

The background of the cover is a photograph of a large, modern industrial building with yellow and grey panels and large glass windows. The building has 'MACPOWER CNC' written on its facade. In front of the building is a paved area and a green lawn. The entire image is framed by large, flowing purple and white abstract shapes that create a dynamic, modern look.

ANNUAL REPORT

2019-20

Macpower CNC Machines Limited

INDEX



➔	CORPORATE INFORMATION	03
➔	COMPANY'S PROFILE	04
➔	AWARDS & RECOGNITIONS	05
➔	RANGE OF PRODUCTS	06-08
➔	CHAIRMAN'S MESSAGE	09-11
➔	NOTICE TO THE 17th AGM	12-22
➔	PROXY FORM	23-24
➔	ATTENDANCE SLIP	25
➔	ROUTE MAP TO AGM	26
➔	BOARD'S REPORT	27-52
➔	ANNEXURES TO BOARD'S REPORT	53-93
➔	AUDITOR'S REPORT	94-102
➔	BALANCE SHEET	103
➔	STATEMENT OF PROFIT & LOSS	104
➔	CASH FLOW STATEMENT	105
➔	NOTES TO FINANCIALS	106-122

Corporate Information

MACPOWER CNC MACHINES LIMITED

Reg. Office: Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist – Rajkot, Gujarat, India

Phone: +91 2827 287930, FAX: +91 2827 287933, Email: cs@macpowercnc.com

CIN: L30009GJ2003PLC043419, Website: www.macpowercnc.com

NSE Symbol: MACPOWER ISIN: INE155Z01011

BOARD OF DIRECTORS :

Mr. Rupesh J. Mehta

Managing Director

Mr. Nikesh J. Mehta

Whole-Time Director

Mrs. Riya R. Mehta

Non-Executive & Woman Director

Mr. Maulik R. Mokariya

Independent Director

Mr. Rajubhai R. Bhandari

Independent Director

Mr. Deven J. Doshi

Independent Director

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Nikesh J. Mehta

Whole-Time Director (WTD) &

Chief Executive Officer (CEO)

(W.e.f 25th August, 2020)

Mr. Rajnikant M. Raja

Chief Financial Officer [CFO]

Ms. Ekta Shukla

Company Secretary & Compliance Officer

(Resigned w.e.f.12th February,2020)

Mr. Sagar Rajyaguru

Company Secretary & Compliance Officer

(Appointed w.e.f. 19th March, 2020)

AUDITORS:

Statutory Auditor

M/s. S. C. Makhecha & Associates

Chartered Accountants, Rajkot

Secretarial Auditor:

K. P. Rachchh & Co.,

Practicing Company Secretaries, Rajkot

Internal Auditor:

Mr. Vishal Pandya[w.e.f. May 20, 2019]

CA Pratik Siroya[w.e.f. May 20, 2019]

REGISTRAR &

SHARE TRANSFER AGENT:

Link Intime India Private Limited

5th Floor, 506 to 508,

Amarnath Business Centre – 1 [ABC-1],

Beside Gala Business Centre,

Nr. St. Xavier's College Corner, Off C G Road,

Ellisbridge, Ahmedabad – 380 006,

Gujarat, India.

Email: ahmedabad@linkintime.co.in

BANKER:

Axis Bank Limited

Metoda Branch

Company's Profile

Macpower CNC Machines Limited (Macpower) welcomes to the world of machining excellence. More than one and half decades of experience and the vision towards creating a niche have transformed Macpower into India's fastest growing CNC Manufacturing Company. This meteoric growth is a result of Macpower's vision of par excellence to manufacture state of the art products, adopting the best in technology.

In 2003, Macpower Group started Macpower CNC Machines Limited, CNC Machines manufacturing unit in an area of around 4 acres and has grown to almost double thereafter with 2 units in operation at present situated at Metoda G. I. D.C., Rajkot (India).

In 2018, Macpower listed on National Stock Exchange of India, SME Emerge platform and in August, 2020 Company migrated to NSE Main board.

Macpower is registered to ISO 9001(Design), a universally accepted quality assurance designation and MSE-1 certification for highest financial strength and operational ability by CRISIL.

The modern headquarters contains a spacious State of the Art Machine Shop, Totally Equipped Assembly Shops, All Modern Measuring and Testing Equipment's, Technologically Advanced Sheet Metal Unit and One of it's Kind Powder Coating Plant make Macpower Totally In-House Manufacturing Company.

In the challenging time of covid-19 where there was nationwide lockdown, Macpower has converted adversity into opportunity and under the medical engineering horizon manufactured first time in India **HOT AIR SEAM SEALING MACHINE for PPE suits**. This machine makes the PPE suit protective and resist virus.

After successful launching and delivery of hot air seam sealing machine, Macpower has manufactured **FASTEST FULLY AUTOMATIC N-95 MASK MAKING MCHINE** with Japanese control. This machine having capacity to produce around 50,000 Mask per day.

We kept our spirit high to explore every possibility in technical field to achieve excellence.

Macpower is currently offering widest range of **9** different product categories namely Turning Center, Twin Spindle Turning Center, VMC, Twin Spindle VMC, TurnMill Center, HMC, VTL, DTC, Grinder with **27** versions and **60+** different models serving **27** industry segment worldwide with **5000+** installations. Sales & Service Team presence in **37** cities across the country with **107** qualified engineers and **9** business associates; establishment of multiple regional offices and technology centers across the country to have better connect with our valued customers.

Awards & Recognitions



CRISIL RATING - MSE 1



FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN 'O' MILL 200

FIE Foundation Award at IMTEX 2017 for Twin Spindle VMC V855 Twin Head



FIE Foundation Award at IMTEX 2015 for Multi Tasking Machine Turn O' Mill Y S



Ranked fourth in highest excise tax pay in the entire range for the year 2010-11.

Best Product Award for LX 200 Super at Engineering Expo in 2004.



Range of Products

All New 5th Generation 2020 Series

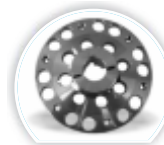


TURNING CENTRE

BEARING, VALVE, PUMP INDUSTRY,
TOOL ROOM, AUTOMOBILE,
PROCESS PLANT COMPONENTS,
AGRICULTURE, TEXTILE, PIPING
INDUSTRY

VERTICAL MACHINING CENTRE

TOOL ROOM, DIE AND MOULD,
AUTOMOBILE, PATTERN,
DEFENCE, POWER, RAILWAYS



TURN MILL CENTRE

SPECIAL PURPOSE COMPONENTS,
AERONAUTICS, DEFENCE,
AGRICULTURE, MEDICAL

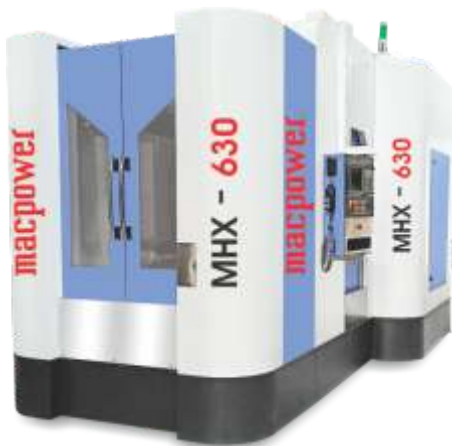
VERTICAL TURRET LATHE

VALVE BODY, MOTOR BODY,
ENGINE LINER, RAILWAYS



Range of Products

All New 5th Generation 2020 Series



HORIZONTAL MACHINING CENTRE

AUTOMOBILE, DIE AND MOULD,
DEFENCE, AERONAUTICS,
TEXTILE, MEDICAL, RAILWAYS



DRILL TAP CENTRE

ELECTRONICS, AUTOMOBILE,
TEXTILE



TWIN HEAD VMC

AUTOMOBILE & TEXTILE



Range of Products

Our New Products Under the Medical Engineering Horizon



FIRST TIME IN INDIA **HOT AIR SEAM SEALING MACHINE** **FOR PPE SUIT**



Hot Air Seam Sealing Machine
Makes the PPE Suit Protective and
Resist Virus.

FASTEST FULLY AUTOMATIC **N95 MASK MAKING MACHINE**

This Machine is having capacity to
produce 50,000 Mask per day.



Chairman's Message



Dear Shareholders,

Hope you all are safe and healthy !

It is my immense pleasure to share that in these hard time of globally spread COVID-19, your company not just strongly survived but performance of the company was far better than the overall performance of Indian Machine Tools Industry(as per IMTMA data).

You may know that Personal Protective Equipment suits (PPE suits) are the first and foremost crucial line of defence against the novel coronavirus for the frontline corona warriors. In the earlier stage where corona virus declared as pandemic by WHO, PPE suits used by these corona warriors were not much protective as sewing part of PPE suits were not sealed effectively and possibility of virus transmission from this part were much higher and it was need of the hour to make this PPE suits protective by sealing the sewing part. These kind of machines were not manufactured in India and had to import from china at higher prices and delivery time was around 4 to 5 months. Due to this, Indian Medical Association (IMA) approached your company to manufacture such machine which makes the PPE suits protective and resist virus. and so we accept this challenge to help the society in one or other way and in very short period of time during the lockdown with the permission of local authority we have resumed the work and manufactured the **HOT AIR SEAM SEALING MACHINE** for PPE suits, **FIRST TIME IN INDIA**. Your company has delivered this machine across the India.

Chairman's Message

After successful manufacturing of HOT AIR SEAM SEALING MACHINE, Your Company has then manufactured **FASTEST FULLY AUTOMATIC N95 MASK MAKING MACHINE** with Japanese control which has capacity to produce 50,000 masks per day under the medical engineering horizon.

Your company came into Capital Market for expansion plan in March 2018 and this year your company has completed two years of listing and also completed its object of backward integration, expansion and In-house machining of components. During this year your company able to develop In-house spindles manufacturing capability, Separate 11 tank powder coating unit and Fabrication shop.

Dear Shareholders before IPO the constructed area of your company was around 52,858/- sq. ft and after IPO your company add new construction of around 70,029/- sq ft and now the total constructed area is around of 1,22,887 sq.ft.

Backward integration enables company to make almost 85% of the Machining of components in-house. Backward Integration and in-house infrastructure facility leads to decrease of logistic cost and logistic time, rejection and rework and simultaneously assembly time gets reduce and company able to deliver world class machines and saved substantial man-hours.

Because of backward integration, company has been able to deliver **ALL NEW FIFTH GENERATION 2020 MACHINE SERIES**.

Having state of the art mother machinery with your company, assembly time gets reduced and your company substantially able to achieve higher production capacity by producing around 1200 machines per annum from earlier around 600 machines per annum without adding additional manpower. and this is to note that present production capacity is with single shift of man-hours, and so this capacity can be increased with additional shifts of man-hours accordingly.

This is the second consecutive year where your company gets MSE – 1 rating for Highest Financial and operational Strength in SME segment by CRISIL. We have declared dividend for the past two consecutive years but this year board has not recommended dividend so as to plough back the earnings for future growth of the business of the company. Your company has no debt and so it's a debt free company.

This is to note that average realization price of the machine will be increased by focusing and selling of higher values machines like HMC and VTL.

During the year, your company has dispatched total 404 machines to various sectors which include Defence sector, Education sector, Research sector and exported machine to Nigeria.

You must be aware of present economic conditions of our country. This year Indian economy struggles and as per the RBI data The GDP growth for the full financial year reached 4.2% YoY after growing at 6.1% in the previous year. In the last quarter of financial year GDP rate recorded at 3.1% which is lowest growth recorded since January-March 2009. All the 23 industrial groups within the manufacturing sector recorded a negative growth this year.

Chairman's Message

Dear Members this is to inform you that due to the present bilateral situation of country with China and resulting policy change by government of India to make our country self-reliant in manufacturing of the goods domestically by promoting the **ATMANIRBHAR BHARAT INITIATIVE**, we are expecting huge demand from the Defence sector, aircraft, ISRO, DRDO etc. for tender business. As it is evident that government has already started to take related policy decisions such as :

- a) Banning bidding of foreign bidders/imported items in tenders less than 200Cr value,
- b) Adding domestic preference clause in all tenders,
- c) Identifying 101 items of defense to be manufactured locally,
- d) MSME department working on leveraging the MSME sector by various initiatives.

The result of these actions is also started getting realized in terms of speed in completing the evaluation of tenders and floating of new tenders. We have already received orders for more than 12 Cr for this financial year and at present around more than 176 Cr of tenders are under evaluation.

This is to inform you that as on today for current financial year we have received total of 440 machine orders from domestic market having value of 60 Cr. Approx. and received advance of 6 Cr. Approx. for the said order.

The objective of Central Government's "Make in India" intuitive is to ensure that manufacturing sector which contributes around 15% of country's Gross Domestic Products to increase upto 25% in next few years and this will also boost the morale of the entire Manufacturing industry including Machine Tools Manufacturing industry at a larger scale.

Macpower and its progressive team firmly believes in hard work, dedication and very much assure about the future growth of the company.

Your company always believes in creating value for each and every stakeholders of the company.

I would like to take this opportunity to thank all the stakeholders, I thank all the Board members for helping me in creating good governance culture across the organization and fulfilling the responsibilities of the Board. I would like to place on record the sincerity, hard work, commitment and dedication of all the employees.

It will certainly be our endeavor to put in our best efforts for sustained growth, expansion and prosperity of the Company benefitting all stakeholders.

Thank you and Jai Hind!
Regards,

Rupesh Mehta
Chairman & Managing Director

Notice to the **AGM**

Notice

NOTICE is hereby given that the **SEVENTEENTH [17th]ANNUAL GENERAL MEETING** of MACPOWER CNC MACHINES LIMITED [Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED], will be held on **Tuesday, September 29, 2020** at **03:00 P.M.IST** at the Registered office of the Company situated at Plot No. 2234, Nr. Kranti Gate, GIDC Metoda, Tal. Lodhika Dist. Rajkot, Gujarat-360021 to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2020, together with the Report of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Ms. Riyaben R. Mehta [DIN: 01603726] who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as on **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section-148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of INR 35,000 [Rupees Thirty-Five Thousand only] plus GST, to be paid to M/s. Borad Sanjay, B & Associates [Firm Registration no. 102408], Cost Auditors of the Company, for the financial year 2020-21, as approved by the Board of Directors of the Company, be and is hereby ratified.”

Notes:

1. The notice of AGM along with Annual Report for 2019-20 is being sent to all the members whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of 28th August, 2020. In Furtherance, as per the MCA and SEBI Circulars, the Notice of Annual General Meeting with annual report of the year 2019-20 required to sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories as on 28-08-2020. Members may note that the Notice and Annual Report of the year 2019-20 will also be available on the website of the Company at [www. https://www.macpowercnc.com/](https://www.macpowercnc.com/) and on the website of stock exchange on which the securities of the company are listed i.e. [www. www.nseindia.com](http://www.nseindia.com).

Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited at Ahmedabad@linkintime.co.in, for sending the same or can email to Company cs@macpowercnc.com In case of any Queries relating to availing soft copy can contact company at aforesaid mentioned E-mail id

2. The relative Explanatory Statement for Special Business Item No. 3, pursuant to Section – 102 of the Companies Act, 2013 ["Act"] setting out material facts concerning the business is annexed hereto. The relevant details, pursuant to the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India [ICSI], in respect to re-appointment of Director at this Annual General Meeting ["AGM"] is also annexed as Annexure-1.

3. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**

A person can act as proxy on behalf of members not exceeding Fifty [50] and holding in the aggregate not more than 10% of total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less the FORTY-EIGHT HOURS [48 hours] before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

4. Corporate Members intending to send their authorised representative to attend the AGM are requested to send a certified copy of the Board Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.
5. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the meeting, To ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Aadhar Card, Driving License, Passport, Voter ID card, etc. Members are requested to bring their copies of Annual Report at the meeting.
6. To support the 'Green Initiative', members who have not yet registered their email address are requested to register the same with their Depository Participants ["DPs"].

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs or RTAs.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date i.e. at least 10 days before the annual general meeting through mail at cs@macpowercnc.com, so as to enable the Management to keep the information ready at the AGM.
10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Details related to unclaimed amount of shares is available at the Website of the Company <https://www.macpowercnc.com>.
11. Members may pursuant to section 72 of the Companies Act, 2013 read with Rule 19 of the companies (Share Capital and Debentures) Rules, 2014 file nomination in prescribed form SH- 13 with the respective depository participant
12. Non-Resident Members: Non Resident Indian Members are requested to inform Registrar and Transfer Agents, immediately of:
 - a. Change in their residential status on return to India for permanent settlement.
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier.
13. The route map showing directions to reach the venue of the 17thAGM is annexed.
14. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain close from **Wednesday, 23rd September, 2020 to Tuesday, 29th September, 2020** (both days inclusive) in connection with the Annual General Meeting.

15. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 17th Annual General Meeting (AGM) through electronic voting system of link Intime India Private Limited through their Insta vote platform.
- ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Tuesday, **September 22, 2020**, shall be entitled to avail the facility of remote e-voting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Tuesday, **September 22, 2020** shall be entitled to exercise his/her vote though remote e-voting following the procedure mentioned in this part.
- iv. The remote e-voting will commence on 9:00 A.M. on Friday, 25th September, 2020 and will end on 5:00 P.M. on Monday, 28th September, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Tuesday, **September 22, 2020** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by Link Intime India Private Limited thereafter.
- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e, Tuesday, **September 22, 2020**
- Vii. The Board of Directors has appointed Mr. Kalpesh P. Rachchh [Membership no. FCS 5156] proprietor of K. P. Rachchh & Co., Practicing Company Secretaries as a Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The members who have casted 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.

A member can vote either by remote e-voting or at the AGM. In case a member votes by both the modes then the votes cast at the AGM shall be considered invalid.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.macpowercnc.com and on the website of NSE at www.nseindia.com

16. INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

[A] Log-in to e-Voting website of Link Intime India Private Limited:

1. Visit the e-voting system of Link Intime India private limited. Open web browser by typing the following URL : <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No. + Folio Number registered with the Company
5. Your Password details are given below:
If you are using e-Voting system of Link Intime India private limited: <https://instavote.linkintime.co.in> for the first time, you need to follow the steps given below:
 - Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm

(The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format
Bank Account Number	<p>Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of Link intime India private limited: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by DEMAT shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of Link intime India Private Limited.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

[B] Cast your vote electronically:

- 1) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No.” of the company – Macpower CNC Machines Limited, you choose to vote.
- 2) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
- 3) Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
- 4) If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- 5) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- 6) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- 7) You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

17. General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of Link intime India private limited: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to Ahmedabad@linkintime.co.in or Call us :- Tel :+ 91 2827 287930-2.

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

Explanatory Statement

As required under Section – 102 of the Companies Act, 2013 [“Act”], the following explanatory statement sets out all material facts relating to business mentioned under item no. 3 of the accompanying Notice:

Item No.: 3

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its Meeting held on July 2, 2020, has considered and approved the appointment of M/s. Board Sanjay, B & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2020-21 at a remuneration of INR 35,000/- [Rupees Thirty-Five Thousand only] plus GST.

Pursuant to Section – 143(3) of the Companies Act, 2013 read with Rule 14 of the Companies [Audit and Auditors] Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on the recommendation of the Audit Committee, is required to be subsequently ratified by the members of the Company.

The resolution as at item no. 3 of the Notice is therefore set out as Ordinary Resolution for approval and ratification by the members.

None of the directors and/or Key Managerial Personnel [KMP] of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at item no. 3 of the Notice.

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

ANNEXURE

Brief profiles of director seeking Re-appointment in forthcoming Annual General Meeting [17th AGM]

Name of Director	Riya R. Mehta
Date of Birth	25/05/1974
Date of Appointment	01/04/2004
Education Qualification	Matriculation Certificate from Secondary Education Board of Andhra Pradesh.
Expertise in Specific functional area	<ul style="list-style-type: none"> • She is associated with the Human Resource related activities of the company • She has 13 years of experience in the field of Human Resource Management
Disclosure of relationship between directors inter-se	Mr. Rupesh Mehta, Chairman and Managing Director of the Company [Husband]
Number of Board Meetings Attended	A detail regarding number of Board Meetings attended by Mrs. Riya R. Mehta is given in the Board's Report.
List of public companies in which Directorship held including in the company	ONE Macpower CNC Machines Limited
Chairman/Member of the committees including in the Company	Member –Nomination And Remuneration Committee Chairman – Stakeholder Relationship Committee (upto 22 nd May, 2020)
Chairman/Member of the committees of Directors of other Companies	NIL
No. of shares held in this Company as on 31st March, 2020	17,76,600 shares i.e. 18.11%

MACPOWER CNC MACHINES LIMITED*[Formerly known as Macpower CNC Machines Private Limited]*

Registered Office: Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika,

Dist.-Rajkot, Gujarat, India

Tel: +91 2827 287930/31/32; Email: info@macpowercnc.com; website: www.macpowercnc.com

CIN: L30009GJ2003PLC043419

Form MGT-11**Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the member(s)		Email ID	
Address		Folio No./ BO ID	

I / We, being the holder/s of _____ equity shares of Macpower CNC Machines Limited, hereby appoint:

Name		Signature	
Address			
Email			

or failing him/her;

Name		Signature	
Address			
Email			

or failing him/her;

Name		Signature	
Address			
Email			

and whose signature(s) is appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on the **Tuesday, September 29, 2020 at 03:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist-Rajkot, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	For	Against
1.	Consider and adopt: The audited Standalone Financial Statement of the Company for the year ended on March 31, 2020, and the report of the Board of Directors and Auditors thereon.		
2.	Appoint a Director in place of Riyaben R. Mehta [DIN: 01603726], who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Approve Remuneration of Cost Auditor for F.Y. 2020-21.		

*Applicable for investors holding shares in electronic form.

**This is Optional

Signed this _____ day of _____, 2020

Signature of Member

Signature of Proxy Holder

Please affix
Revenue
Stamp of
Re. 1.

Notes:

- 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.*
- **It is optional to indicate your preference. If you leave the 'For' or 'Against' blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.*


MACPOWER CNC MACHINES LIMITED

[Formerly known as Macpower CNC Machines Private Limited]

Registered Office: Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika,

Dist.-Rajkot, Gujarat, India

Tel: +91 2827 287930/31/32; Email: info@macpowercnc.com; website: www.macpowercnc.com

CIN: L30009GJ2003PLC043419

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

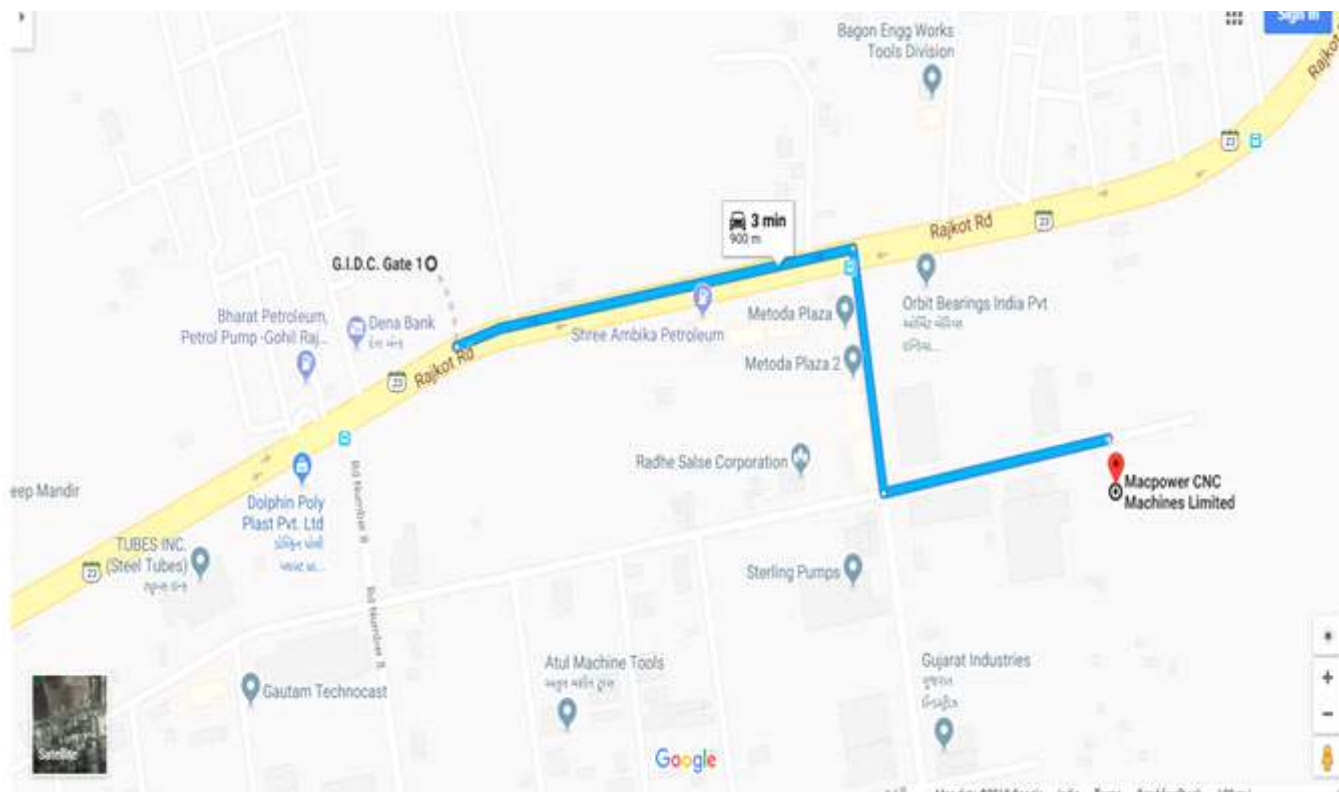
Name of the Member:			
Address of the Member:			
DP ID*:		Folio No:	
Client ID*:		No. of Shares	

I hereby record my presence at the 17th ANNUAL GENERAL MEETING of the Company held on **Tuesday, September 29, 2020** at **03:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist-Rajkot, Gujarat, India.

Signature of member/Proxy holder(s)

*Applicable for investors holding shares in electronic form.

Route Map for the Venue of Annual General Meeting



Venue of AGM	Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu. - Lodhika, Dist.-Rajkot, Gujarat, India
Date of AGM	September 29, 2020
Day of AGM	Tuesday
Time of AGM	03:00 P.M.

2019-20 Board's Report

Board's Report

To,
The Members,
 of Macpower CNC Machines Limited

Your Directors have pleasure in presenting their 17th Annual Report on business and operation of your company together with the Financial Statements for the year ended on March 31, 2020.

FINANCIAL RESULT

[INR in Lakh except EPS]

Particulars	Current Financial Year (2020)	Previous Financial Year (2019)
Revenue from Operations	8148.10	14,024.86
Other Income	104.87	292.03
Total Income	8252.97	14316.89
Profit/Loss before depreciation, Finance Costs, Exceptional items and Tax Expense	459.75	1950.04
Less: Depreciation/Amortization/ Impairment	98.56	118.20
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	361.19	1831.84
Less: Finance Costs	29.06	23.61
Profit/(Loss) before Exceptional items and Tax Expense	332.13	1808.23
Add/(less): Exceptional items	245.36	---
Profit/(Loss) before Tax Expense	577.49	1808.23
Less: Tax Expense [Current & Deferred]		

Current Income Tax	27.39	530.14
Deferred Tax Liability/(Asset)	138.01	13.62
Profit/(Loss) for the year	412.09	1264.47

OVERVIEW OF OPERATIONS

During the Financial Year, total revenue of your company stood at INR 82.52 Cr against INR 143.16 Cr during previous financial year, representing decline in Y-o-Y growth rate by 42.36%. The EBITDA of the Company fall by 76.46% from the last year and reached to INR 4.59 Cr from INR 19.50 Cr. This year your company's PAT comes to INR 4.12 Cr as last year it was INR 12.64 Cr, representing Y-o-Y growth rate decline by of 67.40%. Reduction in these due to overall resection in the market.

With regards to company's estimation of future impact of COVID-19 pandemic on its operation, there may be material impact on company's performance i.e. reduction in turnover and profitability due to lockdown in major part of India, almost each and every industry is distress recession and no one can escape from this, except some industries like Pharmaceutical, Healthcare, FMCG etc. considering the need and opportunity our company has taken immediate steps to develop and manufacture such products that could be compensate the negative impact as above. We believe that we could able to recover the loss caused due to lockdown.

However, Company is making its best to cope with the situation and to improve the performance of the Company.

For more details please refer Management Discussion Analysis Report in **Annexure - 7**.

CHANGE IN NATURE OF BUSINESS

There has been no change in the Nature of Business during the year.

TRANSFER TO RESERVE

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances and present financial situation, Board, has decided that it would be prudent to plough back profit and not to recommend any Dividend for the year under review for better future and growth and development of the Company.

MAJOR EVENTS OCCURRED DURING THE YEAR

During the year under review, following events occurred in your company which management believes that having an impact on the affairs of your company;

- This year under review, your company awarded with NSIC – CRISIL Rating: CRISIL MSE 1 by CRISIL [well known credit rating agency] that indicates ‘HIGHEST’ creditworthiness in relation to other Micro & Small Enterprises in August, 2019

- **Project Completion Update:**

In the year of 2018, your company listed on NSE Emerge platform with the objects to utilise funds of IPO for setting up backward integration facilities which includes setting up in house machining and civil construction at the Manufacturing facility which, inter-alia includes purchase of machinery, equipment’s and tooling’s for the machines.

During the year your company able to complete its objectives and as of today company has In-house spindle manufacturing capability which has been made operational by commissioning high end multi-axes grinding machine, separate sheet metal unit and powder coating unit and also purchased state of the art mother machineries, measuring instruments and high end software to eliminate rejection and rework in machining and increase productivity and quality.

Your company has prepared video and detail presentation on the subject titled “Project Completion” which is available over company’s website at www.macpowercnc.com

- During the year, your company has dispatched total 404 machines to various sectors which include :

1. Defence sector
2. Education sector
3. Research sector

- During the year, your company has exported machine to Nigeria

- **Delivered All New 5th Generation 2020 Machine Series:**

Because of the backward integration facility, your company able to deliver all new 5th generation machine series during this year.

MATERIAL CHANGES AND COMMITMENTS/KEY DEVELOPMENTS

The material change which has occurred between the end of financial year of the company and the date of this report is as under:

Manufacture of New Machine:

During this challenging time of COVID 19 pandemic, there is a continuous need of helping out to the society in one way or other in order to manage the situation well. In this regard in the month of May, 2020, Company has launched **HOT AIR SEAM SEALING MACHINE** for PPE suit.

Hot Air Seam Sealing is a process of sealing of holes made during sewing process using Specialized Tape which is applied on PPE Suit based on hot air principle to make it totally water and air proof to resist viruses.

Increase in Authorized Share Capital

Board of Directors of the Company has recommended to increase the Authorized Share Capital of the Company from Rs.10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) Equity Shares of face value of Rs.10/- each (Rupees Ten only) to Rs. 10,00,50,000 (Rupees Ten Crores and Fifty Thousand only) divided into 1,00,05,000 (One Crore and Five Thousand) Equity Shares of Rs.10/- each (Rupees Ten Only) by creation of additional 5,000 (Five Thousand) Equity Shares of Rs.10/- each (Rupees Ten Only) ranking pari-passu in all respect with the existing Equity Shares of the Company and shareholders have accord their approval by way of postal ballot voting on 25th June, 2020 and after that Company's Authorized Share Capital is increased to Rs. 10,00,50,000 (Rupees Ten Crores and Fifty Thousand only) divided into 1,00,05,000 (One Crore and Five Thousand) Equity Shares of Rs.10/- each.

Bonus Shares Allotment

Board of directors of the company has issued 1,96,160 bonus shares in the proportion of 2 (Two) equity shares for every 100 (One Hundred) existing equity shares by way of passing resolution on 22nd May, 2020 and shareholders have also accord their approval by way of postal ballot voting on 25th June, 2020.

Company has filed an application with NSE for obtaining in-principle approval for issue and allotment of 1,96,160 Equity shares of Rs.10/- on June 8, 2020 and the in-principle approval was received from NSE on June 29, 2020.

On July 4, 2020, the Board of Directors approved the allotment of Bonus Shares, to the existing equity shareholders of the Company whose names appear in the register of members / list of beneficiary owners as on record date, by passing resolution by circulation.

Board of directors has allotted 1,96,160 Equity bonus shares of Rs.10/- in their meeting held on 4th July, 2020. The said bonus shares get listed on NSE emerge platform as on 17th July, 2020 vide final listing approval from NSE dated 16th July, 2020. By this allotment of Bonus Shares, Paid-up Capital of the Company increased to Rs. 10,00,41,600 (Rupees Ten Crores and Forty one Thousand Six Hundred only) divided into 1,00,04,160 (One Crore and Four Thousand One Hundred and Sixty) Equity Shares of Rs.10/- each.

Migration to Main Board

As a path ahead, Board of directors in their meeting held on 22nd May, 2020 has passed the resolution for migration of Company from the NSE emerge platform to NSE Main board and shareholders accorded their approval through postal ballot voting on 25th June, 2020.

Company has filed an application with NSE for obtaining in-principle approval for Migration of company from NSE Emerge platform to NSE Main board on 29th July, 2020 and gets approval from NSE on August 10, 2020.

On August 11, 2020 Company has filed an application with NSE for obtaining final approval for migration of company from NSE Emerge platform to NSE Main board and gets approval From NSE ON 17th August, 2020.

From 19th August, 2020 Company's shares are listed on NSE Main board with 10004160 equity shares.

OVERVIEW OF INDUSTRY.

Machine tool sector is a basic capital good industry. It is a sub-sector of the engineering industry included under the category heavy engineering units. Machine tool segment produces mother machines therefore plays a vital role in the technological upgradation, quality control and cost in the engineering & manufacturing sector.

The Indian machine tool industry is expected to grow at a CAGR of 12.6% by 2020 and is expected to reach USD 2,588 million. With emphasis on Make in India and manufacturing, India is set become a key player in the global machine tools industry and is expected to see significant growth in high-end machine tool manufacturing.

There are currently about 1000 units in production of machine tools, accessories/attachments, subsystems and parts. Of these, around 25 in the large scale sector accounts for 70% of the turnover and the rest are in the MSME sector of the industry. The large organized players cater to India's heavy and medium industries whereas the small scale sector meets the demand of ancillary and other units.

Post COVID-19, the global machine tool market size is projected to reach USD 68.9 billion by 2021 from an estimated USD 65.6 billion in 2020, at a CAGR of 5.0%. The projections were based on the ongoing automotive industry production drop, which is the biggest consumer of machine tools and, additionally, the supply chain disruptions caused by the COVID-19 pandemic in the manufacturing industry.

Disclaimer: This information has been collected through secondary research and Company is not responsible for any errors in the same.

CAPITAL AND DEBT STRUCTURE

There is no change in capital structure of your company during the year under review. However after financial year ended on 31st March, 2020, Company has increased its Authorized Share Capital and Paid-up Share Capital as stated above.

Your company does not have Debt securities.

CREDIT RATING OF SECURITIES

Your company only has Equity shares and Credit rating is not applicable to equity securities. So, during the year no credit rating certificate related securities is taken as it is not applicable.

INVESTOR EDUCATION AND PROTECTION FUND [IEPF]

During the year under review, Company was not required to transfer any amount of dividend or any shares to Investor Education and Protection Fund.

But in the financial year of 2017-2018 and 2018-2019, your Company has declared dividend and the details of Unpaid/Unclaimed Dividend account of Members of the Company is given on the website of the Company –

<https://www.macpowercnc.com/investor/unpaid-or-unclaimed-dividend-details/>.

MANAGEMENT

i. Director and Key Managerial Personnel

Directors

Following are the Promoter Directors of the Company as on 31st March, 2020 and during the year under review, there has been no change in the Board of Directors of the Company:

Sr. No.	Names of Directors	Designation	DIN
1.	Mr. Rupesh J. Mehta	Managing Director	01474523
2.	Mr. Nikesh J. Mehta	Whole-Time Director	01603779
3.	Mrs. Riya R. Mehta	Non-Executive & Woman Director	01603726

Director retiring by rotation

Mrs. Riya R. Mehta, Non-Executive & Woman Director of the Company retires at this ensuing Annual General Meeting pursuant to provision of section 152(6) of the Companies Act, 2013 and being eligible, offer herself for re-appointment. Brief profile of Director seeking re-appointment is disclosed in **Annexure - 1** to Board's Report.

Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company as on March 31, 2020:

Sr. No.	Names of KMP	Designation	DIN
1.	Mr. Rupesh J. Mehta	Managing Director	01474523
2.	Mr. Nikesh J. Mehta*	Whole-Time Director(WTD) and Chief Executive Officer(CEO)	01603779
3.	Mr. Rajnikant Raja	CFO	-
4.	Mr. Sagar Rajyaguru	CS	-

*Mr. Nikesh Mehta, Whole time director of the company has been appointed and designated as Chief Executive Officer(CEO) of the company in the board meeting held on August 25, 2020

Change in KMP during the year

During the year under review following changes took place in the KMP of the Company:

CS Sagar Rajyaguru has been appointed as Company Secretary and Compliance officer of the Company w.e.f 19th March, 2020, and

Ms. Ekta Shukla has resigned as Company Secretary and Compliance officer of the Company w.e.f. 12th February, 2020.

ii. Independent Directors

Following are the Independent Directors of the Company and during the year under review there has been no change in the Independent Directors of the Company:

- 1) Mr. Maulik R. Mokariya [DIN: 05310868],
- 2) Mr. Rajubhai R. Bhanderi [DIN: 07986563] and
- 3) Mr. Deven J. Doshi [DIN: 07994505]

They have been appointed as Independent Directors for a period of five (5) years from November 17, 2017 to November 16, 2022.

In terms of the Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have enrolled themselves on the Independent Directors Databank and will undergo the online proficiency self-assessment test within the specified timeline unless exempted under the aforesaid Rules.

iii. Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and as per Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") at the first meeting of the Board of financial year. In Furtherance, Company has also received confirmation that that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive director and Independent Directors of the Company had no pecuniary relationship or transactions with the Company.

None of the Directors are disqualified to be continued to act as Director of the Company.

iv. Board Meeting

Seven meetings of the Board of Directors were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. For details of meetings of the Board, please refer below table:

Name of Directors Designation as on 31-03-2020	Rupesh J. Mehta Managing Director	Nikesh J. Mehta Whole-Time Director	Riya R. Mehta Non-Executive & Woman Director	Maulik R. Mokariya Independent Director	Rajubhai R. Bhanderi Independent Director	Deven J. Doshi Independent Director
Date of Board Meeting						
20/05/2019	Y	Y	Y	Y	Y	Y
19/08/2019	Y	Y	Y	Y	Y	Y
28/09/2019	Y	Y	Y	Y	Y	Y
14/11/2019	Y	Y	Y	Y	Y	Y
26/12/2019	Y	Y	Y	Y	Y	Y
12/02/2020	Y	Y	Y	Y	Y	Y
19/03/2020	Y	Y	Y	Y	Y	Y

During FY 2019-2020, meetings of the Independent Directors were held on 14/11/2019. The Independent Directors, inter-alia, reviewed the performance of Chairman of the Company and Board of Directors.

v. Committees of the Board

There are 4 Board Committees as on March 31, 2020 that have been formed, considering the needs of the Company, details of which are as follows;

Name of the Committee	Category and Composition			Date of Committee meetings	Presence
	Name	Category	Role in Committee		
Audit Committee	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 30/04/2019 (2) 20/05/2019	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Deven J. Doshi	Independent Director	Member	(3) 16/08/2019	
	Mr. Rupesh J. Mehta	Managing Director	Member	(4) 25/10/2019 (5) 14/11/2019 (6) 10/02/2020	
Stakeholders' Relationship Committee (SRC)	Mrs. Riya R. Mehta	Non-Executive & Woman Director	Chairperson	(1) 18/05/2019	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Nikesh J. Mehta	Whole-Time Director	Member	(2) 26/11/2019	
	Mr. Rupesh J. Mehta	Managing Director	Member	(3) 20/01/2020	
Nomination Remuneration Committee (NRC)	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 18/05/2019 (2) 10/02/2020	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Deven J. Doshi	Independent Director	Member		
	Mrs. Riya R. Mehta	Non-Executive and Woman Director	Member		
Corporate Social Responsibility Committee	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 20/05/2019 (2) 10/02/2020	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Rupesh J. Mehta	Managing Director	Member		
	Mr. Nikesh J. Mehta	Whole-Time Director	Member		

Stakeholders Relationship Committee – Other Details

- a. W.e.f 22nd May, 2020, Stakeholder Relationship Committee is reshuffled and following is the reshuffled Composition of Stakeholder Relationship Committee:

Sr. no.	Name	Category	Role in Committee
1.	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson
2.	Mr. Nikesh J. Mehta	Whole-Time Director	Member
3.	Mr. Rupesh J. Mehta	Managing Director	Member

- b. Name, Designation and Address of Compliance Officer as on 31st March, 2020

*Sagar Rajyaguru
 Company Secretary
 Macpower CNC Machines Limited
 Plot No. 2234, Near Kranti Gate,
 GIDC Metoda – 360 021, Talu – Lodhika,
 Dist – Rajkot, Gujarat, India
 Telephone: +91 2827 287930

*Pursuant to Resignation of Miss Ekta Shukla w.e.f 12th February, 2020, Mr.SagarRajyaguru appointed as company secretary and compliance officer of the company w.e.f. 19th March, 2020

- c. Details of investor complaints received and redressed during F.Y.2019-2020 are as follows;

At the Beginning of the year	Received during the year	Resolved during the year	At the end of the year
0	0	0	0

vi. Company's Policy /Terms of Reference of committees

Silent features of Terms of Reference of Committees;

Name of Committee	Terms of Reference
Audit Committee	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing (LODR) Regulations, 2015 and Section 177 of the Act.</p> <ul style="list-style-type: none"> • Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; • Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity; • Approval of payment to statutory auditors for any other services rendered by the statutory auditors; • Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval; • Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to; <ul style="list-style-type: none"> ➤ matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; ➤ changes, if any, in accounting policies and practices and reasons for the same; ➤ major accounting entries involving estimates based on the exercise of judgment by management; ➤ significant adjustments made in the financial statements arising out of audit findings; ➤ compliance with listing and other legal requirements relating to financial statements; ➤ disclosure of any related party transactions; ➤ modified opinion(s) in the draft audit report

	<ul style="list-style-type: none"> Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter; Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; Approval or any subsequent modification of transactions of the listed entity with related parties; Scrutiny of inter-corporate loans and investments; Valuation of undertakings or assets of the listed entity, wherever it is necessary; Evaluation of internal financial controls and risk management systems; Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; Reviewing the adequacy of internal audit function, if any, 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; Discussion with internal auditors of any significant findings and follow up there on; The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
--	---

	<ul style="list-style-type: none"> • The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board. • To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; • To review the functioning of the whistle blower/Vigil mechanism; • Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and; • Audit committee shall oversee the vigil mechanism. • Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings. • Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015. <p>Further, the Audit Committee shall mandatorily review the following:</p> <ol style="list-style-type: none"> a) Management discussion and analysis of financial condition and results of operations; b) Statement of significant related party transactions (as defined by the audit committee), submitted by management; c) Management letters / letters of internal control weaknesses issued by the statutory auditors; d) Internal audit reports relating to internal control weaknesses; and e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee. f) Statement of deviation
--	--

Nomination and Remuneration Committee	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Act.</p> <ol style="list-style-type: none"> 1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees; 2. Formulation of criteria for evaluation of independent directors and the Board; 3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; 4. Devising a policy on Board diversity; and 5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. 6. Other matters as may be prescribed from time to time to be deal with or handled by the Audit Committee pursuant to provisions of the Companies Act, 2013 the Rules there under, SEBI (LODR) Regulations, 2015 and any other functions as may be assigned to the committee by the Board from time to time.
Stakeholders' Relationship Committee	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Act.</p> <ol style="list-style-type: none"> 1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures; 2. Redressal of security holder's / investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures; 3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities; 4. Issue of duplicate certificates and new certificates on split/consolidation/renewal; 5. Allotment and listing of shares; 6. Reference to statutory and regulatory authorities regarding investor grievances;

	<p>7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;</p> <p>8. Any other power specifically assigned by the Board of Directors of the Company</p>
Corporate Social Responsibility (“CSR”) Committee	<p>Committee is constituted in line with the provisions of Section 135 of the Act.</p> <p>1. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act.</p> <p>2. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.</p> <p>3. Monitor the CSR Policy.</p>

vii. Company’s Policy on Directors’ Appointment and Remuneration

Remuneration policy of the Company is designed to create a high-performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and requires employee mobility to address project needs. The remuneration policy supports such mobility through pay models that are compliant to local regulations.

The Company pays remuneration by way of salary, benefits, perquisites and allowances etc. to its Managing Director & the Executive Directors. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the Board and Members.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission payable to the Managing Director and the Executive Directors out of the profits for the financial year and within the ceilings prescribed under the Act, based on the Board evaluation process considering the criteria such as the performance of the Company as well as that of the Directors. The said commission is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings. The Company may reimburse the out-of-pocket expenses incurred by the Directors for attending the meetings.

Nomination and Remuneration policy is placed on the website of the Company at <https://www.macpowercnc.com/investor/policies/>.

viii. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI (LODR) Regulations, 2015.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company were evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

As per Companies Act, 2013, Board has made annual evaluation of its own performance and also of its committees and Individual Directors. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. Board of Directors is actively taking an action for evaluation.

Observations of board evaluation carried out for the year	:	NIL
Previous year's observations and actions taken	:	NIL
Proposed actions based on current year observations	:	NOT REQUIRED

ix. Remuneration of Directors and Employees

Details of Remuneration of Executive Directors for the year ended on March 31, 2020:

Name of Director	Designation	Amount of Remuneration
Mr. Rupesh J. Mehta	Managing Director	INR 36,00,000/-
Mr. Nikesh J. Mehta	Whole-Time Director	INR 7,20,000/-

The Company has not paid any remuneration/commission/sitting fees to Non-Executive director and Independent Directors.

Particulars of employees:

Disclosure pertaining to remuneration and other details as required under the Act read with Rule 5 of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 and amendments thereof are provided in the Annual Report. Particulars of Employees in terms of the provisions of Section – 197(12) of the Act read with Rule 5 is attached with this report as **Annexure - 3**.

x. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(3)(C) and 134(5) of the Companies Act, 2013, Your directors confirm, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the year and the profit and loss of the company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;
- (f) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

Internal financial controls” means the policies and procedures adopted by the company 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.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2019-20.

xi. Internal Financial Controls and Internal Audit

During the year 2019-20, Pursuant to resignation of Mr. Vishal Pandya, your Company has appointed Mr. Pratik Siroya as on 20th May, 2019 to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations.

Based on its evaluation [as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015], our audit committee has concluded that, as of March 31, 2020, our internal financial controls were adequate and operating effectively.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Your company has no holding/subsidiary/associate company. So, disclosure in AOC-1 required under section 129 of the Act is not applicable to your company.

DETAILS OF DEPOSITS

Your company has not accepted any deposits and as such no amount of Principal or Interest was outstanding as of the Balance Sheet.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Your Company has not made any transaction that was falling under the ambit of section-186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Your Company has entered into transaction with Related Parties at Arm's Length Basis. Particulars of contracts or arrangements with related parties referred to section – 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure - 2** to the Board's Report.

CORPORATE SOCIAL RESPONSIBILITIES

Your Company is falling under the ambit of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility. During the year 2019-20, Company was required to spent amount of Rs. 19,83,308 as CSR Expenditure. However, Company has not found proper avenues in which Company can spent such amount which could suffice the exact motto behind the CSR Expenditure and Company assures that it will spend the amount of CSR Expense which will be beneficial to the Society.

The brief outline of the Corporate Social Responsibilities [CSR] policy of the Company and the initiatives undertaken by your company on CSR activity during the year under review are set out in **Annexure -8** of this report in the format prescribed in the Companies [Corporate Social Responsibility Policy] Rules, 2014. The CSR policy is available on <https://www.macpowercnc.com/investor/policies/>.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2015 is furnished in **Annexure - 6** attached to this report.

RISK MANAGEMENT

The Audit Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit committee has additional overview in area of financial risks and controls.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior and to report instances of leak of unpublished price sensitive information. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company at <https://www.macpowercnc.com/investor/policies/>.

The Audit Committee is continuously verifying the Whistle Blower policy (vigil mechanism) which provides a format mechanism for all stakeholders, employees and directors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behavior towards stakeholder/employee of the company, leak of UPSI, actual or suspected fraud or violation of the Company's Code of Conduct.

MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS

During the year under review, there are no significant or material orders passed by the Regulators/Courts/Tribunals that could impact the going concern status of the company and its future operations.

AUDITORS

The Details of the Auditors of the Company are as stated below:

Name of Auditor	Type of Auditor	Term of Appointment	Changes during the year
M/s. S. C. Makhecha & Associates (FRN:	Statutory Auditor, Rajkot	Appointed in 15 th AGM [i.e. AGM for 2017-18] for consecutive term of 5 years from 15 th Annual General Meeting till the Conclusion of 20 th AGM (i.e. F.Y2022-23.)	No change during the year
M/s. K. P. Rachchh & Co. FCS: 5156	Secretarial Auditor	Appointed to conduct audit for FY 2019-20.	No change during the year
M/s. Borad Sanjay B & Associates	Cost Auditor	Appointed to conduct cost audit for FY 2019-20.	No change during the year
CA Pratik Siroya	Internal Auditor	Appointed to conduct Internal Audit w.e.f. 22.05.2019 for the year 2019-20.	Change in Internal Auditor due to resignation by earlier appointed auditor Mr. Vishal Pandya.

AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark, or disclaimer.

No fraud has been reported by the Auditors under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

The secretarial audit report does not contain any qualifications, reservations, or adverse remarks or disclaimer. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith to this Report. Secretarial Auditors' Report in the prescribed format i.e. MR-3 is attached in this report as **Annexure - 4**.

ANNUAL SECRETARIAL COMPLIANCE REPORT – REGULATION 24A OF SEBI [LODR]

Being listed on SME platform of Stock Exchange i.e. NSE as on 31st March, 2020, Regulation – 24A of LODR with reference to SEBI's Circular dated February 08, 2019 is not applicable as the same been exempted in Regulation – 15(2) of SEBI [LODR].

COMPLIANCE WITH SECRETARIAL STANDARDS

We, the Directors of the Company, hereby state the Company has complied all applicable Secretarial Standards to the applicable extend.

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-2020 is given in **Annexure – 5** in the prescribed Form No. MGT-9, which is a part of this report. The same is available <https://www.macpowercnc.com/investor/annual-report/>.

COST AUDITORS

The Board has appointed M/s. Borad Sanjay B & Associates, Cost Accountants for conducting the audit of cost records of the Company for single segment for the financial year 2019-20 as recommended by the Audit Committee. In furtherance, Company has re-appointed M/s. Borad Sanjay B & Associates, Cost Accountants for the year 2020-21 at a remuneration of Rs. 35,000/- and As required under Section-148 and Rule 14 of the Companies [Audit and Auditors] Rules, 2014, a resolution is being placed at the ensuing Annual General Meeting for ratification of remuneration payable to said Cost Auditors.

ADDITIONAL DISCLOSURES UNDER LISTING REGULATIONS

i. STATEMENT OF DEVIATION OR VARIATION

Your Company got listed at Emerge platform of NSE on March 22, 2018 and allotted 26,15,000 Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 140/- [including of security premium of Rs. 130/-each] with intended to utilize for Setting Up Backward Integration and General Corporate Purpose.

In terms of Regulation 32 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 there is no deviation/variation in issue proceeds of public issue from stated in the Prospectus of the Company.

As on 31st March, 2020, the company has fully utilized IPO funds and the relevant details are mentioned under the table given below:

As on March 31, 2020

Statement of Deviation and variation	
Name of the listed entity	MACPOWER CNC MACHINES LIMITED
Mode of Fund Raising	Public Issues / Rights Issues / Preferential Issues / QIP / Others (Pre-IPO Placement)
Date of Raising Funds	Pre-IPO Private - 27/02/2018 Placement Initial Public Offer(IPO) - 20/03/2018
Amount Raised	Through Pre-IPO Placement:-5,35,50,000 Initial Public Offer(IPO) :- 36,61,00,000 <hr/> TOTAL 41,96,50,000
Report filed for Quarter ended	March, 2020
Monitoring Agency	Applicable / Not Applicable
Monitoring Agency Name, if applicable	Not Applicable
Is there a Deviation / Variation in use of funds raised	YES/NO
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If Yes, Date of shareholder Approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	NIL
Comments of the auditors, if any	NIL
Objects for which funds have been raised and where there has been a deviation, in the following table	

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
1. Setting Up Backward Integration Facility	NA	41,96,50,000	NIL	44,64,04,222	NIL	Excess Fund Utilization of Rs. 2,67,54,222 are made from the Interest amount Accrued on the Fixed deposits of IPO Proceeds
2. General Corporate Purpose						

ii. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

Management Discussion and Analysis report is presented herewith as **Annexure – 7.**

iii. CORPORATE GOVERNANCE REPORT

As on 31st March, 2020, the Company being SME Listed Company Corporate Governance Report is not applicable and hence the same is not presented here.

DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013 and the Rules thereunder. The policy is placed at the website of the Company at <https://www.macpowercnc.com/investor/policies/>.

There have been no complains related sexual harassment reported during the year under review.

INSURANCE

The assets of the company including buildings, plant & machinery, stocks, etc. wherever necessary and to the extent required have been adequately insured against various risks.

SEGMENT REPORTING

The Company is engaged in the business of manufacturing of CNC Turning Centers, Vertical Machining Centers [VMC], Horizontal Machining Centers [HMC], Cylindrical Grinder, Vertical Turret Lathe [VTL], Turn Mill Centers, Drill Tap Center [DTC], Twin Spindle Turning & VMC along with robotic automation solutions. Considering the nature of the Business and Financial Reporting of the Company, the segment reporting is not applicable to company as your company's business in single segment.

HUMAN RESOURCE DEVELOPMENT

Your Company continued to focus on attracting new talent while investing in organic talent development to help employees acquire new skills, explore new roles and realize their potential.

The Company's relation with human resource continued to be cordial during the year under review. The Board wishes to take place on record its appreciation for the valuable services rendered by its entire workforce. During the year there was no instance of Strike, Lock out or another issues related to Human Resources. However as per Government's order of Lock Down due to outbreak of covid19, the Company's operations were closed w.e.f 25th March, 2020 and restarted its partial operations w.e.f 21st April, 2020 in accordance with the guidelines provided by the government and in accordance with requisite approvals of appropriate authorities.

ACKNOWLEDGMENTS

The Directors thank the Company's employees, customers, vendors, investors and academic partners for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the work family.

Stakeholders support is also acknowledged by the Management of the Company.

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

ANNEXURE - 1

**Brief profiles of director seeking Re-appointment in forthcoming Annual General Meeting
[17th AGM]**

Name of Director	Riya R. Mehta
Date of Birth	25/05/1974
Date of Appointment	01/04/2004
Education Qualification	Matriculation Certificate from Secondary Education Board of Andhra Pradesh.
Expertise in Specific functional area	<ul style="list-style-type: none"> • She is associated with the Human Resource related activities of the company • She has 13 years of experience in the field of Human Resource Management
Disclosure of relationship between directors inter-se	Mr. Rupesh Mehta, Chairman and Managing Director of the Company [Husband]
Number of Board Meetings Attended	A detail regarding number of Board Meetings attended by Mrs. Riya R. Mehta is given in the Board's Report.
List of public companies in which Directorship held including in the company	ONE Macpower CNC Machines Limited
Chairman/Member of the committees including in the Company	Member –Nomination And Remuneration Committee Chairman – Stakeholder Relationship Committee (upto 22 nd May, 2020)
Chairman/Member of the committees of Directors of other Companies	NIL
No. of shares held in this Company as on 31st March, 2020	17,76,600 shares i.e. 18.11%

ANNEXURE - 2

Form No. 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]

For disclosure of particulars of contracts/arrangements entered into by the company with referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis
DISCLOSED

Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangement / transactions	Salient terms of the contracts or arrangement s or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Rupesh J. Mehta [Managing Director]	Remuneration	Upto November 16, 2022	36,00,000/-	20/05/2019	---
Nikesh J. Mehta [Whole-Time Director]	Remuneration	Upto November 16, 2022	7,20,000/-	20/05/2019	---
Rupesh J. Mehta [Managing Director]	Sale of Vehicle	One time Event	79,500/-	20/05/2019	---
Nikesh J. Mehta [Whole-Time Director]	Sale of Vehicle	One time Event	41,000/-	20/05/2019	---
Modern Machine Tools [Proprietorship of Mrs. Raxaben Jagdish Mehta] [Relative of Directors]	Purchases [Parts and Tools]	Ongoing but Approved by Board of Directors Yearly	6,25,634	20/05/2019	---

Modern Machine Tools [Proprietorship of Mrs. Raxaben Jagdish Mehta] <i>[Relative of Directors]</i>	Sales	Ongoing but Approved by Board of Directors Yearly	3,98,546	20/05/2019	---
---	-------	---	----------	------------	-----

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

ANNEXURE - 3

PARTICULARS OF EMPLOYEES/REMUNERATION

Details of Remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Director/KMP	Designation	Ratio to median remuneration [annually]	% increase in remuneration in Financial Year 2019-20
Rupesh J. Mehta	Managing Director	12x	---
Nikesh J. Mehta	Whole-Time Director	2.4x	---
Riya R. Mehta	Non-executive & Woman Director	Not applicable as no Remuneration	---
Rajnikant M. Raja	CFO	2.4x	---
Ekta P. Shukla	CS	0.94x	---
Sagar R. Rajyaguru**	CS	0.04x	---

* Miss Ekta P. Shukla, Company secretary and Compliance Officer of the company has resigned from her designation with effect from 12th February, 2020

** Mr. Sagar R. Rajyaguru, has been appointed as company secretary and compliance officer of the company with effect from 19th March, 2020

Notes:

1. No sitting fees and commission paid to Independent Directors during the year under review.
- The percentage increases in the median remuneration of employees for the financial year 2019-20 is 0% to 2%.
 - The number of permanent employees on the rolls of the company as on March 31, 2020 is **340**
 - The average increase in the managerial remuneration for the F.Y 2019-20 is 0% and the average increase in the salary of employees other than managerial personnel for the FY 2019-20 is upto 0%.
- On an average, employees received an annual increase of upto 5%. The individual increments varied from 5% to 15% based on individual performance.*
- In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.*
- The remuneration stated above is in accordance with the remuneration policy of the company.

Information of Top 10 Employees as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereof

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid in Re. (For the year 19-20)	Previous employment	Relative of any director / Manger (Yes/No) If yes then name of such director and manager
1	*Balasaheb G. Bastawade	DGM - Assembly	DIP in Mechanical	53	23	17/07/2016	14,10,279	PMT Machines Limited	No
2	*Jitendra P. Mehta	President - R & D	B.E.	65	47	01/08/2017	10,09,615	Personal	No
3	Atul P. Sardhara	DGM - Sales & Service [Gujarat]	M.B.A.	39	10	18/07/2013	11,49,605	Mehta Cad Cam Systems Pvt. Ltd.	No
4	Vaibhav R. Patil	GM - Sales & Marketing [Maharashtra]	B.E.	40	12	01/01/2013	14,62,644	Precihole Machines Tools Pvt. Ltd.	No
5	*Rajinder Jain	Manager - Sales & Service [NCR]	P.G.D.B.M	34	13	16/03/2017	5,40,456	Bonsai Engg. Works	No
6	*Anthony Masih	DGM SALES	DME	41	20	01/04/2019	5,21,979	Marshall Machines Ltd	No
7	*Vivek C. Haridas	Product Head - Sales	Master in Management	51	40	01/09/2018	7,19,304	Grindmaster	No
8	Salil Kumar	VP SALES & Service	M.Tech Production & B.E. Mechanical	54	32	14/03/2019	1084101	ISGEC Heavy Engg. Ltd	No
9	Padmanaban K.	DGM Sales & Service	M. Tech	32	16	15/3/2019	771226	Jyoti CNC Automation Ltd	No

10	*Manjunath	DGM Design Sheet Metal	B.E.	47	18	1/04/ 2019	443230	Indian Design Center pvt.ltd	No
11	Nakum Ashishbhai Bavanjibhai**	COO	DME	39	18	1/06/ 2019	1117258	COSMOS IMPEX PVT.LTD	No
12	Sakhiya Amitkumar**	Manager VMC	B.E.MECHN ICAL	33	10	1/06/ 2019	830413	COSMOS IMPEX PVT.LTD	No
13	Anish Doshi	Country Head Sales & Marketing	M.B.A	47	15	1/05/ 2014	921470	Matrix Weighing Systems Pvt.Ltd	No
14	*Ravaliya Jigneshbhai Dhansukhbhai	Manager Assembl y	B.E.PRODU CTION	34	9	20/05/ 2019	301510	Jyoti CNC Automati on ltd	No

*Balasaheb G. Bastawade has resigned on 28th February, 2020

*Jitendra P. Mehta has resigned on 22nd November, 2019

*Rajinder Jain has resigned on 31st October, 2019

*Anthoni Masih and Vivek C. Haridas has resigned on 31st December, 2019

*Manjunath has resigned on 21st August, 2019

*Ravaliya Jigneshbhai Dhansukhbhai has resigned on 31st August, 2019

**Salary counted with reference to appointment period.

Note: Details of Top 10 Employees in terms of Remuneration has been given excluding Managing Director and Whole-Time Director. Aforementioned Employees do not hold Equity Shares of the Company more than 2%.

**Place: Metoda, Rajkot
Date: August 25, 2020**

**For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED**

**[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST 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]

To,
The Members,
MACPOWER CNC MACHINES LIMITED
(CIN: L30009GJ2003PLC043419)
Plot No. 2234, Nr. Kranti Gate, GIDC Metoda,
Tal. Lodhika, Dist. Rajkot- 360021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MACPOWER CNC MACHINES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by MACPOWER CNC MACHINES LIMITED ("the Company") for the financial year ended on 31st March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and further amendments thereto and as per applicability to the company;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities Contracts (Regulation) Amendment Act, 2007 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, transfer and transmission of shares;
- (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 and amendments thereto;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable** during the Audit period, as the Company has not issued any Capital during the year under review.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable** during the Audit period as the Company has not made any ESOP.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable** during the Audit period as the Company has not issued such debt securities.
- (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; **Not Applicable** during the Audit period and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable** during the Audit period as the Company has not processed any buy back of its securities.

(vi) The Company has identified the following laws as specifically applicable to the Company:

1. Explosive Act, 1884

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 Agreement entered into Company with National Stock Exchange of India Limited and the Company is listed on NSE SME Emerge and thereby Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable to the extent applicable to SME Listed Company.

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. During the period under review, Company Secretary and Compliance officer of the Company has resigned and ceased w.e.f 12th February, 2020 and new qualified Company Secretary and Compliance officer is appointed w.e.f 19th March, 2020 in Compliance with the provisions of the Act.

Adequate notice was 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.

All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be. There were no dissenting views on any matter.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the respective Heads of Departments of the Company and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

For : K. P. Rachchh & Co.
Company Secretaries

Place : Rajkot
Date : 25th August, 2020
UDIN : F005156B000615326

Kalpesh P. Rachchh
Proprietor
FCS No. : 5156
C P No.: 3974

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
MACPOWER CNC MACHINES LIMITED
(CIN: L30009GJ2003PLC043419)
Plot No. 2234, Nr. Kranti Gate, GIDC Metoda,
Tal. Lodhika, Dist. Rajkot- 360021

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For : K. P. Rachchh & Co.
Company Secretaries

Place : Rajkot
Date : 25th August, 2020
UDIN : F005156B000615326

Kalpesh P. Rachchh
Proprietor
FCS No. : 5156
C P No.: 3974

ANNEXURE - 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	Details
1	CIN	L30009GJ2003PLC043419
2	Registration Date	31/12/2003
3	Name of the Company	MACPOWER CNC MACHINES LIMITED (Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED)
4	Category/Sub Category of the Company	COMPANY LIMITED BY SHARES/INDIAN NON GOVERNMENT COMPANY
5	Address of the Registered office and Contact Details	PLOT NO.2234, NR. KRNATI GATE, GIDC METODA – 360 021, TAL. LODHIKA, DIST. EMAIL: cs@macpowercnc.com Ph.No: 02827-287930/31/32, Fax No. 02827-287933 Website: http://www.macpowercnc.com/
6	Whether Listed Company: Yes/No	Yes at NSE Emerge
7	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	LINK INTIME INDIA PRIVATE LIMITED 5 th Floor, 506-508, Amarnath Business Centre-1 [ABC-1], Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road , Ellisebridge, Ahmedabad – 380 006, GUJARAT, INDIA Phone No. 079-26465179/86/87, E-mail : ahmedabad@linkintime.co.in Website : https://linkintime.co.in/

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. No.	Name and Description of main products / services	NIC Code of the Product/ service [according to NIC 2008 series]	% to total turnover of the company
1	Manufacture of CNC Machines	28221	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
NIL					

IV. SHAREHOLDING PATTERN*(Equity Share Capital Breakup as Percentage of total Equity) Category -Wise Share Holding***1 Category-wise Share Holding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	6822500	0	6822500	'69.5606	6848000	0	6848000	69.8206	0.26
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	6822500	0	6822500	'69.5606	6848000	0	6848000	69.8206	0.26
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6822500	0	6822500	'69.5606	6848000	0	6848000	69.8206	0.26
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	406000	0	406000	'4.1395	91500	0	91500	0.9329	-3.2066
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	765500	0	765500	'7.8049	813500	0	813500	8.2942	0.4893
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	288500	0	288500	'2.9415	448500	0	448500	4.5728	1.6313
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds / Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	1460000	0	1460000	'14.8858	1353500	0	1353500	13.8000	-1.0858
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	407500	0	407500	'4.1548	437500	0	407500	4.4606	0.3058
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	312000	0	312000	'3.1811	386500	0	312000	3.9407	0.7596
(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Trusts	218000	0	218000	'2.2227	218000	0	218000	'2.2227	'0.0000
	Hindu Undivided Family	32500	0	32500	'0.3314	65000	0	65000	0.6627	0.3313
	Non Resident Indians (Non Repat)	7000	0	7000	'0.0714	7500	0	7500	0.0765	0.0051
	Non Resident Indians (Repat)	20000	0	20000	'0.2039	26000	0	26000	0.2651	0.0612
	Clearing Member	249000	0	249000	'2.5387	4000	0	4000	0.0408	-2.4979
	Bodies Corporate	279500	0	279500	'2.8497	462000	0	462000	4.7104	1.8607
	Sub Total (B)(3)	1525500	0	1525500	'15.5536	1606500	0	1606500	16.3795	0.8259
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2985500	0	2985500	'30.4394	2960000	0	2960000	30.1794	-0.26
	Total (A)+(B)	9808000	0	9808000	'100.0000	9808000	0	9808000	100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	9808000	0	9808000	'100.0000	9808000	0	9808000	'100.0000	

2 Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
					No. of Shares held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	RUPESHKUMAR JAGDISHCHANDRA MEHTA	3149000	32.1064	'0.0000	3149000	32.1064	'0.0000	'0.0000
2	RIYABEN RUPESHKUMAR MEHTA	1776600	18.1138	'0.0000	1776600	18.1138	'0.0000	'0.0000
3	NIKESH JAGDISHCHANDRA MEHTA	1196400	12.1982	'0.0000	1205900	12.2951	'0.0000	0.0969
4	RAXABEN JAGDISHCHANDRA MEHTA	374120	3.8144	'0.0000	375000	3.8234	'0.0000	0.009
5	MEHTA NIMISHABEN NIKESHBHAI	289000	2.9466	'0.0000	292000	2.9772	'0.0000	0.0306
6	MEHTA RUPESHKUMAR JAGDISHCHANDRA (HUF)	940	0.0096	'0.0000	1000	0.0102	'0.0000	0.0006
7	MEHTA PRITIBEN JAGDISHBHAI	36440	0.3715	'0.0000	48500	0.4945	'0.0000	0.1230
	Total	6822500	69.5606	'0.0000	6848000	69.8206	'0.0000	0.26

3 Change in Promoters' Shareholding (please specify, if there is no change):

Sr. No.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	Shareholding at the beginning of the year - 2019		Transactions during the year			Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	Date	Increase /Decrease in Share holding	Reason	No of shares	*% of total shares of the company
1	RUPESHKUMAR JAGDISHCHANDRA MEHTA							
	At the beginning of the year	3149000	32.1064				3149000	32.1064
	Changes during the year	0	0.00				0	0.00
	At the end of the year						3149000	32.1064
2	RIYABEN RUPESHKUMAR MEHTA							
	At the beginning of the year	1776600	18.1138				1776600	18.1138
	Changes during the year	0	0.00				0	0.00
	At the end of the year						1776600	18.1138
3	NIKESH JAGDISHCHANDRA MEHTA							
	At the beginning of the year	1196400	12.1982				1196400	12.1982
	Changes during the year			06/09/2019	5500	Purchase	1201900	12.2543
				22/11/2019	4000	Purchase	1205900	12.2951
	At the end of the year						1205900	12.2951
4	RAXABEN JAGDISHCHANDRA MEHTA							
	At the beginning of the year	374120	3.8144				374120	3.8144
	Changes during the year			06/09/2019	1000	Purchase	375120	3.8246
				28/02/2020	(120)	Sale	375000	3.8234
	At the end of the year						375000	3.8234
5	MEHTA NIMISHABEN NIKESHBHAI							
	At the beginning of the year	289000	2.9466				289000	2.9446
	Changes during the year			06/09/2019	2500	Purchase	291500	2.9721
				20/09/2019	5000	Purchase	292000	2.9772
	At the end of the year						292000	2.9772

Sr. No.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	Shareholding at the beginning of the year 2019		Transactions during the year			Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	Date	Increase /Decrease in Share holding	Reason	No of shares	*/% of total shares of the company
6	MEHTA PRITIBEN JAGDISHBHAI							
	At the beginning of the year	36440	0.3715				36440	0.3715
	Changes during the year			20/09/2019	7000	Purchase	43440	0.4429
				28/02/2020	60	Purchase	43500	0.4435
				20/03/2020	4000	Purchase	47500	0.4843
				27/03/2020	1000	Purchase	48500	0.4945
	At the end of the year						48500	0.4945
7	MEHTA RUPESHKUMAR JAGDISHCHANDRA (HUF)							
	At the beginning of the year	940	0.0096				940	0.0096
	Changes during the year			28/02/2020	60	Purchase	1000	0.0102
	At the end of the year						1000	0.0102

Notes

1. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

4 Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*/% of total shares of the company
1	VANTAGE EQUITY FUND							
	At the beginning of the year	714000	7.2798				714000	7.2798
	Changes during the year			24/01/2020	(133000)	Sale	581000	5.9237
	At the end of the year						581000	5.9237
2	MASSACHUSETTS INSTITUTE OF TECHNOLOGY							
	At the beginning of the year	288500	2.9415				288500	2.9415
	Changes during the year			05/04/2019	2000	Purchase	290500	2.9619
				19/04/2019	38000	Purchase	328500	3.3493
				26/04/2019	26500	Purchase	355000	3.6195
				10/05/2019	37000	Purchase	392000	3.9967
				17/05/2019	8000	Purchase	400000	4.0783
				06/05/2019	48500	Purchase	448500	4.5728
	At the end of the year						448500	4.5728
3	MARWADI SHARES AND FINANCE LTD.							
	At the beginning of the year	12500	0.1274				12500	0.1274
	Changes during the year			24/05/2019	36000	Purchase	48500	0.4945
				31/05/2019	500	Purchase	49000	0.4996
				07/06/2019	(500)	Sale	48500	0.4945
				14/06/2019	73000	Purchase	121500	1.2388
				21/06/2019	18000	Purchase	139500	1.4223
				29/06/2019	19500	Purchase	159000	1.6211
				19/07/2019	22000	Purchase	181000	1.8454
				26/07/2019	(1000)	Sale	180000	1.8352
				02/08/2019	10000	Purchase	190000	1.9372
				30/08/2019	7000	Purchase	197000	2.0086
				06/09/2019	23500	Purchase	220500	2.2482
				27/09/2019	(1000)	Sale	219500	2.2380
				04/10/2019	20500	Purchase	240000	2.4470
				25/10/2019	500	Purchase	240500	2.4521

Sr. No.	Share holding at the beginning of the Year				Increase /Decrease in Share holding	Reason	Cumulative Share	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company	Date			No of shares	*% of total shares of the company
	MARWADI SHARES AND FINANCE LTD. CONTINUE.			08/11/2019	500	Purchase	241000	2.4572
	Changes during the year			29/11/2019	2000	Purchase	243000	2.4776
				06/12/2019	(500)	Sale	242500	2.4725
				13/12/2019	(1000)	Sale	241500	2.4623
				20/12/2019	1000	Purchase	242500	2.4725
				27/12/2019	(500)	Sale	242000	2.4674
				03/01/2020	500	Purchase	242500	2.4725
				17/1/2020	(500)	Sale	242000	2.4674
				31/1/2020	500	Purchase	242500	2.4725
				07/02/2020	500	Purchase	243000	2.4776
				13/03/2020	2000	Purchase	245000	2.4980
				27/03/2020	(3500)	Sale	241500	2.4623
4	PANTOMATH SABRIMALA AIF PANTOMATH SABRIMALA SME GROWTH FUND SERIES I							
	At the beginning of the year	218000	2.2227				218000	2.2227
	Changes during the year	0	0				0	0
	At the end of the year						218000	2.2227
5	MICRO STRATEGIES FUND							
	At the beginning of the year	0	0.0000				0	0.0000
	Changes during the year			24/01/2020	133000	Purchase	133000	1.3560
				28/02/2020	43000	Purchase	176000	1.7945
	At the end of the year						176000	1.7945
6	SHREE MARUTI COURIER SERVICES PRIVATE LIMITED							
	At the beginning of the year	101000	1.0298				101000	1.0298
	Changes during the year	0	0				0	0
	At the end of the year						101000	1.0298
7	HSBC INFRASTRUCTURE EQUITY FUND							
	At the beginning of the year	406000	4.1395				406000	4.1395
	Changes during the year			12/04/2019	(7000)	sale	399000	4.0681
				19/04/2019	(33000)	Sale	366000	3.7316
				26/04/2019	(30000)	Sale	336000	3.4258
				10/05/2019	(33000)	Sale	303000	3.0893
				17/05/2019	(5500)	Sale	297500	3.0332
				24/05/2019	(500)	Sale	297000	3.0281
				07/06/2019	(25000)	Sale	272000	2.7732
				14/06/2019	(500)	Sale	271500	2.7681
				29/06/2019	(500)	Sale	271000	2.7631
				30/08/2019	(1500)	Sale	269500	2.7478
				25/10/2019	(2000)	Sale	267500	2.7274
				01/11/2019	(4500)	Sale	263000	2.6815
				08/11/2019	(5500)	Sale	257500	2.6254
				22/11/2019	(1000)	Sale	256500	2.6152
				29/11/2019	(65500)	Sale	191000	1.9474
				13/12/2019	(2000)	Sale	189000	1.9270
				20/12/2019	(500)	Sale	188500	1.9219
				24/01/2020	(16500)	Sale	172000	1.7537
				31/01/2020	(6500)	Sale	165500	1.6874
				06/03/2020	(74000)	Sale	91500	0.9329
	At the end of the year						91500	0.9329

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	">% of total shares of the company
8	AMIT JAYMALBHAI CHAUHAN							
	At the beginning of the year	21000	0.2141				21000	0.2141
	Changes during the year			13/12/2019	59500	Purchase	80500	0.8208
	At the end of the year						80500	0.8208
9	ROHA EMERGING COMPANIES FUND							
	At the beginning of the year	51500	0.5251				51500	0.5251
	Changes during the year			12/04/2019	5000	Purchase	56500	0.5761
	At the end of the year						56500	0.5761
10	PANTOMATH STOCK BROKERS PRIVATE LIMITED							
	At the beginning of the year	68000	0.6933				68000	0.6933
	Changes during the year			05/04/2019	19000	Purchase	87000	0.8870
				12/04/2019	(500)	Sale	86500	0.8819
				19 /04/ 2019	18000	Purchase	104500	1.0655
				26/04/2019	500	Purchase	105000	1.0706
				17/05/2019	(5000)	Sale	100000	1.0196
				31/05/2019	1500	Sale	101500	1.0349
				07/06/2019	(500)	Sale	101000	1.0298
				14/06/2019	(48000)	Sale	53000	0.5404
				29/06/2019	(1500)	Sale	51500	0.5251
				05/07/2019	1000	Purchase	52500	0.5353
				12/07/2019	500	Purchase	53000	0.5404
				19/07/2019	(500)	Sale	52500	0.5353
				02/08/2019	1000	Purchase	53500	0.5455
				16/08/2019	(500)	Sale	53000	0.5404
				30/08/2019	(500)	Sale	52500	0.5353
				13/09/2019	(500)	Sale	52000	0.5302
				20/09/2019	14500	Purchase	66500	0.6780
				27/09/2019	(2000)	Sale	64500	0.6576
				30/09/2019	(2500)	Sale	62000	0.6321
				04/10/2019	500	Purchase	62500	0.6372
				01/11/2019	(1000)	Sale	61500	0.6270
				08/11/2019	(1000)	Sale	60500	0.6168
				15/11/2019	(500)	Sale	60000	0.6117
				22/11/2019	500	Purchase	60500	0.6168
				29/11/2019	1000	Purchase	61500	0.6270
				06/12/2019	(2000)	Sale	59500	0.6066
				13/12/2019	(1500)	Sale	58000	0.5914
				27/12/2019	(500)	Sale	57500	0.5863
				31/12/2019	(1000)	Sale	56500	0.5761
				03/01/2020	500	Purchase	57000	0.5812
				10/01/2020	500	Purchase	57500	0.5863
				17/01/2020	(1000)	Sale	56500	0.5761
				07/02/2020	500	Purchase	57000	0.5812
				14/02/2020	(500)	Sale	56500	0.5761
				28/02/2020	500	Purchase	57000	0.5812
				06/03/2020	(1000)	Sale	56000	0.5710
				13/03/2020	500	Purchase	56500	0.5761
				20/03/2020	1000	Purchase	57500	0.5863
				27/03/2020	(500)	Sale	57000	0.5812
				31/03/2020	(1000)	Sale	56000	0.5710
	At the end of the year						56000	0.5710

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*% of total shares of the company
11	SSJ FINANCE & SECURITIES PVT. LTD							
	At the beginning of the year	199500	2.0341				199500	2.0341
	Changes during the year			26/04/2019	(48500)	Sale	151000	1.5396
				03/05/2019	(69000)	Sale	82000	0.8361
				10/05/2019	(46500)	Sale	35500	0.3619
				14/06/2019	(3000)	Sale	32500	0.3314
				30/08/2019	3000	Purchase	35500	0.3619
				04/10/2019	(20000)	Sale	15500	0.1580
	At the end of the year						15500	0.1580
12	NIRAJ RAJNIKANT SHAH							
	At the beginning of the year	113000	1.1521				113000	1.1521
	Changes during the year			03/05/2019	(13000)	Sale	100000	1.0196
				10/05/2019	(35000)	Sale	65000	0.6627
				17/05/2019	(36000)	Sale	29000	0.2957
				03/01/2020	(3000)	Sale	26000	0.2651
				10/01/2020	(6500)	Sale	19500	0.1988
				24/01/2020	(19500)	Sale	0	0.0000
	At the end of the year						0	0.0000
13	ART FINANCE INDIA PRIVATE LIMITED							
	At the beginning of the year	34000	0.3467				34000	0.3467
	Changes during the year			24/05/2019	500	Purchase	34500	0.3518
				28/02/2020	(34500)	Sale	0	0.0000
	At the end of the year						0	0.0000

Note:

1. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

5 Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share	
	Date wise increase/decrease in Directors' Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*% of total shares of the company
1	Rupeshbhai Jagdishchandra Mehta							
	At the beginning of the year	3149000	32.11				3149000	32.11
	Changes during the year	0	0				0	0
	At the end of the year						3149000	32.11
2	Riyaben Rupeshbhai Mehta							
	At the beginning of the year	1776600	18.11				1776600	18.11
	Changes during the year	0	0				0	0
	At the end of the year						1776600	18.11
3	Nikeshbhai Jagdishchandra Mehta							
	At the beginning of the year	1196400	12.1982				1196400	12.1982
	Changes during the year			06/09/2019	5500	Purchase	1201900	12.2543
				22/11/2019	4000	Purchase	1205900	12.2951
	At the end of the year						1205900	12.2951

V. INDEBTEDNESS : Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Sr. No.	Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	2478990	-	-	2478990
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	2478990	-	-	2478990
2	Change in Indebtedness during the financial year				
	• Addition	-	-	-	-
	• Reduction	2478990	-	-	2478990
	Net Change	2478990	-	-	2478990
3	Indebtedness at the end of the financial year				
	i) Principal Amount	-	-	-	-
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

[INR in Lakh]

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Rupesh J. Mehta- Managing Director	Nikesh J. Mehta-Whole- Time Director	
1	Gross Salary			
	(a) Salary as per Provisions contained in	36	7.2	43.2
	(b) Value of perquisites u/s 17(2) of Income Tax	-	-	-
	(c) Profits in lieu of salary under section 17(3) of	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of Profit	-	-	-
	- Others, Specify	-	-	-
5	Others, Please Specify	-	-	-
	Total (A)	36	7.2	43.2
	Ceiling as Per the ACT	-	-	197.2

B. Remuneration to other directors:

[INR in Lakh]

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Rajendrabhai R. Bhanderi	Deven J. Doshi	Maulik R. Mokariya	
	• Fee for attending board committee meetings	--	--	--	--
	• Commission	--	--	--	--
	• Others, please specify	--	--	--	--
	Total (1)	--	--	--	--
2	Other Non-Executive Directors	Riyaben Rupeshkumar Mehta			--
	• Fee for attending board	--			--
	• Commission	--			--
	• Others, please specify	--			--
	Remuneration & Conveyance to	--			--
	Total(2)	--			--
	Total (B)= (1)+(2)	--			--
	Total Managerial Remuneration				--
	Overall Ceiling as per the Act				17.92

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

[INR in Lakh]

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary *SAGAR RAJYAGURU	CFO RAJNIKANT M. RAJA	
1	Gross salary				
	(a) Salary as per provisions	-	0.11	7.19	7.3
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			
2	Stock Option	-			
3	Sweat Equity	-			
4	Commission				
	- As % of Profit	-			
	- Others, Specify	-			
5	Others, Please Specify	-			
	Total	-	0.11	7.19	7.3

*Mr.Sagar Rajyaguru has been appointed as Company Secretary and Compliance officer as on March 19th, 2020 Pursamt to resignation of Miss Ekta Shukla from her post as on February 12th, 2020

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Series	Type	Section of the Companies	Brief Description	Details of Penalty/ Punishment/Compounding fees Imposed	Authority	Appeal made, if any
					[RD/NCLT/	(Give Details)
A.	COMPANY					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--
B.	DIRECTORS					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--
C.	OTHER OFFICERS IN DEFAULT					
	Penalty	--	--	--	--	--
	Punishment	--	--	--	--	--
	Compounding	--	--	--	--	--

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

ANNEXURE - 6

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY
ABSORPTION AND FOREIGN EARNING & OUTGO**

A. CONSERVATION OF ENERGY:

1. The steps taken or impact on conservation of energy: None
2. The steps taken by the company for utilizing alternate sources of energy: None
3. The capital investment on energy conservation equipment's:

Total Energy Consumption and Energy Consumption

A. Power & Fuel Consumption		
Particulars	2019-20	2018-19
a) Electricity		
Purchased (KWH)(Units)	5,39,555	6,09,629
Total Amount	41,20,661/-	49,47,171/-
Average Rate Rs.	7.64	8.12
b) Coal	N.A.	N.A.
Quantity (MT)		
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
c) Furnace Oil	N.A.	N.A.
Quantity (MT)		
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
B. Consumption for Unit of Production		
Particulars	2019-20	2018-19
Production (Nos)	418	799
Electricity[Mt. on Electricity(KWH)]	1290.80	762.99

A. TECHNOLOGY ABSORPTION –

- (i) **The efforts made towards technology absorption:**
- Addition of In- house machining components, Sheet Metal Work, Major design changes in products
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution:**
- Quality of input material has improved because of development of in-house capability and which leads to reduced assembly time.
 - Apart from that few changes in design has resulted in improvement in product quality.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) –
- a) Details of the technology imported;
 - b) The year of import;
 - c) Whether the technology has been fully absorbed and if not, areas where absorption has not taken place, and the reasons thereof: No technology Imported in last three years
- (iv) The expenditure incurred on Research and Development : Rs.11,24,241/-

B. FOREIGN EXCHANGE EARNING AND OUTGO:

- (i) Total foreign Exchange Earnings during the year: INR **73,05,928/-**
- (ii) Total foreign Exchange outgo (CIF): INR **15,43,56,859/-**

Place: Metoda, Rajkot
Date: August 25, 2020

For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523

ANNEXURE - 7

Management Discussion and Analysis Report

Pursuant to Regulation 34(2)(e) of SEBI LODR Regulations 2015, a Management Discussion and Analysis report is given below:-

1. BUSINESS OVERVIEW

Your Company is engaged in manufacturing of CNC Turning Centers, Vertical Machining Centers, Horizontal Machining Centers, Cylindrical Grinder, Vertical Turret Lathe, Turn Mill Centers, Drill Tap Center, Twin Spindle VMC and also Multi-Tasking with sub-spindle and Robotic Automation. Adding to the solution capabilities, Macpower has also offered Robotic Automation integrated with CNC machines to cope up the demand of technology driven machining excellence. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools. Tools that can be controlled in this manner include lathes, mills, routers and grinders. The CNC in CNC Machining stands for Computer Numerical Control. On the surface, it may look like a normal PC that control the machines, but the computer's unique software and control console are what really set the system apart for use in CNC machining. Under CNC Machining, machine tools function through numerical control, a computer program is customized for an object and the machines are programmed with CNC machining language (called G-code) that essentially controls all features like feed rate, coordination, Position and RPM. With CNC machining, the computer can control exact positioning and speed.

Company has in house research and development approach allows the company to offer customized solutions to our customers. Macpower CNC Machines Limited is ISO 9001:2015 certified Company for Manufacturing and Supply of CNC Metal Cutting Machines by ICL. Our Company is well equipped with the latest infrastructure and equipment, well qualified skilled intellectual capital to support the manufacturing of high end technology driven machines.

Due to massive outbreak of covid-19, to help the society in one way to other, your company has manufactured **HOT AIR SEAM SEALING MACHINE** first time in India and Fastest fully automatic N-95 Mask making machine having capacity to produce 50,000 Masks/day under the medical engineering horizon.

For more information please go through our website
<https://www.macpowercnc.com/company-profile/>

2. ECONOMY OUTLOOK

· WORLD ECONOMY

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crises. In a baseline scenario--which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.4 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial market measures to support affected households and businesses domestically and internationally, strong multilateral cooperation is essential to overcome the effects of the pandemic, including to help financially constrained countries facing twin health and funding shocks, and for channeling aid to countries with weak health care systems.

Financial markets were fragile for most of 2019. Concerns about growth prospects triggered widespread monetary policy easing by major central banks last year, as well as flight to safety flows into advanced economy bond markets. But the sentiment improved appreciably toward the end of the year along with the all eviation of trade tensions. Against this international context, global growth weakened to an estimated 2.9% last year— the lowest rate of expansion since the global financial crisis.

[Source: IMF]

EXPECTATION FOR FY21:

In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

As with the April 2020 WEO projections, there is a higher-than-usual degree of uncertainty around this forecast. The baseline projection rests on key assumptions about the fallout from the pandemic. In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity.

The downward revision to growth prospects for emerging market and developing economies over 2020–21 (2.8 percentage points) exceeds the revision for advanced economies (1.8 percentage points). Excluding China, the downward revision for emerging market and developing economies over 2020–21 is 3.6 percentage points

[Source: IMF]

INDIAN ECONOMY

India's GDP growth is seen dipping to an 11-year low of 5% in 2019-20, as estimated by the National Statistical Office (NSO). This decline was driven primarily by a poor showing of manufacturing and construction sectors, increasing fragility of the financial ecosystem, and weak rural income growth.

Deceleration was also recorded in sectors like agriculture, electricity, gas and water supply, trade, hotel and transport, real estate, and professional services. The National Council of Applied Economic Research (NCAER) pegged the economic growth for 2019-20 at 4.9%, down from 5% (Source: Business Line, February 21, 2020)

Despite the slide, Gross Fixed Capital Formation (GFCF) at current prices improved marginally – it is estimated at C57.42 Lakh Crore in 2019-20 as against C55.70 Lakh Crore in 2018-19. Also, the per capita income at current prices is estimated at C1, 35,050, showing a rise of 6.8%, as against C1,26,406 during 2018-19 with a growth rate of 10%. (Source: Business Standard, January 7, 2020)

DEVELOPMENTS HIGHLIGHTS:

- India's gross domestic product (GDP) (at constant 2011-12 prices) was estimated to be Rs 145.65 lakh crore (US\$ 2.06 trillion) for 2019-20, growing 4.2 per cent over the previous year.

- Merchandise export and import (in US\$ terms) declined by 4.8 per cent and 9.1 per cent, respectively, in 2019-20
- Gross tax revenue stood at Rs 15.04 lakh crore (US\$ 215.28 billion) in 2019-20 – income tax collection contributed Rs 4.80 lakh crore (US\$ 68.14 billion) to it.
- India's Foreign Direct Investment (FDI) equity inflow reached US\$ 469.99 billion between April 2000 to March 2020, with maximum contribution from services, computer software and hardware, telecommunications, construction, trading, and automobiles.
- India improved its ranking in World Bank's Doing Business Report by 14 spots over last year and was ranked 63 among 190 countries in the 2020 edition of the report.

India registered a trade surplus of US\$ 11.70 billion for the first time in almost 18 years.

[Source: IBEF]

ROAD AHEAD

- India is presently known as one of the most important players in the global economic landscape. Its trade policies, Government reforms and inherent economic strengths has attributed to its standing as one of the most sought-after destination for foreign investments in the world. Also, technological, and infrastructural development being carried out across the country augurs well for the trade and economic sector in the years to come.
- The Government of India has been working on striking important deals with the Governments of Japan, Australia, and China to increase contribution towards the economic development of the country and growth in the global market.
- India's GDP growth is expected to grow in the range of 6.0 to 6.5 per cent in 2020-21.
- India has a potential to increase its goods and services export to Australia to US\$ 15 billion by 2025 and US\$ 35 billion by 2035.
- India is expected to have 100,000 start-ups by 2025, which will create employment for 3.25 million people and generate US\$ 500 billion in value as per Mr T V Mohan Das Pai, Chairman, Manipal Global Education.

[Source: IBEF]

3. INDUSTRY STRUCTURE AND DEVELOPMENT

Machine Tools Industry

Machine tool sector is a basic capital good industry. It is a sub-sector of the engineering industry included under the category heavy engineering units. Machine tool segment produces mother machines therefore plays a vital role in the technological upgradation, quality control and cost in the engineering & manufacturing sector.

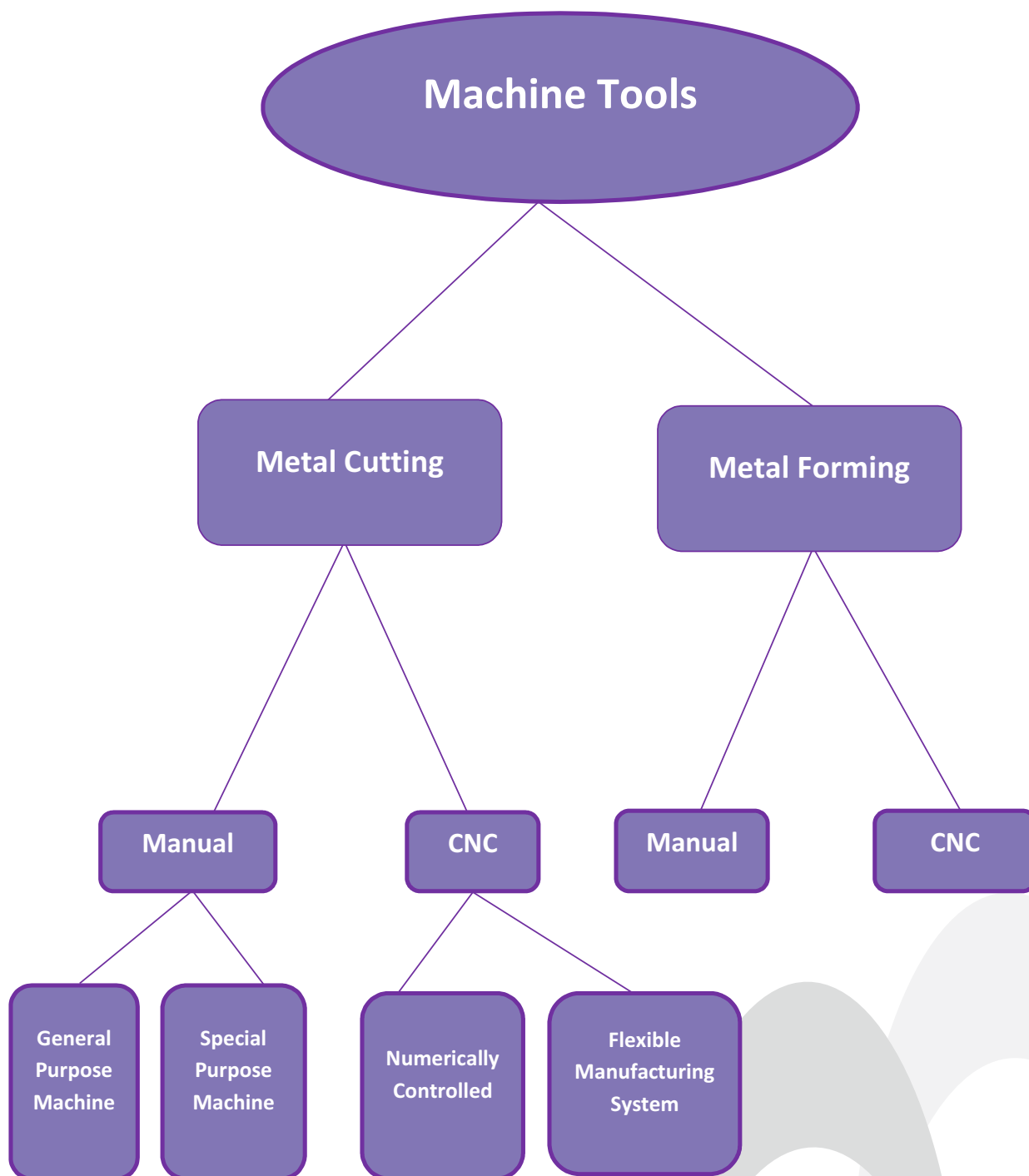
The machine tools sector considered the mother of all other manufacturing industries, is at the fore to feel the heat as the rippling effect of other manufacturing sectors will affect the machine tools sector.

As per the latest World Machine Tool Production and Consumption Survey conducted by Gardner, the results of which have recently been published, global machine tool consumption decreased by \$13.1 billion, or 13.8%, to \$82.1 billion in 2019. Therefore, 2019 had the lowest level of machine tool consumption since 2010, when much of the global economy was just starting to recover from the Great Recession. And, in an about face of 2018, 12 out of the top 15 consuming countries decreased their machine tool consumption in 2019.

Industrial automation is becoming a norm in various industries because it provides higher reliability and productivity. Computer numerical control (CNC) machine tools are automated tools, which are replacing conventional machine tools as they provide additional computational and flexibility features. It ensures fewer defects in final products, eliminates extra labor costs, and boosts the production process. The penetration of CNC milling tools is increasing in the automotive industry for the manufacture of automotive components such as flywheels, wheels, gearbox cases, pistons, transmissions, and engine cylinder heads. The use of such automated machines lowers the cycle time and increases throughput for manufacturers. Thus, the rising industrial automation in India is expected to drive market growth during the forecast period.

The market is driven by the rising industrial automation in India. In addition, the adoption of 3D printing technology is anticipated to boost the growth of the machine tools market in India.

Machine Tools Industry Structure



Developments or moving forward**▪ Defence**

Invoking Atmanirbhar Bharat (Self-Reliant India) initiative, the Ministry of Defence (MoD) has announced ban on the import of 101 items of defence equipment. As an equipment type comes under the import embargo, the military will be required to buy it from Indian defence manufacturers.

This decision will offer great opportunity to the Indian defence industry to manufacture items on the negative list by using its own design and development capabilities or adopting the technologies designed and developed by the Defence R&D Organisation to meet the requirements of the Armed Forces.

▪ Concept of Industry 4.0

Based on the idea of new ways of human machine-interaction, advanced robotics, increased connectivity and huge sets of data, Industry 4.0 has the potential to fundamentally reconfigure the industry. In this new world of Industry 4.0, everything will be connected to internet and cloud enabling the concept of smart factories. In these factories, all the components will function as a system rather than individual parts.

As Industry 4.0 continues to take the whole manufacturing world by storm, machine tools are also becoming a part of the smart system. In India too, the concept, though in nascent stages, is slowly gaining steam, especially among large machine tool players who are innovating in this direction. Primarily, machine tools industry is looking at Industry 4.0 to meet increasing customer requirement for improved productivity, reduced cycle time and greater quality.

Thus, adopting Industry 4.0 concept is at the crux of achieving the ambitious target of making India a global hub for manufacturing, design and innovation, and augmenting the share of manufacturing in the GDP from the current 17% to 25% by 2022.

▪ Indian Railways

Indian Railways seems to be pushing boundaries. With the government hitting the fast track for designing coaches, wagon procurement, manufacturing state-of-the-art train sets, railways provides significant opportunities for machine tool industry.

Such massive expansion in terms of coach production is expected to increase the demand for machine tools such as special-purpose wheel lathes, light-rail transit systems, and heavy-duty single and double column vertical turning lathes, large bridge type milling machines, horizontal lathes, and special machines.

• **Aatmanirbhar Bharat Abhiyan**

Atma-nirbhar Bharat Abhiyaan has made headlines across the globe and has come as part of a major economic relief package to assuage India's economic predicament amidst the pandemic covid-19. Combined with all previous economic stimulus efforts, the total amount of the relief package comes to a whopping Rs. 20 lakh crore.

As a part of the relief measures under Atma-nirbhar Bharat Abhiyaan, the definition of Micro, Small and Medium Enterprises has been altered with the aim of providing them greater support and benefits.

▪ **Government initiatives to promote financing for MSMEs in the machine tool sector**

More than five lakh MSMEs have benefitted from the restructuring of debt permitted by the RBI in the last year. The restructuring window was to end on 31st March 2020.

For start-ups, the allowed deduction of 100 percent in profits for three consecutive assessment years has been changed to a turnover limit of Rs. 100 crore from Rs. 25 crore. The period of eligibility for claim of deduction is also extended from 7 years to 10 years. Government e-Marketplace (GeM) is moving ahead in creating a Unified Procurement System as a single platform for procurement of goods, services and works in the country. Data shows that 3.24 lakh vendors are already on this platform and is proposed to reach a turnover of Rs. 3 lakh crore. These are some of the major initiatives taken by government for MSMEs of India.

Disclaimer: This information has been collected through secondary research and Company is not responsible for any errors in the same. All figures of the INR is approx.

4. **OPPORTUNITIES AND THREATS**

Possible Opportunities for Machine Tools Industry In Following Sectors

In the last quarter of this year the major outbreak of covid-19 caused nationwide lockdown and all the businesses are experiencing major impacts no matter how established they are and are having to re-look at how they manage and operate their business including re-examine of their business plan.

It has become challenging for many businesses industries to keep their financial wheels turning during the lockdown period due to less revenue churn and the general uncertainty in the global financial environment. and it's impacted our business with respect to overall sales.

But your company and its sound management believe that every crisis can be turned into an opportunity and with dedication and continues hard work we will shine in these hard and difficult times of business.

Railways	<ul style="list-style-type: none"> Introducing PPP model in Indian Railways and privatization of trains helps to boost some changes in the Railway sector as a whole, with a positive impact on machine tool industry.
General Engineering	<ul style="list-style-type: none"> Capacity addition in various sectors is driving the demand of engineering segment in India. India may soon get a full-fledged opportunity to increase its exports and narrow its trade deficit. Impacting the engineering sector in machinery, chemical and textile sectors, which are likely to get surplus demand from the global market.
Power (BTG - Boiler, Turbine, Generator)	<ul style="list-style-type: none"> Power sector contributes almost 70-75% to the engineering companies' revenues. The government plans to add large generation as well as transmission and distribution (T&D) capacities in the country, which is expected to impact the machine tool industry on a large scale.
Metro Rail	<ul style="list-style-type: none"> Various states getting new metro route approvals, plans to make coaches in India & companies like Alstom scaling up to double the production capacity and introduce latest industrial technologies, all these combined provide good opportunities to Machine tools industry in the near future.
Mobile Handsets	<ul style="list-style-type: none"> In order to gain a foothold in the global phone manufacturing market worth \$467 billion, India will be looking at high value addition manufacturing, instead of plain assembly. The ESDM sector is expected to grow at a CAGR of 20% to reach USD 150 billion by 2020 providing huge opportunities to the machine tool Industry.

Threats for Machine Tools Industry

Mobilization of Funds	<ul style="list-style-type: none"> Mobilization of funds in various segments of industry is very essential for demand pull in capital goods sector. This is to be maintained on macro-economic level otherwise poses a threat to capacity utilization of any machine tool company since, majority of machines roll out based on end user's loan facilities.
Automobile & Auto components	<ul style="list-style-type: none"> The slowdown of the Global Auto industry has reached the machine tool industry, which has hit hard by sales slump, minimal usage of equipment etc. Similarly, adoption of EV vehicles will impact in component specific machine tool manufacturers and suppliers who are at risk with this shift. It is high time for companies to use the economic slowdown to adjust their strategic course.

Approach of Macpower

- Your company is also taking all the stated points into consideration to take necessary steps to enter into newer industry segments, newer geographical markets, making changes in current product portfolio and incorporating feasible IoT to maintain the growth trajectory for it.
- Your company is vigilant enough with above factors and use to have internal restructuring mechanism to counter the above mentioned conditions to maximum extent.

5. PRODUCT WISE PERFORMANCE

Sales in value – Product wise
(INR in Lakh)

Particulars	2019-20			2018-19	
	Domestic	Tender	Export	Domestic	Tender
	4624.39	602.83		9557.38	383.74
VMC	1734.52	606.40	83.36	2826.14	704.98
VTL	68.00			38.25	-
HMC	106.50			208.01	117.91
Total	6533.41	1209.24	83.36	12629.78	1206.63

Note: Revenue from operations in the balance sheet is total of Sales + Selling of Parts + Selling of Scrap.

Your company operates in single segment and that's why segment wise performance reporting is not applicable to your company.

6. RISKS & CONCERNS

The Company has adopted a comprehensive and integrated risk appraisal, mitigation and management process. The risk mitigation measures of the Company are placed before the Board of Directors' periodically for review and improvement.

Key Risks	Impact on the Company	Mitigation
Volatile global political and Economic scenario	Corporate spending on capital goods has shown strong correlations with GDP growth. The Company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions (US- China trade conflicts, escalation in conflicts between India and Pakistan, US elections etc.) may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.	<ul style="list-style-type: none"> ▪ Well diversified business strategy across geographies and industry verticals. ▪ Cater to other untouched market segment. ▪ Long term contracting models.
Business model changes	Rapidly updates or changes in technologies, demand of new design from buyers, new competitors, giving rise to entirely new business models. This will result in increased demands on the Company's ability to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.	<ul style="list-style-type: none"> ▪ Strong customer-centricity which aligned to customer needs. ▪ Continue research and development for emerging technologies, innovation, and solution. ▪ Staying relevant to customers constantly.
Litigation risks	Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk.	<ul style="list-style-type: none"> ▪ Strengthening internal processes and controls to adequately ensure compliance with contractual obligations. ▪ Potential disputes are promptly brought to the attention of management and dealt with appropriately.

Operation risks	<p>Any increase in costs for raw materials and components, interruptions in their availability and poor quality of these raw materials, Dependence on a few suppliers for key components may require us to procure them from other suppliers at higher cost, Demand for our products depends various industries type, foreign currency exchange rate fluctuations for imports etc.</p>	<ul style="list-style-type: none"> ▪ In-house process and machining of our products will reduce dependency on suppliers. ▪ Planning of inventory with import schedule and research global factor for price fluctuations. ▪ Import certain equipment to check quality of raw materials. ▪ Periodical review of requirement and procurement by Purchase, Procure and Control department.
-----------------	--	--

7. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedure. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main trust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same, if needed. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. To maintain its objectivity and independence, the Internal Audit functions reports to the Chairman of the Audit Committee.

8. OPERATIONAL PERFORMANCE

The following table gives an overview of the financial results of the Company:

[INR in Lakh]

Particulars	2019-20	2018-19	Change in %
Total Revenue	8252.97	14316.89	-42.36
EBITDA [Earnings before Interest, Tax, Depreciation and Amortization]	705.11	1950.04	-63.84
PBT [Profit Before Tax]	577.49	1808.23	-68.06
PAT [Profit After Tax]	412.09	1264.46	-67.41
EPS [Earning Per Share]	4.20	12.89	-67.41

A result of Operations is disclosed in the Financial Statements for the year ended on March 31, 2020.

Notes for Operational Performance:

This year your company could not achieve the desired results like the previous years due to the overall recession and downswing in Indian economy, the entire machine tools industry has faced the very low demand in the market and your company is one of them.

The entire machine tools industry has sold nearly 22,000-24000 machines in financial year 2018-2019, where this year it came down to 11000-12000 machines and which shows decline of nearly 50% of growth. {Source: IMTMA, FANUC ,Simens(CNC System Manufacturer) Where your company's growth decline by 42% as compare to the overall downfall.

As per the data from IMTMA, The slowdown of the Global Auto industry has reached the machine tool industry, which has hit hard by sales slump, minimal usage of equipment etc.

In the last quarter of this year the major outbreak of covid-19 caused nationwide lockdown and all the businesses are experiencing major impacts no matter how established they are and are having to re-look at how they manage and operate their business including re-examine of their business plan.

It has become challenging for many businesses industries to keep their financial wheels turning during the lockdown period due to less revenue churn and the general uncertainty in the global financial environment. and it's impacted our business with respect to overall sales.

But your company and its sound management believe that every crisis can be turned into an opportunity and with dedication and continues hard work we will shine in these hard and difficult times of business.

9. HUMAN RESOURCES

Your Company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the company, recruitment process, training, motivation and performance appraisal, attract and retain the best talent. The Company had 340 permanent employees as on March 31, 2020. Industrial relations remained cordial throughout the year but due to the worldwide major outbreak of corona virus leads to nationwide lockdown in the country and so as your company has also been shut from 25th March, 2020 to 21st April, 2020.

10. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS ALONG WITH EXPLANATIONS.

Ratios	Units	FY 2019-20	FY 2018-19	Change in %	Reason
Debtors Turnover	Times	0.358	2.74	-86.93%	In current year, your company has sold Machines to Government through tender and normal payment terms in tender business is 90% of basic value and 100% taxes being paid in between 30 to 90 days after successful commissioning of the machines at their site and that commissioning took place normally after 30 days of dispatch. In some cases of normal sale for which the payment was made by Finance Company on submission of proof of dispatch and receipt of the machine at customers place. Due to this reason this year company has recorded higher credit sales

Inventory Turnover	Times	1.7615	2.94	-40.08%	Due to the overall recession and downswing in economy, machine tools manufactures has faced very low demand of products and that's why your company has low inventory turnover ratio as compare to last year
Interest Coverage Ratio	Times	20.869	77.59	-73.10%	Due to the recession factor company could not achieve its desired sales figures and so as profitability fall down which resulted in decline in interest coverage ratio.
Current Ratio	Times	2.025	2.196	7.79%	NA
Debt-to-Equity Ratio	Is to	0	0.0038	-100%	This year your company has paid its short and long term borrowings.
Operating Profit Margin	%	7.349	12.80	-42.58%	Due to the overall recession factor company could not achieve its desired sales figures and so as profitability fall down which resulted in lower profit margin compare to previous year.
Net Profit Margin	%	4.9931	8.83	-43.45%	Due to lower turnover and decrease in profit margin net profit margin has been decreased.
Return on Net Worth	%	5.9441	19.29	-69.19%	Due to lower turnover and decrease in profit, return on net worth has been decreased.
Return on Net Assets	%	6.0024	20.10	-70.14%	Due to lower turnover and decrease in profit margin return on net assets has been decreased.

Notes:-

- Total revenue of FY 19-20 is INR 82.53 Cr and for FY18-19 it was INR 143.17 Cr and because of this change comes to more than 25%.

11. DETAILS OF CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF

As stated aforesaid there is change in return on net worth as compared to the immediately previous financial year due to lower turnover which resulted in decrease in profit margin.

Net worth of the as in the year 2018-19 was Rs. 65.56 Cr. and in the year 2019-20 it is Rs.69.32 Cr.

Cautionary Statement:-

This document contains statements about expected events and financial and operational results of Company which are forward-looking. By their nature, forward-looking statements require the Company to make assumption; predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place under reliance on forward-looking statements as a number of factors could cause assumptions, and actual results and events to differ materially from those expressed here.

**Place: Metoda, Rajkot
Date: August 25, 2020**

**For and on behalf of the Board of
MACPOWER CNC MACHINES LIMITED**

**[Rupesh J. Mehta]
Chairman & Managing Director
DIN: 01474523**

ANNEXURE - 8

ANNUAL REPORT ON CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs	<p>The Company has framed CSR policy and also available at the Website of Company at below mentioned link: https://www.macpowercnc.com/investor/policies/</p> <p>The Outline of Companies policy is to spend CSR Expenditure in accordance with the provision of section 135 of the Companies Act, 2013 and for the activities prescribed under schedule VII. In Furtherance, we understood that we as corporate are responsible towards the development of the society and we always undertaking such activities which actually serve the purpose of CORPORATE SOCIAL RESOPONSIBILITY. Mainly we strive to focus on activities related to Education, health and human welfare activities. But as and when opportunity available for various activities as prescribed under schedule VII, we look forward towards the same.</p>
2	The Composition of the CSR Committee	<p>1. Mr. Rajubhai Bhanderi – Chairperson (Non Executive & Independent Director)</p> <p>2. Mr. Rupesh Mehta – Member (Executive Director)</p> <p>3. Mr. Nikesh Mehta – Member (Executive Director)</p>
3	Average net profit of the company for last three financial years	INR 9,91,65,388/- (Rupees Nine Crore Ninety One Lakh Sixty Five Thousand Three hundred and Eighty Eight)
4	Prescribed CSR Expenditure [2% of the amount as in item 3 above]	INR 19,83,308 (Rupees Ninteen Lakh Eighty Three thousand three hundred and Eight)

5	Details of CSR spent during the financial year:	This year company could not spent amount for CSR and its reasons are explained hereunder
	a. Total amount to be spent for the financial year	INR 19,85,000/- (Rupees Nineteen Lakh Eighty Five Thousand)
	b. Amount unspent, if any;	INR 19,85,000/- (Rupees Nineteen Lakh Eighty Five Thousand)
	c. Manner in which the amount spent during the financial year is detailed below	As per below table

[INR in Lakh]

(1) Sr. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay [budget] project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency*
1	No proper project or activity identified	NA	NA	19.85	Nil	---	Nil
Total CSR spend					Nil		

1. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's Report.

The reasons for not spending the amount for CSR are prescribed as under

- Due to non-availability of proper avenues to discharge its responsibility towards society which can actually serve the purpose of CSR, company could not spend amount for a CSR.
 - Further, globally spread corona virus and consequent nationwide lockdown during the last quarter of the financial year also created barrier for the company in finding and reaching at proper avenues for CSR.
2. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

[Rupesh J. Mehta]
Managing Director
DIN: 01474523

[Rajubhai R. Bhandari]
Chairperson-CSR Committee
DIN: 07986563

Place: Metoda, Rajkot
Date: August 25, 2020

2019-20 **Auditor's Report**

Auditor's Report

To,
The Members,
Macpower CNC Machines Limited
Rajkot.

-Report on the Financial Statements:

- 1 We have audited the accompanying Financial Statements of Macpower CNC Machines Limited, which comprise the Balance Sheet as at 31st March 2020 and the Statement of Profit & Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

-Management's Responsibility for the Financial Statements:

- 2 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

-Auditor's Responsibility

- 3 Our responsibility is to express an opinion on these financial statements based on our audit.
- 4 We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- 5 We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- 6 An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 7 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

-Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2020; and
 - ii. in the case of the Profit & Loss Account, of the Profit for the period ended on that date.

-Report on Other Legal and Regulatory Requirements:

- 9 As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of powers conferred by Section 143(11) of the Companies Act, 2013 (18 of 2013), We give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the order
- 10 As required by Section 143(3) of the Act, 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 purpose of our audit.
 - B. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
 - C. The Balance Sheet and the Profit & Loss A/c. dealt with by this report are in agreement with the books of account.
 - D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- E. On the basis of written representations received from the Directors of the Company as on 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- F With respect to the adequacy of internal financial controls over financial reporting of the company and operative effectiveness of such controls, refer to our separate report in Annexure B to this report; and
- G 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. C. Makhecha & Associates

Chartered Accountants

Firm Regn. No. 120184W**Sanat C. Makhecha**

Partner

M.No. 107192

Date: 02/07/2020

Place: Rajkot

UDIN: 20107192AAAAHU6033

ANNEXURE - A

Annexure referred to in and forming part of **Auditor's Report** of even date to the members of **MACPOWER CNC MACHINES LIMITED**.

As required by the Companies (Auditor's Report) Order, 2016 and in the terms of the information given to us and on the basis of such checks as we considered appropriate, we further state that:-

- i(a) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
- i(b) The Property, Plant & Equipment were physically verified by company during the year at a regular intervals which in our opinion is reasonable with regard to the size of the company & nature of business. According to the information & explanation provided to us, no material discrepancy were noticed on such verification.
- i(c) According to the information & explanations given to us, the title deeds of immovable properties which are freehold in nature are held in the name of the company.
- ii As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- iii As informed to us, the company has not granted loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,
 - iii(a) Reporting to this Clause is not Applicable.
 - iii(b) Reporting to this Clause is not Applicable.
 - iii(c) Reporting to this Clause is not Applicable.
- iv In our opinion & according to the information & explanations given to us, in respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- v As informed to us, the company has not accepted deposits, so the reporting to this Clause is not Applicable.
- vi The company has maintained records pursuant to rules prescribed by the Central Government for maintenance of cost records under sub section 1 of section 148 of the Act and are of the opinion that prima facie, the prescribed records have been maintained. However we have not conducted detailed examination of the records.
- vii(a) According to the information & explanations given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, duty of Customs, and any other statutory dues with the appropriate authorities.

ANNEXURE - A

Annexure referred to in and forming part of **Auditor's Report** of even date to the members of **MACPOWER CNC MACHINES LIMITED**.

As required by the Companies (Auditor's Report) Order, 2016 and in the terms of the information given to us and on the basis of such checks as we considered appropriate, we further state that:-

vii(b) As informed and explained to us, there are disputed amount outstanding to deposit in respect of Value Added Tax & Service Tax as on 31/03/2020, details of which are as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount Involved	Year	Forum Against which the dispute is pending
1	Value Added Tax Act, 2003	Order of Commercial Tax Officer dated 31.03.2016	Rs. 1607840/- + Interest Rs. 1157660/-	F.Y.2011-12	Deputy Commissioner of Commercial tax(Appeals)
2	Service Tax Act, 1994	Letter of Superintendent of Service Tax, AR-III dated 08/10/2013	Rs. 198378/-	F.Y. 2013-14	Superintendent of Service Tax, AR III, S. Tax Devision, Rajkot

- viii According to the information provided to us, company has not defaulted in repayment of loans or borrowing to a financial institution, bank, government.
- ix As informed to us, the money raised by way of Initial Public Offer & utilised till date of this Audit Report were for business purposes for which it was raised.
- x No fraud on or by the company has been noticed or reported during the year.
- xi As explained to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Companies Act 2013.
- xii As the company is not a Nidhi Company, reporting to this clause is not applicable.

ANNEXURE - A

Annexure referred to in and forming part of **Auditor's Report** of even date to the members of **MACPOWER CNC MACHINES LIMITED**.

As required by the Companies (Auditor's Report) Order, 2016 and in the terms of the information given to us and on the basis of such checks as we considered appropriate, we further state that:-

- xiii All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- xiv As informed to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, so reporting to this Clause is not Applicable.
- xv As informed to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi As the company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934; reporting to this clause is not applicable.

For S. C. Makhecha & Associates

Chartered Accountants

Firm Regn. No. 120184W

Sanat C. Makhecha

Partner

M.No. 107192

Date: 02/07/2020

Place: Rajkot

UDIN: 20107192AAAAHU6033

ANNEXURE-B

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 **Macpower CNC Machines Limited**, as of 31st March, 2020 in conjunction with our audit of the standalone 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 maintaining 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" 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 applicable to an audit of Internal Financial Controls and, 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 detail, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes 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 31st March, 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 Accountants of India.

Place: Rajkot
Date: 02/07/2020

For S.C.Makhecha & Associates,
Chartered Accountants
FRN:120194W

Sanat Makhecha
Partner
Membership No. 107192
UDIN: 20107192AAAAHU6033

BALANCE SHEET AS AT 31ST MARCH 2020

	NOTE No.	31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
EQUITY AND LIABILITIES			
1 SHARE HOLDERS FUND :			
Share Capital	2	9,80,80,000	9,80,80,000
Reserve & Surplus	3	59,51,79,242	55,75,50,451
Money Received Against Share Warrants		-	-
Share Application Money Pending For Allotment		-	-
2 NON CURRENT LIABILITIES			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	85,78,963	-
Other Long Term Liabilities		-	-
Long term Provisions	5	63,72,495	59,54,114
3 CURRENT LIABILITIES			
Short Term Borrowings	6	-	-
Trade Payables	7	29,24,14,991	36,88,91,043
Other Current Liabilities	8	8,76,316	38,50,212
Short Term Provisions	9	53,14,918	5,74,43,685
TOTAL		1,00,68,16,925	1,09,17,69,505
ASSETS			
1 NON CURRENT ASSETS			
Property, Plant And Equipment	10		
- Tangible Assets		37,06,97,953	5,82,08,480
- Intangible Assets		20,27,788	10,58,448
- Capital Work-in-progress		75,98,069	5,51,75,877
- Intangible Assets under Development		-	-
Non Current Investments		-	-
Deferred Tax Asset (Net)	4	-	52,22,845
Long Term Loans & Advances	11	82,22,481	1,00,83,774
Other Non Current Assets	12	1,34,63,518	1,73,58,397
		40,20,09,809	14,71,07,821
2 CURRENT ASSETS			
Current Investments	13	1,24,90,903	1,00,00,000
Inventories		46,21,75,300	47,36,74,900
Trade Receivables	14	3,25,82,571	8,65,51,674
Cash & Bank Balances	15	5,86,62,992	27,87,82,100
Short Term Loans & Advances	16	3,88,95,350	9,56,53,010
Other Current Assets		-	-
		60,48,07,116	94,46,61,684
TOTAL		1,00,68,16,925	1,09,17,69,505
Notes on Accounts	1	-	-

For S. C. Makhecha & Associates
Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha
Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

For and on behalf of Macpower CNC Machines Ltd.

Mr. Rupeshbhai J. Mehta
(Managing Director)
DIN: 01474523

Mrs. Riyaben R. Mehta
(Director)
DIN: 01603726

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Sagar Rajyaguru
(Company Secretary)
Membership No. A61544

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH 2020**

	NOTE No.	2019-20 Amount Rs.	2018-19 Amount Rs.
I Revenue from Operation	18	81,48,10,403	1,40,24,85,699
II Other Income	19	1,04,87,314	2,92,03,311
III Total Revenue (I + II)		82,52,97,717	1,43,16,89,010
IV EXPENSES			
Cost of Materials Consumed	20	55,94,49,918	1,00,14,86,944
Changes in Inventories of Finished Goods, Work - In - Progress and Stock - in - Trade	21	(78,81,246)	(5,73,76,300)
Employee Benefit Expenses	22	11,39,44,434	12,40,32,595
Finance Costs	23	29,06,531	23,60,914
Depreciation and Amortisation	9	98,56,404	1,18,20,323
Other Expenses	24	11,38,08,732	16,85,41,712
		-	-
Total Expenditure		79,20,84,774	1,25,08,66,188
V Profit/(Loss) before exceptional and extra ordinary items and Tax (III-IV)		3,32,12,943	18,08,22,822
VI Exceptional Items			
Add: Surplus due to change in Depreciation method		2,45,35,602	-
VII Profit before extra ordinary items and tax (V-VI)		5,77,48,545	18,08,22,822
VIII Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		5,77,48,545	18,08,22,822
X Tax Expense:			
i) Current Income Tax		27,38,659	5,30,14,152
ii) Deferred Tax (Liability)/Asset		1,38,01,808	13,62,434
XI Profit/(loss) from continuing operation (IX-X)		4,12,08,078	12,64,46,236
XII Profit/(loss) from discontinuing operation		-	-
XIII Tax expense of discontinuing operations		-	-
Profit/(loss) from Discontinuing operations (after tax)(XII-XIII)		-	-
XV Profit / (loss) (XI+XIV)		4,12,08,078	12,64,46,236
XVI EARNINGS PER EQUITY SHARES			
i) Basic		4.20	12.89
ii) Diluted		4.20	12.89
Notes on Accounts	1		

For S. C. Makhecha & Associates
Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha
Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

For and on behalf of Macpower CNC Machines Ltd.

Mr. Rupeshbhai J. Mehta (Managing Director)
Din No:01474523

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mrs. Riyaben R. Mehta
(Director)
DIN: 01603726

Mr. Sagar Rajyaguru
(Company Secretary)
Membership No. A61544

CASH FLOW STATEMENT

Cash Flow Statement' as required to annexed as per **Accounting Standard - 3** as per **Indirect Method** for the year ended 31st MARCH 2020

	Amount Rs.	Amount Rs.
A. Cash flow from operating activities		
Net Profit/(Loss) before taxation and extraordinary items	5,77,48,545	
Adjustments for :		
Depreciation	98,56,404	
Profit on Sale of Fixed Assets	(4,630)	
Preliminary & Preoperative Exp. Written off	33,65,879	
Surplus due to Change in Method of Depreciation	(2,45,35,602)	
Interest received	(51,67,928)	
Interest charged	29,06,531	
Short Term Capital Gain (On Mutual Fund)	(59,996)	
Operating profit before working capital changes	4,41,09,204	
Adjustment for changes in :		
Decrease in Trade & Other Receivables	5,39,69,103	
Decrease in Inventories	1,14,99,600	
Decrease in Trade Payables, Liabilities & Provisions	(13,15,78,715)	
IPO Subsidy credited to Preliminary & Preoperative Exp.	5,00,000	
Increase in Long Term Provisions	4,18,381	
	(2,10,82,427)	
Less: Income Tax & Dividend Tax Paid/Provided	(33,48,946)	
Net cash from operating activities		(2,44,31,373)
B. Cash flows from Investing activities		
Increase in Non Current Investments	-	
Increase in Current Investments	(24,90,903)	
Purchase of Fixed Assets	(25,13,23,167)	
Sale of Fixed Assets	1,25,989	
Decrease in Short Term Loans & Advances	5,67,86,660	
Decrease in Long Term Loans & Advances	18,61,293	
Short Term Capital Gain (On Mutual Fund)	59,996	
Net cash from investing activities		(19,49,80,132)
C. Cash flows from Financing activities		
Share Premium	-	
Interest Received	51,67,928	
Dividend Received	-	
Dividend Paid	(29,69,000)	
Issuance of Equity shares	-	
Proceeds from long-term borrowings (Net of repayment)	-	
Interest paid	(29,06,531)	
Net cash available from financing activities		(7,07,603)
Net increase in cash and cash equivalents (A + B + C)		(22,01,19,108)
Cash and cash equivalents at beginning of period		27,87,82,100
Cash and cash equivalents at the end of period		5,86,62,992

For S. C. Makhecha & Associates

Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha

Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

**For and on behalf of Macpower CNC
Machines Ltd.**

Mr. Rupeshbhai J. Mehta
(Managing Director)
DIN: 01474523

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mrs. Riyaben R. Mehta
(Director)
DIN: 01603726

Mr. Sagar Rajyaguru
(Company Secretary)
Membership No. A61544

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2020**

NOTE 01**NOTES TO ACCOUNTS :****1 SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION**

The Financial statements of the company are prepared on the basis of Historical Cost Convention using Mercantile System of Accounting in accordance with the generally accepted accounting principles in India (Indian GAAP). GAAP comprises mandatory accounting standards as issued by The Institution of Chartered Accountants of India and as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by Securities and Exchange Board of India.

b) RECOGNITION OF REVENUE

Revenue from Sale of Machine is recognised as and when all significant risk & rewards of ownership is transferred to buyer and with reasonable certainty that future inflow of cash or cash equivalent will flow to the company. In the absence of the reasonable certainty, revenue recognition is postponed to the extent uncertainty.

Revenue from Service and Maintenance is recognised as revenue after the service is rendered or provided and with certainty of economy benefit to be received.

c) PROPERTY, PLANT & EQUIPMENT:

Property, Plant & Equipment are recorded at Historical Cost less accumulated depreciation thereon. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

d) DEPRECIATION :

Depreciation on Fixed Assets is provided on Straight Line Method at the rates worked out on the basis of useful lives prescribed under Part C of Schedule II of Companies Act, 2013.

From the current financial year ie FY 2019-20, company changed method of providing depreciation. Till previous FY 2018-19, company provided depreciation on the written down value method. From current year, method is changed to Straight Line Method. Company considered change in method would result in a more appropriate preparation & presentation of the financial statements.

Recomputation of depreciation retrospectively as per the new method, resulted into surplus of Rs.2,45,35,602/-, which is credited to the Statement of Profit and Loss of the current year.

e) IMPAIRMENT OF ASSETS:

Impairment loss to the assets is recognised where the management has reason to believe that there is sudden change in event, circumstances and technologies, the reason to which future economy benefit which could have been flow to the company, will not be derived so long as estimated by the management.

Company duly carried out Impairment Test to assess the impact of COVID-19 on the carrying value of the assets. However, none of the assets carrying value was found more than their recoverable amount.

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2020**

NOTE 01**NOTES TO ACCOUNTS :**f) **INVESTMENTS :**

Investments are stated at cost plus Accrued Return on Investments if any.

g) **NON CURRENT ASSETS**

Non Current Assets comprises of expenditure incurred the benefit of which derived by way of future inflow of resources and economy benefit to the company in long run of business. The benefit of expenditure incurred is not limited to one particular period company continue to enjoy the same year over year.

h) **CURRENT ASSETS, LOANS & ADVANCES:****CURRENT ASSETS****INVENTORIES:**

Raw Materials, Work in Progress and Finished Goods are valued at Cost or Net Realisable Value whichever is lower. Waste & Scrap are valued at net realizable amount.

Cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to the present location and condition.

TRADE RECEIVABLES:

Amount due from customer for sale of product or services is recognised at its fair value i.e. amount recoverable from customer. Any uncertainty is identified by the management in recoverable amount, treatment of the same is reported accordingly in Profit and Loss account by way of Provision.

OTHER CURRENT ASSETS, LOANS & ADVANCES

Other current assets, loans and advances are recorded at net realizable value in the ordinary course of business.

i) **CURRENT LIABILITIES****TRADE PAYABLES:**

Amount due to vendor or supplier is recognised where all significant risk & rewards is transferred to the company with satisfaction of contractual agreement between the company & vendor and with certainty that future outflow of resources of the company.

OTHER CURRENT LIABILITIES:

Other current liabilities recorded at fair value of future outflow of resources of the Company to meet the obligation existed on the reporting date.

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2020**

NOTE 01**NOTES TO ACCOUNTS :****j) PROVISION, CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The provision is recognised when company has present obligation as a result of past events and it is probable that future outflow of the economy benefit with reasonable certainty will be required to settle the present obligation.

Contingent Liability is recognised when there is present obligation as a result of past event where existence of the same depends upon the occurrence and non occurrence of one or more future uncertain events. Contingent Liability is probable outflow of the resources of the company depends upon the future uncertain events, such liability is disclosed by way of Notes to Accounts in Financial Statements.

Contingent Assets, which can not be measured reliably and future economy benefit is uncertain, is not recorded by the company.

k) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on the date of settlement for the revenue items are recognised in Profit & Loss Statement.

Exchange rate fluctuation in relation to assets imported from Foreign Countries is recognised to the specific assets respectively.

l) BORROWING COSTS

Borrowing Cost which are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as a part of cost of acquisition of assets. Qualifying asset is an asset which takes substantial period of time to get ready for intended use of the management. Borrowing costs are capitalised till the assets is ready for the intended use, once the assets is ready to use borrowing cost incurred thereafter is recognised as revenue expenditure in Profit and Loss account.

2 USE OF ESTIMATES

In preparation and presentation of Financial Statements it requires the management to make estimates, judgement and assumptions based upon the facts and circumstances of each case which may differ from case to case basis that affects the assets or liabilities reported as on the date of Financial Statement and income or expenditure reported during the period of Financial Statements.

Actual result may differ from the estimate, judgements and assumption made on the reporting date or reporting period. Management evaluation of relevant facts & circumstances depends upon the past experience with future uncertainties which give rise to change in estimates and assumption from period to period. Such changes, if found to be material with measured reliably, the effect of the same is disclosed in the Financial Statements.

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2020**

NOTE 01**NOTES TO ACCOUNTS :****3 DISCLOSURE AS REQUIRED IN ACCOUNTING STANDARD 18 "RELATED PARTY DISCLOSURE"**

Name of related party	Description of relationship	Nature of transaction	Amount Rs.
Mr. RUPESH J. MEHTA	Managing Director	Director's Remuneration	36,00,000
Mr. RUPESH J. MEHTA	Managing Director	Sale of Vehicle	79,500
Mr. NIKESH J. MEHTA	Director	Director's Remuneration	7,20,000
Mr. NIKESH J. MEHTA	Director	Sale of Vehicle	41,000
MODERN MACHINE TOOLS (PROP. RAXABEN MEHTA)	Relative of Director	Purchases (Parts & Tools)	6,25,634
MODERN MACHINE TOOLS (PROP. RAXABEN MEHTA)	Relative of Director	Sales	3,98,546

Note: Above details are as per information furnished by the company.

4 EXPANSION AS A PART OF VERTICAL INTEGRATION

Company, as was show cased during IPO, carried out Backward Integration. As a part of expansion, company undertook setting 3 different facilities viz. Powder Coating Plant, Machine Shop and Fabrication Shop in house. Expansion was commenced in 2018.

All the new facilities were commenced commercially during the current financial year. Powder Coating Plant was commenced on 7th February 2020 whereas Machine Shop and Fabrication Shop was up & running from 12th March 2020.

5 IMPACT OF PANDEMIC COVID-19

The outbreak of Coronavirus(COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Plant of Company was closed down from 25th March 2020 as a part of Nationwide Lockdown. The Company has evaluated impact of this pandemic on its business operations. Purchase & Production were unhurt significantly reason been, sufficient inventory was already there holding to smoothen the process, once started.

However Sales of company is hampered. During the period covered under lock down, company projected sales of Rs.100 Mn. app. Machines were almost ready for final trial to despatch. But the process was halted & machines could not be concluded. Thus majority of the machines were under Work in Progress stage at yearly cut off date. Plant resumed commercially from 21st April 2020.

6 Whenever necessary previous year figures are regrouped, recast or rearrange in conformity of the classification of current year figures.

7 Where external evidences in the form of Cash Memo, bills, receipts were not available, reliance is placed on the internal vouchers, informations and explanations given by the management.

For S. C. Makhecha & Associates

Chartered Accountants
Firm Regn. No. 120184W

For and on behalf of Macpower CNC Machines Ltd.**Sanat C. Makhecha**

Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

Mr. Rupeshbhai J. Mehta

(Managing Director)
Din No:01474523

Mrs. Riyaben R. Mehta

(Director)
DIN: 01603726

Mr. Rajnikant M. Raja

(Chief Financial Officer)

Mr. Sagar Rajyaguru

(Company Secretary)
Membership No. A61544

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
2	SHARE CAPITAL		
	Authorised Share Capital 1,00,00,000 Equity Share of Rs. 10/- each	10,00,00,000	10,00,00,000
	Issued, Subscribed & Paid up Capital 98,08,000 Equity Shares of Rs.10/- each	9,80,80,000	9,80,80,000
	Par Value of Equity Share	10/-	10/-
	Total	9,80,80,000	9,80,80,000

2.1 The details of the Shareholders holding more than 5% shares:

Sr No.	Name of the Shareholders	No. of shares	% of Holding
Equity Shareholding Pattern as on 31/03/2020			
1	Rupeshbhai J. Mehta	31,49,000	32.11%
2	Riyaben R. Mehta	17,76,600	18.11%
3	Nikeshbhai J. Mehta	12,05,900	12.30%
4	Ventage Equity Fund (Old Bridge Capital)	5,81,000	5.92%
Equity Shareholding Pattern as on 31/03/2019			
1	Rupeshbhai J. Mehta	31,49,000	32.11%
2	Riyaben R. Mehta	17,76,600	18.11%
3	Nikeshbhai J. Mehta	11,96,400	12.20%
4	Ventage Equity Fund (Old Bridge Capital)	7,14,000	7.28%

2.2 A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

Sr No.	Particulars	
1	Opening Balance 98,08,000 Equity Shares of Rs.10/- each as on 01/04/2019	98,08,000
2	Add: Shares issued during the year	-
3	Less: Shares bought back during the year	-
	Total no of Equity Share as on 31st March 2020	98,08,000

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
2.3 Terms/Rights attached to Equity Shares:			
3	RESERVE & SURPLUS :		
	- Security Premium	38,92,50,000	38,92,50,000
	-Profit & Loss A/c.		
	Opening Balance	16,83,00,451	4,54,62,435
	Add: Profit for the Year	4,12,08,078	12,64,46,235
	Dividend [Incl. Tax on Dividend of Less: Rs.6,10,287/-]	35,79,287	36,08,219
	Closing Balance	59,51,79,242	55,75,50,451
4	Deferred Tax Asset/(Liability)		
	Opening Balance	52,22,846	65,85,280
	Add: Current Year	(1,38,01,808)	(13,62,434)
	Closing Balance	(85,78,963)	52,22,846
5	LONG TERM PROVISIONS		
	-Provision for Employee Benefits		
	1 Gratuity	63,72,495	59,54,114
	Total	63,72,495	59,54,114

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
6	SHORT TERM BORROWINGS -Cash Credit 1 Loan From Banks (Secured) Total	 	
<p>Axis Bank Ltd. CC A/c. No. 914030041250678, is primarily secured by hypothecation of current assets both present and future of the company.</p> <p>ii Further Mortgage of Industrial Property Situated at Plot no.2234, GIDC Lodhika Industrail Estate , Kalawad Road, Village : Methoda , Taluka : Lodhika , Rajkot.</p> <p>iii. Further mortgage of Residential property situated at Panchratna Park, Street no.1, Opp. Jalaram Hospital Street , B/h Panchvati Hall, Rajkot.</p> <p>iv. The facility is further guaranteed by the personal gurantee of Mr. Rupeshbhai Mehta and Mrs. Seemaben Mehta.</p> <p>Repayment Terms : Repayable on Demand.</p>			
7	TRADE PAYABLES -Acceptances 1 Advances Received against supply of Machines or Services -Other than Acceptances (a) Total outstanding dues of Micro, Small & Medium Enterprises (b) Total outstanding dues of creditors other than Micro, Small & Medium Enterprise Total	 	
<p>Note: Identification of Creditors into MSME & others is done on the basis of information available with the Company and relied upon by auditor</p>			
8	OTHER CURRENT LIABILITIES -Current Maturities of Long Term Debt 1 Loan From Banks 2 Loan From Financial Institution -Duties & Taxes 1 Cash Ledger(GST) 2 Central Tax 3 State Tax 4 CST Diff Payable(C Form Not Recd) 5 Delhi Office Exp. Payable 6 Integrated Tax Balance B/f	 	

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
	Duties & Taxes Cont..		
	Balance C/d	4,02,320	31,75,695
	7 Professional Tax - Workers	81,030	1,60,960
	8 Tax Deducted at Source	2,60,554	4,58,518
	9 TCS - SCRAP	1,012	1,861
	-Others		
	10 Jaipur Office Exp. Payable	-	19,448
	11 Pune Office Exp. Payable	-	23,330
	12 Security Deposit (Dealer)	21,000	-
	13 IT Refund Wrongly Received	10,400	10,400
	14 Subsidy Wrongly Received	1,00,000	-
	TOTAL	8,76,316	38,50,212
9	SHORT TERM PROVISIONS		
	-Provision For Employee Benefits		
	1 Bonus	13,94,582	20,34,175
	2 Provident Fund	7,12,874	6,42,355
	-Others		
	1 Audit Fees Payable	1,80,000	2,70,000
	2 Unpaid Dividend	22,000	20,000
	3 Electricity (Power) Exp.	61,532	1,99,910
	4 Income Tax Provision	29,29,407	5,33,00,161
	5 Internet Expenses	606	1,621
	6 Mobile Bill Exp.	13,917	18,475
	7 Pre Received Income - AMC	-	9,55,892
	8 Telephone Exp.	-	1,096
	TOTAL	53,14,918	5,74,43,685
11	LONG TERM LOANS AND ADVANCES		
	-Unsecured Considered Good		
	1 Deposits	82,22,481	1,00,83,774
	TOTAL	82,22,481	1,00,83,774
12	OTHER NON CURRENT ASSETS		
	1 Preliminary Expense	1,34,63,518	1,73,58,397
	TOTAL	1,34,63,518	1,73,58,397

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
13	CURRENT INVESTMENTS		
	1 Axis Liquid Fund (Direct Growth)	1,24,90,903	1,00,00,000
	TOTAL	1,24,90,903	1,00,00,000
14	TRADE RECEIVABLES		
	-Outstanding Unsecured Considered Good		
	- Outstanding for a period exceeding six months from the date they are due for payment	2,14,00,130	1,38,80,345
	- Others Receivables	1,11,82,441	7,26,71,329
	TOTAL	3,25,82,571	8,65,51,674
15	CASH & BANK BALANCES		
	CASH & CASH EQUIVALENTS		
	-Balance with Banks		
	1 AXIS BANK LTD (IPO) CA	68,132	4,12,635
	2 AXIS BANK LTD CC	1,11,74,532	2,19,28,912
	3 Axis Bank Ltd. - 381303	-	28,852
	4 AXIS Bank Ltd. (Dividend A/c) - 487155	20,000	20,000
	5 AXIS Bank Ltd. (Dividend A/c) - 314436	2,000	-
	6 Axis Bank Ltd. CA - 976398	1,01,08,875	2,19,642
	7 AXIS Bank Ltd. EEFC A/c.	-	10,49,870
	8 State Bank Of India - 88792	19,022	27,904
	-Cash on Hand	4,01,899	1,10,585
	OTHER BANK BALANCES		
	1 Axis Bank Fixed Deposits (Maturity less than 12 months)	3,68,68,531	25,49,83,700
	TOTAL	5,86,62,992	27,87,82,100
16	SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
	1 Advances to Employees	9,65,150	14,79,530
	2 Advances to Suppliers	81,12,765	3,37,05,323
	3 Balance With Revenue Authorities	2,90,80,924	5,99,83,063
	4 PGVCL Interest Receivable	41,704	23,600
	5 Prepaid Expense	6,94,807	4,61,494
	TOTAL	3,88,95,350	9,56,53,010

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2020

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
17	CONTINGENT LIABILITIES & COMMITMENTS		
	1 Claims against company not acknowledged as debt (incl. disputed statutory dues)	1,30,93,392	1,39,27,358
	2 Guarantees issued by bank on behalf of company	2,92,51,307	2,62,87,185
	TOTAL	4,23,44,699	4,02,14,543

Signature to Notes 1 to 24
For S. C. Makhecha & Associates
Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha
Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

Mr. Rupeshbhai J. Mehta
(Managing Director)
DIN: 01474523

Mrs. Riyaben R. Mehta
(Director)
DIN: 01603726

For and on behalf of Macpower CNC Machines Ltd.

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Sagar Rajyguru
(Company Secretary)
Membership No. A61544

NOTE 10 : PROPERTY, PLANT & EQUIPMENT AS ON 31st MARCH 2020

Sr. No.	Particulars	Gross Block			Depreciation					Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded. During	Upto	As at	As at
		01.04.2019	the year		31.03.2020	31.03.2019	year	the year	31.03.2020	31.03.2020	31.03.2019
1	A - Tangible Assets										
1	Air Cleaner	30,424	-	-	30,424	1,964	2,890	1,243	3,611	26,813	28,460
2	Air Conditioner	1,645,597	174,258	-	1,819,855	1,368,060	56,377	120,893	1,303,544	516,311	277,537
3	Air Conditioner - Delhi Branch	-	63,747	-	63,747	-	4,835	-	4,835	58,912	-
4	Air Conditioner - Gurgaon Branch	-	38,176	-	38,176	-	1,500	-	1,500	36,676	-
5	Attendance Machine	87,536	-	-	87,536	25,041	7,122	8,292	23,871	63,665	62,495
6	Bmw Car 530d G3-Fk 2134	5,819,378	-	-	5,819,378	4,870,726	691,342	1,539,504	4,022,564	1,796,814	948,652
7	Balancing Machine (IPO)	-	339,107	-	339,107	-	1,117	-	1,117	337,989	-
8	Band Saw Machine LK-2 HS (IPO)	-	139,891	-	139,891	-	461	-	461	139,430	-
9	Camera	481,243	31,450	-	512,693	332,363	44,036	112,302	264,097	248,596	148,880
10	Camera - Delhi Branch	-	52,530	-	52,530	-	4,662	-	4,662	47,868	-
11	Camera - Gurgaon Branch	-	56,020	-	56,020	-	3,980	-	3,980	52,040	-
12	Car Amaze	-	700,000	-	700,000	-	52,155	-	52,155	647,845	-
13	Car Land Rover	5,574,754	-	-	5,574,754	2,570,692	662,281	1,399,057	1,833,915	3,740,839	3,004,062
14	Car Maruti Baleno Zeta	908,962	-	-	908,962	244,138	107,985	151,280	200,843	708,119	664,824
15	Car Maruti Ignis Zeta	646,038	-	-	646,038	173,536	76,749	107,532	142,754	503,284	472,502
16	Car Maruti Wagon R	488,715	-	-	488,715	133,828	58,059	82,926	108,961	379,754	354,887
17	CNC Vertical Liner Gudiway Type Machine Center	-	5,754,937	-	5,754,937	-	18,963	-	18,963	5,735,974	-
18	Compressor - Delhi Branch	15,000	-	-	15,000	2,245	1,425	1,421	2,249	12,751	12,755
19	Computer - Gurgaon Branch	-	36,317	-	36,317	-	9,220	-	9,220	27,097	-
20	Computer - Pune Branch	6,610	-	-	6,610	1,373	2,093	684	2,782	3,828	5,237
21	Computer System	3,635,959	1,492,564	-	5,128,523	2,550,845	1,042,930	564,837	3,028,938	2,099,585	1,085,114
22	Computer (IPO)	-	103,800	-	103,800	-	15,558	-	15,558	88,242	-
23	Crain	1,137,781	-	-	1,137,781	476,034	72,022	278,851	269,205	868,576	661,747
24	Crain Ipo	1,486,170	-	-	1,486,170	119,390	94,075	77,637	135,828	1,350,342	1,366,780
25	Crain EOT (IPO)	-	11,166,100	-	11,166,100	-	36,793	-	36,793	11,129,307	-
26	Cylindrical Grinding Machine (Kellenberger) (IPO)	-	31,913,131	-	31,913,131	-	105,156	-	105,156	31,807,975	-
27	Double Column Machining Centre 5*3 Mt + Frame(IPO)	-	33,166,425	-	33,166,425	-	109,286	-	109,286	33,057,139	-
28	Double Column Machining Centre [DCM] 4*2.5 Mt (IPO)	-	25,940,190	-	25,940,190	-	85,475	-	85,475	25,854,715	-
29	DG Set (IPO)	-	845,000	-	845,000	-	2,784	-	2,784	842,216	-
30	Diaphragm Pump Set (IPO)	-	150,500	-	150,500	-	496	-	496	150,004	-
31	Electric Fitting - Abad Office	78,686	-	-	78,686	16,760	7,475	10,610	13,625	65,061	61,926
32	Electric Fitting - Delhi Office	41,000	-	-	41,000	6,727	3,895	4,259	6,363	34,637	34,273
33	Electric Fitting - Gurgaon Branch	-	63,773	-	63,773	-	4,083	-	4,083	59,690	-
	Balance c/f	22,083,852	112,227,915	-	134,311,768	12,893,721	3,387,281	4,461,327	11,819,674	122,492,093	9,190,132

NOTE 10 : PROPERTY, PLANT & EQUIPMENT AS ON 31st MARCH 2020

Sr. No.	Particulars	Gross Block			Depreciation					Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded. During	Upto	As at	As at
		01.04.2019	the year		31.03.2020	31.03.2019	year	the year	31.03.2020	31.03.2020	31.03.2019
	Balance b/d	22,083,852	112,227,915	-	134,311,768	12,893,721	3,387,281	4,461,327	11,819,674	122,492,093	9,190,132
34	Electric Fitting (IPO)	1,251,000	3,341,004	-	4,592,004	335,094	135,367	210,063	260,398	4,331,606	915,906
35	Electric Installation	1,579,706	8,068	-	1,587,774	986,723	76,493	152,024	911,193	676,580	592,982
36	Electric Installation - Jaipur Branch	49,624	-	-	49,624	5,434	4,690	3,440	6,685	42,939	44,190
37	Electric Installation - Pune Branch	16,072	-	-	16,072	1,322	1,527	837	2,012	14,059	14,749
38	Electric Installation - Delhi Branch	137,113	-	-	137,113	20,916	13,026	13,240	20,701	116,411	116,197
39	ETP Plant (IPO)	-	541,000	-	541,000	-	4,973	-	4,973	536,027	-
40	Factory Building Office Unit II	3,208,037	-	-	3,208,037	2,169,403	101,695	1,027,593	1,243,504	1,964,533	1,038,634
41	Factory Building Unit II	19,299,540	315,652	-	19,615,192	10,307,526	616,636	5,071,203	5,852,959	13,762,233	8,992,014
42	Factory Building (Machine Shop) (IPO)	-	44,829,754	-	44,829,754	-	73,975	-	73,975	44,755,779	-
43	Factory Building (Fabrication Shop) (IPO)	-	18,310,000	-	18,310,000	-	30,214	-	30,214	18,279,786	-
44	Factory Building (Powder Coating) (IPO)	-	10,158,414	-	10,158,414	-	46,158	-	46,158	10,112,256	-
45	Furniture	3,510,765	59,839	-	3,570,604	2,551,648	125,177	221,350	2,455,475	1,115,129	959,117
46	Furniture (IPO)	-	1,060,599	-	1,060,599	-	5,245	-	5,245	1,055,354	-
47	Furniture - Delhi Branch	871,202	-	-	871,202	117,123	82,764	74,140	125,747	745,455	754,079
48	Furniture - Abad	185,430	-	-	185,430	45,859	17,616	29,029	34,445	150,985	139,571
49	Furniture - Gurgaon	-	26,500	-	26,500	-	1,986	-	1,986	24,514	-
50	Furniture - Gurgaon Branch	-	133,681	-	133,681	-	10,006	-	10,006	123,675	-
51	Furniture - Jaipur	500,141	-	4,901	495,240	61,591	47,281	39,452	69,420	425,820	438,550
52	Furniture - Pune	521,906	-	-	521,906	260,820	49,581	140,536	169,865	352,041	261,086
53	Furniture-Delhi	46,900	2,200	-	49,100	9,814	4,613	6,022	8,405	40,695	37,086
54	Generator	227,975	-	-	227,975	170,852	21,658	78,869	113,640	114,335	57,123
55	GIDC Plot A/c.	3,345,978	1,279,030	-	4,625,008	-	-	-	-	4,625,008	3,345,978
56	Hero Honda Cd Deluxe 1928	45,625	-	-	45,625	41,525	4,334	6,208	39,651	5,974	4,100
57	Hero Honda Cd Deluxe 2248	45,625	-	-	45,625	41,525	4,334	6,208	39,651	5,974	4,100
58	Herohonda Hf Dulexe-1	51,500	-	-	51,500	13,697	4,893	8,604	9,986	41,514	37,803
59	Herohonda Hf Dulexe-2	51,500	-	-	51,500	13,697	4,893	8,604	9,986	41,514	37,803
60	Honda Activa	60,671	-	-	60,671	37,576	5,764	14,837	28,503	32,168	23,095
61	Horizontal Machining Center TH5050- (IPO)	-	11,745,823	-	11,745,823	-	38,703	-	38,703	11,707,120	-
62	Horizontal Machining Center TH6363- (IPO)	-	15,345,176	-	15,345,176	-	50,563	-	50,563	15,294,612	-
63	Laser Ball Bar Instrument	2,320,214	-	-	2,320,214	2,138,804	28,570	176,451	1,990,922	329,292	181,410
64	Laser Ball Bar Instrument - Ipo	3,259,734	-	-	3,259,734	571,729	206,341	371,870	406,200	2,853,534	2,688,005
65	Maruti Alto 800 Car	301,058	-	301,058	-	253,622	-	253,622	0	-	47,436
	Balance c/f	62,971,167	219,384,655	305,959	282,049,862	33,050,021	5,206,356	12,375,530	25,880,847	256,169,016	29,921,146

NOTE 10 : PROPERTY, PLANT & EQUIPMENT AS ON 31st MARCH 2020

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded. During	Upto	As at	As at
		01.04.2019	the year		31.03.2020	31.03.2019	year	the year	31.03.2020	31.03.2020	31.03.2019
	Balance b/d	62,971,167	219,384,655	305,959	282,049,862	33,050,021	5,206,356	12,375,530	25,880,847	256,169,016	29,921,146
66	Maruti Ciaz	1,037,258	-	-	1,037,258	552,682	123,226	298,594	377,314	659,944	484,576
67	Maruti Ertiga Car Zdi	928,449	-	-	928,449	779,522	110,300	235,626	654,195	274,254	148,927
68	Material Movment	3,446,856	-	-	3,446,856	1,142,636	218,186	795,627	565,195	2,881,661	2,304,220
69	Material Movment Ipo	779,000	53,000	-	832,000	56,013	50,963	36,424	70,552	761,448	722,987
70	Metoda Factory Const.	8,704,721	-	-	8,704,721	6,618,801	275,940	2,712,485	4,182,255	4,522,466	2,085,920
71	Nissan Micra Car	594,953	-	594,953	-	565,205	-	565,205	0	(0)	29,748
72	Office Equipments	583,501	345,100	-	928,601	480,101	74,717	78,293	476,525	452,076	103,400
73	Office Equipments - Delhi	13,475	1,949	-	15,424	3,511	2,745	2,031	4,225	11,199	9,964
74	Office Equipments - Pune	8,800	-	-	8,800	1,304	1,672	754	2,222	6,578	7,496
75	Pattern	10,978,416	2,281,575	-	13,259,991	5,164,108	731,285	2,786,628	3,108,764	10,151,225	5,814,306
76	Plant & Machinery	4,861,206	174,598	-	5,035,804	2,734,600	309,637	1,501,088	1,543,149	3,492,655	2,153,221
77	Plant & Machinery - IPO	7,293,561	9,321,742	-	16,615,303	313,126	495,817	203,618	605,324	16,009,979	7,028,311
78	Powder Coating Plant (IPO)	-	12,271,148	-	12,271,148	-	111,834	-	111,834	12,159,315	-
79	Press Brake Bending Machine (IPO)	-	10,000,000	-	10,000,000	-	32,951	-	32,951	9,967,049	-
80	R & D Machinery	2,899,588	-	-	2,899,588	1,257,983	275,461	776,871	756,573	2,143,015	1,641,605
81	R O System	254,475	132,600	-	387,075	236,279	16,924	12,384	240,820	146,255	18,196
82	R O System (IPO)	-	424,500	-	424,500	-	4,198	-	4,198	420,302	-
83	Refrigerator	16,817	5,800	-	22,617	959	1,863	607	2,215	20,402	15,858
84	Refrigerator - Delhi Branch	9,144	-	-	9,144	1,368	869	866	1,371	7,773	7,776
85	Refrigerator - Gurgaon Branch	-	9,314	-	9,314	-	715	-	715	8,598	-
86	Staff Bus Eicher 41	1,533,585	-	-	1,533,585	1,309,792	182,190	319,587	1,172,394	361,191	223,793
87	Submersible Pump	436,968	14,500	-	451,468	93,513	42,033	46,429	89,116	362,352	343,455
88	Submersible Pump (IPO)	-	4,200	-	4,200	-	199	-	199	4,001	-
89	Surface Grinder (IPO)	-	17,389,945	-	17,389,945	-	57,076	-	57,076	17,332,869	-
90	Tata Tiago	510,946	-	-	510,946	83,937	60,700	52,007	92,630	418,316	427,009
	T-Bed Type Horizontal Boring Milling Center (IPO)	-	23,416,927	-	23,416,927	-	77,160	-	77,160	23,339,767	-
91	Telephone Epbx System	862,234	76,606	-	938,840	532,418	141,751	147,087	527,083	411,758	329,816
92	Television A/C.	390,363	-	-	390,363	188,408	45,669	23,600	210,477	179,885	201,954
93	Testing Equipments	5,196,330	-	-	5,196,330	2,704,348	295,223	1,329,573	1,669,998	3,526,332	2,491,982
94	Testing Equipments - Ipo	1,535,810	2,579,616	-	4,115,426	120,545	118,765	78,387	160,923	3,954,503	1,340,774
95	Truck Eicher	1,010,552	-	-	1,010,552	708,982	120,054	299,484	529,551	481,001	301,570
96	Vehicle Tracking System	12,924	-	-	12,924	8,010	1,228	3,886	5,352	7,572	4914
97	Water Purifier _ Jaipur Branch	6,949	-	-	6,949	1,133	1,320	655	1,798	5,151	5816
98	Water Cooler	-	50,000	-	50,000	-	1,952	-	1,952	48,048	-
99	Yamaha Fazerfi Red	99,000	-	99,000	-	59,260	-	59,260	(0)	0	39740
	Total - A	116,977,047	297,937,775	999,912	413,914,910	58,768,565	9,190,979	24,742,589	43,216,955	370,697,953	58,208,480

NOTE 10 : PROPERTY, PLANT & EQUIPMENT AS ON 31st MARCH 2020

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded. During	Upto	As at	As at
		01.04.2019	the year		31.03.2020	31.03.2019	year	the year	31.03.2020	31.03.2020	31.03.2019
	B - Intangible Assets										
101	Computer Software	2,110,256	303,000	96,500	2,316,756	1,423,869	486,652	384,882	1,525,638	791,118	686,387
102	Design HMC	900,000	-	-	900,000	691,226	85,500	304,719	472,007	427,993	208,774
103	Design VTL	300,000	-	-	300,000	136,714	28,500	78,464	86,749	213,251	163,286
104	Electrical Software (IPO)	-	480,000	-	480,000	-	37,692	-	37,692	442,308	-
105	Machine Software	-	22,000	-	22,000	-	2,100	-	2,100	19,900	-
106	Mobile Application	-	158,200	-	158,200	-	24,982	-	24,982	133,218	-
	Total - B	3,310,256	963,200	96,500	4,176,956	2,251,808	665,426	768,066	2,149,168	2,027,788	1,058,448
	C - Capital Work-in-Progress										
104	CNC Vertical Liner Gudway Type Machine Center	5,754,937	-	5,754,937	-						5,754,937
105	Double Coloumn Machining Center	25,738,560	-	25,738,560	-						25,738,560
106	Factory Building Office Unit III	23,682,380	-	23,682,380	-						23,682,380
107	Factory Building (Store) IPO	-	6,691,289	-	6,691,289	-	-	-	-	6,691,289	-
108	Sterp Software	-	906,780	-	906,780	-	-	-	-	906,780	-
	Total - C	55,175,877	7,598,069	55,175,877	7,598,069	-	-	-	-	7,598,069	55,175,877
	Grand Total (A+B+C)	175,463,180	306,499,044	56,272,289	425,689,935	61,020,373	9,856,404	25,510,654	45,366,123	380,323,810	114,442,805
	<i>For Year ended on 31st March 2019</i>	96,082,222	80,428,878	1,047,920	175,463,180	50,158,688	11,820,323	958,637	61,020,373	114,442,805	45,923,535

* Please refer to note no. 1(d) of Notes to Accounts.

For S. C. Makhecha & Associates
Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha
Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033

For and on behalf of Macpower CNC Machines Ltd.

Mr. Rupeshbhai J. Mehta
(Managing Director)
Din No:01474523

Mrs. Riyaben R. Mehta
(Wholetime Director)
DIN: 01603726

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Sagar Rajyaguru
(Company Secretary)
Membership No. A61544

NOTES TO P & L STATEMENT

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
18	REVENUE FROM OPERATION		
	-Sale of Products	80,47,31,012	1,39,36,78,164
	-Sale of Services	94,02,430	50,40,800
	Total A	81,41,33,442	1,39,87,18,964
	-Other Operating Revenues		
	Exchange Rate Difference	6,76,961	37,66,735
	Total B	6,76,961	37,66,735
	Total (A+B)	81,48,10,403	1,40,24,85,699
19	OTHER INCOME		
	1 Cash Discounts Income	36,14,864	-
	2 Duty Draw Back Income	1,35,723	-
	3 Excise Refund Income	-	2,85,320
	4 Interest on FD IPO	47,07,066	2,66,53,150
	5 Interest on Deposit	4,14,524	4,05,508
	6 Interest Income On Dep. With PGVCL	46,338	-
	7 Kasar Income	6,64,896	1,92,846
	8 Order Cancellation Charges	-	51,000
	9 Packing & Courier Charges	66,677	36,314
	10 Profit on Sale of Fixed Assets	3,17,230	75,000
	11 Short Term Capital Gain (On Mutual Fund)	59,996	15,04,173
	12 Transportation Charges	4,60,000	-
	13 Surplus due to change in method of Depreciation	-	-
	TOTAL	1,04,87,314	2,92,03,311
20	COST OF MATERIALS CONSUMED		
	Opening Stock of Raw Materials	37,27,02,850	23,32,08,131
	Add Purchases	54,23,87,964	1,14,60,10,033
		91,50,90,814	1,37,92,18,164
	Less: Purchase Return	23,18,892	50,28,370
	Total	91,27,71,922	1,37,41,89,794
	Less: Closing Stock of Raw Material	35,33,22,004	37,27,02,850
	Total	55,94,49,918	1,00,14,86,944
21	CHANGES IN INVENTORIES		
	Opening Stock	10,09,72,050	4,35,95,750
	Closing Stock	10,88,53,296	10,09,72,050
	CHANGES	(78,81,246)	(5,73,76,300)

NOTES TO P & L STATEMENT

		31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
22	EMPLOYEE BENEFIT EXPENSES		
	1 Bonus	37,46,016	45,67,135
	2 Canteen Exp.	34,42,913	45,37,369
	3 Conveyance Exp.	65,96,562	55,85,827
	4 Salary - Director	43,20,000	45,20,000
	5 Gratuity Exp.	16,53,115	12,99,257
	6 Incentives to Sales & Service Engineers	21,37,153	45,40,237
	7 Medical Exp.	71,205	39,674
	8 Provident Fund Exp.	37,35,093	33,11,297
	9 Salary Exp	8,73,53,671	9,42,28,298
	10 Staff Welfare Exp.	71,880	33,601
	11 Tea Refreshment Exp.	8,16,826	13,69,900
	Total	11,39,44,434	12,40,32,595
23	FINANCE COSTS		
	Interest Expense		
	1 Bank Interest Auto Loan	62,861	3,18,041
	2 Bank Interest - C.C. 359	17,58,638	8,30,685
	Other Borrowing Costs		
	1 Bank Commission	10,85,032	12,12,188
	Total	29,06,531	23,60,914
24	OTHER EXPENSES :		
	1 Advertisement & Sales Promo. Exp.	2,15,715	9,91,013
	2 After Sales Service Exp.	2,64,394	9,60,867
	3 AGM Exp.	-	10,500
	4 Annual Custody Fees	22,500	30,000
	5 Annual Listing Fees	15,000	15,000
	6 Books & Periodicals Exp.	-	720
	7 Brokerage & Commission Exp.	1,26,80,157	1,57,68,719
	8 Calibration Exp.	1,64,900	72,200
	9 Cleaning Exp.	9,73,826	8,22,439
	10 Components Testing Exp.	43,376	42,950
	11 Donation & CSR Exp.	-	8,63,000
	12 Cost Audit Fee	47,526	-
	13 Crane Rent Exp.	5,07,996	4,72,500
	14 Custom duty Exp	21,61,296	46,61,223
	15 Demurrage Exp.	-	10,018
	16 Power & Fuel Exp.	51,15,464	56,85,450
	17 Erection & Commissioning Charges Exp.	7,29,000	2,99,154
	18 E-Voting Charges	2,500	2,500
	19 Exhibition Exp.	23,75,495	8,81,282
	20 Export Exp	67,048	-
	21 Factory Exp.	2,03,780	2,82,727
	22 Excise & GST Exp	7,79,767	2,34,784
	23 Statutory Late Filling Fee & Interest	22,494	67,472
	24 Import Exp.	10,80,996	29,62,480
	25 Inspection Charges	9,000	-
	26 Insurance Exp.	12,46,139	11,42,197
	27 Interest Expenses	-	1,640
	28 Internal Audit Fees Exp.	35,000	3,50,000
	29 Internet Exp.	1,04,590	1,42,861
	30 Investor Relation Services	4,53,000	3,61,100
	31 Issuer Fees	32,500	32,500
	32 Job Work Exp.	3,47,23,031	7,45,61,599
	33 Legal Exp.	11,37,974	1,63,304
	34 Licence Fee	1,25,006	-
	35 Loading/Unloading Exp.	21,250	-
	Balance B/f	6,53,60,720	11,18,92,200

NOTES TO P & L STATEMENT

	31.03.2020 Amount Rs.	31.03.2019 Amount Rs.
OTHER EXPENSES :		
Balance C/d	6,53,60,720	11,18,92,200
36 Market Making Fees	2,00,000	-
37 Membership Fees	44,000	46,500
38 Octroi Exp.	-	4,326
39 Office Exp.	7,92,548	6,93,401
40 P&F Charges	7,48,784	6,61,769
41 Pattern Thermocol Exp.	20,25,161	42,45,141
42 Payments to the Auditor	2,00,000	3,00,000
43 Postage & Courier Exp.	75,402	90,356
44 Preliminary & Preoperative Exp. Written off	33,65,879	-
45 Processing Fees	-	50,670
46 Professional Fees Exp.	32,53,647	8,86,579
47 Professional Tax	7,300	7,300
48 Recruitment Charges	63,381	1,52,592
49 Rent Exp.	47,12,977	31,91,604
50 Repairs & Maintenance Exp.	36,85,224	34,11,782
51 ROC Fees	8,400	21,422
52 RTO Exp.	82,800	71,000
53 Security Services Exp	9,76,662	7,42,244
54 Share Registry Charges	85,545	77,113
55 Short Term Loss On Furniture	-	25,455
56 Stationary Exp.	16,30,196	16,74,343
57 Tech Center Opening Exp	-	48,970
58 Telephone & Mobile Exp.	7,36,663	6,79,889
59 Tender Exp.	51,444	62,352
60 Tools Exp.	30,96,305	95,56,519
61 Training Exp.	2,32,408	31,375
62 Transporation Exp.	1,48,36,753	2,00,57,918
63 Travelling Exp.	43,16,710	63,94,238
64 Uniform Exp.	9,08,723	10,47,739
65 Vehicle Exp.	19,66,508	20,16,670
66 Water Exp.	3,44,593	4,00,244
Total	11,38,08,732	16,85,41,712

Signature to Notes 1 to 24

For S. C. Makhecha & AssociatesChartered Accountants
Firm Regn. No. 120184W**Sanat C. Makhecha**Partner
M.No. 107192
Date: 02/07/2020
Place: Rajkot
UDIN: 20107192AAAAHU6033**For and on behalf of Macpower CNC Machines Ltd.****Mr. Rupeshbhai J. Mehta**(Managing Director)
Din No:01474523**Mrs. Riyaben R. Mehta**(Director)
DIN: 01603726**Mr. Rajnikant M. Raja**

(Chief Financial Officer)

Mr. Sagar Rajyaguru(Company Secretary)
Membership No. A61544

Note:

[illegible]

Note:

[illegible]



Plant & Corporate Office :

Macpower CNC Machines Limited

Plot No. 2234, Near Kranti Gate, GIDC, Metoda - 360 021,
Rajkot, Gujarat, India. ☎ +91 2827 - 287930/31 📠 +91 2827 287933

✉ sales@macpowercnc.com ✉ cs@macpowercnc.com

🌐 www.macpowercnc.com