Earnings	Revaluation Reserve	Acturial Gain / (Losses)	Total
<b>Balance at 1st April, 2018</b>	12,500	210,635,625	241,698,382	97,840,806	1,959,697	552,147,010
Profit / (loss) for the year	-	-	4,077,060	-	-	4,077,060
Transfer from statement of profit and loss to general reserve	-	500,000	(500,000)			
<b>Other comprehensive income for the year, net of income tax</b>						
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	1,014,379	1,014,379
<b>Dividends</b>						
Payment of dividend			(6,136,800)			(6,136,800)
Tax on dividend			(1,205,124)			(1,205,124)
<b>Balance at 31st March, 2019</b>	<b>12,500</b>	<b>211,135,625</b>	<b>237,933,518</b>	<b>97,840,806</b>	<b>2,974,076</b>	<b>549,896,525</b>
Profit / (loss) for the year	-	-	(45,183,150)	-	-	(45,183,150)
<b>Other comprehensive income for the year, net of income tax</b>						
Remeasurement gain / (loss) on defined benefit plans	-	-	-	-	1,816,881	1,816,881
<b>Dividends</b>						
Payment of dividend			(6,136,800)			(6,136,800)
Tax on dividend			(1,261,437)			(1,261,437)
<b>Balance at 31st March, 2020</b>	<b>12,500</b>	<b>211,135,625</b>	<b>185,352,131</b>	<b>97,840,806</b>	<b>4,790,957</b>	<b>499,132,019</b>

The accompanying notes are forming part of these financial statements

As per our report attached

For and on behalf of Board of Directors of Machino Plastics Limited

**For KMGS & Associates**  
Chartered Accountants  
Firm Registration No: 004730N

**Aditya Jindal**  
Chairman cum Managing Director  
DIN - 01717507

**Sanjiv Jindal**  
Whole Time Director - Strategy  
DIN - 00017902

**Lalit Goel**  
Partner  
Membership No: 091100  
Place : Gurugram  
Date : 25th June 2020

**Ravinder Hooda**  
Chief Financial Officer

**Reetika Pant**  
Company Secretary  
ICSI M No ACS48939

## Cash Flow Statement for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

Cash flow statement	Year ended 31 March 2020	Year ended 31 March 2019
<b>A Cash flows from operating activities</b>		
Profit/(Loss) for the year	(85,147,449)	1,159,859
Adjustments for:		
- Depreciation and amortisation expense	196,420,529	194,455,570
- Interest and finance charges	76,736,478	65,474,295
- Unrealised foreign exchange fluctuation (net) loss / (gain)	3,007,381	2,082,268
- Loss / (Profit) on sale of Property, plant and equipment (PPE)	(3,947,019)	(660,387)
- Interest income on refund of income tax	(318,003)	-
Operating profit before working capital changes	186,751,917	262,511,605
Adjustments for :		
- (Increase) / decrease in inventories	10,505,053	(24,547,798)
- (Increase) / decrease in trade receivables	136,250,840	52,225,769
- (Increase) / decrease in other financial assets (excluding advance tax)	10,610,777	1,283,385
- (Increase) / decrease in other current assets	159,585	21,545
- Increase / (decrease) in trade payables	(30,395,421)	21,324,933
- Increase / (decrease) in other current liabilities	9,800,640	(7,502,344)
- Increase / (decrease) in other financial liabilities and provision (excluding provision for tax)	(41,345,884)	(11,952,604)
- Change in non current assets	-	8,060
<b>Cash generated from operations</b>	<b>282,337,507</b>	<b>293,372,551</b>
- Income tax refund / (paid)	(1,931,070)	(5,665,096)
<b>Net Cash flow generated from operating activities</b>	<b>280,406,437</b>	<b>287,707,455</b>
<b>B Cash flow from investing activities</b>		
- Additions to PPE and intangible assets (including net movement in CWIP)	(31,262,464)	(377,702,299)
- Proceeds from sale / disposal of property, plant and equipment	15,979,732	2,650,000
- Change in retention money	(188,537)	(10,300,585)
- Interest received	318,003	-
- Earmarked balance	820,986	(784,893)
<b>Net cash flows (used in) investing activities</b>	<b>(14,332,280)</b>	<b>(386,137,777)</b>



## Cash Flow Statement for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

Cash flow statement	Year ended 31 March 2020	Year ended 31 March 2019
<b>C Cash flow from financing activities</b>		
- Proceeds from long term borrowings	74,000,000	129,988,559
- (Repayments of) long term borrowings	(166,157,095)	(150,037,270)
- (Repayments of) / Proceeds from short term borrowings (net)	(142,832,194)	145,871,721
- Dividend paid (including dividend distribution tax)	(7,398,237)	(7,341,923)
- Interest and finance charges paid	(76,328,920)	(64,481,252)
- Payment of lease liabilities	(6,250,000)	-
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(324,966,446)</b>	<b>53,999,835</b>
<b>Net change in cash and cash equivalents (A+B+C)</b>	<b>(58,892,289)</b>	<b>(44,430,487)</b>
<b>Cash and cash equivalents- opening balance</b>	<b>60,465,708</b>	<b>104,896,195</b>
<b>Cash and cash equivalents- closing balance</b>	<b>1,573,419</b>	<b>60,465,708</b>
<b>Notes to cash flow statement:</b>		
Cash and cash equivalents include :		
Cash on hand	1,376,743	234,354
Balances with banks:		
Current accounts	196,676	60,231,354
<b>Cash and cash equivalents at the end of the year [refer note no 10]</b>	<b>1,573,419</b>	<b>60,465,708</b>

The accompanying notes are forming part of these financial statements

As per our report attached

For and on behalf of Board of Directors of Machino Plastics Limited

**For KMGS & Associates**  
Chartered Accountants  
Firm Registration No: 004730N

**Lalit Goel**  
Partner  
Membership No: 091100  
Place : Gurugram  
Date : 25th June 2020

**Aditya Jindal**  
Chairman cum Managing Director  
DIN - 01717507

**Ravinder Hooda**  
Chief Financial Officer

**Sanjiiv Jindal**  
Whole Time Director - Strategy  
DIN - 00017902

**Reetika Pant**  
Company Secretary  
ICSI M No ACS48939

## **Note 1:- SIGNIFICANT ACCOUNTING POLICIES**

### **1. Company Overview**

Machino Plastics Limited is India's first and largest plastic bumper and dashboard manufacturer company. The company has its own state-of-art plastic moulding product development division. The company is providing turnkey solutions through an integrated approach of designing, tooling, manufacturing and assembling most complex products. The company is a joint venture of Maruti Suzuki India Ltd and Suzuki Motor Corporation, Japan for the manufacture of injection moulded automotive i.e. bumpers, instrument panels, grills etc as original equipment and for spare parts market primarily for Maruti Suzuki India Limited. The company also manufactures various automotive components for others manufacturers. The company has also started manufacturing of moulds for in house requirements & others.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Plot No 3, Maruti Joint Venture Complex, Gurgaon, Haryana - 122015. The Company has listed on the BSE Ltd.

The financial statements are approved for issue by the Company's Board of Directors on 25<sup>th</sup> June 2020.

### **2. Preparation and Presentation of Financial Statements**

#### **2.1 Basis of preparation and measurement**

- a) These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year figures reported in this statement.

Except for the changes below, the company has consistently applied accounting policies to all applicable periods.

#### **Amendment to Ind AS 12 'Income taxes':**

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes' with effect from April 1, 2019. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

#### **Appendix C to Ind AS 12, uncertainty over Income Tax Treatments**

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### **Amendment to Ind AS 19 'Employee Benefits':**

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past



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## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

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service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

### **Ind AS 116, Lease**

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.

#### **b) Basis of measurement**

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the nature of product / activities of the Company and the normal time between acquisition of assets/liabilities and their realisation / settlement in cash or cash equivalent. The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

#### **c) Use of estimates and judgments**

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in para (d) below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### **Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the company. Based on current estimates the Company expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

#### **d) Critical accounting estimates and judgments**

##### **i) Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer to Note 3(a).

##### **ii) Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The

Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the lease contracts. Refer to Note 3(h).

**iii) Non-current assets held for sale**

Assets held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (including income and market approach), which include unobservable inputs. Non-current assets and disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and disposal group was classified as "Held for Sale" and its recoverable amount at the date of the subsequent decision not to sell. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions which consist of significant unobservable inputs.

**iv) Allowance for credit losses on receivables**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19.

**3. Significant Accounting Policies**

**a) Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the Management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method based on estimated useful life of assets as prescribed in schedule II to the Companies Act, 2013 except Moulds, Trolley and Bins. The useful lives of the assets are as follows:

<b>Class of Assets</b>	<b>Useful life</b>
Buildings	30 Years
Plant & Machinery	15 Years
Computer	3 Years
Office Equipment	5 Years
Furniture	10 Years
Vehicles	8 Years
Electrical Installation	10 Years

The useful life and method of depreciation of the following assets has been determined by the management of the company. Depreciation on Trolley and Bins is provided on straight-line method and on Moulds written down value method. The useful lives of the assets are as follows:



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Class of Assets	Useful life
Moulds	3 Years
Trolley	4 Years
Bins	2 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under "Capital work-in-progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposal of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

### b) Intangible Assets:-

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.

The cost of an intangible asset includes purchase cost (net of rebates and discounts), including any import duties and non-refundable taxes, and any directly attributable costs on making the asset ready for its intended use.

The Cost of Intangible assets are amortized on a straight line basis over their estimated useful life which is as follows.

Class of Assets	Useful Life
Software	3 Years

The amortisation period and method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use. Gains and losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognized or on disposal.

### c) Impairment of tangible assets intangible assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

### d) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the



production of goods and services or for the administrative purposes is classified as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure related to investment properties are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Investment properties are depreciated using the straight-line method over the estimated useful lives.

**e) Inventories:-**

**i) Basis of valuation :**

Inventories are valued at the lower of cost or net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

**ii) Method of valuation:**

**Cost of raw materials** has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

**Cost of finished goods and work in progress** includes an appropriate share of production overheads based on normal operating capacity. Cost is determined on first-in-first-out method basis.

**Cost of traded goods** has been determined by using first-in-first-out method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

**Net realizable value** is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Due allowances are made in respect of slow-moving, non-moving and obsolete inventory based on estimates made by the management.

**f) Foreign currency**

**Functional currency**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

**Transactions and translations**

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are recognized in the Statement of Profit and Loss and reported within exchange gains / (losses) on translation of assets and liabilities, net, except when deferred in "other comprehensive income" as qualifying cash flow hedges. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings



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## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

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### **g) Revenue Recognition**

#### **i) Revenue from contracts with customer**

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts / right of return, using the expected value method.

#### **ii) Interest and dividend income**

Interest income is recognised using the effective interest method.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Dividend income is recognised when the right to receive payment is established. Incomes from investments are accounted on an accrual basis.

### **h) Leases**

#### **The Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**i. Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which these incurred except loan processing fees which is recognized as per effective rate of interest method.

**j. Financial Instruments****Financial assets**

The Company classifies its financial assets in the following categories:

- i) Financial assets at amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

These are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently, if maturing after 12 months period, carried at amortised cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

- ii) Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI) – All equity investments are measured at fair values. Investments which are not held for trading purposes and where the Company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognised in Other Comprehensive Income (OCI). The accumulated gains or losses are recognised in OCI are reclassified to retained earnings on sale of such investment.

- iii) Financial assets at Fair Value through Profit and loss (FVTPL) - Financial assets which are not classified in any of the categories above measured at FVTPL. These include surplus funds invested in mutual funds etc.

- iv) Impairment of financial assets - The Company assesses expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on Company's past history of recovery, credit-worthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised



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## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

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on initial recognition of the receivables.

### **Financial liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and in case of loans and borrowings net of directly attributable costs.

Financial liabilities are subsequently measured at amortised cost using effective interest. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity of these investments.

#### **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the beneficiary fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contracts issued by the Company are measured at their applicable fair values.

#### **Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- i) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the Balance Sheet date.
- ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- iii) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### **k. Investment in equity**

All equity investments in scope of Ind AS 109 are measured at fair value other than investment in subsidiary, Associates and Joint venture. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis.

## **I. Income Tax**

### **i) Current Income Tax**

Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

### **ii) Deferred Tax:**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity in which case the deferred tax is recognised in Other Comprehensive Income or equity respectively.

**iii) Dividend Distribution Tax:**

Tax on Dividends declared by the Company is recognised as an appropriation of Profit. Dividend Distribution Tax is not applicable from April 1, 2020.

**m. Employee Benefits**

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans. Short term employee benefits are recognized on an undiscounted basis whereas Long term employee benefits are recognized on a discounted basis.

**i) Post retirement employee benefits:**

Contribution to post retirement defined benefit and contribution schemes like Provident Fund (PF) and other such schemes are accounted for on accrual basis by the Company. The amount is managed by the Life Insurance Company (LIC).

Post retirement defined benefits including gratuity (for qualifying executives/whole time directors) as provided by the Company are determined through independent actuarial valuation, at year end and charge recognised in the Statement of Profit and Loss. Interest costs on employee benefit schemes have been classified within finance cost. For schemes, where funds have been set up, annual contributions determined as payable in the actuarial valuation report are contributed.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. Such accumulated re-measurement balances are never reclassified into the Statement of Profit and Loss subsequently. The Company recognises in the Statement of Profit and Loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

**ii) Other employee benefits:**

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are settled at the year end.

**n. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain.



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## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

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However, the same are disclosed in the financial statements where inflows of economic benefits are possible.

**o. Cash and cash equivalents**

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

**p. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

**q. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**r. Offsetting instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**s. Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM) as defined by Ind AS- 108, "Operating segment".

Company's income and expenses including interest are considered as part of un-allocable income and expenses which are not identifiable to any business segment. Company's asset and liabilities are considered as part of un-allocable assets and liabilities which are not identifiable to any separate business segment.

**t. Financial Risk Management**

**Risk management framework**

The Company's Board of Director has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Risk Management Policy.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit function, which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

**A. Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

**Trade and other receivables:-**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for Creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically.

At the end of the reporting period, there are no significant concentrations of credit risk. The carrying amount reflected above represents the maximum exposure to credit risk.

**B. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**C. Market Risk**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Company's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

**Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through a mix of equity, borrowings and operating cash flows.

**Interest rate risk Management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and variable rate borrowings.



## Notes forming part of the standalone financial statements for the year ended 31 March 2020

(All Amount in Rupees, Unless otherwise stated)

### 3. Property, plant and equipments

Particulars	Freehold land	Land (lease hold)	Building	Plant and machinery	Moulds	Moulds on finance lease	Computers & Office equipments	Motor vehicles	Total
<b>Cost or deemed cost</b>									
<b>Gross Block</b>									
<b>As at 01 April 2018</b>	267,101,061	-	268,315,398	1,907,684,103	662,785,434	109,046,139	47,939,963	11,243,570	3,274,115,668
Additions	8,843,000	17,257,805	39,564,075	321,212,702	5,251,057	-	7,609,665	1,106,268	400,844,572
Disposals	-	-	-	-	(2,300,000)	-	-	-	(2,300,000)
<b>As at 31 March 2019</b>	<b>275,944,061</b>	<b>17,257,805</b>	<b>307,879,473</b>	<b>2,228,896,805</b>	<b>665,736,491</b>	<b>109,046,139</b>	<b>55,549,628</b>	<b>12,349,838</b>	<b>3,672,660,240</b>
Additions	-	-	-	70,326,235	4,315,513	-	765,326	591,000	75,998,074
Disposals	-	-	-	(18,026,263)	(6,178,430)	-	-	(610,979)	(24,815,672)
<b>As at 31 March 2020</b>	<b>275,944,061</b>	<b>17,257,805</b>	<b>307,879,473</b>	<b>2,281,196,777</b>	<b>663,873,574</b>	<b>109,046,139</b>	<b>56,314,954</b>	<b>12,329,859</b>	<b>3,723,842,642</b>
<b>Accumulated Depreciation</b>									
<b>As at 01 April 2018</b>	-	-	73,243,660	1,184,892,819	659,826,440	109,046,138	29,995,121	6,713,773	2,063,717,951
Charge for the year	-	-	9,707,156	178,158,335	1,671,417	-	2,473,524	1,247,050	193,257,482
Impairment	-	-	-	14,914,490	-	-	43,510	-	14,958,000
Disposals	-	-	-	-	(310,387)	-	-	-	(310,387)
<b>As at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>82,950,816</b>	<b>1,377,965,644</b>	<b>661,187,470</b>	<b>109,046,138</b>	<b>32,512,155</b>	<b>7,960,823</b>	<b>2,271,623,046</b>
Charge for the year	-	-	9,191,398	172,691,251	1,425,258	-	3,348,537	1,027,136	187,683,580
Disposals	-	-	-	(10,461,117)	(1,444,648)	-	-	(527,959)	(12,433,724)
<b>As at 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>92,142,214</b>	<b>1,540,195,778</b>	<b>661,168,080</b>	<b>109,046,138</b>	<b>35,860,692</b>	<b>8,460,000</b>	<b>2,446,872,902</b>
<b>Net Block (As at 31 March 2019)</b>	<b>275,944,061</b>	<b>17,257,805</b>	<b>224,928,657</b>	<b>850,931,161</b>	<b>4,549,021</b>	<b>1</b>	<b>23,037,473</b>	<b>4,389,015</b>	<b>1,401,037,194</b>
<b>Net Block (As at 31 March 2020)</b>	<b>275,944,061</b>	<b>17,257,805</b>	<b>215,737,259</b>	<b>741,000,999</b>	<b>2,705,494</b>	<b>1</b>	<b>20,454,262</b>	<b>3,869,859</b>	<b>1,276,969,740</b>





(All Amount in Rupees, Unless otherwise stated)

**4. Intangible assets**

Particulars	Software	Total
<b>Gross Block (Cost or deemed cost)</b>		
As at 01 April 2018	5,130,576	5,130,576
Additions	10,150,000	10,150,000
<b>As at 31 March 2019</b>	<b>15,280,576</b>	<b>15,280,576</b>
Additions	777,774	777,774
Deletions	-	-
<b>As at 31 March 2020</b>	<b>16,058,350</b>	<b>16,058,350</b>
Amortization and impairment		-
As at 01 April 2018	4,984,472	4,984,472
Charge for the year	1,198,088	1,198,088
<b>As at 31 March 2019</b>	<b>6,182,560</b>	<b>6,182,560</b>
Charge for the year	3,356,526	3,356,526
<b>As at 31 March 2020</b>	<b>9,539,086</b>	<b>9,539,086</b>
<b>Net block</b>		
<b>As at 31 March 2019</b>	<b>9,098,016</b>	<b>9,098,016</b>
<b>As at 31 March 2020</b>	<b>6,519,264</b>	<b>6,519,264</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>5. Investments</b>		
<b>Unquoted</b>		
Investment in Equity Instrument		
12,50,000 equity shares of Rs.10 each of Caparo Maruti Limited (refer note no 34)	12,500,000	12,500,000
	<b>12,500,000</b>	<b>12,500,000</b>
<b>Aggregate carrying value of quoted investments &amp; market value thereof</b>	-	-
<b>Aggregate carrying value of unquoted investments</b>	12,500,000	12,500,000
<b>Aggregate amount of impairment in value of investment</b>	-	-
<b>6. Other Financial assets</b>		
<b>Unsecured, considered good</b>		
Security Deposits	18,675,266	18,486,729
	<b>18,675,266</b>	<b>18,486,729</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars	As at 31 March 2020	As at 31 March 2019
<b>7. Other non-current assets</b>		
Bank deposits with more than 12 months maturity	25,000	25,000
	<b>25,000</b>	<b>25,000</b>
<b>8. Inventories</b>		
Raw materials	47,772,784	46,547,273
Finished goods	33,520,579	47,243,862
Packing Materials	4,351,737	4,794,475
Stores and spares	7,955,841	5,520,384
	<b>93,600,941</b>	<b>104,105,994</b>
<b>Additional disclosure on inventory</b>		
<b>Raw material</b>		
Polypropylene	28,103,553	28,937,138
Bought out parts	8,701,883	8,034,900
Iron & Steel	6,283,569	2,978,496
Nylon	2,239,985	509,775
ABS	712,366	1,347,603
LLDPE	707,096	1,798,648
Master batch	226,803	256,125
HDPE	72,390	194,648
Others *	725,139	2,489,940
	<b>47,772,784</b>	<b>46,547,273</b>
<b>Finished goods</b>		
Plastic moulded components	33,520,579	47,243,862
	<b>33,520,579</b>	<b>47,243,862</b>
<b>Packing material</b>		
Corrugated boxes	3,202,488	2,869,298
Polythene & polybags	691,422	1,554,451
Air bubble bags	318,449	322,212
Others *	139,378	48,514
	<b>4,351,737</b>	<b>4,794,475</b>
<b>Store and spares</b>		
Tools for tool room	6,287,712	3,883,345
High speed diesel	1,132,700	1,013,856

## MACHINO PLASTICS LIMITED

### Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars	As at 31 March 2020	As at 31 March 2019
Matie cloth, Old dhoti, hand gloves, emery paper, sticker & tag rag	189,311	172,344
Bar code sheet, pre printed invoices & other stationery items	91,846	128,401
WD 40 & butane gas	60,451	45,485
Glass marking pencil & marker	50,757	40,330
Spray	44,922	78,854
Paint, thinner & primer	20,900	84,560
Wax Coating	11,700	24,636
Cutter blade	10,180	5,919
Housiary cutting	-	28,700
Others *	55,362	13,954
	<b>7,955,841</b>	<b>5,520,384</b>

\* Others comprise several items and do not include any individual items accounting for 10% or more in total value.

#### 9. Trade receivables

Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	247,971,120	384,104,105
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
	<b>247,971,120</b>	<b>384,104,105</b>

i) The average credit period on sales of goods varies from 30 to 45 days (excluding transit period).

ii) List of customers who represent more than 5% of the total balance of trade receivables

(i) Maruti Suzuki India Limited	201,238,326	272,656,935
(ii) Ve Commercial Vehicles Limited	16,331,230	20,647,296
(iii) Mahle Anand Filter Systems Private Limited	12,650,620	23,160,365
(iv) Mikuni India Private Limited	3,655,058	27,956,405
	<b>233,875,234</b>	<b>344,421,001</b>

#### iii) Age of receivables

Within the credit period	207,955,813	337,100,964
1-30 days past due	35,403,789	22,867,595
31-60 days past due	3,471,444	9,323,232
61-90 days past due	1,023,790	6,379,806
More than 90 days past due	116,284	8,432,508
<b>Total</b>	<b>247,971,120</b>	<b>384,104,105</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars		As at 31 March 2020	As at 31 March 2019		
10.	<b>Cash and cash equivalents</b>				
	Balance with Banks	196,676	60,231,354		
	Cash on hand	1,376,743	234,354		
		<b>1,573,419</b>	<b>60,465,708</b>		
11.	<b>Bank Balances</b>				
	Earmarked balances	1,072,821	1,893,807		
		<b>1,072,821</b>	<b>1,893,807</b>		
12.	<b>Other Financial Assets</b>				
	Advance to employees	264,188	423,773		
		<b>264,188</b>	<b>423,773</b>		
13.	<b>Other Current Assets</b>				
	Prepaid expenses	8,929,958	10,150,795		
	Prepaid land lease	-	8,060		
	Balance with revenue authorities	1,872,357	5,789,252		
	Advances to suppliers	13,876,330	19,920,775		
	Investment in funded grauity	1,225,815	930,695		
	Advance income tax and Tds	9,164,552	5,302,830		
	Others	643,067	358,727		
		<b>35,712,079</b>	<b>42,461,134</b>		
14.	<b>Equity Share Capital</b>				
		<b>As at 31 March 2020</b>	<b>As at 31 March 2019</b>		
Note 1	<b>Equity Share Capital</b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	<b>Authorised Equity Share Capital</b>				
	Equity shares of Rs 10 each	15,000,000	150,000,000	15,000,000	150,000,000
		15,000,000	150,000,000	15,000,000	150,000,000
	<b>Issued, subscribed and paid-up</b>				
	Equity shares of Rs 10 each fully paid up				
	At the beginning of the year	6,136,800	61,368,000	6,136,800	61,368,000
	Shares issued during the year	-	-	-	-
	<b>At the end of the year</b>	<b>6,136,800</b>	<b>61,368,000</b>	<b>6,136,800</b>	<b>61,368,000</b>
Note 1.1	<b>Rights, preference and restrictions attached to equity shares</b>				
	The Company has one class of equity share having a par value of Rs. 10 per share. Each shareholder				

is eligible for one vote per share held with a right to receive per share dividend declared by the company

In the event of liquidation of the company, the holders of equity share shall be entitled to receive all of the remaining assets of the company, after distribution of all preferential amounts, if any. Such amount will be in the proportion to the number of equity shares held by stockholders.

**Note 1.2 Particulars of shareholders holding more than 5% equity shares**

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Percentage	Number of shares	Percentage
Sanjiivv Jindall	561,802	9.155%	561,802	9.155%
Aditya Jindal	649,401	10.582%	649,401	10.582%
Machino Transport Private Limited	1,416,813	23.087%	1,416,813	23.087%
Maruti Suzuki India Limited	941,700	15.345%	941,700	15.345%
Suzuki Motor Corporation	941,700	15.345%	941,700	15.345%

**Note 1.3 Aggregate number of bonus shares issued and shares buy back during the period of five years immediately preceding the reporting date:**

A) Equity shares of Rs. 10 each allotted as fully paid bonus shares and Equity shares of Rs 10 each

Year	Number of shares	Amount in Rs
2019 - 20	-	-
2018 - 19	-	-
2017 - 18	-	-
2016 - 17	-	-
2015 - 16	-	-

**15. Other Equity**

**(i) Reserves and Surplus**

<b>(a) Capital reserve</b>	12,500	12,500
----------------------------	--------	--------

At the commencement of the year

Add : Transferred from Statement of Profit and Loss - -

Less : Applied for issue of fully paid up bonus shares - -

Closing balance **12,500** **12,500**

**(b) General reserve**

At the commencement of the year 211,135,625 210,635,625

Add : Transferred from Statement of Profit and Loss - 500,000

Closing balance **211,135,625** **211,135,625**



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(c) Surplus (Profit and loss balance)</b>		
At the commencement of the year	237,933,518	241,698,382
Profit / (Loss) for the year	(45,183,150)	4,077,060
	<b>192,750,368</b>	<b>245,775,442</b>
Less: dividend paid	7,398,237	7,341,924
Less: transferred to general reserve	-	500,000
Closing balance	<b>185,352,131</b>	<b>237,933,518</b>
<b>Total reserve and surplus (a+b+c)</b>	<b>396,500,256</b>	<b>449,081,643</b>
<b>ii) Other comprehensive Income</b>		
<b>(a) Remeasurement of Defined benefit plan</b>		
Opening balance	2,974,076	1,959,697
Addition / Deduction during the year	1,816,881	1,014,379
Less: amount transferred to general reserve		
<b>Closing balance</b>	<b>4,790,957</b>	<b>2,974,076</b>
<b>(b) Revaluation reserve (net of tax) (Rs 149,621,982)</b>	<b>97,840,806</b>	<b>97,840,806</b>
<b>Total Comprehensive income</b>	<b>499,132,019</b>	<b>549,896,525</b>
<b>16. Non-current borrowings</b>		
<b>Secured (at amortised cost)</b>		
From banks	246,653,759	354,896,486
From others (TCFSL)	103,830,248	65,750,126
	<b>350,484,007</b>	<b>420,646,612</b>

### Notes

#### Secured term loans from banks & others

- Term loans are secured by way of pari passu first charge on company's fixed assets excluding tools & dies, both present & future and second charge on current assets
- The term loan taken from Yes Bank is Rs 20,833,333 (Previous year Rs 70,833,333) which carries interest of 10.20% per annum
- The term loan taken from Yes Bank is Rs 108,181,818 (Previous year Rs 139,090,909) which carries interest of 10.35% per annum

Notes forming part of the standalone financial statement for the year ended 31 March, 2020

- d. The term loan taken from Kotak Mahindra Bank Limited is Rs 54,974,911 (Previous year Rs 76,964,875) which carries interest of 9.00% per annum
- e. The term loan taken from HDFC Bank Limited is Rs 59,721,509 (Previous year Rs 76,388,889) which carries interest of 9.10% per annum
- f. The term loan taken from Yes Bank is Rs 65,168,629 (Previous year Rs 74,988,559) which carries interest of 10.50% per annum
- g. The term loan taken from Yes Bank is Rs 47,797,619 (Previous year Rs 55,000,000) which carries interest of 10.45% per annum
- h. The term loan taken from TATA Capital Financial Services Limited is Rs. 66,672,000 (Previous year Rs 83,336,000) which carries interest of 10.80% per annum
- i. The term loan taken from TATA Capital Financial Services Limited is Rs. 70,300,100 (Previous year Nil) which carries interest of 10.75% per annum
- j. The term loan taken from TATA Capital Financial Services Limited is Nil (Previous year Rs 9,204,449 ) which carries interest of 10.80% per annum
- k. Repayment schedule

		Next 1 year	1 - 3 years	Beyond 3 years
Term Loan from Banks	<b>As at 31 March 2020</b>	108,968,849	165,276,050	82,432,920
	<b>As at 31 March 2019</b>	136,588,033	197,104,364	159,574,168
Term Loan from others (TCFSL)	<b>As at 31 March 2020</b>	31,463,600	62,927,200	42,581,300
	<b>As at 31 March 2019</b>	25,868,449	33,328,000	33,344,000

17. Deferred tax liabilities (Net)

	FY 2019-20		FY 2018-19	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Deferred tax liabilities on account of				
Related to fixed assets	147,259,561	38,287,486	128,685,487	42,960,363
Related to revaluation reserve	149,621,982	38,901,715	149,621,982	49,949,802
Others - Ind AS adjustments	2,733,462	710,700	4,032,935	1,346,355
<b>Total DTL</b>	<b>299,615,005</b>	<b>77,899,901</b>	<b>282,340,404</b>	<b>94,256,520</b>
Deferred tax assets on account of				
Bonus payable	2,228,799	579,488	2,196,341	733,226
Grautity contribution	(1,225,815)	(318,712)	(930,695)	(310,703)
Deferred tax assets on lease liability	666,639	173,326	-	-
Unabsorbed depreciation	134,210,311	34,894,681	41,539,648	13,867,596
<b>Total DTA</b>	<b>135,879,934</b>	<b>35,328,783</b>	<b>42,805,294</b>	<b>14,290,119</b>
<b>Net DTL</b>		<b>42,571,118</b>		<b>79,966,401</b>
<b>Charged / (Credit) to PL</b>				<b>(37,395,283)</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars	As at 31 March 2020	As at 31 March 2019
<b>18. Current borrowings</b>		
Cash credits from banks	417,318,667	510,150,861
Working capital demand loan	-	50,000,000
	<b>417,318,667</b>	<b>560,150,861</b>

Notes

### Nature of securities

The cash credit facilities are secured by way of pari passu first charge on entire current assets of the Company including stocks of raw material, goods in transit and book debts along with second pari passu charge on entire fixed assets of the Company is excluding moulds and dies, Gurgaon and Manesar Plants.

\* Cash credit facilities outstanding from Allahabad Bank is Rs. 29,763,677 (Previous year Rs. 9,145,752) carry interest of 12.20% computed on the daily basis on the actual amount utilized, and are repayable on demand.

\* Cash credit facilities outstanding from Axis Bank Limited is Rs. 160,289,123 (Previous year Rs. 220,171,358) carry interest of 9.15% computed on the daily basis on the actual amount utilized, and are repayable on demand.

\* Cash credit facilities outstanding from Kotak Mahindra Bank Limited is Rs. 44,131,769 (Previous year Rs. 44,699,614) carry interest of 8.75% computed on the daily basis on the actual amount utilized, and are repayable on demand.

\* Cash credit facilities outstanding from Yes Bank Limited is Rs. 132,622,804 (Previous year Rs. 233,271,771) carry interest of 10.20% computed on the daily basis on the actual amount utilized, and are repayable on demand.

\* Cash credit facilities outstanding from HDFC Bank Limited is Rs. 50,511,294 (Previous year Rs. 2,862,366) carry interest of 9.80% computed on the daily basis on the actual amount utilized, and are repayable on demand.

\* Working capital demand loan outstanding from Yes Bank Limited is Nil (Previous year Rs. 50,000,000) carry interest of 9.35% computed on the daily basis on the actual amount utilized, and are repayable on demand.

### 19. Trade payables

Micro and Small enterprises	25,566,416	4,159,670
Others	29,922,196	81,724,362
	<b>55,488,612</b>	<b>85,884,032</b>

\* Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) in respect of micro and small suppliers based on the information available with the Company

	As at 31 March 2020	As at 31 March 2019
(i) the principal amount and the interest due thereon remaining unpaid to micro and small supplier as at the end of accounting year	25,566,416	4,159,670
(ii) the amount of interest paid by the buyer under MSMED Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-



(iii)	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 not paid)	-	-
(iv)	the amount of interest accrued and remaining unpaid at the end of the accounting year; and	-	-
(v)	the amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006		

Particulars	As at 31 March 2020	As at 31 March 2019
<b>20. Other Financial liabilities</b>		
Current maturities of long-term debt	140,432,449	162,456,482
Interest accrued but not due on borrowings (secured)	3,074,992	4,174,108
Unpaid dividends (equity)	1,072,821	1,893,807
Expenses payables	24,481,747	50,939,264
Payable on account of employees	9,176,137	9,667,466
Creditors for capital goods	2,147,308	18,178,606
	<b>180,385,454</b>	<b>247,309,733</b>
<b>21. Other current liabilities</b>		
Other payables (statutory dues)	21,807,358	30,735,887
Other advances	-	387,559
Advance received from customer	65,661,964	43,420,000
	<b>87,469,322</b>	<b>74,543,446</b>
<b>22. Revenue from Operation</b>	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
Sale of Products		
Manufactured goods	2,384,254,772	3,015,430,350
Moulds	32,339,694	8,705,000
Raw material	2,928	349,540
	2,416,597,394	3,024,484,890
Less: Cash discount	65,684	75,297
	2,416,531,710	3,024,409,593
Other Operating Revenues		
Sale of scrap	3,559,105	4,310,202
	3,559,105	4,310,202
<b>Total</b>	<b>2,420,090,815</b>	<b>3,028,719,795</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

(All Amount in Rupees, Unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>23. Other Income</b>		
Profit on sale of tangible fixed assets	4,408,013	660,387
Duty draw back received	172,948	315,447
Sundry creditors written off	77,673	2,177,183
Reversal of impairment of assets	-	1,469,504
Interest received on income tax refund	318,003	-
Interest income - on financial assets	171,837	331,776
	<u>5,148,474</u>	<u>4,954,297</u>
<b>24. Cost of material Consumed</b>		
Opening stock of raw materials	46,547,273	46,321,566
Purchases	1,307,641,924	1,812,135,827
	<u>1,354,189,197</u>	<u>1,858,457,393</u>
Less: Closing stock of raw materials	47,772,784	46,547,273
	<u>1,306,416,413</u>	<u>1,811,910,120</u>
Less: Cash discount	2,301,567	2,675,977
	<u>1,304,114,846</u>	<u>1,809,234,143</u>
<b>Raw materials consumed</b>		
Plastic granules	1,167,409,965	1,626,468,073
Bought out parts	110,307,533	172,604,413
Moulds	22,453,287	7,183,040
Iron / Steel	3,944,061	2,978,617
Total	<u>1,304,114,846</u>	<u>1,809,234,143</u>
<b>25. Changes in inventory of finished goods</b>		
Opening stock		
Finished goods	47,243,862	27,393,382
	<u>47,243,862</u>	<u>27,393,382</u>
Closing stock		
Finished goods	33,520,579	47,243,862
	<u>33,520,579</u>	<u>47,243,862</u>
Total changes in inventory of finished goods	<u>13,723,283</u>	<u>(19,850,480)</u>
<b>26. Employee Benefit Expense</b>		
Salaries and wages ^	279,141,847	286,633,199
Contribution to Provident and other funds *	18,978,935	16,347,525
Staff Welfare	18,623,086	22,169,427
	<u>316,743,868</u>	<u>325,150,151</u>

^ Salary and wages includes directors remuneration of Rs 13,908,000 (previous year Rs 13,908,000)

\* Includes contribution to provident and other funds for contract labour

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>27. Finance Cost</b>		
Interest expenses:-		
on term loan	54,789,620	55,051,925
on cash credit	20,020,342	9,820,502
on lease liabilities	1,536,216	-
Bank and other finance charges	390,300	601,868
	<b>76,736,478</b>	<b>65,474,295</b>
<b>28. Depreciation and Amortization expense</b>		
Depreciation on tangible assets	187,683,580	193,257,482
Amortization of intangible assets	3,356,526	1,198,088
Amortization of right of use assets	5,380,423	-
	<b>196,420,529</b>	<b>194,455,570</b>
<b>29. Other expenses</b>		
<b>Operating expenses / Manufacturing expenses</b>		
Power and fuel	129,975,820	175,721,437
Repairs to factory building	5,541,655	5,688,199
Repairs to machinery	47,884,397	59,564,297
Technical know how fees	10,427,251	-
Royalty expenses	383,310	-
Insurance	5,775,408	4,324,079
Other manufacturing services	29,480,241	39,729,064
	<b>229,468,082</b>	<b>285,027,076</b>
<b>Administrative general expenses</b>		
Subscriptions membership fees	660,747	775,003
Packing, freight and forwarding	313,963,605	312,099,459
Foreign exchange difference loss (net)	2,914,811	1,483,748
Telephone and postage	1,487,309	1,288,863
Printing and stationery	5,184,171	5,387,750
Lease rental	68,281	94,906
Travelling conveyance	4,139,683	4,807,508
Legal professional charges	5,317,469	3,821,419
Insurance expenses	1,282,328	1,402,278
Repairs maintenance expenses	3,652,203	3,328,969
Vehicle running expenses	1,546,956	1,486,086
Rent	16,264,043	18,449,908
Rates and taxes	137,134	103,132
Safety security expenses	12,412,884	12,947,381



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Auditor's remuneration		
statutory audit fees	617,500	617,500
tax audit fees	149,500	149,500
other services	109,200	109,200
Directors sitting fees	690,000	555,000
Donations subscriptions	-	400,000
Books periodicals	8,605	66,960
Training expenses	730,542	1,381,068
Other administrative general expenses	808,092	2,021,420
	<u>372,145,063</u>	<u>372,777,058</u>
Selling and distribution expenses		
Advertising promotional expenses	224,360	246,420
	<u>224,360</u>	<u>246,420</u>
Write off assets and liabilities		
Tangible fixed assets write off	349,235	-
Loss on sale of tangible fixed assets	460,994	-
	<u>810,229</u>	<u>-</u>
<b>Total Expenses</b>	<b><u>602,647,734</u></b>	<b><u>658,050,554</u></b>

### 30. Contingent liabilities and commitments (to the extent not provided for):

- (i) Contingent liabilities not provided for
  - a) Demand under the Central Excise Act of Rs. 58,211,882 (Previous year Rs. 58,211,882)
  - b) Demand under the Sales Tax Act of Nil (Previous year Rs. 621,691).
- (ii) Commitments Estimated amount of contracts, remaining to be executed on capital account (net of advances) Nil (Previous year Rs. 20,393,000).

### 31. (i) 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.

#### CHANGES IN PRESENT VALUE OF OBLIGATION

Particulars	For the period ended	
	31-03-2020	31-03-2019
<b>Present Value of Obligation as at the beginning</b>	<b>21,278,565</b>	<b>19,303,023</b>
Current Service Cost	2,230,540	2,916,041
Interest Expenses or Cost	1,609,952	1,465,986
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	(346,955)	220,354

- change in financial assumptions	207,361	(2,332,761)
- experience variance (i.e. Actual experience vs assumptions)	(2,315,651)	596,983
Past Service Cost	-	-
Benefits paid	(6,070,417)	(891,061)
<b>Present Value of Obligation as at the end</b>	<b>16,593,395</b>	<b>21,278,565</b>

**CHANGES IN FAIR VALUE OF PLAN ASSETS**

Particulars	For the period ended	
	31-03-2020	31-03-2019
<b>Fair Value of Plan Assets as at the beginning</b>	<b>22,209,260</b>	<b>16,646,544</b>
Investment Income	1,680,367	1,264,237
Employer's Contribution	-	5,189,540
Employee's Contribution	-	-
Benefits Paid	(6,070,417)	(891,061)
Return on plan assets , excluding amount recognised in net interest expense	-	-
<b>Fair Value of Plan Assets as at the end</b>	<b>17,819,210</b>	<b>22,209,260</b>

**EXPENSES RECOGNISED IN THE INCOME STATEMENT**

Particulars	For the period ended	
	31-03-2020	31-03-2019
Current Service Cost	2,230,540	2,916,041
Past Service Cost	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(70,415)	201,749
<b>Expenses Recognised in the Income Statement</b>	<b>2,160,125</b>	<b>3,117,790</b>

**OTHER COMPREHENSIVE INCOME**

Particulars	For the period ended	
	31-03-2020	31-03-2019
Actuarial (gains) / losses		
- change in demographic assumptions	(346,955)	220,354
- change in financial assumptions	207,361	(2,332,761)
- experience variance (i.e. Actual experience vs assumptions)	(2,315,651)	596,983
Return on plan assets, excluding amount recognised in net interest expense	-	-
<b>Components of defined benefit costs recognised in other Comprehensive income</b>	<b>(2,455,245)</b>	<b>(1,515,424)</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

### ASSETS AND LIABILITY (BALANCE SHEET POSITION)

Particulars	As at	
	31-03-2020	31-03-2019
Present Value of Obligation	16,593,395	21,278,565
Fair Value of Plan Assets	17,819,210	22,209,260
<b>Surplus / (Deficit)</b>	<b>1,225,815</b>	<b>930,695</b>
<b>Net Asset / (Liability)</b>	<b>1,225,815</b>	<b>930,695</b>

### EXPENSES RECOGNIZED DURING THE PERIOD

Particulars	For the period ended	
	31-03-2020	31-03-2019
In Income Statement	2,160,125	3,117,790
In Other Comprehensive Income	(2,455,245)	(1,515,424)
<b>Total Expenses Recognized during the period</b>	<b>(295,120)</b>	<b>1,602,366</b>

### FINANCIAL ASSUMPTIONS

Particulars	For the period ended	
	31-03-2020	31-03-2019
Discount rate (per annum)	6.50%	7.55%
Salary growth rate (per annum)	0.00%	8.00%

#### (ii) Contribution to defined contribution plan

Particulars	For the period ended	
	31-03-2020	31-03-2019
Provident Fund	10,210,745	9,917,092

32. Other income includes interest income Rs. 489,840 (Previous year Rs. 331,776), tax deducted thereon is Nil (Previous year Nil), Profit on sale of fixed assets Rs. 4,408,013 (Previous year Rs. 660,387), Sundry creditors written off Rs. 77,673 (Previous year Rs. 2,177,183), Duty draw back received Rs 172,948 (Previous year Rs. 315,447), Reversal of impairment of assets Nil (Previous year Rs. 1,469,504).

#### 33. Leases

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method. The rental expenses for short-term leases classified under operating leases amounts to Rs 16,264,043 for the year ended 31 March 2020. The following is the movement in lease liabilities for leases arrangements during the year ended 31 March 2020:

Particulars	For the period ended 31-03-2020
<b>Balance at the beginning</b>	<b>Nil</b>
Add : Addition during the year	38,739,044
Add : Interest cost accrued	1,536,216
Less : Payment of lease liabilities	(6,250,000)
<b>Balance at the end</b>	<b>34,025,260</b>

The following is the break-up of current and non-current lease liabilities as at 31 March 2020

Particulars	For the period ended 31-03-2020
Current lease liabilities	12,144,071
Non-Current lease liabilities	21,881,189
<b>Total lease liabilities</b>	<b>34,025,260</b>

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 as on undiscounted basis:

Particulars	For the period ended 31-03-2020
Less than one year	15,162,001
One to five years	66,609,101
<b>Total</b>	<b>81,771,102</b>

34. Investment in equity share are measured at fair value through other comprehensive income as per Ind AS 109.

The company had made Investment of Face Value of Rs.12,500,000 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 SLPs were preferred against the orders of the Hon'ble High Court of Delhi before the Hon'ble Supreme Court of India by both the parties. The Hon'ble Supreme Court of India vide its order dated 29<sup>th</sup> March 2016 dismissed both SLPs. However, it states that the order of dismissal is subject to the result of such case(s) as may be pending between the parties in respect of cancellation of the shares held by the petitioner. The matter is still sub-judice.

In the current circumstances, the company is unable to ascertain the fair value of investment in equity share in Caparo Maruti Limited as it is not practicably feasible to do so.

Consequently, no fair value adjustment has been made in the books of accounts and these equity instruments have been carrying forward at cost as at Balance sheet date

35. 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 Ind AS-108 "Operating Segments". The geographical segmentation is not relevant, as there is insignificant export.

36. Information as required by Ind AS 24 "Related Parties Disclosures" as follows:

**List of related parties:**

**a. Associate companies**

Maruti Suzuki India Limited  
Suzuki Motor Corporation, Japan

**b. Enterprises under common control**

Suzuki Motor Gujarat Private Limited  
Suzuki Motorcycle India Private Limited



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

### c. Enterprises over which key management personnel

#### And their close members are able to exercise significant influence

Machino Motors Private Limited  
 Machino Techno Sales Limited  
 Machino Transport Private Limited  
 Machino Finance Private Limited  
 Machino Media Private Limited  
 Machino Auto Comp Tooling Private Limited  
 Machino Polymers Limited  
 Rajiv Exports Industries Private Limited  
 Grandmaastters Mold Limited  
 Pranaa Plastics Limited  
 Machino Plastics Becharaji Limited

### d. Key management personnel & their close members

Mr M.D. Jindal - Chairman Emeritus (Expired on 13<sup>th</sup> January 2019)  
 Mr Sanjiiv Jindal - Whole Time Director – Strategy & Son of Chairman Emeritus  
 Ms Kamla Jindal - Spouse of Chairman Emeritus (Expired on 21<sup>st</sup> November 2018)  
 Ms Sarita Jindal - Spouse of Whole Time Director - Strategy  
 Mr Aditya Jindal - Chairman cum Managing Director & Son of WTD – Strategy  
 Mr Surya Kant Agrawal - General Manager cum Company Secretary (Retired on 29<sup>th</sup> February 2020)  
 Mr Ravinder Hooda - Chief Financial Officer (Appointed on 11<sup>th</sup> February 2020)  
 Ms Reetika Pant - Company Secretary (Appointed on 1<sup>st</sup> March 2020)

#### **Summary of significant related transactions carried out in ordinary course of business are as under:**

Nature of transactions	Associate company	Key management personnel and their relative	Enterprises over which key management personnel has significant influence	Enterprises under common control
Sale of goods / moulds	2,723,089,129	-	647,908	151,506,862
	(3,342,709,914)	-	(603,256)	(59,005,138)
Payment of cash discount	65,684	-	-	-
	(75,297)	-	-	-
GST (on FOC material)	1,589,071	-	-	-
	(2,248,769)	-	-	-
Dividend	1,883,400	1,211,891	1,416,813	-
	(1,883,400)	(1,211,891)	(1,416,813)	-
Purchase of raw material	-	-	555,209,574	-
	-	-	(909,344,467)	-
Remuneration	-	20,273,083	-	-
	-	(19,224,916)	-	-

\* Previous year figures have been given in (parentheses)

\* Transactions reported are inclusive of GST



## MACHINO PLASTICS LIMITED

### Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Balances as at 31 March 2020

Nature of transactions	Associate company	Key management personnel and their relative	Enterprises over which key management personnel has significant influence	Enterprises under common control
Sale of goods / moulds	201,238,326 (Dr) (272,656,935 (Dr))	- -	- -	211,690 (Dr) (17,509,328 (Dr))
Purchase of raw material	-	-	492,772 (Cr)	-
	-	-	(28,612,989 (Cr))	-

\* Previous year figures have been given in (parentheses)

\* Transactions reported are inclusive of GST

**Transactions with related parties during the year and balances in respect thereof are as follows:**

S. No.	Name of the related party	Nature of transaction	Transaction amount (Rupees)	Amount outstanding as at 31 March 2020
1	Maruti Suzuki India Limited	Sale of goods / moulds	2,723,089,129	201,238,326 (Dr)
			(3,342,709,914)	(272,656,935 (Dr))
		Payment of cash discount	65,684	Nil
			(75,297)	Nil
		GST (on FOC material)	1,589,071	Nil
			(2,248,769)	Nil
2	Suzuki Motor Corporation, Japan	Dividend	941,700	Nil
			(941,700)	Nil
3	Suzuki Motor Gujarat Private Limited	Sale of goods	149,824,761	125,909 (Dr)
			(56,190,213)	(16,644,316 (Dr))
4	Suzuki Motorcycle India Private Limited	Sale of goods	1,682,101	85,781 (Dr)
			(2,814,925)	(865,012 (Dr))
5	Grandmaastters Mold Limited	Sale of goods	647,908	Nil
			(603,256)	Nil
		Purchase of raw material	2,128,863	Nil
			(17,590,907)	(265,873 (Cr))
6	Machino Polymers Limited	Purchase of raw material	553,080,711	492,772 (Cr)
			(891,753,560)	(28,347,116 (Cr))



**Notes forming part of the standalone financial statement for the year ended 31 March, 2020**

7	Mr Sanjiivv Jindall	Remuneration	7,320,000	Nil
			(7,320,000)	Nil
		Dividend	561,802	Nil
			(561,802)	Nil
8	Mr Aditya Jindal	Remuneration	6,588,000	Nil
			(6,588,000)	Nil
		Dividend	649,401	Nil
			(649,401)	Nil
9	Ms Sarita Jindal	Remuneration	396,000	Nil
			(594,000)	Nil
		Dividend	600	Nil
			(600)	Nil
10	Late Mr M D Jindal	Dividend	87	Nil
			(87)	Nil
11	Late Ms Kamla Jindal	Dividend	1	Nil
			(1)	Nil
12	Machino Transport Private Limited	Dividend	1,416,813	Nil
			(1,416,813)	Nil
13	Mr Surya Kant Agrawal	Remuneration	5,746,274	Nil
			(4,722,916)	Nil
14	Mr Ravinder Hooda	Salary	185,545	Nil
			(Nil)	Nil
15	Ms Reetika Pant	Salary	37,264	Nil
			(Nil)	Nil

\* Previous year figures have been given in (parentheses)

\* Transactions reported are inclusive of GST

**Compensation breakup of key management personnel as per Para 17 of Ind AS 24:**

(a) Short-term employee benefits

	Current Year	Previous Year
(i) Mr Sanjiivv Jindall		
• Basic Salary	Rs 6,000,000	Rs 6,000,000
(ii) Mr Aditya Jindal		
• Basic Salary	Rs 5,400,000	Rs 5,400,000
(iii) Ms Sarita Jindal		
• Basic Salary	Rs 330,120	Rs 495,180
• Medical reimbursement	Rs 27,000	Rs 40,500

(iv) Mr Surya Kant Agrawal		
• Basic Salary	Rs 2,318,472	Rs 2,497,920
• House Rent Allowance	Rs 1,103,791	Rs 1,249,212
• Leave Travel Allowance	Nil	Rs 189,804
• Performance incentive	Rs 216,722	Rs 236,428
• Leave Encashment	Rs 396,305	Nil
(v) Mr Ravinder Hooda		
• Basic Salary	Rs 107,732	Nil
• House Rent Allowance	Rs 53,868	Nil
• Others	Rs 218	Nil
(vi) Ms Reetika Pant		
• Basic Salary	Rs 19,239	Nil
• House Rent Allowance	Rs 9,620	Nil
• Others	Rs 5,443	Nil
(b) Post-employment benefits		
(i) Mr Sanjiivv Jindal		
• Provident fund	Rs 720,000	Rs 720,000
• National Pension Scheme	Rs 600,000	Rs 600,000
(ii) Mr Aditya Jindal		
• Provident fund	Rs 648,000	Rs 648,000
• National Pension Scheme	Rs 540,000	Rs 540,000
(iii) Ms Sarita Jindal		
• Provident fund	Rs 38,880	Rs 58,320
(iv) Mr Surya Kant Agrawal		
• Provident fund	Rs 278,214	Rs 299,760
• National Pension Scheme	Rs 231,847	Rs 249,792
• Gratuity	Rs 12,00,923	Nil
(v) Mr Ravinder Hooda		
• Provident fund	Rs 12,953	Nil
• National Pension Scheme	Rs 10,773	Nil
(vi) Ms Reetika Pant		
• Provident fund	Rs 2,962	Nil

\* Above remuneration of Mr Ravinder Hooda and Ms Reetika Pant from the date of appointment as Key Managerial Personnel. Company has paid remuneration as employee Rs 1,477,754 & Rs 396,528 (including retirement benefits) to Mr Ravinder Hooda & Ms Reetika Pant respectively for the financial year 2019-20.



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

37. As per **Ind AS 33** on “Earning per Share”, 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 Income Statement (Rs.)	(45,183,150)	4,077,060
(ii)	Average no. of equity shares used as denominator for calculating EPS	6,136,800	6,136,800
(iii)	EPS ( Basic ) (Rs.)	(7.36)	0.66
(iv)	EPS ( Diluted ) (Rs.)	(7.36)	0.66
(v)	Face value of each equity share(Rs.)	10	10

38. Pursuant to Section 143(11) of the Companies Act, 2013, 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	2,258,355	Nil	F.Y. 2003-04 & 2004-05	Central Excise Department, Gurgaon Range
The Central Excise Act, 1944	Excise duty	55,953,527	Nil	F.Y. 2013-14 to 2017-18	Additional Director General (Adjud.), New Delhi

39. 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	1,302,468,919	99.87	1,808,832,880	99.98
Imported	1,645,927	0.13	401,263	0.02

40. C.I.F. value of imports

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Raw materials	2,604,282	1,823,256
Spare parts	1,593,594	9,760,628
Capital Goods	6,526,642	164,467,315

41. Expenditure in foreign currency

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Travelling expenses	538,459	1,680,640
Rental expenses	1,325,717	Nil
Job Work expenses	299,128	75,907
Technical Know How Fees	10,427,251	13,533,508

**42. Earning in foreign exchange**

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Export sales against plastic parts	9,381,861	14,814,942

**43. 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	941,700	941,700
Dividend remitted during the year	941,700	941,700

**44. Capital Management**

The Company manages its capital to ensure that the company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 16 and 18 offset by cash and bank balances) and total equity of the company. The company is not subject to any externally imposed capital requirements.

The Company's risk management committee reviews the capital structure of the Company on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital. The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total equity plus debt.

**Gearing ratio:-**

The gearing ratio at end of the reporting period was as follows

Particulars	As at 31 March 2020	As at 31 March 2019
Debt*	908,235,123	1,143,253,955
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	2,646,240	62,359,515
<b>Net Debt</b>	905,588,883	1,080,894,440
<b>Total Debt and Equity</b>	1,468,735,142	1,754,518,480
Net debt to equity ratio in %	61.66%	61.61%

\*Debt is defined as long-term and short-term borrowings as described in notes 16 and 18.

**45. Categories of financial instruments:-**

Financial Assets	As at 31 March 2020	As at 31 March 2019
<b>Measured at amortized cost</b>		
Trade receivable	247,971,120	384,104,105
Cash and cash equivalents	2,646,240	62,359,515
Other financial assets	18,939,454	18,910,502
<b>Measured at FVTOCI</b>		
Investment (Refer Note 34)	12,500,000	12,500,000
<b>Total</b>	<b>281,056,814</b>	<b>477,874,122</b>



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Financial Liabilities	As at 31 March 2020	As at 31 March 2019
<b>Measured at amortized cost</b>		
Borrowings	908,235,123	1,143,253,955
Trade payables	55,488,612	85,884,032
Other financial liabilities	39,953,005	84,853,251
Lease liabilities	34,025,260	-
<b>Total</b>	<b>1,037,702,000</b>	<b>1,313,991,238</b>

### 46. Financial risk management:-

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporate Treasury function reports quarterly to the company's risk management committee, an Independent body that monitors risks and policies implemented to mitigate risk exposures.

#### Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

#### a) Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Particulars of unhedged foreign currency exposure as at the Balance Sheet date	Amount in Foreign Currency			Amount in Indian Currency (Rs)	
	Currency	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Payables	USD	498,753	590,753	37,598,944	40,778,928
Receivables	USD	30,324	33,734	2,285,993	2,331,711

#### b) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk because company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and variable rate borrowings.

Particulars	As at 31 March 2020	As at 31 March 2019
Cash Credit Borrowings	417,318,667	560,150,861
Long Term Borrowings	490,916,456	583,103,094
<b>Total borrowings</b>	<b>908,235,123</b>	<b>1,143,253,955</b>

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

- (i) The exposure of group borrowings to interest rate changes at the end of reporting period are as follows:  
(ii) As at the end of reporting period, the company had the following variable rate borrowings:

Particulars	As at 31 March 2020			As at 31 March 2019		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term Loan and Cash Credit Limit	9.98%	908,235,123	100%	9.90%	1,143,253,955	100%
<b>Net exposure to cash flow interest rate risk</b>		<b>908,235,123</b>			<b>1,143,253,955</b>	

- (iii) Sensitivity

Profit / (loss) is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

If increase by 50 basis point		Interest Impact	
Particulars		As at 31 March 2020	As at 31 March 2019
Impact on profit or (loss) for the year		(4,541,176)	(5,716,270)
Impact on total equity as at the end of the reporting period		(4,541,176)	(5,716,270)

If decrease by 50 basis point		Interest Impact	
Particulars		As at 31 March 2020	As at 31 March 2019
Impact on profit or (loss) for the year		4,541,176	5,716,270
Impact on total equity as at the end of the reporting period		4,541,176	5,716,270

**c) Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

### d) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

The contractual maturity is based on the earliest date on which the company may be required to pay.

#### As at 31 March 2020

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-3 years	3+ years	Total	Carrying amount
Long term borrowings	10.19%	140,432,449	228,203,250	125,014,220	493,649,919	490,916,456
Cash credits from bank	9.74%	417,318,667	-	-	417,318,667	417,318,667
Trade payables	10.00%	55,488,612	-	-	55,488,612	55,488,612
Other financial liabilities	10.00%	39,953,005	-	-	39,953,005	39,953,005
Lease liabilities	10.00%	34,025,260	-	-	34,025,260	34,025,260
<b>Total</b>		<b>687,217,993</b>	<b>228,203,250</b>	<b>125,014,220</b>	<b>1,040,435,463</b>	<b>1,037,702,000</b>

#### As at 31 March 2019

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-3 years	3+ years	Total	Carrying amount
Long term borrowings	9.97%	162,456,482	230,432,364	192,918,168	585,807,014	583,103,094
Cash credits from bank	9.86%	510,150,861	-	-	510,150,861	510,150,861
Working capital loan	9.35%	50,000,000	-	-	50,000,000	50,000,000
Trade payables	10.00%	85,884,032	-	-	85,884,032	85,884,032
Other financial liabilities	10.00%	84,853,251	-	-	84,853,251	83,967,851
<b>Total</b>		<b>893,344,626</b>	<b>230,432,364</b>	<b>192,918,168</b>	<b>1,316,695,158</b>	<b>1,313,991,238</b>



**47. Fair value of measurement**

Fair value of the company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Particulars	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 March 2020	As at 31 March 2019		
<b>Financial assets</b>				
Security deposit	Nil	3,578,163	Level 2	Discounted cash flow at discount rate that reflects the company's current borrowing rate at the end of reporting period
<b>Financial liabilities</b>				
Borrowings	490,916,456	583,103,094	Level 2	Discounted the estimated cash flow through the expected life of the borrowings

- a) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities are as follows.

Particulars	Carrying value	
	As at 31 March 2020	As at 31 March 2019
<b>i) Financial assets - Current</b>		
Trade receivables	247,971,120	384,104,105
Cash and cash equivalents	2,646,240	62,359,515
Other financial assets	18,939,454	18,910,502
<b>ii) Financial liabilities - Current</b>		
Borrowings	417,318,667	560,150,861
Trade payables	55,488,612	85,884,032
Other financial liabilities	39,953,005	84,853,251
Lease liabilities	34,025,260	-

**48. Deferred Tax Assets / Liabilities**

As at 31 March 2020

Deferred Tax Assets / (Liabilities) in relation to	Opening balance	Recognized in Profit or loss	Recognized in other comprehensive income	Closing balance
Property, plant and equipment and Intangible assets	(42,960,363)	4,672,877	-	(38,287,486)
Financial liabilities at amortised cost	(902,677)	191,977	-	(710,700)
Financial assets at amortised cost	57,366	(57,366)	-	-
Lease liabilities	-	173,326	-	173,326



## Notes forming part of the standalone financial statement for the year ended 31 March, 2020

Defined benefit obligation	(78,521)	977,661	(638,364)	260,776
Related to revaluation reserve	(49,949,802)	11,048,087	-	(38,901,715)
Unabsorbed depreciation	13,867,596	21,027,085	-	34,894,681
	(79,966,401)	38,033,647	(638,364)	(42,571,118)

As at 31 March 2019

Deferred Tax Assets / (Liabilities) in relation to	Opening balance	Recognized in Profit or loss	Recognized in other comprehensive income	Closing balance
Property, plant and equipment and Intangible assets	(51,585,346)	8,624,983	-	(42,960,363)
Financial liabilities at amortised cost	(1,107,070)	204,393	-	(902,677)
Financial assets at amortised cost	166,510	(109,144)	-	57,366
Defined benefit obligation	1,264,847	(842,323)	(501,045)	(78,521)
Related to revaluation reserve	(49,469,516)	(480,286)	-	(49,949,802)
Unabsorbed depreciation	18,340,546	(4,472,950)	-	13,867,596
	(82,390,029)	2,924,672	(501,045)	(79,966,401)

### 49. Income Tax and Deferred Tax (Net)

(a) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate:

Particulars	As at 31 March 2020	As at 31 March 2019
Indian Statutory Income Tax Rate	26.0000%	33.3840%
Indian Statutory Minimum Alternative Tax Rate	15.6000%	20.5868%
Profit / (loss) before tax from continuing operations	(85,147,449)	1,159,859
Income tax expense calculated using tax rate applicable	(22,138,336)	387,207
<b>Adjustments</b>		
Effect of income that is exempt from taxation	-	-
Effect of additional allowance under Income Tax	634,167	(5,577,023)
Effect of expenses that are not deductible in determining taxable profit	719,080	1,934,851
Effect of change in statutory tax rate	(17,248,556)	330,292
Effect of earlier year tax adjustments	(1,930,653)	7,471
<b>Total</b>	(17,825,964)	(3,304,409)
<b>Income tax expense charged to Statement of Profit and Loss (relating to continuing operations)</b>	<b>(39,964,299)</b>	<b>(2,917,201)</b>

## (b) Income tax charged to other comprehensive income

## Deferred tax

Particulars	As at 31 March 2020	As at 31 March 2019
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(638,364)	(501,045)
<b>Total</b>	<b>(638,364)</b>	<b>(501,045)</b>
Arising on income and expenses reclassified from equity to profit or (loss):		
<b>Total income tax recognised in other comprehensive income</b>	<b>(638,364)</b>	<b>(501,045)</b>
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to profit or (loss)	(638,364)	(501,045)
Items that may be reclassified to profit or (loss)	-	-

50. The group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table provides quantitative information about offsetting of financial assets and financial liabilities:

	31 March 2020		31 March 2019	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Gross amount of recognized financial asset/liability	247,887,614	55,577,197	384,104,105	85,884,032
Amount set off	-	-	-	-
<b>Net amount presented in balance sheet</b>	<b>247,887,614</b>	<b>55,577,197</b>	<b>384,104,105</b>	<b>85,884,032</b>

The accompanying notes are forming part of these financial statements

As per our report attached

**For KMGS & Associates**

Chartered Accountants  
Firm Registration No: 004730N

**Lalit Goel**

Partner  
Membership No: 091100  
Place : Gurugram  
Date : 25th June 2020

**Aditya Jindal**

Chairman cum Managing Director  
DIN - 01717507

**Ravinder Hooda**

Chief Financial Officer

**Sanjiiv Jindal**

Whole Time Director - Strategy  
DIN - 00017902

**Reetika Pant**

Company Secretary  
ICSI M No ACS48939



# MACHINO PLASTICS LIMITED

CIN:L25209HR2003PLC035034

Plot No. 3, Maruti Joint Venture Complex, Udyog Vihar – IV, Gurugram-122015, Haryana

## ATTENDENCE SLIP

DP ID/CLIENT ID :  
 Name of shareholder :  
 Address :  
 City :  
 Pin :  
 Jt1 :  
 Jt2 :  
 No. of Shares :

I, hereby record my presence at the 35th Annual General Meeting of MACHINO PLASTICS LIMITED held on Tuesday the 29th September, 2020 at 11:00 a.m. at GIA House, IDC Opp. Sector 14, Mehrauli Road, Gurugram-122001 (Haryana) and at any adjournment thereof.

Member's Folio/DP ID-Client-ID

Member's/ Proxy's name in Block Letters

Member's/Proxy's Signature

### Particulars for Remote e-Voting through Electronic means

EVEN (e-Voting Event Number)	USER ID	PASSWORD/PIN



# MACHINO PLASTICS LIMITED

CIN: L25209HR2003PLC035034

Plot No. 3, Maruti Joint Venture Complex, Udyog Vihar – IV, Gurugram-122015, Haryana

## PROXY FORM FORM NO. MGT – 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DP ID/CLIENT ID :  
 Name of shareholder :  
 Address :  
 City :  
 Pin :

I/ We , being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- (1) Name:.....Address.....  
 E-mail id.....Signature.....or failing him;
- (2) Name:.....Address.....  
 E-mail id.....Signature.....or failing him;
- (3) Name:.....Address.....  
 E-mail id.....Signature.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the company, to be held on Tuesday the 29th September, 2020 at 11:00 a.m. at GIA House, IDC Opp-Sector 14, Mehrauli Road, Gurugram and at any adjournment thereof in respect of such resolution as are indicated below:

S.NO	PARTICULARS	FOR	AGAINST
1.	Consider and adopt the audited Balance Sheet as at 31.03.2020 and Profit and Loss Account for the year ended on that date and report of auditors and directors thereon		
2.	Appointment of Mr. Sanjiiv Jindal who retires by rotation		
3.	Appointment of Mr. Kazunari Yamaguchi who retires by rotation		
4.	Re-appointment of Mr. Sanjiiv Jindal as Whole Time Director w.e.f 1st April, 2020		
5.	Re-appointment of Mr. Aditya Jindal as a Chairman cum Managing Director w.e.f 1st April, 2020		
6.	Approval for the related parties transactions		

Signed this .....day of .....2020

Signature of shareholder ..... Signature of proxy holder(s) .....

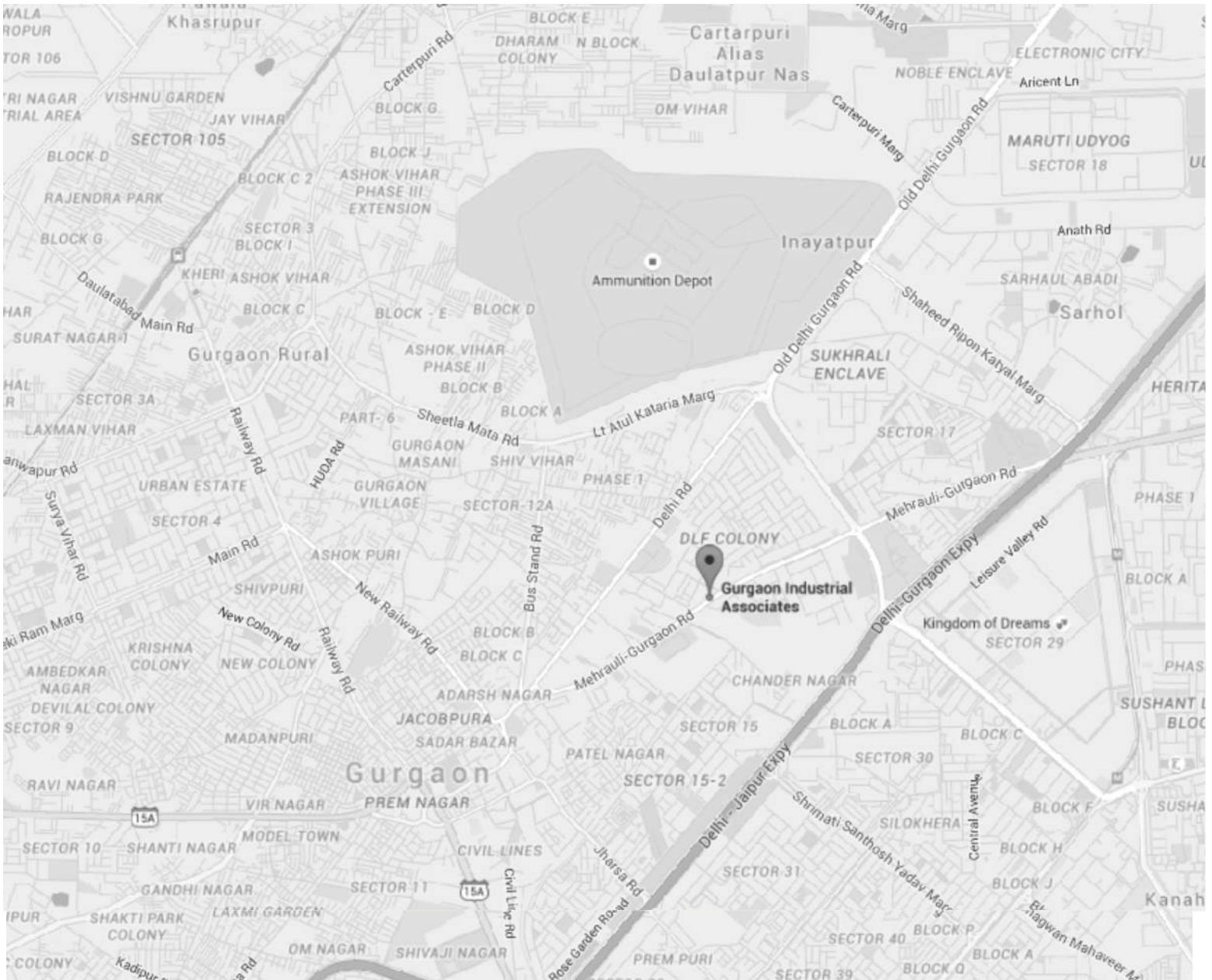
Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.


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Gurgaon, Haryana 122002



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If undelivered please return to:

**Machino Plastic Limited**

3, Maruti J. V. Complex, Delhi Gurugram Road, - 122015 (Haryana)

Tel. : 0124-2341218, 2340806, 2346094

Fax : 0124-2340692

E-mail : [sec.legal@machino.com](mailto:sec.legal@machino.com)

Tel. : 011-29541681, 9873000211